

ASI & TSC
2017-2018
BUDGET



**ASSOCIATED
STUDENTS, INC.**

CALIFORNIA STATE UNIVERSITY, FULLERTON™

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EXECUTIVE SUMMARY

INTRODUCTION

The Associated Students, CSUF, Inc. (ASI) is a 501(c)3 nonprofit corporation and operates as an auxiliary organization of California State University, Fullerton. ASI consists of two major divisions, the Associated Students and the Titan Student Centers. All regularly matriculated students are members of ASI. At the time CSUF students enroll in classes, they are assessed the Associated Student Body fee (ASI) of \$75.34 per semester, which funds the operation of the Associated Students, and the Student Body Center fee (TSC) of \$136.41 per semester, which funds the operation of the Titan Student Centers. Funds of the two divisions are kept in separate ledgers, checking accounts, and are accounted for in separate audited financial statements.

As an auxiliary organization, Associated Students does not receive funding from state sources, with the exception of Children’s Center grants, and does not fund campus operations funded by state sources.

BUDGET PROCESS

Operating managers and supervisors prepare income and expense projections based on past experience, run-rate analysis, usage assumptions, and likely inflation. These projections then undergo management review prior to proposal to the respective governing committees and boards. The ASI Board of Directors ultimately approves the entire ASI Budget.

OVERVIEW

The Consolidated Operating Budget for Associated Students, CSUF, Inc. includes the operating budgets for the two divisions supported respectively by the ASI and TSC fees. The consolidated Associated Students operating budget was approved by the ASI Board of Directors March 21, 2017.



FEE REVENUE

Fee revenue projections for both divisions (ASI and TSC) is based on current year enrollment. For the 2017-2018 academic year, all mandatory student fees will increase by 1.8% over the previous year, adjusted for inflation based on the Higher Education Price Index, as set forth in the CSUF Student Success Initiative that took effect in Fall 2014.

ASSOCIATED STUDENT FEE REVENUE

The 2017-2018 Associated Students fee will total \$75.34 for the Fall and Spring semesters, with \$22.40 of that allocated directly to Athletics. The fee for Summer Session is \$5.00 with no percentage designated for athletics.

ASSOCIATED STUDENTS						
ASI FEE REVENUE PROJECTION FY 2017-2018						
Non-Directed ASI Fee		Summer 2017		Fall 2017		Spring 2018
	Projected Students	8,133		40,239		39,748
	Less: Waivers	0		180		150
	Budgeted Student Headcount	8,133		40,059		39,598
	Non-Directed ASI Fee	\$5		\$52.94		\$52.94
	Budgeted Fees Available	\$40,665		\$2,120,723		\$2,096,318
				Total Non-Directed ASI Fees:		\$4,257,707
Athletics		Summer 2017		Fall 2017		Spring 2018
	Projected Students	8,133		40,239		39,748
	Less: Waivers	0		180		150
	Budgeted Student Headcount	8,133		40,059		39,598
	Athletic Fee			\$22.40		\$22.40
	Budgeted Fees Available			\$897,322		\$886,995
				Total Athletics Fees:		\$1,784,317
				Total Projected Fees:		\$6,042,023

TITAN STUDENT CENTERS FEE REVENUE

The 2017-2018 Titan Student Centers Fee will total \$136.41 for the fall and spring semesters. The fee for Summer Session is \$60.00.

TITAN STUDENT CENTERS TSC FEE REVENUE PROJECTION FY 2017-2018			
Campus/Student Union Fee	Summer 2017	Fall 2017	Spring 2018
Projected Students	8,133	40,239	39,748
Less: Waivers	0	180	150
Budgeted Student Headcount	8,133	40,059	39,598
Non-Directed TSC Fee	\$60.00	\$136.41	\$136.41
Budgeted Fees Available	\$487,980	\$5,464,448	\$5,401,563
		Total Projected TSC Fees	\$11,353,991



ASSOCIATED STUDENTS REVENUE FUND BALANCE

ASI fees are held by the university and transferred to ASI on an expense reimbursement basis. It is estimated the fiscal year will begin with a balance of \$494,767 and enrollment revenue will provide \$6,042,023.

ASI	2015-16 ACTUAL	2016-17 REVISED ESTIMATE*	2017-18 PROPOSED
ASB Depository Fund (TB001)			
Prior year fund balance	\$219,464	\$106,526	\$494,767
Depository fees	\$5,733,806	\$5,876,601	\$6,042,023
Interest Income	\$13,764	\$12,930	\$15,500
Sub-total	\$5,967,034	\$5,996,057	\$6,552,290
LESS: Budget	\$5,860,508	\$5,501,290	\$6,204,964
Ending Fund Balance	\$106,526	\$494,767	\$347,326

*Actual as of December 31, 2016



TITAN STUDENT CENTERS REVENUE FUND BALANCE

Campus Union fees are held by the university and transferred to ASI at the beginning of each fiscal year. It is estimated the fiscal year will begin with a balance of over \$9,832,137 and enrollment revenue will provide \$11,353,991.

TSC	2015-16 ACTUAL	2016-17 REVISED ESTIMATE*	2017-18 PROPOSED
Revenue Fund (TCUOP)			
Prior year fund balance	\$7,214,555	\$8,683,694	\$9,832,137
Fee Revenue	\$10,802,894	\$10,622,178	\$11,353,991
Interest Income - Revenue Fund	\$62,020	\$40,598	\$50,000
Sub-total	\$18,079,469	\$19,346,470	\$21,236,128
LESS:			
Adjustments & return to operations	\$7,000,000	\$7,700,000	\$8,150,000
Net transfers to interest & redemption fund	\$2,352,046	\$1,790,226	\$2,310,650
General overhead expense	\$43,729	\$24,106	\$57,000
Transfers to repair & replacement fund (TCUMR)			\$1,000,000
Transfer to catastrophic fund			
Sub-total	\$9,395,775	\$9,514,332	\$11,517,650
Ending Fund Balance	\$8,683,694	\$9,832,137	\$9,718,478
*Actual as of December 31, 2016			
Repair/Replacement Fund Balances Estimate (TCUMR)	\$695,731	\$695,731	\$1,695,731
Catastrophic Fund Balance Estimate (TCUCE)	\$2,422,551	\$2,436,863	\$2,436,863

CONSOLIDATED BUDGET

Associated Students, CSUF, Inc. 2017-2018 Consolidated Budget			
Income	Consolidated ASI, CSUF, Inc.	Associated Students	Titan Student Centers
Children's Center Parent Fees	\$549,832	\$549,832	
Contract/Dept of Education	\$484,952	\$484,952	
Contract/CSU & Child Nutrition	\$106,780	\$106,780	
Children's Center Certified Fees	\$29,586	\$29,586	
TSC Chargeback	\$1,781,528	\$1,781,528	
Service Chargeback	\$406,122		\$406,122
Titan Rec Registration/Class Fees	\$598,057		\$598,057
Dining Commissions	\$111,000		\$111,000
General Merchandise	\$35,982		\$35,982
Fundraising/Interest	\$120,000	\$95,000	\$25,000
General Year End	\$135,000	\$135,000	
TBB Games	\$82,567		\$82,567
Facility/Equipment Rental	\$188,722		\$188,722
Discount Tickets Sales	\$56,255		\$56,255
Computer/Personnel Services	\$68,071		\$68,071
IRA Management Fee	\$210,000	\$210,000	
Retail Services	\$68,711		\$68,711
Total Income	\$5,033,165	\$3,392,678	\$1,640,487
Expenses	Consolidated ASI, CSUF, Inc.	Associated Students	Titan Student Centers
Staff Wages	\$4,367,565	\$2,418,149	\$1,949,416
Student Wages	\$2,606,125	\$980,161	\$1,625,964
Staff/Student Benefits	\$1,919,539	\$990,992	\$928,547
Contract Wages	\$141,197	\$141,197	
Student Leader Awards	\$387,282	\$357,012	\$30,270
Supplies/Merchandise	\$689,874	\$320,410	\$369,464
Printing/Advertising	\$183,117	\$146,280	\$36,837
Communication/Postal	\$85,291	\$31,578	\$53,713
Contract/Fees/Rental	\$4,890,684	\$1,590,629	\$3,300,055
Repairs/Minor Construction	\$359,635	\$107,125	\$252,510
Travel	\$540,438	\$450,545	\$89,893
Dues/Subscription	\$29,888	\$17,685	\$12,203
Staff Development	\$90,175	\$88,175	\$2,000
Insurance	\$214,592	\$70,137	\$144,455
Utilities	\$737,300	\$30,000	\$707,300
Research Grants	\$22,500	\$22,500	
Capital Improvement	\$210,000		\$210,000
Contingency	\$71,280	\$50,000	\$21,280
Presidential Discretionary	\$750	\$750	
Athletics	\$1,784,317	\$1,784,317	
Total Expenses	\$19,331,549	\$9,597,642	\$9,733,907

BUDGET ASSUMPTIONS AND HIGHLIGHTS

STAFFING

Associated Students employs over 350 CSUF students during the academic year and as many as 400 during the summer session. State of California minimum wage increases will continue to impact ASI staffing costs. In addition, ASI employs over 60 full-time professional staff

MANDATED BENEFITS

ASI pays unemployment and workers compensation insurance through the Auxiliary Organizations Risk Management Authority (AORMA). Rates are expected to remain flat. Employer contributions for benefits remain at the existing rates for FICA (6.20%) and Medicare (1.45%) for a total of 7.65%.

DISCRETIONARY BENEFITS

ASI participates in CalPERS medical and retirement plans. Both current and future retiree medical contributions are funded by the post retirement VEBA established for this purpose. This long-term liability is on schedule for full funding in five to six years. Currently there are 19 retirees from the ASI fund and 9 retirees from the TSC fund for a total annual projected cost of \$241,864.

The proposed budget assumes continued participation in the CalPERS defined benefit pension plan. Associated Students, as employer, will contribute to the pension plan at an estimated rate of 12.2% for Tier 1 employees, 10.9% for Tier 2 and 7.0% for Tier 3, subject to Public Employee Pensions Reform Act (PEPRA). These factors include the amortization of the unfunded liability over 30 years.

BUDGET

ASSOCIATED STUDENTS FUND

The Associated Students Fund provides for student governance, students' role in shared governance of the university, programming of student activities, funding of campus organizations, and athletics.

In addition to leadership opportunities, ASI provides the campus community with social, cultural, and recreational programs and services. Associated Students encourages and supports the activities of all university-recognized student organizations.

Since 1971, ASI has operated a children's center that provides quality childcare services for the CSUF campus community. Child care services are primarily provided to children of CSUF students in order to support the success of non-traditional students.



A portion of the ASI fee is allocated directly to CSUF Athletics. These funds are used to provide scholarships and grants to CSUF athletes. Because of this fee, all CSUF students are admitted free to many on campus athletic events.

Governance

Associated Students provides for the governance of ASI and students' role in shared governance of CSUF, advocating on behalf of student interests. Departments participating in these activities include:

- Executive Offices
- Board of Directors
- Elections

Programming

Associated Students provides programming for a variety of student interests including entertainment, culture, research, sports, and leader development and programming at both the Fullerton and Irvine campuses:

- Leader and Program Development
- Student Research Grants
- ASI Programming
- Camp Titan

Administration

Various departments provide essential services for Associated Students and the Titan Student Centers:

- Administration & Accounting
- Human Resources
- Marketing, Communication, and Design
- Children's Center



Campus Organizations

The Associated Students provides funding for activities and events of the following organizations:

Funded Campus Groups

- National Panhellenic Council
- Multicultural Greek Council
- Panhellenic
- Resident Student Association
- Inter-Fraternity Council
- Arboretum
- Athletics

Funding Groups and Interclub Councils

- College of Education
- College of Communications
- College of Business
- College of Engineering and Computer Science
- College of Natural Sciences and Mathematics
- College of Arts
- College of Health and Human Development
- College of Humanities and Social Sciences
- Sports Clubs Interclub Council
- Community Service Interclub Council
- Mesa Cooperativa
- Black Student Union



**Associated Students Budget
Fiscal Year 2017-2018**

Income	AS Total	Governance	Programming & Student Services	Admin	Campus Organizations
Children's Center Parent Fees	\$549,832			\$549,832	
Contract/Dept of Education	\$484,952			\$484,952	
Children's Center Certified Fees	\$29,586			\$29,586	
Contract/CSU & Child Nutrition	\$106,780			\$106,780	
Fundraising/Interest	\$95,000		\$75,000	\$20,000	
General Year End	\$135,000		\$125,000	\$10,000	
TSC Chargeback	\$1,781,528		\$194,616	\$1,586,912	
IRA Management Fee	\$210,000			\$210,000	
Total Income	\$3,392,678		\$394,616	\$2,998,062	
Expense	AS Total	Governance	Programming & Student Services	Admin	Campus Organizations
Staff Wages	\$2,418,149	\$49,727	\$247,959	\$2,120,463	
Student Wages	\$980,161	\$24,687	\$108,974	\$846,500	
Staff/Student Benefits	\$990,992	\$16,349	\$82,117	\$892,526	
Contract Wages	\$141,197			\$141,197	
Student Leader Awards	\$357,012	\$200,240	\$79,672		\$77,100
Supplies/Merchandise	\$320,410	\$15,350	\$90,060	\$163,970	\$51,030
Printing /Advertising	\$146,280	\$17,750	\$20,095	\$92,650	\$15,785
Communications/Postal	\$31,578	\$5,970	\$6,425	\$19,183	
Repairs/Minor Construction	\$107,125			\$107,125	
Athletics	\$1,784,317				\$1,784,317
Contracts/Fees/Rentals	\$1,706,279	\$37,850	\$750,951	\$614,146	\$303,332
Travel	\$341,395	\$38,100	\$53,755	\$29,540	\$220,000
Dues/Subscriptions	\$11,185		\$2,300	\$5,600	\$3,285
Staff Development	\$88,175			\$88,175	
Insurance	\$70,137		\$2,700	\$40,437	\$27,000
Utilities	\$30,000			\$30,000	
Research Grants	\$22,500		\$22,500		
Contingency	\$50,000			\$50,000	
Presidential Discretionary	\$750	\$750			
Total Expenses	\$9,597,641	\$406,773	\$1,467,508	\$5,241,511	\$2,481,849
Surplus (Deficit)	(\$6,204,963)	(\$406,773)	(\$1,072,892)	(\$2,243,450)	(\$2,481,849)

**AS Governance
Fiscal Year 2017-2018**

Expenses	Total	Executive Offices	Board of Directors	Elections
Staff Wages	\$49,727	\$49,727		
Student Wages	\$24,687	\$21,519		\$3,168
Staff/Student Benefits	\$16,349	\$16,274		\$75
Student Leader Awards	\$200,240	\$94,914	\$95,860	\$9,466
Supplies/Merchandise	\$15,350	\$11,550	\$1,800	\$2,000
Printing/Advertising	\$17,750	\$14,400	\$1,050	\$2,300
Communications/Postal	\$5,970	\$4,870	\$800	\$300
Contracts/Fees/Rentals	\$37,850	\$32,550	\$2,300	\$3,000
Travel	\$38,100	\$30,500	\$7,600	
Presidential Discretionary	\$750	\$750		
Total Expenses	\$406,773	\$277,054	\$109,410	\$20,309
Surplus (Deficit)	(\$406,773)	(\$277,054)	(\$109,410)	(\$20,309)

**ASI Programming & Student Services
Fiscal Year 2017-2018**

Income	Total	Leader & Program Development	Student Research Grants	ASI Programming	Camp Titan
Fundraising/Interest	\$75,000				\$75,000
TSC Chargeback	\$194,616	\$149,616		\$45,000	
General Year End	\$125,000			\$125,000	
Total Revenue	\$394,616	\$149,616		\$170,000	\$75,000
Expenses	Total	Leader & Program Development	Student Research Grants	ASI Programming	Camp Titan
Staff Wages	\$247,959	\$247,959			
Student Wages	\$108,974	\$108,974			
Staff/Student Benefits	\$82,117	\$82,117			
Student Leader Awards	\$79,672			\$72,392	\$7,280
Supplies/Merchandise	\$90,060	\$6,450		\$75,210	\$8,400
Printing/Advertising	\$20,095	\$2,500		\$15,820	\$1,775
Communications/Postal	\$6,425	\$3,860		\$1,880	\$685
Contracts/Fees/Rentals	\$750,951	\$31,400		\$650,576	\$68,975
Travel	\$53,755	\$29,755		\$10,500	\$13,500
Dues/Subscriptions	\$2,300			\$1,100	\$1,200
Insurance	\$2,700				\$2,700
Research Grants	\$22,500		\$22,500		
Presidential Discretionary					
Total Expenses	\$1,467,508	\$513,015	\$22,500	\$827,478	\$104,515
Surplus (Deficit)	(\$1,072,892)	(\$363,399)	(\$22,500)	(\$657,478)	(\$29,515)

**Administration
Fiscal Year 2017-2018**

Income	Total	Administration & Accounting	Human Resources	Marketing	Children's Center
Children's Center Parent Fees	\$549,832				\$549,832
Contract/Dept of Education	\$484,952				\$484,952
Children's Center Certified Fees	\$29,586				\$29,586
Contract/CSU & Child Nutrition	\$106,780				\$106,780
Fundraising/Interest	\$20,000				\$20,000
General Year End	\$10,000	\$7,000	\$3,000		
TSC Chargeback	\$1,586,912	\$756,670	\$416,551	\$413,691	
IRA Management Fee	\$210,000	\$210,000			
Total Income	\$2,998,062	\$973,670	\$419,551	\$413,691	\$1,191,150
Expenses	Total	Administration & Accounting	Human Resources	Marketing	Children's Center
Staff Wages	\$2,120,463	\$893,223	\$256,913	\$222,825	\$747,502
Student Wages	\$846,500	\$65,404	\$43,876	\$217,866	\$519,354
Staff/Student Benefits	\$892,526	\$324,917	\$96,486	\$92,170	\$378,953
Contract Wages	\$141,197	\$139,197	\$2,000		
Supplies/Merchandise	\$163,970	\$13,185	\$11,300	\$54,785	\$84,700
Printing/Advertising	\$92,650	\$8,050	\$7,100	\$75,000	\$2,500
Communications/Postal	\$19,183	\$8,945	\$2,520	\$2,718	\$5,000
Repairs/Minor Construction	\$107,125			\$2,125	\$105,000
Contracts/Fees/Rentals	\$614,146	\$265,066	\$295,700	\$22,026	\$31,354
Travel	\$29,540	\$17,243	\$4,647	\$5,650	\$2,000
Dues/Subscriptions	\$5,600	\$3,500	\$1,150	\$450	\$500
Staff Development	\$88,175	\$35,500	\$52,675		
Insurance	\$40,437	\$27,437			\$13,000
Utilities	\$30,000				\$30,000
Contingency	\$50,000	\$50,000			
Presidential Discretionary					
Total Expenses	\$5,241,511	\$1,851,666	\$774,367	\$695,615	\$1,919,863
Surplus (Deficit)	(\$2,243,450)	(\$877,996)	(\$354,816)	(\$281,924)	(\$728,713)

**Campus Organizations
Fiscal Year 2017-2018**

Expenses	Total	Funded Campus Groups	Funding Groups & Interclub Councils
Student Leadership Awards	\$77,100	\$7,500	\$69,600
Supplies/Merchandise	\$51,030	\$37,550	\$13,480
Printing & Advertising	\$15,785	\$5,510	\$10,275
Athletic	\$1,784,317	\$1,784,317	
Contracts/Fees/Rentals	\$303,332	\$73,582	\$229,750
Travel	\$220,000	\$8,000	\$212,000
Dues and Subscription	\$3,285	\$2,785	\$500
Insurance	\$27,000		\$27,000
Total Expenses	\$2,481,849	\$1,919,244	\$562,605
Surplus (Deficit)	(\$2,481,849)	(\$1,919,244)	(\$562,605)

**Funded Campus Groups
Fiscal Year 2017-2018**

Expenses	Total	National Pan-Hellenic Council	Multi-Cultural Greek Council	Panhellenic	Resident Students Association	Inter-Fraternity Council	Arboretum	Athletics
Student Leader Awards	\$7,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500		
Supplies	\$37,550	\$800	\$6,400	\$8,150	\$16,700	\$5,500		
Printing/Advertising	\$5,510	\$100	\$500	\$3,160	\$600	\$1,150		
Grants	\$1,784,317							\$1,784,317
Contracts/Fees/Rentals	\$73,582	\$2,000	\$7,500	\$5,150	\$11,250	\$5,250	\$42,432	
Travel	\$8,000	\$1,000	\$1,500	\$1,500	\$2,500	\$1,500		
Dues/Subscription	\$2,785	\$200	\$500	\$1,500	\$110	\$475		
Total Expenses	\$1,919,244	\$5,600	\$17,900	\$20,960	\$32,660	\$15,375	\$42,432	\$1,784,317
Surplus (Deficit)	(\$1,919,244)	(\$5,600)	(\$17,900)	(\$20,960)	(\$32,660)	(\$15,375)	(\$42,432)	(\$1,784,317)

**Funding Groups & InterClub Councils
Fiscal Year 2017-2018**

Expenses	Total	Education	Comm	Business	ECICC	NSM	Arts	HHD	HSS	SCICC	CS ICC	Mesa Coopera- tiva	Black Student Union
Student Leader Awards	\$69,600	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800
Supplies	\$13,480	\$550	\$600	\$1,350	\$150	\$750	\$950	\$1,230	\$200	\$1,650	\$750	\$2,500	\$2,800
Printing/Advertising	\$10,275	\$100	\$1,050	\$1,800	\$50	\$250	\$3,550	\$375	\$150	\$250	\$250	\$1,850	\$600
Contracts/Fees/Rentals	\$102,650	\$2,700	\$2,750	\$19,400	\$3,525	\$13,000	\$19,500	\$7,600	\$7,300	\$3,975	\$5,500	\$13,500	\$3,900
Travel	\$12,500											\$3,500	\$9,000
Dues/Subscriptions	\$500												\$500
Insurance	\$27,000									\$27,000			
Program Funding	Total	Education	Comm	Business	ECICC	NSM	Arts	HHD	HSS	SCICC	CS ICC	Mesa Coopera- tiva	Black Student Union
Contracts/Fees/Rentals	\$127,100	\$3,000	\$8,500	\$6,500	\$8,100	\$3,000	\$7,000	\$3,500	\$27,000	\$45,000	\$9,000	\$3,000	\$3,500
Travel	\$199,500	\$10,500	\$16,000	\$20,000	\$47,000	\$25,000	\$6,000	\$17,500	\$22,000	\$20,000	\$9,000	\$3,000	\$3,500
Total Expenses	\$562,605	\$22,650	\$34,700	\$54,850	\$64,625	\$47,800	\$42,800	\$36,005	\$62,450	\$103,675	\$30,300	\$33,150	\$29,600
Total	(\$562,605)	(\$22,650)	(\$34,700)	(\$54,850)	(\$64,625)	(\$47,800)	(\$42,800)	(\$36,005)	(\$62,450)	(\$103,675)	(\$30,300)	(\$33,150)	(\$29,600)

TITAN STUDENT CENTERS FUND

The Titan Student Centers are a major component of the Associated Students, CSUF, Inc., and include the Titan Student Union, Student Recreation Center, and Irvine Campus Fitness Center and Lounge. Each regularly matriculated CSUF student pays a Student Body Center Fee. These student fees, \$136.41 per academic semester, \$60 for the summer academic session, together with locally generated revenue fund all operations of the Titan Student Centers. In addition, the fees satisfy bond obligations associated with construction of the student union and recreation center facilities, and fund reserves for future construction and maintenance. The CSUF Student Body Centers Fee is currently the lowest of any comparable program at a CSU campus offering similar facilities and services.

Administration

Services funded in this area provide for the general administration of the Titan Student Centers and include risk management, emergency preparedness, management, and administrative support.

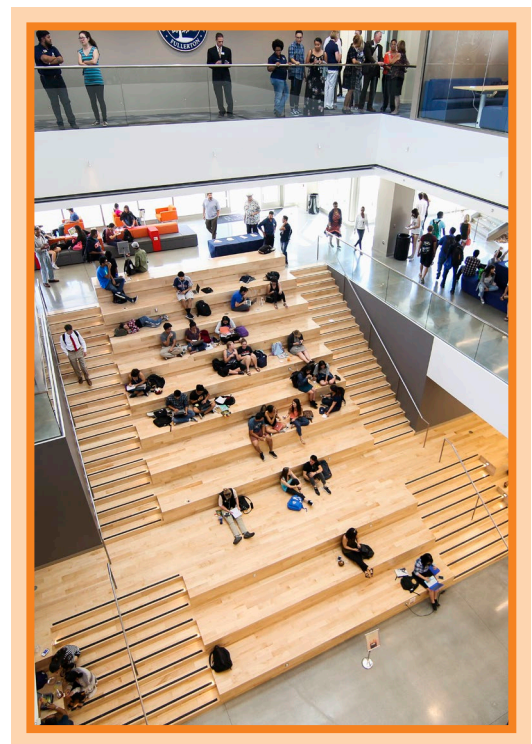
Building Engineering

Building Engineering provides maintenance and support services for the three facilities funded and operated by ASI: Titan Student Union, Student Recreation Center, and Children's Center. All facets of building operations are performed by this department, including heating, ventilation, and cooling systems (HVAC); mechanical, electrical, and plumbing systems; and landscaping. Support is also provided for specialized equipment and systems that support food services, Titan Bowl, and the aquatic center. TSC funds also cover utilities for all three facilities.

Titan Student Union

The Titan Student Union (TSU) opened in 1976 and was first expanded in 1992. In response to higher enrollment and increased demand for services, the TSU expanded again beginning in Summer of 2015. The \$20 million renovation and expansion, funded entirely by cash reserves, was completed in October 2016 and added 26,000 square feet of public space and meeting rooms.

The TSU is the center of campus life and serves as the primary gathering and meeting place for the university community. In addition to event space, the TSU provides study space, a computer lab, student art galleries, and a game room that features bowling, billiards, tournaments, and electronic gaming. The TSU is also the primary location for food service operations. ATM banking, ticket sales to campus events and area attractions, and other retail offerings are also available in the student union. The Dean of Students, Student Life and Leadership, and the LGBTQ Center are located in the TSU. On a typical academic day, more than 7,000 students visit the TSU.



Titan Recreation

The Student Recreation Center (SRC) opened in 2008, and with the TSU, created the Titan Student Centers. The SRC is the home of the Titan Recreation and features a three-court gymnasium, indoor track, rock-climbing wall, and an aquatics center. Fitness and wellness programs include fitness classes, intramural sports, and personal training. The cost of membership to the SRC is covered by the Student Body Center Fee, thus all fully-matriculated CSUF students have access to the SRC at no additional cost.



**Titan Student Centers
Fiscal Year 2017-2018 Operating Budget**

Income	Total	Administration	Building Engineering	Operations	Titan Recreation
Titan Rec Registration/Class Fees	\$598,057				\$598,057
Dining Commissions	\$111,000	\$111,000			
Service Chargebacks	\$406,122	\$299,997	\$105,000	\$1,125	
General Merchandise	\$35,982	\$1,600		\$2,830	\$31,552
Retail Services	\$68,711	\$68,711			
TBB Games	\$82,567			\$82,567	
Facility/Equipment Rental	\$188,722			\$175,400	\$13,322
Discount Ticket Sales	\$56,255			\$56,255	
Computer/Personnel Services	\$68,071			\$62,365	\$5,706
Fundraising/Interest	\$25,000	\$25,000			
Total Revenue	\$1,640,487	\$506,308	\$105,000	\$380,542	\$648,637
Expenses	Total	Administration	Building Engineering	Operations	Titan Recreation
Staff Wages	\$1,949,416	\$281,882	\$585,364	\$612,615	\$469,555
Student Wages	\$1,625,964	\$22,389	\$135,584	\$548,369	\$919,622
Staff/Student Benefits	\$928,547	\$76,547	\$296,710	\$290,956	\$264,334
Student Leader Awards	\$30,270	\$30,270			
Supplies/Merchandise	\$369,464	\$25,602	\$133,000	\$61,329	\$149,533
Printing/Advertising	\$36,837	\$4,520		\$15,122	\$17,195
Communications/Postal	\$53,713	\$20,503	\$7,360	\$14,246	\$11,604
Repairs/Minor Construction	\$252,510	\$3,900	\$189,186	\$31,250	\$28,174
Contracts/Fees/Rentals	\$3,300,055	\$1,985,222	\$1,043,942	\$78,810	\$192,081
Travel	\$89,893	\$42,385	\$10,770	\$13,304	\$23,434
Dues/Subscriptions	\$12,203	\$5,890	\$350	\$2,616	\$3,347
Staff Development	\$2,000	\$2,000			
Insurance	\$144,455	\$116,155			\$28,300
Utilities	\$707,300	\$707,300			
Capital Improvement	\$210,000			\$70,000	\$140,000
Contingency	\$21,280	\$20,000	\$1,280		
TSC Total Expense	\$9,733,908	\$3,344,565	\$2,403,546	\$1,738,618	\$2,247,179
Surplus/(Deficit)	(\$8,093,421)	(\$2,838,257)	(\$2,298,546)	(\$1,358,076)	(\$1,598,542)

Administration
Fiscal Year 2017-2018 Operating Budget

Income	Total	General Services	Administration	IT	Board	Program Support	Emerg Prep & Resp
Dining Commissions	\$111,000	\$111,000					
Service Chargebacks	\$299,997	\$180,276	\$53,467	\$66,254			
Retail Services	\$68,711	\$68,711					
General Merchandise	\$1,600	\$1,600					
Interest	\$25,000	\$25,000					
Total Income	\$506,308	\$386,587	\$53,467	\$66,254			
Expense	Total	General Services	Administration	IT	Board	Program Support	Emerg Prep & Resp
Staff Wages	\$281,882		\$116,699	\$165,183			
Student Wages	\$22,389		\$10,889	\$11,500			
Staff/Student Benefits	\$76,547		\$31,389	\$45,158			
Student Leader Awards	\$30,270				\$30,270		
Supplies/Merchandise	\$25,602	\$1,060	\$1,350	\$10,110	\$10,805		\$2,277
Printing/Advertising	\$4,520	\$2,070	\$550	\$50	\$1,850		
Communications/Postal	\$20,503	\$16,064	\$1,464	\$2,435	\$540		
Repairs/Minor Construction	\$3,900			\$3,900			
Contracts/Fees/Rentals	\$1,985,222	\$1,859,582		\$17,000	\$1,500	\$101,500	\$5,640
Travel	\$42,385		\$10,183	\$150	\$32,052		
Dues/Subscriptions	\$5,890		\$5,700	\$190			
Staff Development	\$2,000			\$2,000			
Insurance	\$116,155	\$116,155					
Utilities	\$707,300	\$707,300					
Contingency	\$20,000	\$20,000					
TSC Total Expense	\$3,344,565	\$2,722,231	\$178,224	\$257,676	\$77,017	\$101,500	\$7,917
Surplus/(Deficit)	(\$2,838,257)	(\$2,335,644)	(\$124,757)	(\$191,422)	(\$77,017)	(\$101,500)	(\$7,917)

**Building Engineering
Fiscal Year 2017-2018 Operating Budget**

Income	Total	General Operations	Kitchen & Dining Rooms	TSU Building Services	SRC Building Services	Children's CTR Building SVS
Service Chargebacks	\$105,000	\$105,000				
Total Income	\$105,000	\$105,000				
Expense	Total	General Operations	Kitchen & Dining Rooms	TSU Building Services	SRC Building Services	Children's CTR Building SVS
Staff Wages	\$585,364	\$585,364				
Student Wages	\$135,584	\$135,584				
Staff/Student Benefits	\$296,710	\$296,710				
Supplies/Merchandise	\$133,000	\$2,500	\$2,000	\$103,500	\$20,000	\$5,000
Communications/Postal	\$7,360	\$7,360				
Repairs/Minor Construction	\$189,186	\$189,186				
Contracts/Fees/Rentals	\$1,043,942	\$1,000	\$29,395	\$638,449	\$316,311	\$58,787
Travel	\$10,770	\$10,770				
Dues/Subscriptions	\$350	\$350				
Contingency	\$1,280	\$1,280				
TSC Total Expense	\$2,403,546	\$1,230,104	\$31,395	\$741,949	\$336,311	\$63,787
Surplus/(Deficit)	(\$2,298,546)	(\$1,125,104)	(\$31,395)	(\$741,949)	(\$336,311)	(\$63,787)

TSU Operations
Fiscal Year 2017-2018 Operating Budget

Income	Total	University Conference Center	Titan Bowl & Billiards	Art & Exhibit Program	Mainframe Computer Lounge	Info & Services	TSU Operations
Service Chargebacks	\$1,125	\$375					\$750
General Merchandise	\$2,830		\$200			\$205	\$2,425
TBB Games	\$82,567		\$82,567				
Facility/Equipment Rentals	\$175,400	\$175,000					\$400
Discount Ticket Sales	\$56,255					\$56,255	
Computer/Personnel Services	\$62,365		\$1,815		\$10,300	\$1,250	\$49,000
Total Income	\$380,542	\$175,375	\$84,582		\$10,300	\$57,710	\$52,575
Expenses	Total	University Conference Center	Titan Bowl & Billiards	Art & Exhibit Program	Mainframe Computer Lounge	Info & Services	TSU Operations
Staff Wages	\$612,615	\$180,564	\$47,313			\$56,176	\$328,562
Student Wages	\$548,369	\$32,380	\$69,414	\$24,294	\$35,579	\$103,972	\$282,730
Staff/Student Benefits	\$290,956	\$86,270	\$11,248	\$551	\$415	\$21,050	\$171,422
Supplies/Merchandise	\$61,329	\$2,057	\$10,209	\$9,300	\$7,000	\$6,230	\$26,533
Printing/Advertising	\$15,122	\$962	\$4,725	\$3,540	\$150	\$5,395	\$350
Communications/Postal	\$14,246	\$2,763	\$1,884	\$460	\$468	\$5,773	\$2,898
Repairs/Minor Construction	\$31,250		\$12,300	\$900		\$350	\$17,700
Contracts/Fees/Rentals	\$78,810	\$17,009	\$1,696	\$10,000	\$1,630	\$25,680	\$22,795
Travel	\$13,304	\$1,260	\$1,500			\$1,675	\$8,869
Dues/Subscriptions	\$2,616		\$656	\$250	\$860		\$850
Capital Improvement	\$70,000						\$70,000
Total Expenses	\$1,738,618	\$323,265	\$160,945	\$49,295	\$46,102	\$226,302	\$932,709
Surplus/(Deficit)	(\$1,358,076)	(\$147,890)	(\$76,363)	(\$49,295)	(\$35,802)	(\$168,592)	(\$880,134)

**Titan Recreation
Fiscal Year 2017-2018**

Income	Total	Operations	Programs	Irvine Campus
Titan Rec Registration/Class Fees	\$598,057	\$238,058	\$359,659	\$340
Service Chargebacks				
General Merchandise	\$31,552	\$30,752	\$800	
Facility Rental	\$13,322	\$13,322		
Computer/Personnel Services	\$5,706	\$4,502	\$1,204	
Total Revenue	\$648,637	\$286,634	\$361,663	\$340
Expenses	Total	Operations	Programs	Irvine Campus
Staff Wages	\$469,555	\$469,555		
Student Wages	\$919,622	\$497,047	\$393,381	\$29,194
Staff/Student Benefits	\$264,334	\$238,397	\$24,956	\$981
Supplies/Merchandise	\$149,533	\$91,290	\$58,093	\$150
Printing/Advertising	\$17,195	\$4,575	\$12,520	\$100
Communications/Postal	\$11,604	\$11,588	\$16	
Repairs/Minor Construction	\$28,174	\$28,174		
Contracts/Fees/Rentals	\$192,081	\$108,250	\$83,831	
Travel	\$23,434	\$21,320	\$1,450	\$664
Dues/Subscriptions	\$3,347	\$3,047	\$300	
Insurance	\$28,300		\$28,300	
Capital Improvement	\$140,000	\$140,000		
Total Expenses	\$2,247,179	\$1,613,243	\$602,847	\$31,089
Surplus (Deficit)	(\$1,598,542)	(\$1,326,609)	(\$241,184)	(\$30,749)

FINANCIAL STANDARDS

ASSOCIATED STUDENTS FINANCIAL STANDARDS

Basis for Financial Standards

Under the provision of the Education Code, Section 89904(b), each auxiliary governing board shall, "implement financial standards which will assure the fiscal viability of such various auxiliary organization. Such standards shall include proper provision for professional management, adequate working capital, adequate reserve funds for current operations and capital replacement, and adequate provisions for new business requirements." In accordance, the following information is provided as part of the annual budget approval process.

ASI Reserves

ASI reserves have undergone several changes over the past few years. In fiscal year 2011-2012, the ASI Board of Directors established the Children's Center reserve fund, and in 2013-2014 approved a transfer of \$1,000,000 to the Titan Student Union expansion project. In 2014-2015 over \$2,300,000 from unrestricted reserves was utilized to meet pension obligations. These transfers resulted in decreased unrestricted and working capital reserves. In order to meet the board-designated requirement of a working capital reserve balance of 15% of the operating budget, a total of \$562,379 will be reclassified from the Children's Center Reserve fund, with \$312,567 going to Unrestricted Reserves and \$249,812 to Working Capital Reserves. Subject to board approval, \$760,000 will be reclassified from the Children's Center Reserve fund to Working Capital Reserves. Following are the June 30, 2016 ASI board-designated and unrestricted reserves before and after the reclassifications.

ASI board-designated and unrestricted reserve funds as of June 30, 2016:

- Unrestricted Reserves\$ (312,567)
- Children's Center Reserve Fund\$ 2,562,379
- Working Capital Reserve\$ 431,131
- Restricted Reserves\$ 74,573
- Total:.....\$ 2,755,516

Transfers made during FY 2017-2018 result in the following reserve fund balances:

- Unrestricted Reserves\$0
- Children's Center Reserve Fund:\$ 1,240,000
- Working Capital Reserve:\$ 1,440,943
- Restricted Reserves:\$ 74,573
- Total:.....\$ 2,755,516

Children's Center Reserve Funds

In fiscal year 2011-2012, the ASI Board of Directors established the Children's Center Reserve for future repairs and equipment replacement. Funds in this reserve are invested according to ASI Policy Statement 218 and governed by the Children's Center Committee and the ASI Investment Committee per Policy Statement 220. The policy establishing the fund stipulated that a minimum balance of \$1,000,000 be maintained. Because of the healthy status of reserves in 2012, a total of \$2,000,000 was set aside for the fund. Since that time, an additional \$562,379 has been added to the fund.

Working Capital Reserves

ASI's Working Capital Reserve is intended to show the ability to pay current liabilities with current assets. The 15% requirement covers approximately 1.8 months of Fiscal Year 2017-2018 expenses. As of June 30, 2016, ASI's actual working capital covered 3.7 months of Fiscal Year 2017-2018 expenses.

Capital Replacement Reserves

The Associated Students has \$34,528 in capitalized equipment, net of depreciation. The majority of these assets are equipment, furniture, and fixtures with long, useful lives.

Associated Students prepares budgets for both capitalized and non-capitalized equipment. Given a seven year life for most equipment, estimated acquisition costs of over \$100,000 has an expected annual replacement costs of \$15,000 to \$18,000.

Plan for Reserves

The Associated Students 2017-2018 budget exceeds estimated revenue by less than 2 percent. In order to achieve a balanced budget, AS leadership assessed shared ASI/TSC expenditures and updated the allocation in each division. This process will continue in order to reach a balanced ASI budget within the following two fiscal years, which will eliminate the draw on reserves for operating expenses.

TITAN STUDENT CENTERS FINANCIAL STANDARDS

Basis for Financial Standards

The TSC follows the same expectations related to fiscal viability as outlined in the Education Code, section 89904(b).

Titan Student Centers Policy on Reserves

Under Executive Order 994, Critical Requirement – Reserves, the campus is responsible for developing reserve policies that, at a minimum, address major maintenance, renovation projects, working capital, capital development for new projects, and catastrophic events. Reserve funds, held in trust by CSUF, have been established:

- Revenue Fund
- Interest and Redemption Fund
- Repair and Replacement Fund
- Construction Fund
- Catastrophic Fund
- Capital Projects Fund (and external capital projects)

In addition to the establishment of reserves, Executive Order 994 has as a critical requirement the maintenance of specified debt service coverage ratios that campuses must maintain.

Revenue Fund

This fund is, in essence, a holding account used to disburse student fees to other reserve accounts and to the Titan Student Centers (TSC) to support its annual operating budget. The safe level of reserves for this fund is one semester of Student Body Center (SBC) fee revenue. The balance in the Revenue Fund on June 30, 2016

was \$8,683,694. This unencumbered balance remains higher than one semester of fee revenue, currently estimated at \$5,401,000.

The TSC receives SBC fees in one lump sum at the beginning of each academic year. By the end of August, fall semester fees have been collected and, when added to the minimum balance at the end of the fiscal year, a total of over \$11,000,000 will be available for the proposed return of \$8,150,000 to the TSC for operations and for \$2,310,650 to the Interest and Redemption Fund for repayment of bond obligations. The Revenue Fund balance meets current reserve standards.

Interest and Redemption Fund

Used for the repayment of debt obligations of the TSC, when bond repayments are due, funds are transferred from the Revenue Fund to the Interest and Redemption Fund. After the annual bond payments are made, the fund will not carry a balance.

The TSC has two bond obligations, both issued at five percent. The 1992 expansion of the Titan Student Union will be paid in full in 2021. Average annual repayment is \$734,346. The balance for the Student Recreation Center is amortized on average at less than \$1,600,000 annually. This bond obligation is scheduled to be retired in 2038. In total, the TSC currently debt obligation is \$2,350,000 annually through 2021, and will then decrease to \$1,705,000 annually.

The Titan Student Centers meets the requirement to exceed a 1.10 debt service coverage ratio (DSCR). Currently, the TSC DSCR for 2017-2018 is estimated at 1.34.

Repair and Replacement Fund

Established to provide for facility repairs and replacement of equipment, the Repair and Replacement Fund was utilized in the TSC expansion project. The Titan Student Union's Fire and Life Safety System, as well as the heating, ventilation, and air conditioning (HVAC) system underwent significant upgrades during the TSU expansion project. This investment greatly extends the life of the facility. The Student Recreation Center will celebrate its ten-year anniversary in 2018. Repairs to flooring and exterior hardscape are currently underway, as well as phased replacement of fitness equipment. More infrastructure upgrades and repairs are to be expected for both facilities. Now that the expansion project is complete, transfers to this fund will resume in 2017-2018.

Construction Fund

The construction fund was utilized in the TSU expansion project. Future deposits into this fund will allow for future construction projects to take place. The balance of this account as of June 30, 2016 was \$1,470,000.

Catastrophic Fund

The catastrophic fund's purpose is to provide funding in the event of unanticipated events that may negatively impact operation of the TSC. Such a catastrophe could be the result of a natural disaster



to TSC structures, or damage to campus structures that could result in temporary reduction in enrollment. The catastrophic fund should be maintained at a level equal to approximately 10% of the value of ASI facilities, which would allow the organization to cover the deductible payment in case of a catastrophic event.

FISCAL VIABILITY

ASSOCIATED STUDENTS FISCAL VIABILITY

The ability to fund current operations is measured by net working capital. The Associated Students began the fiscal year with over \$2.8 million in working capital. This equals 29.5% of the operating budget. Working capital can cover almost four months of operations. Associated Students does not plan to significantly expand its operations.

Strengths

As of June 30, 2016 there is no longer a long-term liability for post-retirement health care. In 1999, ASI established a separate Voluntary Employee Beneficiary Association (VEBA) trust for the purpose of funding retiree medical insurance benefits. Both divisions of ASI, Associated Students and Titan Student Centers, budget annual contributions to the trust as determined by actuarial analysis. The trust is an actively-managed fund and is expected to be fully funded within five years. Promised retirement benefits are secure and this liability poses no threat to the Associated Students or Titan Student Centers funds.

ASI has no long-term debt and three long-term liabilities. The first is the unfunded post-retirement medical trust fund, currently estimated at \$449,943. ASI is making good progress toward the goal of a fully-funded post-retirement trust fund within five years. The trust is an actively managed fund expected to earn average returns of 5% to 6% over the long term. It consists of 60% equities and 40% fixed-income securities.

The second long-term liability is ASI's portion of the unfunded liability of the statewide CalPERS pension obligation. The reporting of this liability was required by AICPA pronouncement and GASB principle for the first time in 2014-2015. As of June 30, 2016 this obligation is \$2,263,556.

The third long-term obligation are Agency accounts, the funds held by ASI for recognized student organizations. These funds are managed and reported according to California State University policy and are included on ASI's audited financial statements.

The Student Success Initiative's increase in mandatory campus fees, as set by the Higher Education Price Index, will begin in Fiscal Year 2017-2018. This factor will provide some protection against inflation, as the fees will continue to increase incrementally.

Limitations

While ASI remains in a strong financial position, there is potential for negative impacts. The most significant is the passage of the minimum wage increase in the State of California. This will have impact over time of approaching a 50% increase in the operating expenses.

Another potential negative impact is further reduction in grants and contracts awarded to the Children's Center. The California Department of Education (CDE) grant funding is at a lower rate than in past years due to a decrease in students from low-income households.

Conclusion

The Associated Students is in a strong financial position. ASI will continue to meet its obligations and manage long-term liabilities, post-retirement health care, and pension liability.

ASI's defined pension benefits are administered by CalPERS, with contributions managed over time to meet the pension obligation. ASI pays the annual valuation amounts provided by CalPERS as a result of ASI opting for the thirty year amortization of this long-term liability.

Currently, Associated Students is not experiencing difficulty in funding existing programs and areas of operation. There is potential for serious impact on the current business model and delivery of student services depending on employment costs in both wages and benefits. The adoption of the HEPI index, an inflationary adjustment for student fees, will be a helpful mitigating factor for inflationary pressure on other operating expenses.

TITAN STUDENT CENTERS FISCAL VIABILITY

Working Capital

The Titan Student Centers maintains working capital in locally-held ASI accounts. Either checking accounts or the Local Agency Investment Fund, State of California are utilized for this purpose. With over \$3 million in working capital there is over four months of expenses covered, a good indicator of financial stability.

Since the Titan Student Centers receives the majority of its funding from the collection of the Student Body Centers fee which occurs ahead of the semester's operation, the current level of working capital is more than sufficient for the cash flow needs of the TSC operations.

Property and Equipment

Capitalized equipment of the TSC was acquired at a cost of \$1,666,981. Accumulated depreciation is \$1,355,769 indicating an equipment schedule that is aging. The threshold for capitalization is relatively low, at \$5,000.

Projection

A five-year projection was prepared showing the viability of the Titan Student Centers. The enrollment assumption behind the forecast of no student enrollment growth is conservative, with the TSC growing at an annual average rate of not more than 2.5% per year. Given this scenario, the TSC maintains the critical debt service coverage ratio above 1.10.

Assumptions and Limitations

The Titan Student Centers budget is heavily dependent upon enrollment, as the Student Body Center Fee accounts for over 80% of annual revenue. Maintenance of the debt service coverage ratio (DSCR) over this time period is dependent upon at least maintenance of the current enrollment and with the Titan Student Centers limiting increases in expenditures to 3.5% on average. This may be in jeopardy if minimum wage growth exceeds these amounts. When interest rates return to a higher level, there will be more interest income earned in the Revenue Fund and the TSC local funds, which will have a slightly positive effect on the DSCR.

The Student Success Initiative's HEPI fee increase will assist ASI in maintaining current levels of purchasing power in regard to operating expenses.

Conclusion

The Titan Student Centers currently is in a strong financial condition. There are adequate reserves to meet contingencies and to continue to fund facility projects.





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