

**RESOLUTION OF THE BOARD OF DIRECTORS APPROVING THE OPERATING
BUDGET FOR FY2022-2023**

WHEREAS, the California State University, Dominguez Hills Foundation (the “Foundation”) is a recognized auxiliary organization of The California State University (the “University”) incorporated as a 501(c)3 non-profit public benefit corporation in April 1968; and

WHEREAS, as an auxiliary organization, the Foundation is required to review and approve an annual budget and reserves projection for submission to the campus President; and

WHEREAS, the Foundation has developed its budget and reserves projection for FY2022-23; and

WHEREAS, the Executive Committee and the Board of Directors has been presented with and reviewed said budget.

**THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS RESOLVED AS
FOLLOWS:**

RESOLVED, that the Board of Directors of the Foundation recognizes the above recitals as true and correct and adopts them as findings of fact; and

RESOLVED, that the Board of Directors adopts and approves the FY2022-23 Operating Budget as presented; and

RESOLVED, that the Executive Director is directed to submit the FY2022-23 Operating Budget and Reserves Projection to the University President in accordance with campus policy, and to take any and all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Adopted this 28th day of June 2022.

Del L. Huff

Del L. Huff (Jun 29, 2022 17:54 PDT)

Del Huff, Chair
CSUDH Foundation
Board of Directors

Attest: _____

Deborah Wallace

Deborah Wallace (Jun 30, 2022 08:53 PDT)

Deborah Wallace
CSUDH Foundation
Board of Directors

California State University, Dominguez Hills Foundation
Income Statement Summary by Division
2021-22 Projections Operating Summary (FY 21-22 Board Approved BUDGET Compared to FY 21-22 Unaudited PROJECTIONS)

Division	Revenues & Transfers In				Expenditures & Transfers Out				Net Revenues and Transfers In Over (Under)			
	FY 21/22 Board Approved Budget	FY 21/22 Unaudited Projections	Variance	% Variance	FY 21/22 Board Approved Budget	FY 21/22 Unaudited Projections	Variance	% Variance	FY 21/22 Board Approved Budget	FY 21/22 Unaudited Projections	Variance	% Variance
10 Administration	2,260,008	1,559,701	(700,307)	-31%	3,413,764	3,299,022	114,742	3%	(1,153,756)	(1,739,321)	(585,565)	-51%
20 Commercial Enterprises	1,450,208	1,203,372	(246,836)	-17%	951,145	1,138,926	(187,781)	-20%	499,063	64,446	(434,617)	-87%
40 Dining Services Administration	0	2,613,400	2,613,400	100%	208,008	217,445	(9,437)	-5%	(208,008)	2,395,955	2,603,963	1252%
42 Dining- Tenant	32,508	122,765	90,257	278%	5,772	30,777	(25,005)	-433%	26,736	91,988	65,252	244%
44 Dining- Central Kitchen	0	665	665	100%	506,577	847,039	(340,462)	-67%	(506,577)	(846,374)	(339,797)	-67%
46 Dining- Internal	653,342	1,002,802	349,460	53%	1,763,456	1,578,933	184,523	10%	(1,110,114)	(576,131)	533,983	48%
Subtotal	4,396,066	6,502,705	2,106,639	48%	6,848,722	7,112,140	(263,418)	-4%	(2,452,656)	(609,436)	1,843,220	-75%
50 Grants and Contracts	0	10,804,759	10,804,759	100%	0	10,804,759	(10,804,759)	100%	0	0	0	0%
Totals	4,396,066	17,307,464	12,911,398	294%	6,848,722	17,916,899	(11,068,177)	-162%	(2,452,656)	(609,436)	1,843,220	-75%

California State University, Dominguez Hills Foundation
Income Statement Summary by Division
2022-23 Budget Operating Summary (FY 21-22 Unaudited PROJECTIONS Compared to FY 22-23 PROPOSED BUDGET)

Division	Revenues & Transfers In				Expenditures & Transfers Out				Net Revenues and Transfers In Over (Under)			
	FY 21/22 Unaudited Projections	FY 22/23 Proposed Budget	Variance	% Variance	FY 21/22 Unaudited Projections	FY 22/23 Proposed Budget	Variance	% Variance	FY 21/22 Unaudited Projections	FY 22/23 Proposed Budget	Variance	% Variance
10 Administration	1,559,701	1,186,334	(373,368)	-24%	3,299,022	3,368,994	(69,972)	-2%	(1,739,321)	(2,182,660)	(443,339)	-25%
20 Commercial Enterprises	1,203,372	1,898,396	695,024	58%	1,138,926	1,049,753	89,173	8%	64,446	848,643	784,197	1217%
40 Dining Services Administration	2,613,400	2,000,000	(613,400)	100%	217,445	598,094	(380,649)	-175%	2,395,955	1,401,906	(994,049)	-41%
42 Dining- Tenant	122,765	240,000	117,235	95%	30,777	15,049	15,728	51%	91,988	224,951	132,963	145%
44 Dining- Central Kitchen	665	900	235	100%	847,039	810,235	36,803	4%	(846,374)	(809,335)	37,038	4%
46 Dining- Internal	1,002,802	2,501,403	1,498,601	149%	1,578,933	1,972,449	(393,517)	-25%	(576,131)	528,953	1,105,084	192%
Subtotal	6,502,705	7,827,032	1,324,328	20%	7,112,140	7,814,574	(702,434)	-10%	(609,436)	12,458	621,894	-102%
50 Grants and Contracts	10,804,759	10,804,759	0	0%	10,804,759	10,804,759	0	0%	0	0	0	0%
Totals	17,307,464	18,631,791	1,324,328	8%	17,916,899	18,619,333	(702,434)	-4%	(609,436)	12,458	621,894	-102%

Legend

- Administration includes Foundation investments, Central Office, General Fund, Executive Director, OPEB, and Post Award.
- This fund was created as of reporting period ended 6/30/2021. It includes reimbursable accounts and other accounts where Foundation provides it encompasses the Bookstore, LiveScan, Wells Fargo, Dignity Health, Cell Tower Programs, Just Pushing Dirt, and Global Freight Solutions. administrative involvement and/or records revenue or expenses that are not related to any other fund. Authorized signers on these accounts are personnel external to Central Foundation.
- Dining Administration incorporates all personnel expenses for Dining not directly associated to a service unit or Central Kitchen.
- Dining Tenant includes current tenants housed at the Loker Student Union and capture both revenue, direct expense, and overhead attributable directly to the department. Tenants prior to COVID-19 included Subway, Panda Express, Everytable, and Green Olive.
- There are four departments included within Central Kitchen, including Toro Fresh, Cafe Toro, DH Sports Lounge, and 1910 Cafe and Lounge. For each of these venues, revenue and cost of sales is attributed to the department.
- Campus Vending and Self-operated units, including University Catering, Grab N Go I and II, Union Grind, Booked & Brewed (previously known as Green Mountain Coffee) and CAMS are all incorporated into Dining Internal. Revenue, direct expense, and overhead are attributed directly to the department.
- The Foundation is the official recipient of grants and contracts research at CSUDH. The Dean of Graduate Studies and Research through the Director of Sponsored Research and Programs, has the responsibility for compliance with Uniform Guidance, OMB Circulars, and other federal, state, and local policies and procedures related to grants and contracts administration.

California State University, Dominguez Hills Foundation
2022-23 Fiscal Year
Fund Balance Historical Analysis

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		2022-2023
	Audited	Audited	Audited	Audited	Board Approved Budget	Unaudited Projections Through June 30, 2022	Proposed Budget
Beginning Fund Balance	\$ 8,301,531	\$ 9,812,926	\$ 9,552,679	\$ 8,643,956	\$ 6,393,062	\$ 6,393,062	\$ 5,783,626
Revenues	\$ 21,777,159	\$ 19,738,041	\$ 16,067,600	\$ 14,253,885	\$ 4,396,066	\$ 17,307,464	\$ 18,631,791
Operating Expenditures, including Grant and Contracts	\$ 21,063,386	\$ 21,017,810	\$ 17,914,158	\$ 17,715,915	\$ 6,848,722	\$ 17,916,899	\$ 18,619,333
Other Financing Sources (Uses)	\$ 797,622	\$ 1,019,522	\$ (604,664)	\$ 1,211,136	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 1,511,395	\$ (260,247)	\$ (2,451,222)	\$ (2,250,894)	\$ (2,452,656)	\$ (609,436)	\$ 12,458
Net Position - Beginning of Year (as restated)	\$ -	\$ -	\$ 1,542,499	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 9,812,926	\$ 9,552,679	\$ 8,643,956	\$ 6,393,062	\$ 3,940,406	\$ 5,783,626	\$ 5,796,085

**California State University, Dominguez Hills Foundation
2021-22 Projected and 2022-23 Proposed Budgets**

Highlights and Major Assumptions

FY 2021-22 Projected (Current year budget compared to current year projections)

- The 2020-21 Projected column is based on 9-10 months of actual history projected to 12 months.
- **Division 10** represents the core operation of the Foundation and combines all of the administrative activities.
 - In FY 21-22, the projected revenue is \$1,559,701 against the PY budget of \$2,260,008. This anticipated decrease of approximately \$700,000 will result from lower administrative service fees and interest income.
 - In FY 21-22, the projected expense is almost \$3,299,022 against the PY budget of \$3,412,564; an expected decrease of about \$113,000. The decrease is primarily attributable to higher and lower adjustments throughout this section of the budget.
- **Division 20** consists of all commercial enterprise activities such as the University Bookstore, Dignity Health Sports Park, Cell Tower programs, commercial filming, and land lease opportunities.
 - In FY 21-22, the projected revenue is \$1,203,372 against the current year budget of \$1,450,208. This expected net decrease of approximately \$250,000 will primarily result from the termination of two land lease tenants, the transition of the Infant Toddler Center to Associated Student Incorporated (ASI), and the COVID-19 surges which affected the Live Scan services whose budget was \$380,652.
 - In FY 21-22, the projected expense is a little more than \$1,138,926 as compared to the budget of \$884,837. Total expenses are over budget by about \$254,000 due to projected higher costs related to commercial enterprise activities.
- **Division 40** is a cost center, created in FY 20-21, which captures total expenses related to the administration of all campus dining activities.
 - In FY 21-22, the projected revenue is slightly more than \$2.6mm and represents Related Party Revenue from the CARES act approved and received by Foundation from the University in January 2022. These are CARES funds from a claim for revenue loss due to the COVID-19 crisis that pertained to Foundation's Campus Dining division.
 - In FY 21-22, the projected expense is higher than the budget by \$9,437.
- **Division 42** is the cost center which includes the four (4) external dining tenants such as Subway, Panda Express, EveryTable, and Green Olive.
 - In FY 21-22, the projected revenue is about \$122,765 against the current year budget of \$32,508.
 - In FY 21-22, the projected expense of \$30,777 is higher than the budget by about \$25,000.

- **Division 44** is the cost center which supports all internal dining activity, and typically does not reflect any revenue. The units it currently supports are comprised of Toro Fresh, Cafe Toro, DH Sports Lounge, University Catering as well as the new Innovation & Instruction Kitchen, and all other campus eateries.
 - In FY 21-22, the projected revenue is about \$665 against the current year budget of zero.
 - In FY 21-22, the projected expense of \$847,039 is higher than the budget of \$504,573, and results in a variance of \$342,466.
- **Division 46** represents a consolidation of all internal dining activity including campus vending and self-operated units, University Catering, Grab N Go I and II, Union Grind, Booked & Brewed, and CAMS.
 - In FY 21-22, the projected revenue is a little over \$1,000,000. When compared against the current year budget of \$653,342, the variance of almost \$350,000 and is due to the 25% capacity approved budget assumption for the whole year whereas the capacity increased to about 80% in the Spring semester.
 - In FY 21-22, the projected expense of \$1,578,933 is higher than the budget of \$883,456, and generates a variance of \$695,477 as a result of more dollars spent to ramp back up after being closed the previous fiscal years due to COVID-19 coupled with the 25% capacity budget assumption mentioned above.

2022-23 Proposed Budget (FY21-22 projections compared to FY 22-23 proposed budget)

- All budgets have actually been entered as monthly amounts. This should be useful for planning, especially for the Commercial and Dining Services Operations.
- Included in a few divisions throughout the budget is \$210,634 for various EO1000 charges payable to the University for related services and reimbursements such as police, utilities, IT maintenance, etc. An additional \$37,352 charged to the CAMS program is not included in the budget.
- Consistent with last year's budgets, no figures for Grants and Contracts have been included as they are cost-reimbursable, and resulting revenues will equal expenditures and have a zero net effect on ending available fund balance. However, three (3) full-time positions are included in the Division 10 budget.
- The budgets do not include Fund 20 (Foundation Affiliated Funds), Fund 30 (Foundation Designated Funds), or Fund 90 (Foundation Agency Funds). These funds are not available to support Foundation operations.
- **Division 10** reflects necessary administrative costs required to move the organization forward such as:
 - A comprehensive information technology (IT) budget which includes an upgrade to the current ONESolution accounting system at a cost of about \$223K. In addition to the software, the price tag includes annual maintenance and access fees along with training and equipment. The current accounting system was last updated more than 15 years ago and the current version is no longer being supported.
 - \$3.8mm in personnel expenses, for 42 positions, including related payroll taxes, benefits, and a small pool of funds (about 2% of total costs) for equity and other

adjustments in order for the Foundation to retain staff and remain competitive in this post-COVID-19/great resignation environment.

- Unrealized investment gains and related interest income have been zeroed out for conservative budget purposes.
 - The proposed revenue for FY 22-23 is \$1,186,334. This 24% decrease, when compared to revenue projected in FY21-22, results from lower administrative service fees.
 - The proposed total expenses for FY 22-23 are \$3,368,994; a modest 2% increase when compared to FY 21-22 expense projections.
- **In Division 20**, we restructured the film rates to generate a meaningful profit which will add essential financial support to the operations of the Foundation. All revenue streams, in this sector, were reviewed, and some are still being worked on to further increase revenue from the Bookstore, land lease opportunities, and cell tower programs.
- The proposed revenue for FY 22-23 is \$1,898,396. The 58% increase, when compared to revenue projected of \$1,203,372 in FY21-22, results from new pricing strategies related to the film service revenue, and the analysis of all revenue streams.
 - The proposed total expenses for FY 22-23 is \$1,049,753, an 8% decrease when compared to FY 21-22 expense projections of \$1,138,926.
- **In Division 40**, we are entering into a third-party contract with Aramark to outsource all foodservice and retail dining activities along with existing and planned residential housing programs. The partnership with Aramark, which is rated number one in diversified outsourcing among its peers, will expand and transform the current dining program so that students can have the foods they crave at their chosen time, place, and price point.
- The proposed revenue for FY 22-23 is \$2,000,000 and represents the signing bonus with Aramark.
 - Almost all of the proposed expenses, which total \$598,094 for FY 22-23, relate to the transition of staff to the new Aramark model which is still being finalized.
- **Division 42** budget reflects the estimated enrollment capacity, for four (4) external dining tenants, at pre-COVID levels.
- The proposed revenue for FY 22-23 is \$240,000 as compared to the projected revenue of almost \$123,000. FY 21-22 projected revenue is lower because 3 of the tenants not only delayed resuming their operations at the beginning of the Fall semester due to surges in COVID-19 but capacity was at 25%. One (1) tenant suspended their operations for several months and did not resume until mid-February 2022.
 - The budgeted expense variance (\$15,049 v \$30,777) is lower than FY 21-22 projections because the food truck was not anticipated in the current COVID-19 environment in summer 2021, and was not budgeted.
- **Division 44** budget reflects the estimated enrollment capacity at pre-COVID levels, and typically does not reflect any revenue.
- The proposed revenue for FY 22-23 is \$900 as compared to the projected revenue of almost \$665.

- The budgeted expense variance (\$810,235 v \$847,039) is lower than FY 21-22 projections generally across most line items because in FY 21-22 the units spent a few more dollars to ramp back up after being closed the previous fiscal years due to COVID-19.
- **Division 46** budget reflects the estimated enrollment capacity at pre-COVID levels.
 - The proposed revenue for FY 22-23 is \$2,501,403 as compared to the projected revenue of almost \$1,002,802 reflects an increase of about 150% (or \$1,500,000). The assumption reflects the trend the University is aiming to return near full capacity.
 - The budgeted expense variance (\$1,972,449 v \$1,578,933) is higher than FY 21-22 projections to be in line with the increase in sales and catering revenue.