

# **BOARD OF REGENTS**

## **EASTERN MICHIGAN UNIVERSITY**

**SECTION: 27**

**DATE:**

June 21, 2011

### **RECOMMENDATION**

#### **2011-2012 AUXILIARY BUDGET**

#### **ACTION REQUESTED**

It is recommended that the Board of Regents approve the \$40.7 million fiscal year 2011-12 Auxiliary budget.

#### **STAFF SUMMARY**

The recommended 2011-12 budget for Auxiliary activities includes \$40.7 million in revenue and \$37.8 million in operating expenses. The budget reflects transferring the resulting \$2.9 million operating surplus to the appropriate Auxiliary operating fund balance. The budget also reflects the new Room and Board rates that were approved at the April Board of Regents meeting (2.15% aggregate rate increase).

The Auxiliary operating expenditure budget contains provisions for all necessary operating costs including \$2.6 million in Auxiliary-specific debt service and a \$4.1 million transfer to the University's General Fund for services received.

#### **FISCAL IMPLICATIONS**

Approval of the 2011-12 Auxiliary budget recommendation outlined above establishes the spending authorization for auxiliary activities.

#### **ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

6-21-11  
Date

Eastern Michigan University  
Auxiliary Fund Operating Budget  
Fiscal Year 2011 2012

| (in Millions)                                | Approved<br>2010-11<br>Forecast | Recommended<br>2011-12<br>Budget | Variance      |
|--|---------------------------------|----------------------------------|---------------|
| <b>Auxiliary Activities</b>                  |                                 |                                  |               |
| <u>Revenues</u>                              |                                 |                                  |               |
| Dining                                       | \$ 15.1                         | \$ 14.5                          | \$ (0.6)      |
| Residence Halls/Apartments                   | 14.9                            | 15.5                             | 0.6           |
| All Other Auxiliary Activities               | 8.9                             | 10.7                             | 1.8           |
| Total Revenues                               | \$ 38.9                         | \$ 40.7                          | \$ 1.8        |
| <u>Expenditures</u>                          |                                 |                                  |               |
| Operations Direct Costs                      | \$ 29.8                         | \$ 31.1                          | \$ 1.3        |
| Debt Service                                 | 3.2                             | 2.6                              | (0.6)         |
| Payments to GF for Services                  | 3.4                             | 4.1                              | 0.7           |
| Total Operating Expenditures                 | \$ 36.4                         | \$ 37.8                          | \$ 1.4        |
| <b>Operating Surplus/(Deficit)</b>           | <b>\$ 2.5</b>                   | <b>\$ 2.9</b>                    | <b>\$ 0.4</b> |
| Transfer to Auxiliary Operating Fund Balance | \$ (2.5)                        | \$ (2.9)                         | \$ (0.4)      |
| Net Surplus/Deficit                          | \$ -                            | \$ -                             | \$ -          |