

**OAKLAND UNIVERSITY
BOARD OF TRUSTEES
WORKING SESSION AGENDUM ITEM
May 4, 2005**

**PROPOSED ANCILLARY ACTIVITIES OPERATING BUDGETS
FOR THE FISCAL YEAR ENDING
JUNE 30, 2006**

Division/Department: Finance and Administration

Summary:

Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2006:

Campus Recreation (CR)	Meadow Brook Music Festival (MBMF)
Graham Health Center (GHC)	Meadow Brook Theatre (MBT)
Intercollegiate Athletics (IA)	Oakland Center (OC)
Lowry Early Childhood Center (LECC)	University Housing (UH)

The ancillary activities presented here represent a broad range of operations connected with and in support of the educational mission of Oakland University. A summary of the proposed budgets is attached as Appendix I.

Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "All Funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund and the Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable-Restricted Funds and are included.

The FY 2006 budgeted operational expenditures and transfers for these eight units total \$17,630,883, with capital items totaling an additional \$540,000. This represents an increase of 2.8% and 4.7% respectively, over the FY 2005 estimated actual.

Payments to the general fund for administrative overhead costs for FY 2006 from these eight ancillary operations totals \$440,635.

Action to be Requested at Next Formal Board Meeting:

At the June 2005 meeting, the Board of Trustees will be asked to approve the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Early Childhood Center, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center and University Housing for the year ending June 30, 2006, with expenditures

**Proposed Ancillary Activities Operating Budgets for the Fiscal Year
Ending June 30, 2006
Board of Trustees Working Session
May 4, 2005
Page 2**

and transfers not to exceed the expense total for each unit detailed on Appendix I. All expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Attachment:

1. Appendix I

Submitted by Vice President John W. Beaghan:

(Please Initial)

Reviewed by Secretary Victor A. Zambardi:

(Please Initial)

Reviewed by President Gary D. Russi:

(Please Initial)

**Oakland University
Auxiliary Operations
Proposed Budgets
Fiscal Year 2006
Summary**

	<u>FY 2005 Budget</u>	<u>FY 2005 Est. Actual</u>	<u>FY 2006 Budget (Proposed)</u>
Campus Recreation:			
Revenue	\$ 3,352,374	3,336,429	\$ 3,383,963
Expense	3,430,282	3,527,166	3,375,906
Net	<u>\$ (77,908)</u>	<u>\$ (190,737)</u>	<u>\$ 8,057</u>
Graham Health Center:			
Revenue	\$ 541,204	552,204	\$ 567,375
Expense	540,904	551,877	589,875
Net	<u>\$ 300</u>	<u>\$ 327</u>	<u>\$ (22,500)</u>
Intercollegiate Athletics:			
Revenue	\$ 1,660,414	2,020,876	\$ 1,734,053
Expense	1,511,616	1,604,824	1,668,914
Net	<u>\$ 148,798</u>	<u>\$ 416,052</u>	<u>\$ 65,139</u>
Lowry Early Childhood Center:			
Revenue	\$ 878,078	787,293	\$ 824,742
Expense	873,078	719,608	821,404
Net	<u>\$ 5,000</u>	<u>\$ 67,685</u>	<u>\$ 3,338</u>
Meadow Brook Music Festival:			
Revenue	\$ 114,000	114,269	\$ 114,000
Expense	69,600	66,034	71,400
Net	<u>\$ 44,400</u>	<u>\$ 48,235</u>	<u>\$ 42,600</u>
Meadow Brook Theatre:			
Revenue	\$ 72,000	68,000	\$ 72,000
Expense	40,300	37,775	53,100
Net	<u>\$ 31,700</u>	<u>\$ 30,225</u>	<u>\$ 18,900</u>
Oakland Center:			
Revenue	\$ 2,111,868	2,072,987	\$ 2,139,718
Expense	2,234,088	2,187,566	2,329,520
Net	<u>\$ (122,220)</u>	<u>\$ (114,579)</u>	<u>\$ (189,802)</u>
University Housing:			
Revenue	\$ 8,956,654	9,107,651	\$ 9,404,387
Expense	8,831,238	8,818,729	9,260,764
Net	<u>\$ 125,416</u>	<u>\$ 288,922</u>	<u>\$ 143,623</u>
Totals:			
Revenue	\$ 17,686,592	\$ 18,059,709	\$ 18,240,238
Expense (non capital)	17,108,606	17,146,079	17,630,883
Subtotal Net Revenue	\$ 577,986	\$ 913,630	\$ 609,355
Capital Items	422,500	367,500	540,000
Net Revenue	<u>\$ 155,486</u>	<u>\$ 546,130</u>	<u>\$ 69,355</u>

Department of Campus Recreation

Description of Program

The Department of Campus Recreation is responsible for the management of the Oakland University Recreation Center and Upper Pioneer Field. The mission of the department is to provide facilities, programs and services to meet the recreational, fitness, and wellness needs of the Oakland University community. The primary focus of the Department of Campus Recreation is to promote the recruitment, retention and satisfaction of Oakland University students by providing an extensive array of informal, intramural, club sport, outdoor, fitness/wellness and special event programs.

Fiscal year 2005 is the seventh year of operation for the Department of Campus Recreation. Although budget reductions created some challenges, Campus Recreation experienced outstanding growth in programs, as well as successes, as evidenced by:

- Continued increase in facility entry over previous year
- Increased student participation in the intramural sports and club sports program
- Increased revenue in user-fee programs (up 34%)
- Continued employee-based wellness program initiative with the inaugural Lighten Up program serving 29 employees
- Collaboration with the School of Health Science in co-sponsoring the first Healthy Spirit Day
- The Men's Ice Hockey Club hosted the Division II ACHA National Championship, featuring OU and 15 teams from coast to coast
- Served as pilot study department in completing University Risk Assessment project
- Student employees and professional staff are significantly involved in leadership roles at the state, regional and national level within the National Intramural Recreational Sports Association

The Department of Campus Recreation also provides numerous opportunities for students to develop their leadership potential through involvement in facility and program management and to improve their interpersonal skills through participation in decision-making activities.

Department of Campus Recreation

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005*</u>
Building Entries	235,247	254,629	259,944
Days of Operation	342	343	343
Non-student members	2,369	1,415	1,427
Paid guest visits	8,337	9,645	9,815

*actual through third quarter; estimate fourth quarter

Explanation of Major Changes

- The other transfers line includes a transfer to return \$80,000 to the general fund to recognize settlement of Series 1995 debt re-financing. A contingency transfer of \$90,000 was made to the Recreation Center at FY 2004 year-end to cover the Center for the \$2 fee reduction, pending the completion of the re-financing.
- Utility expense was significantly higher than initial projections by \$30,000.
- Decline in membership revenue projections by \$15,000. Slight reduction in student fee income by \$2,000.
- Approved capital projects including wireless installation, cardio equipment replacement, Fitness Center carpet replacement and Court 5 enclosure are underway or completed.

Budget Assumptions

Income: FY 2006 budget projections include:

- Project \$7,500 reduction in student fee as a result of Board approved waiver of Recreation Center fee for Dual Enrolled high school students
- Project increased levels of facility rental, membership sales and program/services over FY 2005

Department of Campus Recreation

Budget Assumptions (continued)

Expense: FY 2006 budget projections include:

- 2.3% increase in student employment (\$10,000) due to expanded facility hours to meet participant demand
- 5.8% increase in utilities budget (\$27,686) over FY 2005 projected
- 34% increase (\$22,317) in University Overhead Charge
- Decrease in debt service (\$16,010) due to debt refinancing
- Proposed capital projects include completion of cardio equipment replacement

Oakland University
Department of Campus Recreation
Proposed Budget - All Funds
Fiscal Year 2006

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 625,220	\$ 610,895	\$ 664,975
Retail Sales	-	-	-
Student Fees	2,716,152	2,714,388	2,706,888
Gifts and Grants	2,500	2,644	3,000
Investment Income	8,502	8,502	9,100
Total Revenue	\$ 3,352,374	\$ 3,336,429	\$ 3,383,963
EXPENDITURES:			
Compensation	\$ 1,141,682	\$ 1,139,793	\$ 1,171,481
Supplies and Services	348,858	348,858	352,255
Repairs and Maintenance	189,166	189,166	182,891
Cost of Retail Sales	-	-	-
Equipment	25,000	25,000	25,000
Insurance	33,504	24,637	33,504
Utilities	442,604	472,314	500,000
University Overhead	65,789	65,789	88,106
Total Expenditures	\$ 2,246,603	\$ 2,265,557	\$ 2,353,237
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (526,071)	\$ (526,071)	\$ (526,071)
Debt Service	1,514,750	1,514,750	1,498,740
Other Transfers	(5,000)	72,930	-
Total Transfers	\$ 983,679	\$ 1,061,609	\$ 972,669
Net Revenue Before Major Capital Expenditures	\$ 122,092	\$ 9,263	\$ 58,057
Major Capital Expenditures	\$ 200,000	\$ 200,000	\$ 50,000
Net Revenue	\$ (77,908)	\$ (190,737)	\$ 8,057
FUND BALANCES JULY 1	\$ 931,215	\$ 1,087,555	\$ 896,818
FUND BALANCES JUNE 30	\$ 853,307	\$ 896,818	\$ 904,875

**Oakland University
Department of Campus Recreation
Proposed Major Capital Expenditures
Fiscal Year 2006**

<u>Fiscal Year 2006 - Item Description</u>	<u>Estimated Cost</u>
Replace remaining cardio equipment in Fitness Center	\$ 50,000
 Fiscal Year 2006 Total	 <u><u>\$ 50,000</u></u>

Graham Health Center

Description of Program

The Graham Health Center provides acute care for Oakland University students and staff members. The primary users of the center are residence hall students, participants in the student health insurance program and female students who utilize the center for their women's health care issues. The Graham Health Center functions as the primary care provider for all student insurance participants and makes referrals to specialists for these students, if necessary. Staff members occasionally utilize the center for acute conditions that can be handled medically with one or two patient visits.

The model of care delivery in the Graham Health Center is a nurse practitioner model utilizing a consultative relationship with two physicians. One physician is on site four hours each week and available by phone for consultation during the remainder of the hours that the health center is open. The physicians also provide delegated prescriptive authority to the nurse practitioners. In addition, a consulting psychiatrist is on site six hours per month to conduct student psychiatric evaluations and/or medication reviews.

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Projected FY 2005</u>
Patient Visits	4,082	3,860	3,912
Participants in Student Health Insurance Program	500	380	405

Budget Assumptions

1. The increase in revenue is due to a small expected increase in numbers of students to be served at the Graham Health Center.
2. The student fee income is increased by \$10,848, or 4%.
3. University administrative overhead charges increased by \$1,945, or 8.32%.
4. Funds of \$22,500 will be transferred from the equity balance to the operating budget-\$5,000 for the psychiatrist fees will be transferred to Supplies and Services, \$5,000 to Repairs and Maintenance for exam room upkeep and improvements and \$12,500 to Equipment for the purchase of new exam tables.

Graham Health Center

Budget Assumptions (continued)

5. The increase in the Supplies and Services Budget for FY 2006 is based upon actual experience in FY 2005.

**Oakland University
Graham Health Center
Proposed Budget - All Funds
Fiscal Year 2006**

	FY05 BUDGET	FY05 ESTIMATED ACTUAL	FY06 BUDGET
REVENUE:			
Operating Revenue	\$ 170,000	\$ 181,000	\$ 185,000
Retail Sales	100,000	100,000	100,323
Student Fees	271,204	271,204	282,052
Gifts and Grants	-	-	-
Investment Income	-	-	-
Total Revenue	<u>\$ 541,204</u>	<u>\$ 552,204</u>	<u>\$ 567,375</u>
EXPENDITURES:			
Compensation	\$ 296,220	\$ 296,220	\$ 314,445
Supplies and Services	109,000	124,000	121,482
Repairs and Maintenance	11,756	7,478	17,075
Cost of Retail Sales	82,000	80,000	82,000
Equipment	2,000	5,455	13,500
Insurance	11,047	9,843	11,047
Utilities	5,500	5,500	5,000
University Overhead	23,381	23,381	25,326
Total Expenditures	<u>\$ 540,904</u>	<u>\$ 551,877</u>	<u>\$ 589,875</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 300</u>	<u>\$ 327</u>	<u>\$ (22,500)</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 300</u>	<u>\$ 327</u>	<u>\$ (22,500)</u>
FUND BALANCES JULY 1	\$ 77,984	\$ 82,996	\$ 83,323
FUND BALANCES JUNE 30	<u>\$ 78,284</u>	<u>\$ 83,323</u>	<u>\$ 60,823</u>

Department of Intercollegiate Athletics

Description of Program

The OU Department of Intercollegiate Athletics has been fully participating in Division I athletics since FY 2000. In the first six years the Golden Grizzlies have won 12 regular-season conference championships, 26 conference tournament titles and have had 17 NCAA tournament appearances.

The Oakland University Athletics Department is a member of the Mid-Continent Conference. The Mid-Continent Conference is comprised of nine schools – Centenary, Chicago State, IUPUI, UMKC, Oral Roberts, Southern Utah, Valparaiso and Western Illinois. The men's and women's swimming and diving programs also compete in the National Independent Conference.

OU has 14 varsity sports -- baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis and women's volleyball.

The Golden Grizzlies play their court sports (volleyball and men's and women's basketball) at the Athletics Center 'O'rena which has a capacity of 4,005, and the baseball, softball and soccer games are played at the OU Athletic Fields. OU swimming and diving competes in the OU Aquatics Center, which has a capacity of 1,000, and the men's and women's golf teams call OU's Katke-Cousins its home golf course.

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
RPI Tier 1 Athletic Teams			
Men's Basketball	199	227	164
Women's Basketball	194	123	143
Men's Soccer	86	40	57
Women's Soccer	101	63	117
Men's Swimming/Diving	27#	50#	85*
Women's Swimming/Diving	50#	39#	16*
Number of Student Athletes	276	253	226

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage, schedule strength, and opponents' schedule strength.

National Finish/Ranking

* Mid-Major Ranking

Department of Intercollegiate Athletics

Budget Assumptions

The OU Department of Intercollegiate Athletics' budget reflects the revenues and expenditures of its continuing participation in Division I athletics. Budget assumptions for Fiscal Year 2006 are as follows:

1. On the whole operating revenues will remain fairly stable with budgeted 2005 revenues, with some fluctuation in certain areas.
2. Student Fees will increase by 4%.
3. Included in the compensation line item are two new full-time coaching positions in Baseball and Volleyball. These positions are in response to the University's results of the Division I Certification Process. There will be a new position in the area of Athletic Training, which will result in a zero net increase in the budget from our present structure of using casual and temporary labor in this area. A basketball secretary position has also been added to follow standard practice within Division I.
4. Increases in supplies and services are the result of an initiative to move into compliance with our Division I Certification results and to increase the student athlete population.
5. General Fund budget support increases are due to projected adjustments for compensation and athletic enrollment recruiting goals.

Oakland University
Department of Intercollegiate Athletics
Proposed Budget - All Funds
Fiscal Year 2006

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 878,401	\$ 1,134,363	\$ 897,879
Retail Sales	50,000	75,000	50,000
Student Fees	457,013	491,513	511,174
Gifts and Grants	275,000	320,000	275,000
Investment Income	-	-	-
Total Revenue	<u>\$ 1,660,414</u>	<u>\$ 2,020,876</u>	<u>\$ 1,734,053</u>
EXPENDITURES:			
Compensation	\$ 2,086,490	\$ 2,133,915	\$ 2,362,129
Supplies and Services	1,158,822	1,330,049	1,434,412
Repairs and Maintenance	-	-	-
Cost of Retail Sales	40,000	50,000	40,000
Equipment	-	-	-
Insurance	20,900	22,173	24,000
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 3,306,212</u>	<u>\$ 3,536,137</u>	<u>\$ 3,860,541</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (1,836,596)	\$ (1,890,624)	\$ (2,233,627)
Debt Service	42,000	42,000	42,000
Other Transfers	-	(82,689)	-
Total Transfers	<u>\$ (1,794,596)</u>	<u>\$ (1,931,313)</u>	<u>\$ (2,191,627)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 148,798</u>	<u>\$ 416,052</u>	<u>\$ 65,139</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 148,798</u>	<u>\$ 416,052</u>	<u>\$ 65,139</u>
FUND BALANCES JULY 1	<u>\$ 981,766</u>	<u>\$ 1,471,099</u>	<u>\$ 1,887,151</u>
FUND BALANCES JUNE 30	<u>\$ 1,130,564</u>	<u>\$ 1,887,151</u>	<u>\$ 1,952,290</u>

Lowry Early Childhood Education Center (Child Development Lab)

Description of Program

The Lowry Early Childhood Center is a model center, which exhibits best practice in the field of early childhood education and development. Its main purpose is to provide a laboratory setting for the study of human, family, and child development. The aim of Lowry is to be a Child Development Lab and Educational Center of the highest quality.

The mission of the Lowry Center is to provide a model center for early childhood education and human development for the broad University community and its constituency groups. Lowry provides an ideal setting for the professional development of pre-service and in-service educators in the field of Early Childhood Education. The educational goals of the center are congruent with the goals of the School of Education and Human Services and the mission of Oakland University. The Lowry Center serves multiple target groups by supplying high quality education experiences for young children in the community and an excellent field experience and observation site for Oakland University students.

The Lowry Early Childhood Education Center offers an exemplary program for young children 18 months through 5 years of age extended to 6 years in the summer program. The vision of the center is to cultivate and maintain an environment where students, faculty, staff and parents collaborate regarding the essential elements necessary for optimal learning in young children. Teacher education, research and service are in the forefront of goal setting throughout the center. Child development, early learning and best practice in the field of early childhood education are cornerstones of the program's foundation.

The curriculum is based on sound child development theory and practice, incorporating a variety of approaches and techniques. The daily routine structure is based on the High/Scope Curriculum model and consists of planning time, work time, and recall time. Project-based learning allows children the opportunity to challenge their minds by exploring various topics and questions. As children are involved in project experiences, they become familiar with, and competent in the process of planning, exploring, and expanding their interests. The program strives to provide an environment, which develops strong self-esteem, provokes curiosity, and increases the desire to learn.

The Lowry Center is utilized for selected graduate Early Childhood Education courses, thus providing immediate and direct opportunities for observation and interaction with young children. Undergraduate classes in the School of Education make frequent visits to the Lowry Center for observations, assessment, and modeling. Many undergraduate students serve in classroom assistant roles throughout their time at Oakland University.

Lowry Early Childhood Education Center (Child Development Lab)

The Lowry Center partners with Rochester Community Schools to provide inclusive environments for children with special needs from the Rochester community. This partnership enhances learning for all children and offers a diverse environment and support from many specialists from the Rochester Community Schools.

Through the Child Care Access Means Parents in School (CCAMPIS) federal grant funding, the Lowry Center also strives to serve and support Oakland University student parents by providing a high quality program for their young children as they work to achieve educational goals.

Key Performance Indicators

Percentage of enrollment capacity for Winter semester, 2005

	Toddler-AM	Toddler-PM	Toddler-Full
Monday	100%	100%	100%
Tuesday	100%	100%	100%
Wednesday	100%	100%	100%
Thursday	100%	100%	100%
Friday	120%	100%	100%
	Preschool-AM	Preschool-PM	
Monday	100%	64%	
Tuesday	100%	64%	
Wednesday	100%	64%	
Thursday	100%	64%	
Friday	107%	57%	
	Preschool-Full		
Monday	80%		
Tuesday	95%		
Wednesday	80%		
Thursday	95%		
Friday	86%		

Lowry Early Childhood Education Center
(Child Development Lab)

Key Performance Indicators (continued)

	Pre-K--AM	Pre-K--PM	Pre-K--Full Day
Monday	100%	38%	91%
Tuesday	75%	44%	95%
Wednesday	100%	38%	91%
Thursday	75%	44%	95%
Friday	106%	38%	93%

	Winter 2003 Participants	Winter 2004 Participants	Winter 2005 Participants
Community	142	200	146
Students	30	22	22
Faculty and Staff	22	14	19

Age Group	FY 2004	FY 2005	FY 2006
Toddlers	\$47 Full day \$26 Half day	\$49 Full day \$27 Half day	\$49 Full day \$27 Half day
Preschool	\$39 Full day \$21 Half day	\$41 Full day \$22 Half day	\$41 Full day \$22 Half day
Pre-K	Pre-K \$39 Full day \$21 Half day	Pre-K \$41 Full day \$22 Half day	Pre-K \$41 Full day \$22 Half day
Before / After-Care	\$5.00 / ½ hour (Unscheduled hours discouraged.)	\$5.00 / ½ hour (Unscheduled hours discouraged.)	\$5.00 / ½ hour (Unscheduled hours discouraged.)

Lowry Early Childhood Education Center
(Child Development Lab)

Budget Assumptions

1. The FY 2006 projected enrollment is based on classroom sizes that are determined by state licensing standards. Operating Revenue is based on 80% capacity which has been the average over the last two years.
2. Fee structure is based on half-day and full-day sessions, and per-hour before/after-care.
3. Registration/Deposit fees for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50.00 non-refundable).
4. Registration fees for OU affiliates will be \$50 per semester; \$25 will be deducted from the final payment per semester (\$25.00 non-refundable per semester).
5. Gifts and Grants (Gifts \$2,525 & Grants \$36,592) are based on the current CCAMPIS grant which ends its four-year term in FY 2006.
6. Compensation was based on full staff and increases were calculated based on Auxiliary Budget Assumptions. Industry standards call for a budget to be based on full capacity enrollment and then any savings to be realized by adjustments to student staff in order to meet ratios required by the number of children actually enrolled.
7. Supplies and Services were drastically reduced from FY 2005. This correlated to the lower enrollment. FY 2006 was based on FY 2005 estimated actual with a slight increase to reflect inflation.
8. Utilities were based on FY 2005 estimated actual with a projected 5% increase for FY 2006.
9. General Fund Budget Support is the tuition dollars from the Early Childhood practicum taken by Masters students. This course has been reduced to 2 credits from 4 credits. Projections for enrollment are at 36 graduate students which has been the norm over the past two years.

Oakland University
Lowry Center
Proposed Budget - All Funds
Fiscal Year 2006

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 840,635	\$ 741,013	\$ 778,462
Retail Sales	-	-	-
Student Fees	-	-	-
Gifts and Grants	37,443	46,280	46,280
Investment Income	-	-	-
Total Revenue	<u>\$ 878,078</u>	<u>\$ 787,293</u>	<u>\$ 824,742</u>
EXPENDITURES:			
Compensation	\$ 791,500	\$ 675,276	\$ 770,000
Supplies and Services	100,232	58,376	61,000
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	3,000	3,000	6,000
Insurance	-	-	-
Utilities	5,225	5,225	5,500
University Overhead	-	-	-
Total Expenditures	<u>\$ 899,957</u>	<u>\$ 741,877</u>	<u>\$ 842,500</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (26,879)	\$ (21,096)	\$ (21,096)
Debt Service	-	-	-
Other Transfers	-	(1,173)	-
Total Transfers	<u>\$ (26,879)</u>	<u>\$ (22,269)</u>	<u>\$ (21,096)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 5,000</u>	<u>\$ 67,685</u>	<u>\$ 3,338</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 5,000</u>	<u>\$ 67,685</u>	<u>\$ 3,338</u>
FUND BALANCES JULY 1	\$ 137,707	\$ 152,251	\$ 219,936
FUND BALANCES JUNE 30	<u>\$ 142,707</u>	<u>\$ 219,936</u>	<u>\$ 223,274</u>

Meadow Brook Music Festival

Description of Program

The 2004 Meadow Brook Music Festival season was the eighth season under the ten year agreement with Palace Sports and Entertainment to operate and manage the Music Festival. Highlights of the agreement include a guaranteed lease payment, an investment of over \$2 million in facility improvements, as well as a long-term commitment to more concerts than presented in previous years. Meadow Brook's 2004 schedule included a two weekend visit by the Detroit Symphony Orchestra, for a total of five performances. Besides the classical offerings, however, the Festival's events included rock, jazz, country, comedy, adult contemporary and family entertainment.

The Meadow Brook Music Festival opened in July 1964 and was built to be the summer home for the Detroit Symphony Orchestra. Over the years, millions of visitors have enjoyed concerts at the outdoor amphitheatre, which features over 2,700 pavilion seats and lawn seating for an additional 5,000. Under the University's contract with the Palace, there is a guaranteed annual payment of \$105,000, plus 6% of gross revenues over \$3 million, through the 2006 season.

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Attendance	109,974	121,070	88,597
Gross Revenue	\$2,614,082	\$3,053,169	\$1,693,635
Number of Events	44	46	42

Explanation of Major Changes

The 2004 festival season (FY 2005) gross revenue was down from the previous year due to the reduced number of DSO performances, and an overall decline in concert attendance in 2004 within the industry.

The budget for FY 2006 reflects the revenue from the guaranteed lease payment from Palace Sports and Entertainment.

**Oakland University
Meadow Brook Music Festival
Proposed Budget - All Funds
Fiscal Year 2006**

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 105,000	\$ 105,000	\$ 105,000
Retail Sales	-	-	-
Student Fees	-	-	-
Gifts and Grants	9,000	9,269	9,000
Investment Income	-	-	-
Total Revenue	<u>\$ 114,000</u>	<u>\$ 114,269</u>	<u>\$ 114,000</u>
EXPENDITURES:			
Compensation	\$ 62,100	\$ 61,635	\$ 63,900
Supplies and Services	2,500	1,000	2,500
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	5,000	3,399	5,000
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 69,600</u>	<u>\$ 66,034</u>	<u>\$ 71,400</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 44,400</u>	<u>\$ 48,235</u>	<u>\$ 42,600</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 44,400</u>	<u>\$ 48,235</u>	<u>\$ 42,600</u>
FUND BALANCES JULY 1	\$ 102,062	\$ 101,530	\$ 149,765
FUND BALANCES JUNE 30	<u>\$ 146,462</u>	<u>\$ 149,765</u>	<u>\$ 192,365</u>

Meadow Brook Theatre

Description of Program

In June 2003, Oakland University entered into an agreement with The Theatre Ensemble, a non-profit corporation, to lease Meadow Brook Theatre facilities to produce a full season of plays each of the next five years, beginning in fiscal year 2004. Highlights of the agreement included:

- Continued productions of professional theatre productions and related events as Meadow Brook Theatre.
- Guaranteed rent payment per week of each production season, with a guaranteed number of weeks each year.
- Additional rent payments based on tickets sold.
- Increased opportunities for a strong relationship between The Theatre Ensemble and Oakland University's students, particularly those in the academic theatre programs.

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u> (projected)
Total Attendance	102,386	68,438	60,000

Explanation of Major Changes

The FY 2004 season was the first for the Theatre Ensemble. The decrease in total attendance from FY 2003 reflects the Ensemble's business model. Ticket sales, other revenue, and total expenses have been reduced from the prior years when Oakland University operated the theatre.

The estimated actual results for Meadow Brook Theatre for fiscal year FY 2005 reflect the lease revenue from the Theatre Ensemble, and related University expenses for utilities and insurance. Fixed rent received per the contract is based on a minimum guaranteed number of production weeks, and increases each year of the agreement. A budget for equipment is included in order to provide updates for the facility and lighting and sound equipment.

**Oakland University
Meadow Brook Theatre
Proposed Budget - All Funds
Fiscal Year 2006**

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 72,000	\$ 68,000	\$ 72,000
Retail Sales	-	-	-
Student Fees	-	-	-
Gifts and Grants	-	-	-
Investment Income	-	-	-
Total Revenue	\$ 72,000	\$ 68,000	\$ 72,000
EXPENDITURES:			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	-	(1,391)	-
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	10,000
Insurance	3,100	1,976	3,100
Utilities	37,200	37,190	40,000
University Overhead	-	-	-
Total Expenditures	\$ 40,300	\$ 37,775	\$ 53,100
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	\$ -	\$ -	\$ -
Net Revenue Before Major Capital Expenditures	\$ 31,700	\$ 30,225	\$ 18,900
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	\$ 31,700	\$ 30,225	\$ 18,900
FUND BALANCES JULY 1	\$ 26,486	\$ 27,291	\$ 57,516
FUND BALANCES JUNE 30	\$ 58,186	\$ 57,516	\$ 76,416

Oakland Center

Description of Program

The Oakland Center serves as a community center for students, faculty, staff and University guests. The Oakland Center offers a wide-range of services and amenities such as: campus-wide food service, 24-hour computer lab access, University bookstore, credit union, meeting and conference room facilities, departmental and student organization offices. The expanded Oakland Center continues to experience strong and growing student utilization, to include attracting a diversity of programs to the popular Banquet Rooms.

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Number of meeting reservations	6,444	5,788	5,541*
Number of attendees	228,688	217,179	220,405*
Number of catered events	4,045	3,986	3,809*

* Estimate based on three quarters actual and fourth quarter reservations.

Although the initial numbers appear to indicate a 4% decrease in the number of reservations in the building, it appears that the size of events has increased with the popularity of the Banquet Rooms. This year, 226 events were hosted in the Banquet Rooms with total attendance of over 46,000. Off-campus groups accounted for 9% of Banquet Room usage.

Recently electronic door counters were installed at building entrances. These counters provide a daily count of pedestrian traffic in the Oakland Center. Last September a new daily record was established with 13,553 individuals entering the building.

Explanation of Major Changes

Credit Union ONE is the newest tenant in the Oakland Center. A seven-year agreement with the credit union returns an annual base rent of \$15,680 plus utilities, commencing in May 2005.

In FY 2005, utility costs increased 38% (\$116,800) over the FY 2004 actual expenditures. The increase is due to a combination of factors. The Banquet Rooms completed their first full year of operation leading to increased energy consumption, utility rates increased overall and this was the first full year of metering in the Oakland Center. The added costs were offset this year by the elimination of a 9-month custodial position and decrease in student labor, as well as conservative spending.

Oakland Center

Budget Assumptions

1. A 4% General Service Fee increase is assumed for FY 2006.
2. A moderate increase in bookstore revenue has been budgeted for FY 2006. Moderate revenue increases are projected in conference and food service areas. Leased facility space will also contribute to an increase in revenue.
3. Compensation expenses include the elimination of one custodial position (9 month).
4. FY 2005 budget included a reduction in repairs and maintenance in order to balance the budget. This reduction was necessary to help fund a required one-time payment of \$50,000 to the general fund. The \$50,000 transfer to general fund has been eliminated for FY 2006 and returned to the repairs and maintenance line of the budget.
5. Capital expenditures of \$190,000 are anticipated for Gold Room renovation.

**Oakland University
Oakland Center
Proposed Budget - All Funds
Fiscal Year 2006**

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 1,214,871	\$ 1,174,972	\$ 1,202,309
Retail Sales	-	-	-
Student Fees	890,297	890,297	929,909
Gifts and Grants	-	465	-
Investment Income	6,700	7,253	7,500
Total Revenue	<u>\$ 2,111,868</u>	<u>\$ 2,072,987</u>	<u>\$ 2,139,718</u>
EXPENDITURES:			
Compensation	\$ 922,805	\$ 827,932	\$ 911,427
Supplies and Services	225,896	216,000	222,480
Repairs and Maintenance	178,324	136,014	192,371
Cost of Retail Sales	-	-	-
Equipment	52,500	52,500	54,075
Insurance	21,761	20,818	25,438
Utilities	322,500	424,000	445,200
University Overhead	62,402	62,402	13,129
Total Expenditures	<u>\$ 1,786,188</u>	<u>\$ 1,739,666</u>	<u>\$ 1,864,120</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	325,400	325,400	275,400
Total Transfers	<u>\$ 325,400</u>	<u>\$ 325,400</u>	<u>\$ 275,400</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 280</u>	<u>\$ 7,921</u>	<u>\$ 198</u>
Major Capital Expenditures	\$ 122,500	\$ 122,500	\$ 190,000
Net Revenue	<u>\$ (122,220)</u>	<u>\$ (114,579)</u>	<u>\$ (189,802)</u>
FUND BALANCES JULY 1	<u>\$ 933,018</u>	<u>\$ 985,703</u>	<u>\$ 871,124</u>
FUND BALANCES JUNE 30	<u>\$ 810,798</u>	<u>\$ 871,124</u>	<u>\$ 681,322</u>

**Oakland University
Oakland Center
Proposed Major Capital Expenditures
Fiscal Year 2006**

<u>Fiscal Year 2006 - Item Description</u>	<u>Estimated Cost</u>
Conference Room Upgrade (Gold Rooms)	\$ 190,000
 Fiscal Year 2006 Total	 <u><u>\$ 190,000</u></u>

Department of University Housing

Description of Program

The Department of University Housing has administrative oversight for on-campus housing operations including budget, facility operations, maintenance, programming, support services, and all personnel. The department also has contract management responsibilities for the food services agreement with Chartwells Corporation and property management responsibilities for the Meadow Brook Subdivision and other University rental properties.

This past year \$194,000 was used for student housing renovation projects. Projects included:

- Upgrade of Hamlin Hall computer room which included new computers and study furniture
- Lightening protection for student apartments
- Roof repairs to East and West Vandenberg Canopies
- Installation of security cameras
- Student lounge furniture replacement

Projects scheduled for FY 2006 include:

- Vandenberg Dining Center renovation
- Structural repair of Van Wagoner and Hill House pedestrian walkways
- Completion of student apartment landscaping plan
- Renovation of student cottage
- Van Wagoner and Hill House elevator refurbishment

Key Performance Indicators

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	
Opening Occupancy	1,524	1,612	1,644	
Renovation and Refurbishing Projects	\$804,170	\$415,522	\$194,000	
All Funds Balance	\$233,395	\$385,865	\$674,787	estimated

Department of University Housing

Explanation of Major Changes

The number of students living on campus was approximately 2% higher than budgeted in FY 2005. The additional occupancy resulted in total revenue of \$9,102,651; an increase of \$150,654 over the Board approved FY 2005 budget.

Labor savings totaling \$112,970 were achieved through cost saving measures. Those measures included staff restructuring and expanded use of contracted services. The supplies and services expense line reflects increased spending as a result of expensing some projects originally budgeted in major capital expenditures to that line in addition to completing some projects which were not originally budgeted (e.g. security cameras, gutters).

An amendment to the food service agreement with Chartwells was completed during FY 2005. The extended agreement provides an additional \$1,500,000 in capital investment to the University for the food service operations. It also provides an increase of 12% in the yearly commission paid to the University beginning in FY 2010.

Budget Assumptions

1. A three year occupancy average is used to build the annual housing budget. For FY 2006, the budget is built on the average occupancy of 1593.
2. The budget reflects a 5.0% rate increase in residence halls' room and board rates. The recommended rates for FY 2006 are detailed below. The FY 2007 rates are expected to increase by 5% as well.

Year	FY 2005	FY 2006
Academic Year Rate	\$5,790	\$6,080
Single Room Premium	\$1,035	\$1,090
Spring Term Rate	\$1,325	\$1,390
Summer Term Rate	\$1,275	\$1,340
Percentage Increase	4.5%	5%

Department of University Housing

Budget Assumptions (continued)

3. The budget reflects a 5.0% rate increase in student apartments and Matthew Court family housing. The recommended rates for FY 2006 are detailed below. The FY 2007 rates are expected to increase by 5% as well.

Year	FY 2005	FY 2006
Academic Year Rate	\$4,675	\$4,910
Spring Term	\$1,170	\$1,230
Summer Term	\$1,170	\$1,230
Matthews Court - monthly	\$650 ⁽¹⁾	\$685
Percentage Increase	4.5%	5%

⁽¹⁾ This rate did not reflect an increase for FY 2005.

4. Overall room and board rate increase of 5% includes replacement of the computers in the Housing Office and the addition of e-mail stations for student use in the common areas of each residence hall. The new rate also covers an increase in the daily board rate payment to the caterer, which includes a 3% negotiated increase in food and labor costs, and ongoing recovery of capital investment dollars.
5. The budget reflects major capital expenditures for three projects identified from the campus housing master plan: Vandenberg Dining Center renovation, refurbishment of the Van Wagoner and Hill House elevators and structural repair of the Van Wagoner and Hill House pedestrian walkways.

**Oakland University
University Housing
Proposed Budget - All Funds
Fiscal Year 2006**

	FY 05 BUDGET	FY 05 ESTIMATED ACTUAL	FY 06 BUDGET
REVENUE:			
Operating Revenue	\$ 8,951,654	\$ 9,102,651	\$ 9,399,237
Retail Sales	-	-	-
Student Fees	-	-	-
Gifts and Grants	-	-	-
Investment Income	5,000	5,000	5,150
Total Revenue	<u>\$ 8,956,654</u>	<u>\$ 9,107,651</u>	<u>\$ 9,404,387</u>
EXPENDITURES:			
Compensation	\$ 2,243,868	\$ 2,130,898	\$ 2,308,379
Supplies and Services	2,905,999	3,040,151	2,993,179
Repairs and Maintenance	640,000	690,000	659,200
Cost of Retail Sales	-	-	-
Equipment	20,000	20,000	20,600
Insurance	130,000	101,309	133,900
Utilities	1,000,000	1,000,000	1,050,000
University Overhead	312,311	312,311	314,074
Total Expenditures	<u>\$ 7,252,178</u>	<u>\$ 7,294,669</u>	<u>\$ 7,479,332</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	1,400,000	1,400,000	1,400,000
Other Transfers	79,060	79,060	81,432
Total Transfers	<u>\$ 1,479,060</u>	<u>\$ 1,479,060</u>	<u>\$ 1,481,432</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 225,416</u>	<u>\$ 333,922</u>	<u>\$ 443,623</u>
Major Capital Expenditures	\$ 100,000	\$ 45,000	\$ 300,000
Net Revenue	<u>\$ 125,416</u>	<u>\$ 288,922</u>	<u>\$ 143,623</u>
FUND BALANCES JULY 1	\$ 450,091	\$ 385,865	\$ 674,787
FUND BALANCES JUNE 30	<u>\$ 575,507</u>	<u>\$ 674,787</u>	<u>\$ 818,410</u>

**Oakland University
Department of University Housing
Proposed Major Capital Expenditures
Fiscal Year 2006**

<u>Fiscal Year 2006 - Item Description</u>	<u>Estimated Cost</u>
Deferred Maintenance Items to be Determined	\$ 300,000
Fiscal Year 2006 Total	<u><u>\$ 300,000</u></u>

**Agendum
Oakland University
Board of Trustees Formal Meeting
June 1, 2005**

**APPROVAL OF ANCILLARY ACTIVITIES OPERATING BUDGETS
FOR THE FISCAL YEAR ENDING
JUNE 30, 2006**

Introduction

Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2006:

Campus Recreation (CR)	Meadow Brook Music Festival (MBMF)
Graham Health Center (GHC)	Meadow Brook Theatre (MBT)
Intercollegiate Athletics (IA)	Oakland Center (OC)
Lowry Early Childhood Center (LECC)	University Housing (UH)

These ancillary activities represent a broad range of operations connected with and in support of the educational mission of Oakland University. A summary of the proposed budgets is attached as Appendix I.

Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "All Funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund and the Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable-Restricted Funds and are included.

The FY 2006 budgeted operational expenditures and transfers for these eight units total \$17,630,883, with capital items totaling an additional \$540,000. This represents an increase of 2.8% and 4.7% respectively, over the FY 2005 estimated actual.

Payments to the general fund for administrative overhead costs for FY 2006 from these eight ancillary operations totals \$440,635.

**Approval of Ancillary Activities Operating Budgets
For the Fiscal Year Ending June 30, 2006
Board of Trustees Formal Meeting
June 1, 2005
Page 2**

Recommendation

RESOLVED, that the Board of Trustees approves the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Early Childhood Center, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center and University Housing for the year ending June 30, 2006, with expenditures and transfers not to exceed the expense total for each unit detailed on Appendix I, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Submitted to the University President
on _____, 2005, by

John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2005
to the Board of Trustees for Approval

Gary D. Russi
President