The Budget & Finance Committee meeting was called to order by Chair Mike Lee at 2:03 p.m.

Craig Barth reviewed the annual financial statements for the period ended June 30, 2014, beginning with the balance sheet. Long-term investments increased $3.9 million from the prior year, attributable to significant investment gains resulting from a 16.4% return in the market. Short-term investments and receivables decreased by $2.6 million due primarily to the purchase of the University House, with a corresponding increase in capital assets.

Barth noted that accounts payable are up $1 million due to expenses related to Dining Service renovations. UEI’s net position totals $37.3 million. Compared to June 20, 2013, total assets have increased by $2.45 million with total liabilities decreasing by $805 thousand, resulting in an increase in net position of $3.3 million.

Reflecting the assumption of Java City operations, sales from student meal plans at the Dining Commons and Courtyard Market, as well as increases in Catering revenue, total Dining Services revenue increased significantly over the prior year. Total expenses were also correspondingly higher due to the Java City activities. “Other University Contributions” included the settlement of a $2.9 million loan in 2012-13 related to UEI’s obligation on the Broad Athletic Facility. That expense was not repeated in 2013-14.

Dining Services revenue was $725 thousand above budget due to positive meal plan sales and Catering revenue variances. Sponsored Programs Administration reported a $388 thousand surplus over budget from administrative fees. California Intern Network revenue
has a negative variance of $888 thousand compared to budget. Barth stated students are returning to the program with over 700 currently employed.

Property Services, which includes the Upper Eastside Lofts, Folsom Hall and commission from the Hornet Bookstore, reported a $290 thousand surplus over budget. Contract Services, which encompasses activity related to the accounting and administrative work for the University Foundation and revenue from the digital sign reported net revenue over expenses of $108 thousand against $153 thousand budgeted.

The Administration department shows a net surplus due to $2.6 million of investment gains.

Director Reinhart discussed a 2014-2015 budget augmentation for property maintenance and improvements and additional funding in support of the Campus and Faculty Grant Programs. Following discussion, a 2014-2015 budget augmentation in the amount of $192,000 was approved (Cook/Lee). The seconded motion will be forwarded to the Board for action at the September meeting.

A discussion was held regarding a potential property lease-option. Further discussion will be held during a closed session at the September Board of Directors meeting.

Director Reinhart stated that Lisa Bates has agreed to serve on the Budget and Finance Committee.

The meeting was adjourned at 2:53 p.m.

Respectfully submitted:

Arlette Barnard
Recording Secretary