

Department of University Housing

Explanation of Major Changes

The estimated year-end revenue shortfall of \$122,000 is due primarily to an increase in the allocation of bad debt assigned to University Housing and a reduction in projected investment income.

Cost reductions were achieved in supplies and services, insurance and utilities as reflected on the financial statement. The financial statement also reflects an additional capital expenditure of \$626,500 in FY 2006 for a refurbishing project in Hamlin Hall pending Board approval at the June 7, 2006 meeting. The project includes furniture and carpeting primarily in Hamlin Hall for the changeover of that building to a freshman community. The new furnishings include conversion of beds to lofts to ensure greater safety and conserve room space. The carpeting is to sound proof the floors.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Opening Occupancy	1,612	1,644	1,642
Renovations and Refurbishing Projects	\$415,522	\$194,000	\$891,394
All Funds Balance	\$385,865	\$903,308	\$407,920 (est.)

FY 2007 Budget Assumptions

1. The budget reflects a projected average occupancy of 1,601 for FY 2007 based on a three-year average. For fiscal year 2006 the projected occupancy assumed in the budget was 1,593. The estimated year-end occupancy average is 1,586.

2. The budget reflects a 5.0 percent base rate increase in room and board for double room occupancy and a reduction in the single room premium in the community bathroom halls. Recommended rates are as follows:

Residence Halls Rates	FY 2006	FY 2007	% Change
Academic Year Base Rate (double room)	\$6,080	\$6,385	5%
Summer Term - Base Rate (double room)	\$1,340	\$1,405	5%
Spring Term Base Rate (double room)	\$1,390	\$1,460	5%
Single Room Premium (suite style halls)	\$1,090	\$1,145	5%
Single Room Premium (community bathroom halls)	\$1,090	\$ 800	-26.6%

Department of University Housing

3. The budget reflects a 5.0 percent rate increase in student apartments. Due to market conditions, there is no recommended increase for Matthews Court family housing. The recommended apartment rates are as follows:

University Apartment Rates	FY 2006	FY 2007	% Change
Academic Year Base Rate	\$4,910	\$5,155	5%
Summer Term Base Rate	\$1,170	\$1,230	5%
Spring Term Base Rate	\$1,230	\$1,290	5%
Matthews Court Monthly Rate	\$ 685	\$ 685	0%

4. The budget reflects a significant decrease in equipment expense due to one-time equipment purchases in FY 2006.
5. The budget reflects a 19% increase in Utilities.
6. The budget reflects a 7.5% reduction in the University overhead payment due to improved investment income performance on Housing Reserves.
7. The budget reflects a significant reduction in FY 2007 major capital expenditures as a result of the Hamlin Hall Refurnishing Project in FY 2006.
8. The budget reflects major capital expenditures for two new projects identified in the campus housing master plan: renovation of the community bathrooms in Fitzgerald, Anibal, Hill, and Van Wagoner and continued modernization of the residence halls elevators.

**Oakland University
University Housing
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$9,399,237	\$9,279,387	\$9,904,098
Retail Sales	-	-	-
Student Tuition/Fees Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	5,150	3,000	5,305
Total Revenue	<u>\$9,404,387</u>	<u>\$9,282,387</u>	<u>\$ 9,909,403</u>
EXPENDITURES:			
Compensation	\$2,308,379	\$2,312,890	\$ 2,377,630
Supplies and Services	2,993,179	2,980,178	3,082,975
Repairs and Maintenance	659,200	659,200	678,976
Cost of Retail Sales	-	-	-
Equipment	20,600	64,862	21,218
Insurance	133,900	99,477	137,917
Utilities	1,050,000	1,000,000	1,250,000
University Overhead	314,074	314,074	290,329
Total Expenditures	<u>\$7,479,332</u>	<u>\$7,430,681</u>	<u>\$ 7,839,045</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	1,400,000	1,400,000	1,400,000
Other Transfers	81,432	55,700	83,875
Total Transfers	<u>\$1,481,432</u>	<u>\$1,455,700</u>	<u>\$ 1,483,875</u>
Net Revenue Before Major Capital Expenditures	<u>\$443,623</u>	<u>\$396,006</u>	<u>\$ 586,483</u>
Major Capital Expenditures	\$300,000	\$891,394	\$ 300,000
Net Revenue	<u>\$143,623</u>	<u>(\$495,388)</u>	<u>\$ 286,483</u>
FUND BALANCES JULY 1	<u>\$674,787</u>	<u>\$903,308</u>	<u>\$ 407,920</u>
FUND BALANCES JUNE 30	<u>\$818,410</u>	<u>\$407,920</u>	<u>\$ 694,403</u>

**Oakland University
University Housing
Proposed Major Capital Expenditures
Fiscal Year 2007**

Item Description	Estimated Cost
Elevator Modernization Project	200,000
Community Bathrooms Renovation	100,000

Fiscal Year 2007 Total

\$ 300,000