

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
FINANCE COMMITTEE MEETING  
FRIDAY, NOVEMBER 19, 2021  
MINUTES**

**I. Call to Order**

The meeting was called to order by Committee Chair, K. Perez at 3:02 P.M.

**II. Roll Call**

<b>Present</b>	<b>Absent</b>	<b>Staff/Guests</b>
Mia Armendariz, Student Committee Member (voting)	Debra Hammond Executive Director (non-voting)	Reshini Ekanayake, Student Administrative Support Assistant, Accounting & Finance
Thalia Fernandez Student Committee Member (voting)	Dr. Edith Winterhalter, Associate VP for Budget & Strategic Business Operations, Administration and Finance (voting)	
Adrian Mejia-Flores Student Committee Member (voting)	Mohamed Yousif, Student Committee Member (voting)	
Joseph Illuminate, Executive Secretary (non- voting)		
Taylor Ketterling, Student Committee Member (voting)		
Karina Perez, Committee Chair (voting)		
Charlie Rodriguez-Salazar, Committee Co-Chair (voting)		
Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)		
Karen Zavala, Student Committee Member (voting)		

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- *Dr. Shelley-Ruelas-Bischoff arrived at 3:25 P.M.*

**III. Approval of Agenda**

M/S/P (T. Ketterling/M. Armendariz) Motion to approve the Agenda for November 19, 2021.

*Main motion passes by General Consensus*

**IV. Approval of Minutes**

M/S/P (M. Armendariz/T. Fernandez) Motion to approve the Minutes for November 05, 2021.

*Main motion passes by General Consensus*

**V. Chair's Report**

Committee Chair, K. Perez informed the committee of a marketing training that she and Co-Chair C. Rodriguez attended. They were trained on how to effectively communicate their ideas and values.

For and icebreaker, she requested the committee members share what fictional family they would join if they were provided the opportunity.

**VI. Action Items**

M/S/P (M. Armendariz/T. Ketterling) Motion to approve the First Quarter (3 & 9), 2021 Budget Report as presented.

J. Illuminate presented the Frist Quarter (3 & 9) Budget Report.

The purpose of this report is to summarize the financial results of the University Student Union as of September 30, 2021. This report reflects financial operations for the three-month period ended September 30, 2021. The optimal operating range is 25% of the yearly budget, although limits from 20% to 30% are acceptable.

The operating range percentage for any revenue or expense category is computed by taking the actual revenue or expenditure amount and dividing it by the revised budget amount for that category. The percentage indicates the total amount of revenue received or the total amount of expenditures incurred for the quarter.

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As a result of the campus remaining primarily virtual during the fall semester, the net surplus was \$1,553,945. The USU collected 100% of the budgeted student fees during the quarter, but total expenditures were below the optimal range. We anticipate that the rate of expenditures will increase during the spring semester as more students return to campus.

The Board approved an additional \$6 million down payment for the New Heart of Campus project. If the USU continues to run a large surplus, part of the surplus could be used to contribute to the New Heart of Campus project down payment.

**Revenues**

Total Revenue is \$4,639,815 which represents 25.7% of the revised budget of \$18,023,139.

- **SRC-Related Income (37.2%)**

This category includes income generated from the Memberships, Pro Shop, and Personal Training Program Income. Membership income is the largest revenue source and is above the optimal range due to deferred membership income carried over from the 2020-21 fiscal year and the membership renewals taking place the week prior to the start of the semester.

- **Grant Income (18.0%)**

This category will run below the optimal range until the fourth quarter because Campus Quality Fee invoices for Black Success, HEAL, and the DREAM Center are billed quarterly. For example, invoices that are billed quarterly for income earned from October through December 2021 are not billed until January 2022.

- **Interest Income (70.7%)**

This category is above the optimal range because, per campus practice, the USU receives the total annual estimated amount of investment income for the fiscal year for the CSU Consolidated Investment Pool account in the first quarter. The \$84,516 budget for Interest Income will be reduced to \$59,713, the actual amount of interest received.

The reason interest income is lower in 21-22 when compared to 20-21 is because of lower interest rates.

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- **Miscellaneous Income (86.0%)**

This category is above the optimal range although we anticipate that the category will be within the optimal range by fiscal year-end. The following indirect cost recovery items comprised the majority of the \$170,643 received during the quarter:

- \$30,825 Student Affairs Support of the CSUN LGBTQ Advisory Committee
- \$9,039 COVID-19 Related Expenses
- \$7,325 Matadors Forward Ambassador Program
- \$11,653 Auxiliary Organization Risk Management Alliance (AORMA) Workers Compensation premium dividend
- \$26,248 Auxiliary Organization Risk Management Alliance (AORMA) General Liability premium dividend
- \$16,284 Federal 941 Tax credits
- \$49,030 Pension Adjustment
- \$18,967 Asset depreciation Adjustment

**Expenditures**

Total Expenditures are \$3,085,870 which represents 17.1% of the revised budget of \$17,996,035.

- **Hourly (10.4%)**

The budget for this category was increased by \$303,615 including \$300,787 transferred in to the SRC-Aquatics department because all lifeguard positions were converted into hourly positions. The reason for the reclassification was to compensate for the lack of available lifeguard candidates when hiring started up for the re-opening of the SRC.

The budget was transferred from Student Wages to Hourly resulting in this category being below the optimal range.

- **Staff Salaries (20.4%)**

The budget for this category was reduced by \$64,151 due to savings from vacant staff positions.

- **Student Wages (17.8%)**

The budget for this category was reduced by \$451,958 including \$300,787 transferred out to the SRC-Aquatics department. In addition, there was

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approximately \$151,080 reduction in student wages for the following departments because of unfilled student positions:

- \$100,000 USU RES
- \$15,900 Facilities Maintenance
- \$15,000 Computer Labs
- \$13,000 Oasis

- **Cost of Goods Sold (50.5%)**

This category is above the optimal range because orders of various retail items for the Pro Shop were placed during the first quarter to replenish inventory.

- **General Operating Expenses (18.2%)**

This category is below the operating range especially in the Other Rental, Program Food Costs, Recruitment, and Marketing accounts.

This category will be reassessed at the next quarterly budget review to determine if the budget for specific accounts should be reduced and transferred to Operating Reserves.

- **Supplies & Services (12.8%)**

This category is significantly below the operating range below the operating range in the following accounts:

- Contractual Services
- Training-Professional Development
- Legal
- Office Supplies
- Operational Supplies
- Program Costs
- Professional Services.

This category will be reassessed at the next quarterly budget review to determine if the budget for specific accounts should be reduced and transferred to Operating Reserves.

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- **Travel (0.6%)**

This category is significantly below the optimal range. Travel for major conferences, such as the Association of College Unions International (ACUI), Auxiliary Organization Association (AOA) will not take place until later in the fiscal year. Travel is subject to approval based on COVID-19 travel protocols put in place by the campus.

- **Repairs & Maintenance (9.4%)**

This category is below the optimal range especially in the Custodial Services account. The budget for Custodial Services expense was reduced by \$112,445 and transferred to Unallocated Reserves.

This category will be reassessed at the next quarterly budget review to determine if the budget for more accounts should be reduced and transferred to Operating Reserves.

- **Fees and Charges (5.5%)**

This category is below the optimal range because credit card processing fees incurred for Sunny Days Camp will not occur until February 2022. In addition, invoices from the Matador Involvement Center for University Department Support are billed quarterly so no expense was recorded in the first quarter. It is anticipated that this category will be within the optimal range by fiscal year-end.

- **Equipment (12.3%)**

This category is below the optimal range and this category will be reassessed at the next quarterly budget review to determine if the budget for the Equipment account should be reduced and transferred to Operating Reserves.

**Statement of Changes in Financial Position**

Total assets are \$10,959,428 of which \$10,177,459 is cash. Total liabilities are \$4,138,716 of which \$3,195,449 is the estimate to pay for the projected medical expenses of current and future USU retirees who are in the Retirement Health Benefits Plan (RHBP). Total Net Assets are \$6,820,711.

**Investment Summary**

Total investment income is \$59,713 of which \$59,706 is the investment in the CSU Consolidated Investment Pool. The balance of \$7 is from the investment in the US Treasury Cash Reserves at Farmers & Merchants Bank.

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**Unallocated Reserves**

During the first quarter Unallocated Reserves increased by \$312,939. This is due to the following reasons:

- Reduction in salaries and wages due to vacant positions
- Reduction in janitorial expense
- Reduction in Computer Lab program costs.

**Designated Reserves**

A total of \$63,360 of Designated Reserves was transferred to the operating budget during the quarter for vacation advances and corresponding employer-paid payroll taxes.

The Board approved an increase in the 2021-22 Capital Outlay Allocation by \$12,870 to provide more office space in Executive Director's office for student Board members.

**Foundation Account Balances**

The USU Foundation account has a cash balance of \$346,269 of which \$173,143 is unrestricted and \$173,126 is restricted.

**Work Study**

The USU has expended \$952. The first work study payment was received in the second quarter.

***Motion Passes 7-0-0***

**VII. Discussion Items**

A. None

**VIII. Announcements**

Committee Co-Chair C. Rodriguez informed the committee of two resolutions that were passed by the Associated Students Senate. The resolutions were having a diversified faculty of professors at CSUN and having free menstrual products at all the restrooms on Campus.

Committee Chair, K. Perez, stated that the next Committee meeting on December 03, 2021, will be cancelled.

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**IX. Adjournment**

Committee Chair, K. Perez, adjourned the meeting at 3:47 P.M.

Respectfully Submitted by,



Joseph Illuminate  
Associate Director, USU Accounting & Finance