2014/15 Budget Request

University Corporation at Monterey Bay

29 May 2014
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>$41,215,470</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>$4,231,693</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$28,303,777</td>
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<tr>
<td>Other Expenses</td>
<td>$7,585,344</td>
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<td>Net Revenue Before University Support</td>
<td>$1,094,656</td>
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<tr>
<td>Direct University Support</td>
<td>$887,000</td>
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<tr>
<td>Net Revenue After University Support</td>
<td>$207,656</td>
</tr>
<tr>
<td>Reserves</td>
<td>$0</td>
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<td>Net Revenue After Reserves</td>
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</table>

Reserves will be funded by any positive cash flow at the end of the year. Does not include depreciation of $4,009,055.
Sources of Revenue

- The Corporation’s revenue comes from the following areas:
  - Student Housing – Main Campus and Frederick Park
  - Staff, Faculty, & Educational Partner Housing – Schoonover Park I and II
  - Staff & Faculty Home Ownership Program
  - Auxiliary Enterprises – Commercial Services, Dining Services, External Conference & Event Services, & KAZU
  - Administration – Investment Income and Indirect Cost Recovery
Expenses

- Each area that provides revenue to the Corporation has corresponding expenses
- There are also areas that the Corporation supports but which do not generate revenue
  - Residential Life – Main Campus & Frederick Park
  - Child Development Center
  - Campus Support
  - Administration – Accounting, Human Resources, and Sponsored Programs Administration
14/15 Revenue & Expenses

- Housing
- Aux. Ent.
- Campus Support
- Admin

Revenue vs. Expenses
Revenue Breakdown - Housing

- Percent of total housing revenue:
  - Main Campus – 41%
  - Frederick – 20%
  - Schoonover – 37%
  - Home Ownership – 2%
Expense Breakdown - Housing

- Includes Res Life
- Percent to total housing expense:
  - Main Campus – 48.2%
  - Frederick – 26.5%
  - Schoonover – 23.2%
  - Home Ownership – 2.1%

Housing Expense - less depreciation

- Main Campus
- Frederick Park
- Schoonover Park
- Home Ownership
# 14/15 Student Housing Subsidy

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$16,421,929</td>
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<tr>
<td>Operations Expense</td>
<td>$10,663,471</td>
</tr>
<tr>
<td>Residential Life Expense</td>
<td>$2,795,931</td>
</tr>
<tr>
<td>Scholarship Expense</td>
<td>$200,000</td>
</tr>
<tr>
<td>Cash Requirements</td>
<td>$5,216,208</td>
</tr>
</tbody>
</table>

**Student Housing Subsidy**  
$2,453,691

*Does not include depreciation expense of $2,613,765*

Student Housing consists of Main Campus Operations, Frederick Park Operations, Main Campus Res Life, and Frederick Park Res Life
Revenue Breakdown – Aux Svcs

Percent of total Aux Svcs revenue
- Comm Svcs – 11%
- Dining Ops – 22%
- Conf & Events – 18%
- KAZU 90.3FM – 49%
- Child Dev Center – 0%
Expense Breakdown – Aux Svcs

- Percent of total Aux Svcs expenses
  - Comm Svcs – 2.3%
  - Dining Ops – 34.8%
  - Conf & Events – 16.8%
  - KAZU 90.3FM – 43.5%
  - Child Dev Center – 2.6%
The Corporation Provides Support for the University

- Community Outreach funds
- Contribution to strategic initiatives
- Providing office space for IT, Extended Ed & International Programs, Otter Outfitters, Monterey County Business Council, Summer Arts
- GGU Buildings (Oak Hall), University House operations, consultants to support Univ. initiatives
- Funding the build out of the Library 3rd floor and demolition to remove campus blight
- Providing support services for the Foundation
- Incurring debt to renovate the Wet Labs, classrooms, and office space
Financial Support: Direct and Indirect

- Direct support for the University
  - Scholarships, Community Outreach Funds, Unrestricted Contribution
  - $887,000

- Indirect support for the University
  - GGU lease, University House operations, Reading Center operations, debt incurred, consultants, etc.
  - $1,172,365
Financial Support: Unrestricted

- Annual contribution to support the University
  - No conditions attached to the contributions but have been traditionally used for one-time strategic initiatives determined by the University Senior Leadership Team
- $29.3 million transferred to date
  - (including funds in support of the Library project)
  - (including funds for demolition to remove campus blight)
- $500,000 budgeted for 2014/15
Financial Support: $29.3M Transferred to Date

- $0
- $1,000,000
- $2,000,000
- $3,000,000
- $4,000,000
- $5,000,000
- $6,000,000


- Corporation
- Library
Financial Support: Debt Service

- **Total Debt Service**
  - SRB Leases: $100.8 million
    - Renovation of Sanderling Hall
    - Construction of North Quad Housing
    - Refinancing of Series 1998, 1999, and 2001 Bonds – which include Renovations of Cypress to Tortuga Halls, Wet Labs, Classrooms, Office Space, and the Black Box Cabaret

- **Annual Debt Service**
  - SRB Lease Payments: $4.74 million
Financial Support: Debt Service

Total SRB Leases
- Sanderling Lease: $36.6
- NQH Lease: $55.6
- 2005 Refinancing: $8.5

SRB Annual Lease Payments
- Sanderling Lease: $1.9
- NQH Lease: $2.4
- 2005 Refinancing: $0.4

In millions of dollars
Reserves

- Working Capital and Current Operations
  - Minimum Required: $6,937,576
    - Minimum met – no addition budgeted

- Capital Replacement
  - Minimum Required: $3,000,000
    - Minimum met – no addition budgeted

- Future Operations
  - Minimum Required: None set at this time
    - No addition budgeted

- Audit Disallowance
  - Minimum Required: $310,559
    - Minimum met – no addition budgeted
### Summary

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Corporation staff recommends the approval of the 2014/15 Budget Request
Questions?