



February 18, 2025

To: Michael Spagna
Acting President, Cal Poly Humboldt

Michael Fisher
Interim Vice President for Administration & Finance, Cal Poly Humboldt

Sarah Long
Controller, Cal Poly Humboldt
Secretary/Treasurer, University Center Board of Directors

From: Wendy Sotomayor
Executive Director, University Center Board of Directors

Re: 2025-2026 UC Budget Approval & Signatures

The University Center budget for Fiscal Year 2025-2026 is respectfully submitted for your review and approval.

The following is a list of the information included in this package. The budget was adopted by the University Center Board of Directors.

1. 2025-2026 University Center Final Budget for approval
2. 2025-2026 Draft Budget which includes the 2024-2025 Budget and projected actuals for 2024-2025. This document also contains budget notes and a schedule of reserves.

Please let me know if you require additional information or have questions on any of these documents. Thank you for your time and consideration.

Please do not hesitate to reach out to me for any additional information or clarification.
Thank you!



Adopted by the
HUMBOLDT STATE UNIVERSITY CENTER
BOARD OF DIRECTORS
February 18, 2025

**HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
OPERATING BUDGET
2025-2026 FISCAL YEAR**

	<u>Proposed Budget 2025-26</u>
REVENUES	
Investment Earnings	\$ 315,000
VEBA Investment Income	300,000
Interest Revenue	1,000
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TOTAL REVENUES	616,000
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EXPENSES	
Investment Fees	105,000
Student Support	10,000
Auxiliary Enterprises:	
Pension Costs	465,242
OPEB Costs	300,000
Employee Wages and Benefits	2,520
Outside Professional Services (legal, audit, admin)	27,500
Cost reimbursement to Cal Poly Humboldt	20,939
Insurance	10,653
Bank Services	2,000
Miscellaneous	1,000
Board of Directors	250
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TOTAL EXPENSES	945,104
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OPERATING INCOME (LOSS)	\$ (329,104)
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HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
SCHEDULE OF RESERVES
PROJECTED 6/30/25 AND BUDGETED 6/30/26

	<u>Working Capital</u>	<u>Current Operating Reserves</u>	<u>Planned Future Operations</u>	<u>Total</u>
Balance at 7/1/2024	\$ 27,467	\$ 41,201	\$ 4,375,212	\$ 4,443,880
2024-25 Projected Activities				
Operating income (loss)	(207,944)	-	-	(207,944)
CalPERS pension and OPEB related changes	-	-	(1,350,000)	(1,350,000)
Year end allocation	209,606	2,493	(212,099)	-
Projected Reserve Balance at 6/30/2025	\$ 29,129	\$ 43,694	\$ 2,813,113	\$ 2,885,936
2025-26 Budgeted Activities				
Budgeted revenues over expenses	(329,104)	-	-	(329,104)
CalPERS pension and OPEB related changes	-	-	(500,000)	(500,000)
Year end allocation	329,952	1,272	(331,224)	-
Budgeted Reserve Balance at 6/30/2026	\$ 29,977	\$ 44,966	\$ 1,981,889	\$ 2,056,832



2025-26

- BUDGET -

Draft

Presented to the

HUMBOLDT STATE UNIVERSITY CENTER

BOARD OF DIRECTORS

February 18, 2025

**HUMBOLDT STATE UNIVERSITY CENTER
BUDGET DRAFT
2025-2026**

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MEMORANDUM

February 11, 2025

To: University Center Board of Directors

From: Wendy Sotomayor
Executive Director

RE: University Center 2025-26 Budget Draft

The 2025-26 University Center (UC) Budget draft consists of an Operating Budget composed of three columns: the 2024-25 Budget, projected 2024-25 Actuals, and proposed 2025-26 Budget. These comparisons have been provided to facilitate your evaluation of the changes and/or trends in individual budget line items.

UC operates as a good standing auxiliary within the CSU to continue to support long term pension and OPEB liabilities due former UC employees as well as to provide annual student support monies to Cal Poly Humboldt.

Significant areas of emphasis on the 2025-26 proposed budget include:

- The proposed budget assumes that the only revenue to be earned will be investment earnings, projected at ~4.5% net of administrative fees of 1.5%, and LAIF interest, earning between 1-2%.
- The proposed budget assumes that Cal Poly Humboldt will continue to provide ongoing accounting, space, and IT services needed to maintain the business operations of the UC (valued at \$20,000 a year) as part of the exchange for the transfer of remaining UC capital assets in 2021.
- The proposed operating budget does not include anticipated pension or OPEB related changes as a result of annual valuations performed by CalPERS and OPEB actuary studies.

To increase transparency of the University Center's financial picture, a schedule of reserves is also included with this budget package.

- Reserve Funds – This is a statement of cash flow within three reserve fund categories which are: Working Capital, Current Operations reserves, and Planned Future Operations. These funds are intended to cover cash flow, operational needs, and future pension obligations due to UC retirees.

The UC Board of Directors is charged with reviewing and accepting the complete budget draft at the February meeting, noting any changes needed if applicable. The University Center Board of Directors and Cal Poly Humboldt Interim President, Michael E. Spagna, must both approve this budget document before it becomes our ratified 2025-26 operating budget.

I want to emphasize that I value your input and involvement in developing the 2025-26 budget. I am more than happy to assist you with any questions you may have and provide further analysis if needed. It is essential to address all of your questions and concerns before the Board approves the budget.

**HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
OPERATING BUDGET
2025-2026 FISCAL YEAR**

	<u>Budget 2024-25</u>	<u>Projected Actuals 2024-25</u>	<u>Proposed Budget 2025-26</u>
REVENUES			
Investment Earnings	\$ 292,500	\$ 380,000	\$ 315,000
VEBA Investment Income	250,000	250,000	300,000
Interest Revenue	1,000	13,600	1,000
TOTAL REVENUES	543,500	643,600	616,000
EXPENSES			
Investment Fees	97,500	118,304	105,000
Student Support	10,000	10,000	10,000
Auxiliary Enterprises:			
Pension Costs	411,466	411,466	465,242
OPEB Costs	250,000	250,000	300,000
Employee Wages and Benefits	2,520	2,400	2,520
Outside Professional Services (legal, audit, admin)	33,100	27,350	27,500
Cost reimbursement to Cal Poly Humboldt	20,939	20,939	20,939
Insurance	7,465	7,835	10,653
Bank Services	2,000	2,000	2,000
Miscellaneous	1,000	1,000	1,000
Board of Directors	250	250	250
TOTAL EXPENSES	836,240	851,544	945,104
OPERATING INCOME (LOSS)	\$ (292,740)	\$ (207,944)	\$ (329,104)

HUMBOLDT STATE UNIVERSITY CENTER BOARD OF DIRECTORS
SCHEDULE OF RESERVES
PROJECTED 6/30/25 AND BUDGETED 6/30/26

	<u>Working Capital</u>	<u>Current Operating Reserves</u>	<u>Planned Future Operations</u>	<u>Total</u>
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2025-26 Budgeted Activities				
Budgeted revenues over expenses	(329,104)	-	-	(329,104)
CalPERS pension and OPEB related changes	-	-	(500,000)	(500,000)
Year end allocation	329,952	1,272	(331,224)	-
Budgeted Reserve Balance at 6/30/2026	\$ 29,977	\$ 44,966	\$ 1,981,889	\$ 2,056,832