

UNIVERSITY
AUXILIARY AND RESEARCH SERVICES
CORPORATION
at California State University San Marcos

Dr. Ann Bersi, Chair
Nevada State Tax Commission

Dr. Matthew J. Ceppi
President's Designee
Cal State San Marcos

Mr. David Chang
Hampton Inn San Diego/
San Marcos

Mr. Tres Conrique
Rancho Santa Fe Technology

Dr. Linda L. Hawk
Cal State San Marcos

Mr. Brandon Losey
Dowling & Yahnke Wealth Management
Alumni Member

Mr. Dimitris Magemeneas
Edward Jones

Ms. DawnMarie Myers
Student Member

Dr. Graham Oberem
Cal State San Marcos

Ms. Susan Schnepf
Attorney at Law

Dr. Camille P. Schuster
Faculty Member

Dr. Sharon D. Whitehurst-Payne
Community Member

Dr. Ernest E. Zomalt, Vice Chair
Community Member

Regular Meeting of the Board of Directors

June 10, 2014 - 3:00 p.m. – 4:30 p.m.

Via Teleconference: (760) 750-8300, Conf ID **4555 (Note New Conf ID)**

Physical Location: **UARSC Conference Room (Note New Location)**

AGENDA

- I. Introduction of New Executive Director (Hawk)**
- II. Convening of the Regular Board Meeting (Bersi)**
 - A. Consideration of Minutes February 27, 2014 Regular Meeting (**Attachment A**)
- III. Committee Reports**
 - A. Finance & Operations Committee (*Bersi*)
 - B. Joint Audit Committee (*Losey*)
 - C. Nominating and Governance Committee (*Zomalt*)
- IV. Consent Agenda**
 - A. Quarterly Financial Report 03/31/14 (*Svatora*) (**Attachment B**)
 - B. Form 990 Tax Return FY 12/13 Ratification (*Svatora*) (**Attachment C**)
 - C. Delegation of Authority Policy – Signature Authority Page Revision (*Svatora*) (**Attachment D**)
 - D. New Delegation of Authority Policy effective 07/01/14 (*Svatora*) (**Attachment E**)
 - E. Procurement Policy Revision (*Svatora*) (**Attachment F**)
 - F. Revision to Officers FY 13/14 (*Zomalt*) (**Attachment G**)
 - G. Nomination of New Chairperson – Sharon Whitehurst-Payne (*Zomalt*)
- V. Action Items**
 - A. Proposed Rebalance of Reserves (*Svatora*) (**Attachment H**)
 - B. Starbucks Remodel Financing Request (*Svatora*) (**Attachment I**)
 - C. FY 14/15 Operating Budget & Resolution (*Svatora*) (**Attachment J**)
 - D. Compensation Administration Guidelines - Sponsored Projects (*Hinojosa*) (**Attachment K**)
 - E. Exiting CalPERS Healthcare & Post-Retirement Medical Program Resolution (*Hinojosa & Svatora*) (**Attachment L**)
- VI. Administration Report (Newberg)**
- VII. University Update (Hawk)**
- VIII. Recognition of Exiting Board Members – Bersi and Schuster (Zomalt)**
- IX. Adjournment of Regular Meeting**

Next Meeting (Annual and Regular Meeting):
September 4, 2014, 4:00 p.m., Center for Children & Families Classroom

ATTACHMENT A

Minutes of the February 27, 2014 Regular Meeting



Minutes of the Regular Meeting of the Board of Directors
February 27, 2014, 4:00 p.m.
Center for Children and Families

Attendees:

Members: Ann Bersi (Chair), David Chang, Tres Conrique, Linda Hawk, Dimitris Magemeneas, DawnMarie Myers, Susan Schnepf, Camille Schuster, Sharon Whitehurst-Payne, Ernest Zomalt (Vice Chair)

Absent: Matthew Ceppi, Brandon Losey, Graham Oberem

Staff: Sarah Derho, Michelle Hinojosa, Grant Hubbard, Dora Knoblock, Greg Svatora

Guests: Kent Gibson, University Consultant, Dave Hanson, Sodexo, Annie Macias, San Marcos University Corporation, Rick Nargi, Sodexo, Donna Provost, Sodexo, Jamie Rose, San Marcos University Corporation

Convening of the Regular Meeting

A special presentation was provided to the Board, excluding staff, by University Consultant, Kent Gibson, on the 5-year Strategic Plan prior to the regular Board Meeting.

A quorum being present, Chair Bersi called the meeting to order at 4:00 p.m. Bersi welcomed University Consultant, Kent Gibson, and provided a welcome to the new Board members joining today, Dawn Myers and Dimitris Magemeneas (*not yet present*). She also welcomed members of sister auxiliary San Marcos University Corporation (UCorp), Annie Macias and Jamie Rose sitting in on today's meeting.

Changes to Agenda

The order of the Agenda was changed so that the Campus Partner Presentation, Agenda Item VI, followed the Closed Session, Agenda Item III. A special recognition of Executive Director Knoblock followed Agenda Item VI.

Minutes of the November 14, 2013 Regular Meeting

A motion was made and seconded (Conrique/Schnepf) to approve the November 14, 2013 Regular meeting minutes. Motion carried.

Closed Session

At 4:05 p.m., a motion was made and seconded (Conrique/Zomalt) to enter into a Closed Session. Motion carried. The purpose of the Closed Session conducted by Hawk was to present to the Board the steps she plans to undertake in finding a replacement Executive Director for UARSC as Knoblock is retiring on April 30, 2014. All UARSC staff

members and guests in attendance, with the exception of Gibson, were excused by Chair Bersi.

Reconvening of the Regular Board Meeting

Chair Bersi reconvened the regular Board meeting at 4:18 p.m. *Magemeneas entered 4:18 p.m. and was welcomed to the Board.*

Campus Partner Presentation

Bersi welcomed Campus Partners, Sodexo to the meeting and introduced Dave Hanson, Vice President of Operations, Rick Nargi, Regional Manager, and Donna Provost, General Manager. Sodexo gave a presentation on campus dining services to include accomplishments, the annual expectation meeting updates, hiring of employees and student employees, the University Student Union (USU) kitchen space, the Taste of the Union Event, the voluntary meal plan program and sales, and dining services finances and called for questions.

Discussion ensued. Board members inquired about the following: target level for student employee participation, the coordination agreement regarding the kitchen, the non-exclusive catering environment on campus, the voluntary meal plan program, the Panda Express sub-contract, and student programming. Conrique inquired as to whether Sodexo was aware of UARSC's budget goals. Schnepf asked Sodexo how the UARSC Board would know what Sodexo needs from the Board to succeed. Schuster asked what it is that the organization is trying to accomplish with food services and noted that the new food facilities are not close to parking and the frustration of finding food on campus as the majority of the student population are working students, with only 10% being campus residents. Conrique added that a partnership is important, knowing Sodexo's goals and programming, because UARSC would like to see a better than average performance from its partners and understand how we can help Sodexo's success for a win-win scenario. Conrique also wants to see Sodexo's business plan to understand where they are and where they are going and what steps they are trying to take, emphasizing that if UARSC doesn't understand their plans, decisions can be made at the campus level that are detrimental to Sodexo's success. Conrique stressed that transparency is important and there should be a collaborative effort between Sodexo and UARSC.

Sodexo stated that though there is no target for student participation, there is a desire to keep student employment at a high level. Sodexo student employment at CSUSM is currently twice the average of other schools Sodexo manages dining services for, at 77%. Many student employees are starting to work with Sodexo full-time and in leadership/management roles and there is opportunity for growth within the company.

The coordination agreement is currently under review with UARSC and sister auxiliary UCorp regarding handling events in the USU. Sodexo shared that student groups will be allowed to use the kitchen for no charge under Sodexo's supervision.

Sodexo shared the monumental effort and significant investment to bring sub-contractor Panda Express to campus that was desired by the student population.

Discussion was held regarding the voluntary meal plan program and the fact that there is no resident dining program.

Sodexo stated that they are a standalone entity and don't feed into UARSC's goals. Sodexo was expecting a loss coming into CSUSM at the old Dome food area, which finished at a deficit of \$252,000 this year, and are expecting to turn the loss around with the opening of the new food concepts in the new USU and engagement and marketing with the student community. Magemeneas noted that it is hard to stay in business running with a deficit and it is imperative to figure out what the students want and suggested the possibility of Sodexo participating in the Senior Experience Program.

Hanson stated that he can put together a document for the UARSC Board outlining Sodexo's plans and goals for CSUSM Dining and that Sodexo does have a business plan that he can translate it into a business plan for UARSC. Knoblock suggested this as an item for the September meeting.

There was discussion regarding the challenge of operating catering in a non-exclusive environment on campus, with no incentive for faculty/students to use the catering services offered by Sodexo. There is no fixed revenue stream and this is very non-traditional model for Sodexo with 99.9% of campuses that Sodexo serves having catering exclusivity. Conrique again brought up transparency and asked that Sodexo share this information with the campus, so that everything the campus does helps support Sodexo's success and that decisions made on campus don't make Sodexo's success more difficult.

Gibson pointed out that with the before and after snapshot of the operation starting out in the Dome, that it is remarkable that Sodexo has done so well. There are solid fixed costs of operating the food concepts and Sodexo would like as much traffic as possible. Sodexo stated that they would love to be part of the million dollar walk through campus when families are visiting.

It was noted that the USU has only been open for a few weeks and much remains to be seen. Bersi thanked Sodexo for their report and congratulated them for opening the new food concepts in the USU on time.

University Update, Administration and Committee Reports

Finance and Operations Committee

Bersi reported. The Finance & Operations Committee met on February 18, 2014 and reviewed the Quarterly Financials ended 12/31/13 and the Revision to the Property Control Policy and Procedures which will be considered for action later in the meeting.

Administration Update

Knoblock reported. The UARSC Common Financial System (CFS) Conversion Project, converting UARSC Accounting from CostPoint to PeopleSoft is coming along nicely and the go live date is still on target for July 1, 2014. The ultimate goal is to streamline business process and provide access to a dynamic data warehouse that will accommodate various reporting needs. One year from now, all the auxiliaries will be operating in PeopleSoft, business processes will be standardized, redundancies eliminated, improved risk mitigation and compliance and increased access to financial data. Training sessions were announced to the University Community yesterday for both current users and non-PeopleSoft users. On February 4th, the Office of Sponsored Projects began holding office hours on campus to support the faculty and staff with pre-award services. Initial reactions have been positive. UARSC hopes to capture additional faculty members interested in submitting proposals and that this new service will provide more accessibility and convenience to our campus clients. The Center for Children and Families (CCF) reached its highest enrollment rate of 159 children, 110 of which are CSUSM-affiliated children and 49 children from the surrounding community.

University Update

Hawk reported on behalf of Ceppi. The new University Student Union opened on January 21, 2014. Hawk acknowledged the hard work that Knoblock and the UARSC team did with the opening of the new food concepts. Updates in the student housing area is that an addendum to the Agreement for a Quad phase III was recently signed. This will add an addition 300 beds in fall 2015, putting 1,500 students on campus. The North City project is fully developed and they are going to develop some additional projects, a hybrid non-student apartment complex with retail space and a theatre. President Haynes gave her 10th Annual Report to the Community address which was on KPBS. She was also interviewed on the Roger Hedgecock show, highlighting all the great things that have happened on campus since her Presidency. Hawk reported on the construction of the new Student Health Services building next to the parking structure which will be online at the end of this calendar year. She discussed student health and the affordable care act and noted that mental health services are huge. The School of Nursing will also be moving out of the San Marcos Ambulatory Care building across the street by January 1, 2015 when their lease ends and into the third floor of University Hall. She reported on a new project going forward to the Board of Trustees for a full court gymnasium with 1,400 seats and 1,000 floor seats. The Department of Athletics recently submitted an NCAA Division II application for membership and part of being accepted is having the proper facilities. Part of the funding will come from the \$4 million in reserves at the Clarke Field House and partly from the alternative consultation for student success fee. \$25 of that fee was earmarked to rebuild the gym and the students set it as a priority. Construction is slated to begin in summer with the first home game in fall 2016. CSUSM will know by the end of this year if it accepted into the NCAA Division II.

Action ItemsQuarterly Financial Report 12/31/13

Svatora reviewed the Quarterly Financial Report ended 12/31/13 and the details of the summary provided in the packet. He noted that since 2010, the CSUSM Foundation have been on our accounts as all of their projects and investment needs were managed by UARSC, but starting July 1, 2014, with the implementation of PeopleSoft, they will have their own bank accounts and investments. As of next year, the campus will be charging back fees to the Foundation. Overall, UARSC is close to target in operating revenues at \$770,000. UARSC operating expenses of \$817,000 are over budget primarily due to the Finance Director position which was budgeted at half-time and is now full-time back at UARSC. In addition, the annual business insurance is paid in full at the beginning of the year at \$31,000. The bottom line is that net revenues are at (\$47,000) vs. budget amount of \$10,500. He noted the slight variance in net indirect activity in grants and contracts and some for investment income which will offset some of that amount. Zomalt asked at what point action will be taken to mitigate the \$46,000 shortfall. Svatora noted that the shortfall is closer to being \$20,000 in that accrued investment interest income of \$10,000 had not been booked and that \$16,000 of the annual business insurance was included in the expenses. Also, the cyclical nature of grants and contracts is such that they build up during the second half of the fiscal year, but are spread out evenly in the budget. Whitehurst-Payne inquired as to whether a deficit was expected at the end of the year. Management will be providing a mid-year report and are anticipating breaking even. Hawk noted that Svatora will provide the best recommendations to end June 30 at break-even which is close. Bersi called for questions. *A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 12/31/13 as presented. Motion carried.*

Revision to Property Control Policy

Svatora reviewed the major revisions proposed to the Property Control Policy presented in the packet, including changing the amount for capitalizing which used to exclude the grants and contracts but will now be added to the accounting process to record and track, non-capitalized equipment amount has been changed from \$1,500 to \$2,500 and UARSC will be able to use the campus property tagging system, as well as computer maintenance agreements. These updates are similar to the campus' policy and limits. Bersi called for questions. *A motion comes moved and seconded from the Finance & Operations Committee to approve the proposed revisions to the Property Control Policy as presented. Motion carried.*

Proposed FY 14/15 Meeting Calendar

Knoblock reviewed the proposed FY 14/15 Board meeting calendar. *A motion was made and seconded (Whitehurst-Payne/Zomalt) to approve the proposed FY 14/15 meeting calendar as presented. Motion carried.*

Special Recognition of Executive Director Dora Knoblock

Bersi awarded Knoblock with a plaque in recognition for her years of service to UARSC, highlighted her contributions to UARSC over the past almost six years and offered

congratulations on her retirement. Zomalt highlighted Dora's contributions to the campus over her 25-year career, prior to her leadership at UARSC.

Adjournment

The next Regular Board meeting is scheduled for May 22, 2014 at 4:00 p.m. As agreed earlier in the meeting, the next meeting will be held at the new USU with an optional tour offered.

The meeting adjourned by acclamation at 5:45 p.m.

*Respectfully submitted,
Sarah Derho*

I, Bella Newberg, Secretary, hereby certify that the above Minutes were approved by the University Auxiliary and Research Services Corporation Board of Directors at a regular meeting held on May 22, 2014, at San Marcos, California.

Secretary

Date

ATTACHMENT B

Quarterly Financial Report 03/31/14
and Summary

University Auxiliary and Research Services Corporation

Summary of 3/31/14 Financial Statements

Statement of Financial Position (pg 1) and Net Asset Summary (pg 2)

- Assets: Total assets at 3/31/14 were \$20,576,482, up \$43,512 from the 12/31/13 quarterly financial report total. There were only minor and insignificant changes in the asset account balances during the quarter.
- Liabilities: Total liabilities at 3/31/14 increased by \$245k primarily due to a \$215 increase in vendor accounts payable and accrued expenses at the close of the quarter. Cash and short-term investments held on behalf of the CSUSM Foundation remained steady at \$8 million.
- Net Assets: Page 2 of the financial statements provides a breakout of the Net Assets shown on Page 1, the Statement of Financial Position. The total amount of Operating Reserves was \$895k at 3/31/14 vs \$898k at 12/31/13. A proposal is being made to the Finance/Ops committee to recommend a rebalance of the reserves in order to strengthen the Working Capital balance. This will be discussed in more detail at the committee meeting. The balances in the other net asset categories remained basically unchanged from the prior 12/31/13 quarter balances.

Program Revenue Activity Summary (pg 3)

- Total Grants and Contracts fiscal year-to-date activity through the quarter ending 3/31/14 was approximately \$5.6 million vs a budgeted amount of \$5.4 million.
- Campus and Designated Programs gross fiscal year-to-date revenue activity through the quarter ending 3/31/14 was approximately \$1.8 million, matching the budgeted amount.

Net Operating Revenue Summary (pg 4)

- Net administrative fee recovery from Grants and Contracts generated net fiscal year-to-date indirect recovery revenues of \$890k for the quarter ending 3/31/14, which was

slightly above budget by \$20k. The annual amount of indirect sharing to the campus was accrued at a fiscal year-to-date amount \$301k for the quarter ending 3/31/14.

- Campus Program and Business Service Fee Revenues: Campus Program admin fee fiscal year-to-date revenue was \$115k for the quarter 3/31/14 vs budgeted amount of 90k. The business service fee for CSUSM Foundation was accrued at the fiscal year-to-date amount of \$112,500 for the quarter.
- Bookstore Net Revenue: Fiscal year-to-date commissions of bookstore net revenues were slightly below budget at \$340k vs a budgeted amount of \$368k.
- Investment Income: Fiscal year-to-date investment income was \$31k, matching the budgeted year-to-date amount of \$31k for the quarter ending 3/31/14.
- UARSC Operating Expenses through 3/31/14 was \$1,316,376 vs the budget amount of \$1,159,500 resulting in an overage of \$157k. Approximately \$48k relates to the Finance Director position being a full-time vs a budget position level of half-time. UARSC is working with the campus to obtain funds from FY 12/13 foregone indirect to help offset the overage during this transition year for fiscal operations.
- Net Operating Revenues through the quarter ending 3/31/14 was \$10k vs a budgeted amount of \$77k and is shown on the Statement of Financial Position and Net Asset Summary.

UARSC
Statement of Financial Position
March 31, 2014

| | Balance 03/31/14 | Balance 12/31/13 | Quarter Increase/ (Decrease) |
|--|----------------------|----------------------|------------------------------------|
| Assets | | | |
| Cash and Short-Term Investments-(UARSC) | \$ 5,751,332 | \$ 5,473,234 | \$ 278,098 |
| Cash and Short-Term Investments-(CSUSMF) | 8,090,801 | 8,059,886 | 30,915 |
| Accts Receivable-Sponsored Programs | 704,659 | 768,312 | (63,653) |
| Other Receivables | 201,573 | 268,715 | (67,142) |
| Notes Receivables | 250,000 | 250,000 | - |
| Other Assets | 108,658 | 139,664 | (31,006) |
| CCF-Bldg & Fixtures (Net) | 5,284,158 | 5,375,199 | (91,041) |
| Property & Equipment (Net) | 185,301 | 197,960 | (12,659) |
| Total Assets | \$ 20,576,482 | \$ 20,532,970 | \$ 43,512 |
| Liabilities & Net Assets | | | |
| Liabilities: | | | |
| Accounts Payable and Accrued Expenses | \$ 2,077,066 | \$ 1,861,845 | \$ 215,221 |
| Due to CSUSMF - Cash and Short-Term Invest's | 8,090,801 | 8,059,886 | 30,915 |
| Deferred Revenue | 521,846 | 572,727 | (50,881) |
| Post-Retiree Health Benefit Accrual | 1,632,734 | 1,582,905 | 49,829 |
| Total Liabilities | \$ 12,322,448 | \$ 12,077,364 | \$ 245,085 |
| Net Assets: | | | |
| Unrestricted: | | | |
| Operating Reserves | \$ 895,482 | \$ 898,312 | \$ (2,830) |
| Designated Programs | 478,301 | 565,392 | (87,091) |
| Campus Programs | 1,401,073 | 1,465,460 | (64,388) |
| Current Year Net Asset Activity | 9,719 | (46,717) | 56,436 |
| CCF-Bldg & Fixtures | 5,284,158 | 5,375,199 | (91,041) |
| Equipment | 185,301 | 197,960 | (12,659) |
| Total Unrestricted Net Assets | \$ 8,254,035 | \$ 8,455,607 | \$ (201,572) |
| Temporarily Restricted | - | - | - |
| Permanently Restricted | - | - | - |
| Total Net Assets | \$ 8,254,035 | \$ 8,455,607 | \$ (201,572) |
| Total Liabilities & Net Assets | \$ 20,576,482 | \$ 20,532,970 | \$ 43,513 |

UARSC
Net Asset Summary Detail
March 31, 2014

| | Balance 3/31/2014 | Balance 12/31/2013 | Quarter Increase/ (Decrease) |
|--|----------------------|-----------------------|------------------------------------|
| Unrestricted Net Assets | | | |
| Operating Reserves | | | |
| Audit Disallowance | \$ 350,000 | \$ 350,000 | \$ - |
| Commercial Operations | 200,000 | 200,000 | - |
| Working Capital | 13,065 | 15,895 | (2,830) |
| Capital Development | 332,417 | 332,417 | (0) |
| Total Operating Reserves | \$ 895,482 | \$ 898,312 | \$ (2,830) |
| Designated Programs | | | |
| Inventories-Food Service | - | - | - |
| Other Designated Programs | 478,301 | 565,392 | (87,091) |
| Total Designated Programs | \$ 478,301 | \$ 565,392 | \$ (87,091) |
| Campus Programs | 1,401,073 | 1,465,460 | (64,387) |
| CCF Bldg & Fixtures | 5,284,158 | 5,375,199 | (91,041) |
| Equipment | 185,301 | 197,960 | (12,659) |
| Current Year Net Asset Activity | 9,719 | (46,717) | 56,436 |
| Total Other Net Assets | \$ 6,880,252 | \$ 6,991,903 | \$ (111,650) |
| TOTAL UNRESTRICTED NET ASSETS | \$ 8,254,035 | \$ 8,455,607 | \$ (201,571) |

UARSC
Program Revenue Activity Summary
7/1/13 to 3/31/14

| Program Activity | Annual Budget FY 13/14 | Quarter 3 1/1/14 - 3/31/14 | | | Fiscal Year To Date 7/1/13 - 3/31/14 | | | Comparison of Prior FYTD Actual to Current FYTD Actual | | |
|-----------------------------------|------------------------------|-------------------------------|---------------------|-------------------|---|---------------------|-------------------|---|------------------------------|---------------------|
| | | Budget | Actual | Variance | Budget | Actual | Variance | Prior FYTD 3/31/2013 | Current FYTD 3/31/2014 | % Inc. (Dec.) |
| Grants/Contracts | | | | | | | | | | |
| Federal | \$ 6,034,000 | \$ 1,508,500 | \$ 1,951,685 | \$ 443,185 | \$ 4,525,500 | \$ 4,878,553 | \$ 353,053 | \$ 4,537,598 | \$ 4,878,553 | 8% |
| State/Private/Other | 1,130,000 | 282,500 | 247,901 | (34,599) | 847,500 | 714,014 | (133,486) | 1,058,391 | 714,014 | -33% |
| Total Grants/Contracts | \$ 7,164,000 | \$ 1,791,000 | \$ 2,199,585 | \$ 408,585 | \$ 5,373,000 | \$ 5,592,566 | \$ 219,566 | \$ 5,595,989 | \$ 5,592,566 | 0% |
| Campus/Designated Programs | \$ 2,415,000 | \$ 603,750 | \$ 902,018 | \$ 298,268 | \$ 1,811,250 | \$ 1,815,425 | \$ 4,175 | \$ 2,667,796 | \$ 1,815,425 | -32% |
| Total Program Revenues | \$ 9,579,000 | \$ 2,394,750 | \$ 3,101,603 | \$ 706,853 | \$ 7,184,250 | \$ 7,407,991 | \$ 223,741 | \$ 8,263,785 | \$ 7,407,991 | -10% |

UARSC
Net Operating Revenue Summary
7/1/13 to 3/31/14

| Revenue | Annual Budget FY 13/14 | Quarter 3 1/1/14 - 3/31/14 | | | Fiscal Year To Date 7/1/13 - 3/31/14 | | | Comparison of Prior FYTD Actual to Current FYTD Actual | | |
|---|------------------------------|-------------------------------|-------------------|---------------------|---|---------------------|---------------------|---|-----------------------------|---------------------|
| | | Budget | Actual | Variance | Budget | Actual | Variance | Prior FYTD 3/31/13 | Current FYTD 03/31/14 | % Inc. (Dec.) |
| Grant/Contract Admin Fees | \$ 1,160,000 | \$ 290,000 | \$ 347,765 | \$ 57,765 | \$ 870,000 | \$ 889,796 | \$ 19,796 | \$ 856,402 | \$ 889,796 | 4% |
| Less: Unallowance Reserve | - | - | - | - | - | - | - | - | - | 0% |
| Less: University Sharing | (402,000) | (100,500) | (100,500) | - | (301,500) | (301,500) | - | (449,923) | (301,500) | -33% |
| Net Grant/Contract Admin Fees | \$ 758,000 | \$ 189,500 | \$ 247,265 | \$ 57,765 | \$ 568,500 | \$ 588,296 | \$ 19,796 | \$ 406,479 | \$ 588,296 | 45% |
| Admin Fees - Campus Programs | 120,000 | 30,000 | 38,878 | 8,878 | 90,000 | 114,985 | 24,985 | 212,968 | 114,985 | -46% |
| Business Service Revenue | 150,000 | 37,500 | 37,500 | - | 112,500 | 112,500 | - | 59,464 | 112,500 | 89% |
| Bookstore Net Revenue | 409,000 | 163,600 | 134,551 | (29,049) | 368,100 | 340,197 | (27,903) | 350,444 | 340,197 | -3% |
| Food Service - Net Oper Revenue/Commissions | (39,000) | (9,750) | (7,900) | 1,850 | (29,250) | (24,437) | 4,813 | (109,935) | (24,437) | -78% |
| Food Service - Net Contract Revenue | 80,000 | 20,000 | 63,592 | 43,592 | 60,000 | 119,814 | 59,814 | 67,612 | 119,814 | 0% |
| Investment Income | 41,000 | 10,250 | 19,052 | 8,802 | 30,750 | 31,054 | 304 | 32,365 | 31,054 | -4% |
| Leases/Mgmt Fees/Support | 48,000 | 12,000 | 22,839 | 10,839 | 36,000 | 43,686 | 7,686 | 38,682 | 43,686 | 13% |
| Total Revenue | \$ 1,567,000 | \$ 453,100 | \$ 555,777 | \$ 102,677 | \$ 1,236,600 | \$ 1,326,095 | \$ 89,495 | \$ 1,058,079 | \$ 1,326,095 | 25% |
| Expenses: UARSC Operations | \$ 1,546,000 | \$ 386,500 | \$ 499,343 | \$ (112,843) | \$ 1,159,500 | \$ 1,316,376 | \$ (156,876) | \$ 1,324,147 | \$ 1,316,376 | -1% |
| Net Operating Revenues | \$ 21,000 | \$ 66,600 | \$ 56,434 | \$ (10,166) | \$ 77,100 | \$ 9,719 | \$ (67,381) | \$ (266,068) | \$ 9,719 | -104% |

ATTACHMENT C

Form 990 Tax Return FY 12/13 Ratification

EXTENDED UNTIL MAY 15, 2014

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012Open to Public
Inspection**A** For the 2012 calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

| | | |
|---|---|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization UNIVERSITY AUXILIARY AND RESEARCH SERVICES CORPORATION Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 435 E. CARMEL STREET City, town, or post office, state, and ZIP code SAN MARCOS, CA 92078 F Name and address of principal officer: DORA KNOBLOCK SAME AS C ABOVE | D Employer identification number 33-0397688 E Telephone number 760-750-4700 G Gross receipts \$ 9,757,240. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website: ▶ WWW.CSUSM.EDU/UARSC K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ L Year of formation: 1990 M State of legal domicile: CA | | |

Part I Summary

| | | | |
|------------|---|------------|--------------------|
| 1 | Briefly describe the organization's mission or most significant activities: TO PROVIDE FINANCIAL AND PROGRAM ADMINISTRATIVE SUPPORT TO CALIFORNIA STATE UNIVERSITY SAN MARCOS. | | |
| 2 | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 13 |
| 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 8 |
| 5 | Total number of individuals employed in calendar year 2012 (Part V, line 2a) | 5 | 689 |
| 6 | Total number of volunteers (estimate if necessary) | 6 | 114 |
| 7a | Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| 7b | Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0. |
| 8 | Contributions and grants (Part VIII, line 1h) | 8 | 7,789,329. |
| 9 | Program service revenue (Part VIII, line 2g) | 9 | 1,526,200. |
| 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 10 | 37,344. |
| 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 11 | 47,360. |
| 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 12 | 1,258,750. |
| 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 13 | 515,643. |
| 14 | Benefits paid to or for members (Part IX, column (A), line 4) | 14 | 12,417,725. |
| 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 15 | 9,616,263. |
| 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 16a | 48,627. |
| 16b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | 16b | 94,662. |
| 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 17 | 0. |
| 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 18 | 6,427,933. |
| 19 | Revenue less expenses. Subtract line 18 from line 12 | 19 | 6,351,516. |
| 20 | Total assets (Part X, line 16) | 20 | 6,414,108. |
| 21 | Total liabilities (Part X, line 26) | 21 | 4,020,152. |
| 22 | Net assets or fund balances. Subtract line 21 from line 20 | 22 | 12,890,668. |
| 23 | | 23 | 10,466,330. |
| 24 | | 24 | -472,943. |
| 25 | | 25 | -850,067. |
| 26 | | 26 | 6,414,108. |
| 27 | | 27 | 4,020,152. |
| 28 | | 28 | 12,890,668. |
| 29 | | 29 | 10,466,330. |
| 30 | | 30 | -472,943. |
| 31 | | 31 | -850,067. |
| 32 | | 32 | 6,414,108. |
| 33 | | 33 | 4,020,152. |
| 34 | | 34 | 12,890,668. |
| 35 | | 35 | 10,466,330. |
| 36 | | 36 | -472,943. |
| 37 | | 37 | -850,067. |
| 38 | | 38 | 6,414,108. |
| 39 | | 39 | 4,020,152. |
| 40 | | 40 | 12,890,668. |
| 41 | | 41 | 10,466,330. |
| 42 | | 42 | -472,943. |
| 43 | | 43 | -850,067. |
| 44 | | 44 | 6,414,108. |
| 45 | | 45 | 4,020,152. |
| 46 | | 46 | 12,890,668. |
| 47 | | 47 | 10,466,330. |
| 48 | | 48 | -472,943. |
| 49 | | 49 | -850,067. |
| 50 | | 50 | 6,414,108. |
| 51 | | 51 | 4,020,152. |
| 52 | | 52 | 12,890,668. |
| 53 | | 53 | 10,466,330. |
| 54 | | 54 | -472,943. |
| 55 | | 55 | -850,067. |
| 56 | | 56 | 6,414,108. |
| 57 | | 57 | 4,020,152. |
| 58 | | 58 | 12,890,668. |
| 59 | | 59 | 10,466,330. |
| 60 | | 60 | -472,943. |
| 61 | | 61 | -850,067. |
| 62 | | 62 | 6,414,108. |
| 63 | | 63 | 4,020,152. |
| 64 | | 64 | 12,890,668. |
| 65 | | 65 | 10,466,330. |
| 66 | | 66 | -472,943. |
| 67 | | 67 | -850,067. |
| 68 | | 68 | 6,414,108. |
| 69 | | 69 | 4,020,152. |
| 70 | | 70 | 12,890,668. |
| 71 | | 71 | 10,466,330. |
| 72 | | 72 | -472,943. |
| 73 | | 73 | -850,067. |
| 74 | | 74 | 6,414,108. |
| 75 | | 75 | 4,020,152. |
| 76 | | 76 | 12,890,668. |
| 77 | | 77 | 10,466,330. |
| 78 | | 78 | -472,943. |
| 79 | | 79 | -850,067. |
| 80 | | 80 | 6,414,108. |
| 81 | | 81 | 4,020,152. |
| 82 | | 82 | 12,890,668. |
| 83 | | 83 | 10,466,330. |
| 84 | | 84 | -472,943. |
| 85 | | 85 | -850,067. |
| 86 | | 86 | 6,414,108. |
| 87 | | 87 | 4,020,152. |
| 88 | | 88 | 12,890,668. |
| 89 | | 89 | 10,466,330. |
| 90 | | 90 | -472,943. |
| 91 | | 91 | -850,067. |
| 92 | | 92 | 6,414,108. |
| 93 | | 93 | 4,020,152. |
| 94 | | 94 | 12,890,668. |
| 95 | | 95 | 10,466,330. |
| 96 | | 96 | -472,943. |
| 97 | | 97 | -850,067. |
| 98 | | 98 | 6,414,108. |
| 99 | | 99 | 4,020,152. |
| 100 | | 100 | 12,890,668. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | | |
|-------------------------------|--|---|--|
| Sign Here | Signature of officer GREG SVATORA, CFO Type or print name and title | Date | |
| Paid Preparer Use Only | Print/Type preparer's name CHRISTOPHER M. PEKULA Firm's name ▶ MCGLADREY LLP Firm's address ▶ 515 S. FLOWER STREET, 41ST FLOOR LOS ANGELES, CA 90071 | Preparer's signature <i>Christopher M. Pekula</i> Date 05/01/14 | Check <input type="checkbox"/> if self-employed PTIN P00734965 Firm's EIN ▶ 42-0714325 Phone no. 213-330-4800 |

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

Form 990 (2012)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ X

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on

the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 891,141. including grants of \$) (Revenue \$)

OPERATION OF THE CAMPUS FOOD SERVICE AND BOOKSTORE ACTIVITIES FOR THE STUDENTS, FACULTY, AND STAFF OF CALIFORNIA STATE UNIVERSITY SAN MARCOS.

4b (Code:) (Expenses \$ 1,217,848. including grants of \$ 94,662.) (Revenue \$ 1,526,200.)

PROVIDE FINANCIAL AND ADMINISTRATIVE SUPPORT SERVICES TO VARIOUS CAMPUS PROGRAMS AND ACTIVITIES INCLUDING THE PHILANTHROPIC FOUNDATION, STUDENT HOUSING, AND ASSOCIATED STUDENTS ORGANIZATIONS. OTHER CAMPUS PROGRAMS FOR WHICH SERVICES WERE PROVIDED INCLUDE THE CALIFORNIA INDIAN CULTURAL AND SOVEREIGNTY CENTER, INSTITUTE FOR PALLIATIVE CARE, FACULTY RESEARCH DEVELOPMENT, AND VARIOUS COMMUNITY OUTREACH PROGRAMS.

4c (Code:) (Expenses \$ 6,545,213. including grants of \$) (Revenue \$)

ADMINISTRATION OF RESEARCH AND TRAINING GRANTS AWARDED TO THE CAMPUS FACULTY FROM VARIOUS FEDERAL, STATE, AND OTHER GOVERNMENTAL AGENCIES AND PRIVATE FOUNDATIONS. FEDERAL GRANTS TOTALED \$6.3 MILLION WHILE STATE AND LOCAL GOVERNMENT AGENCY GRANTS TOTALED \$800,000. GRANTS AND AWARDS FROM PRIVATE FOUNDATIONS AND OTHER NON-GOVERNMENTAL ENTITIES TOTALED \$500,000.

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 8,654,202.

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

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Part IV Checklist of Required Schedules

| | Yes | No |
|--|--------------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | 1 X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | 2 X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | 3 | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | 4 | X |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | 5 | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | 6 | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | 7 | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | 8 | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | 9 | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> | 10 | X |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | 11a X | |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | 11b | X |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | 11c | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | 11d | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | 11e X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | 11f X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | 12a X | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | 12b X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | 13 | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | 14b | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> | 15 | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> | 16 | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> | 17 | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | 18 | X |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | 19 | X |
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | 20a | X |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b | |

Form **990** (2012)

**UNIVERSITY AUXILIARY AND RESEARCH
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Form 990 (2012)

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Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|----------|----------|
| 21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | X |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | X | |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> | | X |
| 24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| 24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| 28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| 35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

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**UNIVERSITY AUXILIARY AND RESEARCH
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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

| | | Yes | No |
|--|-----|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 239 | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 0 | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | X | |
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 689 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | X | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | | | X |
| b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | | | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | | X |
| b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | X |
| c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | | | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | | | X |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | | X |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | X |
| d If "Yes," indicate the number of Forms 8282 filed during the year | | | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | X |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | X |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | | |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | |
| a Did the organization make any taxable distributions under section 4966? | | | |
| b Did the organization make a distribution to a donor, donor advisor, or related person? | | | |
| 10 Section 501(c)(7) organizations. Enter: | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | | |
| 11 Section 501(c)(12) organizations. Enter: | | | |
| a Gross income from members or shareholders | | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | | | |
| c Enter the amount of reserves on hand | | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | | | X |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | | | |

Form 990 (2012)

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

| | Yes | No |
|--|-----------|----------|
| 1a Enter the number of voting members of the governing body at the end of the tax year 13 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | | |
| b Enter the number of voting members included in line 1a, above, who are independent 8 | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? | 3 | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | X |
| 6 Did the organization have members or stockholders? | 6 | X |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | X |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | X |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? | 8a | X |
| b Each committee with authority to act on behalf of the governing body? | 8b | X |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | 9 | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | Yes | No |
|---|------------|----------|
| 10a Did the organization have local chapters, branches, or affiliates? | 10a | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | 10b | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | 11a | X |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 | 12a | X |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | X |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | 12c | X |
| 13 Did the organization have a written whistleblower policy? | 13 | X |
| 14 Did the organization have a written document retention and destruction policy? | 14 | X |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a The organization's CEO, Executive Director, or top management official | 15a | X |
| b Other officers or key employees of the organization | 15b | X |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **CA**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **GREG SVATORA, CHIEF FINANCIAL OFFICER - 760-750-4719**
435 E. CARMEL STREET, SAN MARCOS, CA 92078

232006
12-10-12

Form 990 (2012)

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) ANN BERSI DIRECTOR/CHAIR | 3.00 | X | | | | | | 0. | 0. | 0. |
| (2) TRES CONRIQUE DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (3) EMILY CUTRER DIRECTOR | 0.50 | X | | | | | | 0. | 0. | 0. |
| (4) KEN GREEN DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (5) LINDA HAWK DIRECTOR | 1.00 | X | | | | | | 0. | 192,138. | 51,005. |
| (6) BRANDON LOSEY DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (7) COLLEEN MOSS DIRECTOR | 1.00 | X | | | | | | 0. | 67,749. | 11,867. |
| (8) RUSSELL POWELL DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (9) SUSAN SCHNEPF DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (10) CAMILLE SCHUSTER DIRECTOR | 1.00 | X | | | | | | 0. | 116,323. | 28,234. |
| (11) ERNEST ZOMALT DIRECTOR/VICE CHAIR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (12) GRAHAM OBEREM DIRECTOR | 1.00 | X | | | | | | 0. | 146,326. | 42,206. |
| (13) DAVID CHANG DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (14) MATTHEW J. CEPPI DIRECTOR | 1.00 | X | | | | | | 0. | 159,078. | 37,885. |
| (15) DORA KNOBLOCK SECRETARY | 40.00 | | | X | | | | 0. | 125,262. | 42,912. |
| (16) GREG SVATORA TREASURER/CFO | 40.00 | | | X | | | | 145,351. | 0. | 21,802. |
| (17) GRANT HUBBARD DIR., SPONSORED PROGRAMS | 0.50 | | | | X | | | 101,799. | 0. | 38,683. |

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[illegible]

| | | | |
|---|----------|----------|----------|
| 1b Sub-total | 247,150. | 806,876. | 274,594. |
| c Total from continuation sheets to Part VII, Section A | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | 247,150. | 806,876. | 274,594. |

| | | |
|---|---|---|
| 2 | Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization | 2 |
|---|---|---|

| | | | | |
|---|---|---|---|---|
| 3 | Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 3 | | X |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | 4 | X | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | 5 | | X |

| | | |
|--|--------------------------------|---------------------|
| 1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year. | | |
| (A) Name and business address | (B) Description of services | (C) Compensation |
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| 2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► | | 0 |

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

33-0397688 Page **9**

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII ☐

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|--|----------------------|------------|----------------------|---|---|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | 7,052,616. | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 474,444. | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | |
| | h Total. Add lines 1a-1f | | | 7,527,060. | | | |
| Program Service Revenue | 2 a <u>CAMPUS PROGRAMS</u> | Business Code | 900099 | 1,526,200. | 1,526,200. | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f | | | 1,526,200. | | | |
| | 3 Investment income (including dividends, interest, and other similar amounts) | | | 47,360. | | | 47,360. |
| 4 Income from investment of tax-exempt bond proceeds | | | | | | | |
| 5 Royalties | | | | | | | |
| Other Revenue | 6 a Gross rents | (i) Real | 145,680. | | | | |
| | b Less: rental expenses | (ii) Personal | 94,104. | | | | |
| | c Rental income or (loss) | | 51,576. | | | | |
| | d Net rental income or (loss) | | | 51,576. | | | 51,576. |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| | b Less: cost or other basis and sales expenses | | | | | | |
| | c Gain or (loss) | | | | | | |
| | d Net gain or (loss) | | | | | | |
| | 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from fundraising events | | | | | | |
| | 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | |
| | 10 a Gross sales of inventory, less returns and allowances | a | 125,788. | | | | |
| | b Less: cost of goods sold | b | 46,873. | | | | |
| | c Net income or (loss) from sales of inventory | | | 78,915. | | | 78,915. |
| | Miscellaneous Revenue | | | Business Code | | | |
| 11 a <u>COMMISSIONS - BOOKSTOR</u> | | 900099 | 385,152. | | | 385,152. | |
| b | | | | | | | |
| c | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | | 385,152. | | | | |
| 12 Total revenue. See instructions. | | | 9,616,263. | 1,526,200. | 0. | 563,003. | |

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Form **990** (2012)

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

33-0397688 Page **10**

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

| | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|------------------------------------|---|--------------------------------|
| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | | | | |
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | 94,662. | 94,662. | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 159,725. | | 159,725. | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 4,789,175. | 4,221,685. | 567,490. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 197,382. | 151,983. | 45,399. | |
| 9 Other employee benefits | 903,765. | 690,754. | 213,011. | |
| 10 Payroll taxes | 301,469. | 261,745. | 39,724. | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 21,425. | | 21,425. | |
| c Accounting | 90,500. | | 90,500. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 516,158. | 505,998. | 10,160. | |
| 12 Advertising and promotion | 474,972. | 449,025. | 25,947. | |
| 13 Office expenses | | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 396,801. | 297,031. | 99,770. | |
| 17 Travel | 372,897. | 371,350. | 1,547. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 143,330. | 129,892. | 13,438. | |
| 20 Interest | | | | |
| 21 Payments to affiliates | 441,361. | 40,880. | 400,481. | |
| 22 Depreciation, depletion, and amortization | 494,149. | 494,149. | | |
| 23 Insurance | 20,683. | | 20,683. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a PROGRAM EXPENSES | 358,669. | 336,367. | 22,302. | |
| b STIPENDS/HONORARIA | 355,855. | 355,855. | | |
| c SERVICE FEES | 252,243. | 172,217. | 80,026. | |
| d EQUIPMENT/FURNISHINGS | 80,109. | 80,109. | | |
| e All other expenses | 1,000. | 500. | 500. | |
| 25 Total functional expenses. Add lines 1 through 24e | 10,466,330. | 8,654,202. | 1,812,128. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here ☐ if following SOP 98-2 (ASC 958-720)

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

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Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|--|--|---|-------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 641,078. | 1 | 450,438. |
| | 2 Savings and temporary cash investments | 11,881,135. | 2 | 8,251,374. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 1,028,023. | 4 | 1,549,672. |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 29,326. | 8 | 0. |
| | 9 Prepaid expenses and deferred charges | 40,150. | 9 | 44,658. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 9,213,296. | | |
| | 10b Less: accumulated depreciation | 3,432,737. | | |
| | 10c | 6,244,339. | 10c | 5,780,559. |
| | 11 Investments - publicly traded securities | 2,212,128. | 11 | 3,237,070. |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| 15 Other assets. See Part IV, line 11 | 61,081. | 15 | 61,081. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 22,137,260. | 16 | 19,374,852. | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,533,707. | 17 | 1,574,669. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 902,316. | 19 | 418,104. |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 9,579,262. | 25 | 9,011,359. |
| | 26 Total liabilities. Add lines 17 through 25 | 12,015,285. | 26 | 11,004,132. |
| | Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | |
| 27 Unrestricted net assets | | 10,121,975. | 27 | 8,370,720. |
| 28 Temporarily restricted net assets | | | 28 | |
| 29 Permanently restricted net assets | | | 29 | |
| Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| 30 Capital stock or trust principal, or current funds | | | 30 | |
| 31 Paid-in or capital surplus, or land, building, or equipment fund | | | 31 | |
| 32 Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| 33 Total net assets or fund balances | | 10,121,975. | 33 | 8,370,720. |
| 34 Total liabilities and net assets/fund balances | | 22,137,260. | 34 | 19,374,852. |

Form 990 (2012)

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Form 990 (2012)

33-0397688 Page **12**

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☒

| | | | |
|----|--|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 9,616,263. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 10,466,330. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | -850,067. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 10,121,975. |
| 5 | Net unrealized gains (losses) on investments | 5 | -41,209. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -859,979. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 8,370,720. |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☐

| | | Yes | No |
|----|---|-----|----|
| 1 | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a | X |
| b | Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis | 2b | X |
| c | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | 2c | X |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____ | 3a | X |
| b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____ | 3b | X |

Form **990** (2012)

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Employer identification number
33-0397688

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☒ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box _____

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____

(ii) A family member of a person described in (i) above? _____

(iii) A 35% controlled entity of a person described in (i) or (ii) above? _____

h Provide the following information about the supported organization(s).

| | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |

[illegible]

Schedule A (Form 990 or 990-EZ) 2012

UNIVERSITY AUXILIARY AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2012 SERVICES CORPORATION

33-0397688 Page 2

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | 7828953. | 7845577. | 9060395. | 7789329. | 7527060. | 40051314. |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | 7828953. | 7845577. | 9060395. | 7789329. | 7527060. | 40051314. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 40051314. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-------------|
| 7 Amounts from line 4 | 7828953. | 7845577. | 9060395. | 7789329. | 7527060. | 40051314. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 575,632. | 398,277. | 176,548. | 183,024. | 193,040. | 1526521. |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | 41577835. |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | 52,615,623. |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | | |
|--|----|-------|---|
| 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | 96.33 | % |
| 15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | 94.87 | % |
| 16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/> | | | |
| b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | |
| 17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | |
| b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/> | | | |

Schedule A (Form 990 or 990-EZ) 2012

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|---|----|---|
| 15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|--|----|---|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Schedule B

(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

Employer identification number

33-0397688

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

Employer identification number

33-0397688

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|-----------------------------------|----------------------------|--|
| <u>1</u> | | \$ <u>196,491.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>2</u> | | \$ <u>616,150.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>3</u> | | \$ <u>2,665,716.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>4</u> | | \$ <u>1,781,842.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| <u>5</u> | | \$ <u>1,372,439.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

Employer identification number

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

33-0397688

Part III

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------------|---|-----------------|--|
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012Open to Public
InspectionName of the organization **UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**Employer identification number
33-0397688**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the
organization answered "Yes" to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|------------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last
day of the tax year.

| | Held at the End of the Tax Year |
|---|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax
year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of
violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i)
and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and
include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for
conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art,
historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII,
the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical
treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts
relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$

(ii) Assets included in Form 990, Part X

▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide
the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

▶ \$

b Assets included in Form 990, Part X

▶ \$

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Schedule D (Form 990) 2012

33-0397688 Page **3**

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| (I) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) | | |

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

| (a) Description of investment type | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) | | |

Part IX Other Assets. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) | |

Part X Other Liabilities. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) POST RETIREMENT BENEFITS | 1,483,436. |
| (3) DUE TO SAN MARCOS FOUNDATION | 7,527,923. |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 9,011,359. |

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Schedule D (Form 990) 2012

33-0397688 Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

| | | | |
|---|---|----|-------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 10,460,516. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | -41,209. |
| b | Donated services and use of facilities | 2b | 744,485. |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | 140,977. |
| e | Add lines 2a through 2d | 2e | 844,253. |
| 3 | Subtract line 2e from line 1 | 3 | 9,616,263. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 9,616,263. |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

| | | | |
|---|--|----|-------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 11,351,792. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | 744,485. |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | 140,977. |
| e | Add lines 2a through 2d | 2e | 885,462. |
| 3 | Subtract line 2e from line 1 | 3 | 10,466,330. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 10,466,330. |

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2: THE ORGANIZATION IS A QUALIFIED NONPROFIT ORGANIZATION

THAT IS GENERALLY EXEMPT FROM FEDERAL AND STATE INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND SECTION 23701(D) OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS EXEMPTION IS FOR ALL INCOME TAXES EXCEPT FOR THOSE ASSESSED ON UNRELATED BUSINESS INCOME (UBI), IF ANY. IN ORDER TO MAINTAIN THAT STATUS, THE ORGANIZATION IS PRECLUDED FROM MAKING CERTAIN EXPENDITURES, PRINCIPALLY IN SUPPORT OF POLITICAL PARTIES. MANAGEMENT BELIEVES THAT NO SUCH EXPENDITURES HAVE BEEN MADE. THE

Schedule D (Form 990) 2012

Part XIII Supplemental Information (continued)

ORGANIZATION IS NOT A PRIVATE FOUNDATION.

THE ORGANIZATION ADOPTED ACCOUNTING GUIDANCE RELATING TO ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH IS PRIMARILY CODIFIED IN FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION (ASC) 740. THE ORGANIZATION FILES A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY. WHEN THESE RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE TAX POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED. EXAMPLES OF TAX POSITIONS COMMON TO THE ORGANIZATION INCLUDE SUCH MATTERS AS THE TAX-EXEMPT STATUS OF THE ENTITY AND VARIOUS POSITIONS RELATIVE TO POTENTIAL SOURCES OF UBI. UBI IS REPORTED ON FORM 990-T, AS APPROPRIATE. THE BENEFIT OF TAX POSITION IS RECOGNIZED IN THE FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY.

TAX POSITIONS ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS. TAX POSITIONS THAT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50 PERCENT LIKELY TO BE REALIZED ON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS IN THE ACCOMPANYING STATEMENTS OF FINANCIAL POSITION, ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**Part XIII** Supplemental Information (continued)

EXAMINATION. AS OF JUNE 30, 2013 AND 2012, THE ORGANIZATION HAS ADDRESSED
UNCERTAINTY IN ITS INCOME TAX POSITION UNDER THE GUIDANCE, AND THERE ARE
NO UNRECOGNIZED/DERECOGNIZED TAX BENEFITS REQUIRING AN ACCRUAL.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

| | |
|--|----------|
| RENT EXPENSES - NETTED TO REVENUE | 94,104. |
| COST OF GOODS SOLD - NETTED TO REVENUE | 46,873. |
| TOTAL TO SCHEDULE D, PART XI, LINE 2D | 140,977. |

PART XII, LINE 2D - OTHER ADJUSTMENTS:

| | |
|--|----------|
| COST OF GOODS SOLD - NETTED TO REVENUE | 46,873. |
| RENT EXPENSE - NETTED TO REVENUE | 94,104. |
| TOTAL TO SCHEDULE D, PART XII, LINE 2D | 140,977. |

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization **UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Employer identification number
33-0397688

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶
- 3 Enter total number of other organizations listed in the line 1 table ▶

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

33-0397688

Page 2

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---|--------------------------|--------------------------|-----------------------------------|---|--|
| CAL STATE SAN MARCOS STUDENT SCHOLARSHIPS | 81 | 94,662. | 0. | CASH VALUE | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SCHEDULE I, PART I, LINE 2: GRANTS GIVEN TO CSUSM ARE FOR STUDENT

SCHOLARSHIPS AND THE UNIVERSITY MONITORS THE FUNDS GIVEN TO EACH STUDENT.

THE FINANCIAL AID OFFICE OF THE UNIVERSITY QUALIFIES APPLICANTS FOR

SCHOLARSHIPS BASED ON CRITERIA OVER WHICH UARSC HAS NO CONTROL.

EXPENDITURES ON GRANTS AND CONTRACTS ARE CLOSELY MONITORED BY THE UARSC

STAFF TO COMPLY WITH SPONSOR REQUIREMENTS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.**

▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Employer identification number
33-0397688

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990,
Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or
reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors,
trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's
CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to
establish compensation of the CEO/Executive Director, but explain in Part III.

☐ Compensation committee

☐ Independent compensation consultant

☐ Form 990 of other organizations

☐ Written employment contract

☐ Compensation survey or study

☐ Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing
organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation
contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation
contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments
not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the
initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in
Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Schedule J (Form 990) 2012

33-0397688

Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|----------------------|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) LINDA HAWK | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| DIRECTOR | (ii) | 192,138. | 0. | 0. | 36,758. | 14,247. | 243,143. | 0. |
| (2) GRAHAM OBEREM | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| DIRECTOR | (ii) | 146,326. | 0. | 0. | 27,929. | 14,277. | 188,532. | 0. |
| (3) MATTHEW J. CEPPI | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| DIRECTOR | (ii) | 159,078. | 0. | 0. | 30,445. | 7,440. | 196,963. | 0. |
| (4) DORA KNOBLOCK | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| SECRETARY | (ii) | 125,262. | 0. | 0. | 23,932. | 18,980. | 168,174. | 0. |
| (5) GREG SVATORA | (i) | 145,351. | 0. | 0. | 0. | 21,802. | 167,153. | 0. |
| TREASURER/CFO | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
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| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

33-0397688

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

THE OFFICERS LISTED ON SCHEDULE J ARE EMPLOYEES OF THE RELATED ORGANIZATION, CALIFORNIA STATE UNIVERSITY SAN MARCOS. THE RELATED ORGANIZATION HAS POLICIES IN PLACE WHICH ARE USED TO DETERMINE COMPENSATION. THROUGH THE RELATED ORGANIZATION'S EXECUTIVE COMPENSATION COMMITTEE - WHICH IS COMPRISED OF THE UNIVERSITY PRESIDENT WHO SERVES AS AN EX-OFFICIO MEMBER OF THE BOARD - COMPENSATION FOR THE ORGANIZATION'S OFFICERS IS REVIEWED ON AN ANNUAL BASIS. THE REVIEW OF CURRENT SALARY LEVELS FOR EACH EXECUTIVE EMPLOYEE IS PERFORMED BY ANALYZING EXECUTIVE COMPENSATION OF OTHER SIMILAR AUXILIARY ORGANIZATIONS WITHIN THE CALIFORNIA STATE UNIVERSITY SYSTEM, AS WELL AS SURVEYS OF OTHER NON-PROFIT CHARITABLE ORGANIZATIONS OF SIMILAR ASSET SIZE AND FUNCTIONS. THE EXECUTIVE COMPENSATION COMMITTEE THEN RECOMMENDS THE APPROPRIATE SALARY LEVELS TO THE ORGANIZATION'S BOARD OF DIRECTORS FOR APPROVAL.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION

Employer identification number
33-0397688

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

THE UNIVERSITY AUXILIARY AND RESEARCH SERVICES CORPORATION IS A
NON-PROFIT TAX EXEMPT ORGANIZATION ESTABLISHED TO PROVIDE
ADMINISTRATIVE AND OTHER BUSINESS SERVICES TO CALIFORNIA STATE
UNIVERSITY SAN MARCOS. SERVICES INCLUDE THE ADMINISTRATION OF RESEARCH
AND TRAINING GRANT AWARDS TO CAMPUS FACULTY, AND OPERATION OF VARIOUS
CAMPUS COMMERCIAL OPERATIONS INCLUDING THE BOOKSTORE AND FOOD SERVICES.
OTHER SERVICES PROVIDED INCLUDE FINANCIAL MANAGEMENT SUPPORT TO OTHER
CAMPUS ENTITIES AND PROGRAMS SUCH AS THE PHILANTHROPIC FOUNDATION,
STUDENT HOUSING, STUDENT GOVERNMENT, AND OTHER ACTIVITIES THAT FALL
WITHIN THE MISSION OF THE UNIVERSITY.

FORM 990, PART VI, SECTION B, LINE 11: AN ELECTRONIC FORM OF THE 990 IS
EMAILED TO EACH BOARD MEMBER FOR REVIEW PRIOR TO FILING. THE FORM 990 IS
ALSO REVIEWED BY THE EXECUTIVE DIRECTOR PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: AT THE BEGINNING OF EACH FISCAL
YEAR ALL MEMBERS OF THE AUXILIARY'S BOARD OF DIRECTORS ARE REQUIRED TO SIGN
A CONFLICT OF INTEREST STATEMENT. THIS POLICY ALSO APPLIES TO ALL DIRECTOR
LEVEL POSITIONS, INCLUDING THE EXECUTIVE DIRECTOR, AND ALL OTHER POSITIONS
THAT HAVE SIGNIFICANT EXPOSURE AND/OR DECISION MAKING AUTHORITY TO WARRANT
REGULAR MONITORING OF THE CONFLICT OF INTEREST ACTIVITIES.

FORM 990, PART VI, SECTION B, LINE 15: THROUGH THE ORGANIZATION'S
EXECUTIVE COMPENSATION COMMITTEE - WHICH IS COMPRISED OF THE UNIVERSITY
PRESIDENT WHO SERVES AS AN EX-OFFICIO MEMBER OF THE BOARD - COMPENSATION

Name of the organization **UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Employer identification number
33-0397688

FOR THE ORGANIZATION'S OFFICERS IS REVIEWED ON AN ANNUAL BASIS. THE REVIEW OF CURRENT SALARY LEVELS FOR EACH EXECUTIVE EMPLOYEE IS PERFORMED BY ANALYZING EXECUTIVE COMPENSATION OF OTHER SIMILAR AUXILIARY ORGANIZATIONS WITHIN THE CALIFORNIA STATE UNIVERSITY SYSTEM, AS WELL AS SURVEYS OF OTHER NON-PROFIT CHARITABLE ORGANIZATIONS OF SIMILAR ASSET SIZE AND FUNCTIONS. THE EXECUTIVE COMPENSATION COMMITTEE THEN RECOMMENDS THE APPROPRIATE SALARY LEVELS TO THE ORGANIZATION'S BOARD OF DIRECTORS FOR APPROVAL.

FORM 990, PART VI, SECTION C, LINE 19: THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FINANCIAL STATEMENTS, AND FORMS 990 (FROM THE PREVIOUS THREE YEARS) ARE AVAILABLE FOR INSPECTION OR COPYING AT THE ORGANIZATION'S MAIN OFFICE DURING NORMAL BUSINESS HOURS WITHOUT INQUIRING AS TO THE REASON FOR THE PUBLIC INSPECTION REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

TRANSFER OF NET ASSETS TO RELATED ORG - CAL STATE

UNIVERSITY SAN MARCOS

-859,979.

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012
Open to Public
Inspection

Name of the organization **UNIVERSITY AUXILIARY AND RESEARCH SERVICES CORPORATION** Employer identification number **33-0397688**

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
| | | | | | |
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Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|--|---|-------------------------------|---|---|--|----|
| | | | | | | Yes | No |
| CALIFORNIA STATE UNIVERSITY SAN MARCOS - 33-0535371, 333 S. TWIN OAKS VALLEY ROAD, SAN MARCOS, CA 92096 | CALIFORNIA STATE UNIVERSITY - HIGHER EDUCATIONAL INSTITUTION | CALIFORNIA | 115 | GOVERNMENT | TRUSTEES OF CALIFORNIA STATE UNIVERSITY | | X |
| SAN MARCOS UNIVERSITY CORPORATION - 33-0971982, 333 S. TWIN OAKS VALLEY RD., SAN MARCOS, CA 92096 | ON-CAMPUS PROGRAM MANAGEMENT | CALIFORNIA | 501(C)(3) | LINE 5 | TRUSTEES OF CALIFORNIA STATE UNIVERSITY | | X |
| ASSOCIATED STUDENTS, INC CALIFORNIA STATE UNIVERSITY SAN MARCOS - 33-0556915, 333 S. TWIN OAKS VALLEY RD., SAN MARCOS, CA 92096 | STUDENT LEADERSHIP, ACTIVITIES, & RECREATION | CALIFORNIA | 501(C)(3) | LINE 5 | TRUSTEES OF CALIFORNIA STATE UNIVERSITY | | X |
| CALIFORNIA STATE UNIVERSITY SAN MARCOS FOUNDATION - 80-0390564, 333 S. TWIN OAKS VALLEY RD., SAN MARCOS, CA 92096 | FUNDRAISING & GRANTS ADMINISTRATION | CALIFORNIA | 501(C)(3) | LINE 5 | TRUSTEES OF CALIFORNIA STATE UNIVERSITY | | X |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

SERVICES CORPORATION

33-0397688

Page 2

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

[illegible]

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

[illegible]

**UNIVERSITY AUXILIARY AND RESEARCH
SERVICES CORPORATION**

Schedule R (Form 990) 2012

33-0397688 Page 3

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

| | Yes | No |
|---|-----|----|
| 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | |
| a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity | | X |
| b Gift, grant, or capital contribution to related organization(s) | X | |
| c Gift, grant, or capital contribution from related organization(s) | X | |
| d Loans or loan guarantees to or for related organization(s) | | X |
| e Loans or loan guarantees by related organization(s) | | X |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | X | |
| k Lease of facilities, equipment, or other assets from related organization(s) | | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | X | |
| m Performance of services or membership or fundraising solicitations by related organization(s) | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | X |
| o Sharing of paid employees with related organization(s) | | X |
| p Reimbursement paid to related organization(s) for expenses | X | |
| q Reimbursement paid by related organization(s) for expenses | X | |
| r Other transfer of cash or property to related organization(s) | | X |
| s Other transfer of cash or property from related organization(s) | | X |

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| (a) Name of other organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|--|----------------------------------|------------------------|--|
| (1) CALIFORNIA STATE UNIVERSITY SAN MARCOS | J | 145,680. | CASH VALUE |
| (2) CALIFORNIA STATE UNIVERSITY SAN MARCOS | P | 4,732,659. | CASH VALUE |
| (3) CALIFORNIA STATE UNIVERSITY SAN MARCOS | Q | 719,197. | CASH VALUE |
| (4) | | | |
| (5) | | | |
| (6) | | | |

SERVICES CORPORATION

Schedule R (Form 990) 2012

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Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Schedule R (Form 990) 2012

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

ATTACHMENT D

Delegation of Authority Policy
Signature Authority Page Revision



DELEGATION OF AUTHORITY

Background and Purpose

The University Auxiliary and Research Services Corporation is engaged in a variety of transactions that require prudent control over the authorization to execute documents that obligate the Corporation or which otherwise confirm financial or contractual transactions.

This statement lists the document types and corresponding signatories required thereon to authorize the transaction associated with each type of document.

Policy

The Executive Director is authorized to establish written management guidelines consistent with and in implementation of this policy statement, including delegation of authority granted through this policy.

Those with delegated authority may re-delegate in writing to officers, employees or agents of the Corporation, with the approval of the Executive Director and the Board Chairman.

Attached is a description of document types and corresponding authorized signatures.

The undersigned Secretary hereby certifies that the foregoing is a full, true and correct copy of the policy of the Board of Directors of the University Auxiliary and Research Services Corporation duly made at a regular Board meeting on March 26, 2009.


Dana Knoblock, Secretary

03-26-09
Date

Policy Revision Date: 03/26/09
Issue Date: 10/18/01

| Account Transactions | |
|---|--|
| Bank and Investment Account Transfers, Withdrawals, Deposits <i>Two signatures required on transfers/withdrawals</i> | Grant Hubbard |
| | Dora Knoblock Bella Newberg |
| | Greg Svatora |
| Contractual Documents | |
| Agreements or contracts, including property conveyances, service agreements, leases, licenses in the ordinary course of business of UARSC | Grant Hubbard |
| | Dora Knoblock Bella Newberg |
| | Greg Svatora |
| Expenditure Request/Authorization | |
| Procurement documentation, including check requests, requisitions, purchase orders in the ordinary course of business of UARSC | Deborah Davis |
| | Grant Hubbard |
| | Dora Knoblock Bella Newberg |
| | Greg Svatora |
| | Michelle Hinojosa |
| Under \$500 | Jan Cushman |
| Under \$1,000 | Annemarie Broderson |
| Under \$1,000 | Erin Lane |
| Under \$1,000 | Patti Kastner |
| Under \$1,000 | Michelle Meeks |
| Negotiable Instruments – Under \$5,000 | |
| Commercial checks, sight drafts, other negotiable instruments | Deborah Davis |
| | Michelle Hinojosa |
| | Grant Hubbard |
| | Dora Knoblock Bella Newberg |
| | Greg Svatora |
| Negotiable Instruments – More than \$5,000 | |
| Commercial checks, sight drafts, other negotiable instruments <i>Two signatures required on checks over \$5,000</i> | Deborah Davis |
| | Michelle Hinojosa |
| | Grant Hubbard |
| | Dora Knoblock Bella Newberg |
| | Greg Svatora |
| Other | |
| Any transactions outside the ordinary course of business of UARSC will be presented to the Finance and Operations Committee for review and determination of whether Board action is required. | |

Signature authority revision approved by the Board of Directors at the ~~11/14/13~~ 6/10/14 meeting

ATTACHMENT E

New Delegation of Authority Policy
Effective 07/01/14



DELEGATION OF AUTHORITY

Background and Purpose

The University Auxiliary and Research Services Corporation is engaged in a variety of transactions that require prudent control over the authorization to execute documents that obligate the Corporation or which otherwise confirm financial or contractual transactions.

This statement lists the document types and corresponding signatories required thereon to authorize the transaction associated with each type of document.

Policy

The Executive Director is authorized to establish written management guidelines consistent with and in implementation of this policy statement, including delegation of authority granted through this policy.

Those with delegated authority may re-delegate in writing to officers, employees or agents of the Corporation, with approval of the Executive Director and the Board Chairman.

Attached is a description of document types and corresponding authorized signatures.

The undersigned Secretary hereby certifies that the foregoing is a full, true and correct copy of the policy of the Board of Directors of the University Auxiliary and Research Services Corporation duly made at a regular Board meeting on May 22, 2014.

Bella Newberg, Secretary

Date

Policy Revision Dates: 03/26/09; 06/10/14 (effective 07/01/14)
Issue Date: 10/18/01

| | |
|---|---------------------|
| Banking and Investment Transactions | |
| Open or Close Bank Accounts | Clint Roberts |
| Transfers Between Bank Accounts | |
| Wire Transfers, Withdraw Requests | Deborah Davis |
| Deposits | |
| Wire Transfer Request Only | Annemarie Broderson |
| Wire Transfer Request Only | Barbara Cervantes |
| A/P Wire Transfer Request Only | Mercedes Wilson |
| A/P Wire Transfer Request Only | Kristine Roberts |
| Dual Approval Required on all Account Open or Close Activity | |
| Dual Approval Required on all Transfers/Withdrawals | |
| Contractual Documents | |
| Agreements or contracts, including property conveyances, service agreements, leases, MOU's with campus, licenses in the ordinary course of business | Bella Newberg |
| | Greg Svatora |
| | Grant Hubbard |
| Project Agreements - Campus Programs | |
| UARSC Project Agreements related to Campus Program activities administered by UARSC | Bella Newberg |
| | Greg Svatora |
| | Deborah Davis |
| | Annemarie Broderson |
| | Barbara Cervantes |
| Project Agreements - Sponsored Projects | |
| UARSC Project Agreements related to Grants and Contracts activities administered by UARSC | Bella Newberg |
| | Grant Hubbard |
| | Jan Cushman |
| | Patti Kastner |
| | Deborah Davis |
| Expenditure Request/Authorization - Sponsored Projects | |
| Procurement documentation, including check requests, requisitions, purchase orders. Any Dollar Amount | Bella Newberg |
| | Grant Hubbard |
| | Greg Svatora |
| Procurement documentation, including check requests, requisitions, purchase orders. Amounts under \$1,000 | Jan Cushman |
| | Michelle Meeks |
| | Patti Kastner |
| Negotiable Instruments | |
| Commercial checks, sight drafts, other negotiable instruments | Linda Hawk |
| 2 signatures required on checks over \$5,000 | Mary Hinchman |
| | Clint Roberts |
| | Nancy Suarez |
| | Greg Svatora |

ATTACHMENT F

Procurement Policy Revision



(tracked changes)

PROCUREMENT POLICY

This policy applies to purchase of materials, equipment, supplies, and services paid from University Auxiliary and Research Services Corporation (UARSC) administered funding sources. This policy blends efficient business practices and governing policies which satisfy the requirements of federal, state and independent auditors. Travel, retention of artists, entertainers, catering and speakers are not subject to the provisions of this policy.

Policy

All Purchase Orders must be approved by UARSC prior to commitment; accordingly, a Purchase Order form must be submitted to UARSC prior to making purchases within the guidelines of this policy and procedure.

- A. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the lowest cost consistent with quality, specifications, service and product availability.
- B. Projects which receive external funds for support may be subject to additional agency restrictions and/or Federal Office of Management and Budget Circular No. A-110.
- C. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products, whenever such products are available at not more than the cost of their non-recycle counterparts.
- D. Volume or pool purchase, annual purchase agreements and State Purchasing contracts shall be utilized when deemed to be advantageous to UARSC.

Purchase Order Request Process

- ~~A. Purchasing materials, equipment and supplies from one vendor with a total cost (excluding shipping, handling, tax and freight) that exceeds \$200 should be processed using the UARSC Purchase Order Request form. When purchasing materials, equipment and supplies from a vendor through UARSC, the UARSC Purchase Order is used.~~

B.A. Once the goods have been identified, the purchase should be evaluated to determine if competitive bids are required*

Guidelines for purchase of Materials, Equipment and Supplies:

Materials, Equipment and Supplies under \$10,000

The authorized signer is required to submit a purchase order and a price quotation from the vendor.

**Materials, Equipment and Supplies over \$10,000*

The authorized signer is required to submit a purchase order with a minimum of three price quotations attached from vendors.

**Materials, Equipment and Supplies over \$50,000*

The authorized signer is required to submit a purchase order with three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications, and reputation of vendors.

Guidelines for purchase of Services:

**Services over \$50,000*

The authorized signer is required to submit a purchase order and/or contract with a minimum of three bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications, and reputation of vendors.

***Excluded from the Competitive Bid Process are:**

Sole source purchases on a non-competitive basis will require written justification and approval. The sole source written justification should include:

- (a) Unique performance factors of the products/services specified,
- (b) Why these factors are required,
- (c) What other products have been evaluated and rejected and why

~~Food service and seasonal commodities. These purchases shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards~~

~~shall be made on terms most advantageous to UARSC based on quality, price, service and delivery.~~

~~Bookstore supplies and textbooks. The purchase of textbooks, certain technical materials and resale merchandise shall be made upon the basis of several reliable and convenient sources of supply. Awards shall be on terms most advantageous to UARSC based on quality, price, reliability, and delivery.~~

Grant/contract purchases governed by the terms and conditions of the executed agreement.

Retention of service contractors on an hourly time and material basis. Authorized signer's approval must be obtained prior to the retention of service contractors.

Conflict of Interest

No UARSC Board member, employee, or CSU employee shall personally derive any benefit or gain or receive preferential treatment related to the purchase of equipment, supplies or services for UARSC.

MBE/WBE

Some funding agencies may require the use of a process that affirmatively seeks bids from women, minority, veteran or disabled-owned businesses. The UARSC Project Director is required to seek such bids if specified in the award.

Restrictions

The purchase of materials, equipment, supplies and services are subject to the following restrictions:

- The purchase must be a reasonable, allocable and allowable charge.
- If the charge for a funded project is not in the approved project budget, prior approval from the funding agency may be necessary.
- Equipment purchases are generally secured using a purchase order to ensure proper handling, warranty (where appropriate), and recording for inventory purposes. If equipment is purchased and then submitted on a check request for reimbursement, UARSC has the discretion not to approve the purchase if proper information is not received or proper bidding procedures were not followed.
- Hazardous materials must be secured using a purchase order to ensure proper handling of the substances and University notification and approval.

Revision Dates: 05/29/97; 10/23/03; name change only 2009; 06/10/14
Issue Date: 06/18/92



(clean version)

PROCUREMENT POLICY

This policy applies to purchase of materials, equipment, supplies, and services paid from University Auxiliary and Research Services Corporation (UARSC) administered funding sources. This policy blends efficient business practices and governing policies which satisfy the requirements of federal, state and independent auditors. Travel, retention of artists, entertainers, catering and speakers are not subject to the provisions of this policy.

Policy

All Purchase Orders must be approved by UARSC prior to commitment; accordingly, a Purchase Order form must be submitted to UARSC prior to making purchases within the guidelines of this policy and procedure.

- A. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the lowest cost consistent with quality, specifications, service and product availability.
- B. Projects which receive external funds for support may be subject to additional agency restrictions and/or Federal Office of Management and Budget Circular No. A-110.
- C. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products, whenever such products are available at not more than the cost of their non-recycle counterparts.
- D. Volume or pool purchase, annual purchase agreements and State Purchasing contracts shall be utilized when deemed to be advantageous to UARSC.

Purchase Order Request Process

When purchasing materials, equipment and supplies from a vendor through UARSC, the UARSC Purchase Order is used.

- A. Once the goods have been identified, the purchase should be evaluated to determine if competitive bids are required*

Guidelines for purchase of Materials, Equipment and Supplies:

Materials, Equipment and Supplies under \$10,000

The authorized signer is required to submit a purchase order and a price quotation from the vendor.

**Materials, Equipment and Supplies over \$10,000*

The authorized signer is required to submit a purchase order with a minimum of three price quotations attached from vendors.

**Materials, Equipment and Supplies over \$50,000*

The authorized signer is required to submit a purchase order with three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications, and reputation of vendors.

Guidelines for purchase of Services:

**Services over \$50,000*

The authorized signer is required to submit a purchase order and/or contract with a minimum of three bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications, and reputation of vendors.

***Excluded from the Competitive Bid Process are:**

Sole source purchases on a non-competitive basis will require written justification and approval. The sole source written justification should include:

- (a) Unique performance factors of the products/services specified,
- (b) Why these factors are required,
- (c) What other products have been evaluated and rejected and why

Grant/contract purchases governed by the terms and conditions of the executed agreement.

Retention of service contractors on an hourly time and material basis. Authorized signer's approval must be obtained prior to the retention of service contractors.

Conflict of Interest

No UARSC Board member, employee, or CSU employee shall personally derive any benefit or gain or receive preferential treatment related to the purchase of equipment, supplies or services for UARSC.

MBE/WBE

Some funding agencies may require the use of a process that affirmatively seeks bids from women, minority, veteran or disabled-owned businesses. The UARSC Project Director is required to seek such bids if specified in the award.

Restrictions

The purchase of materials, equipment, supplies and services are subject to the following restrictions:

- The purchase must be a reasonable, allocable and allowable charge.
- If the charge for a funded project is not in the approved project budget, prior approval from the funding agency may be necessary.
- Equipment purchases are generally secured using a purchase order to ensure proper handling, warranty (where appropriate), and recording for inventory purposes. If equipment is purchased and then submitted on a check request for reimbursement, UARSC has the discretion not to approve the purchase if proper information is not received or proper bidding procedures were not followed.
- Hazardous materials must be secured using a purchase order to ensure proper handling of the substances and University notification and approval.

Revision Dates: 05/29/97; 10/23/03; name change only 2009; 06/10/14
Issue Date: 06/18/92

ATTACHMENT G

Revision to Officers 2013/2014



Proposed Revision BOARD OFFICERS 2013/2014

| | |
|------------|---|
| Chair | Ann Bersi |
| Vice Chair | Ernie Zomalt |
| Secretary | Dora Knoblock <u>Bella Newberg</u> |
| Treasurer | Greg Svatora |

ATTACHMENT H

Proposed Rebalance of Reserves

University Auxiliary and Research Services Corporation
Reserve Rebalance Proposal May 22, 2014

| Reserve Description | November, 2012 ReBalanced Amount | Qtr 4 FY 12/13 Post-Retiree Health Allocation | FY 12/13 Food Service Transition | FY 12/13 Food Service Equip Maint | FY 12/13 Net Operating Loss | FY 13/14 Post-Retiree Health Allocation | FY 13/14 President CCR Alloc's | FY 12/13 President's Pepsi Support | Balance 3/31/14 | Proposed Reserve Allocation | Proposed Reserve Allocation | Adjusted Balance 3/31/14 |
|---|--|---|--|---|-----------------------------------|---|--------------------------------------|--|--------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Audit Disallowance | 350,000 | | | | | | | | 350,000 | | (50,000) | 300,000 |
| Commercial Operations | 200,000 | | | | | | | | 200,000 | | | 200,000 |
| Working Capital | 500,000 | (69,495) | | | (172,953) | (149,487) | (75,000) | (20,000) | 13,065 | 182,417 | 50,000 | 245,482 |
| Capital/Campus Development | 415,859 | | (59,930) | (23,511) | | | | | 332,417 | (182,417) | | 150,000 |
| Post-Retiree Health Accrual (Liability) | 1,413,753 | 69,495 | | | | 149,487 | | | 1,632,735 | | | 1,632,735 |
| Total Reserves & Post Retiree Health Accrual | 2,879,612 | - | (59,930) | (23,511) | (172,953) | - | (75,000) | (20,000) | 2,528,217 | - | - | 2,528,217 |

Reserve Description

Audit Disallowance

Commercial Operations & Capital Equip Replace

Working Capital

Capital/Campus Development

Post-Retiree Health Accrual (Liability)

Reserve Goal

Goal is determined upon annual risk assessment on types of grants and contracts (goal 5% of annual expenses)

Goal is determined annually based on commercial operation needs for upcoming year(s)

Goal determined by 1 month of sponsored projects reimbursements plus 3 months UARSC admin

Goal determined as a benchmark amount to meet potential critical needs of UARSC and/or campus

Goal is to modify plan to exclude new employees from eligibility in order to decrease liability

ATTACHMENT I

Starbucks Remodel Financing Request



Starbucks Store Remodel - Financing Request

Background:

In 2003, UARSC entered into a license agreement with Starbucks to operate a Starbucks Store on campus. The current license expires in January, 2024. The store is located in the Kellogg Library building and has been in operation there since opening in 2003.

The license agreement requires UARSC to renovate and modernize the store at such time Starbucks directs UARSC to do so. Starbucks recently visited the store site and is now directing UARSC to make refurbishment and modernization upgrades in order to meet their current operational and appearance standards. The cost of the upgrades, are estimated at approximately \$250,000. The upgrade is expected to be completed in December, 2014.

Financing Terms:

UARSC is able to obtain a loan from the campus in the amount of \$250,000 in order to finance the upgrade. The loan would be for a period of 10 years and would have an "interest only" payment due in the first year of the loan. The interest rate on the loan would be 3.0%.

Campus Loan Financing Starbucks Remodel Project

| Loan Information | |
|-----------------------|------------|
| Loan Amount | \$ 250,000 |
| Annual Interest Rate | 3.00% |
| Term of Loan in Years | 10 |
| Loan Origination Date | 7/1/2014 |
| First Payment Date | 7/1/2015 |
| Payment Frequency | Annual |

| Annual Payments | | | |
|-----------------|-------------------|------------------|-------------------|
| Year | Principal | Interest | Total |
| FY 14/15 | - | 7,500 | 7,500 |
| FY 15/16 | 24,608 | 7,500 | 32,108 |
| FY 16/17 | 25,347 | 6,762 | 32,108 |
| FY 17/18 | 26,107 | 6,001 | 32,108 |
| FY 18/19 | 26,890 | 5,218 | 32,108 |
| FY 19/20 | 27,697 | 4,411 | 32,108 |
| FY 20/21 | 28,528 | 3,581 | 32,108 |
| FY 21/22 | 29,384 | 2,725 | 32,108 |
| FY 22/23 | 30,265 | 1,843 | 32,108 |
| FY 23/24 | 31,173 | 935 | 32,108 |
| Total | \$ 250,000 | \$ 46,476 | \$ 296,476 |

Financing Recommendation:

UARSC asks the Board of Directors to approve a motion to allow UARSC management to negotiate with the campus a loan for financing the construction costs of the Starbucks store remodel using the financing terms contained in this request.

ATTACHMENT J

FY 14/15 Operating Budget & Resolution

University Auxiliary and Research Services Corporation
Projected FY 13/14 Actual and FY 14/15 Draft Net Revenue Budget (ver 5/5/14)

| Revenue | Annual Budget FY 13/14 | Actual Jul-13 Thru Mar-14 | Projected Apr-14 Thru Jun-14 | Total Projected FY 13/14 | Budget vs Total Projected Variance | Draft Budget FY 14/15 | |
|------------------------------------|------------------------------|---------------------------------|------------------------------------|--------------------------------|--|--------------------------|---|
| Grant/Contract Admin Fees | \$ 1,160,000 | \$ 889,796 | \$ 299,000 | \$ 1,188,796 | \$ 28,796 | \$ 1,212,572 | A |
| Less: Unallowance Reserve | - | - | - | - | - | - | |
| Less: University Sharing | (402,000) | (301,500) | (100,087) | (401,587) | 413 | (410,040) | B |
| Net Grant/Contract Admin Fees | \$ 758,000 | \$ 588,296 | \$ 198,913 | \$ 787,209 | \$ 29,209 | \$ 802,532 | C |
| Admin Fees - Campus Programs | 120,000 | 114,985 | 38,328 | 153,313 | 33,313 | 150,000 | D |
| Business Service Revenue - CSUSMF | 150,000 | 112,500 | 37,500 | 150,000 | - | - | E |
| Bookstore Net Revenue | 409,000 | 340,197 | 42,151 | 382,348 | (26,652) | 400,000 | F |
| Food Service -Revenue Offsets | (39,000) | (24,437) | (6,176) | (30,613) | 8,387 | (30,000) | G |
| Other Commercial Services Revenues | 80,000 | 119,814 | 5,650 | 125,464 | 45,464 | 124,000 | H |
| Investment Income | 41,000 | 31,054 | 10,351 | 41,405 | 405 | 43,750 | I |
| Leases/Mgmt Fees/Support | 48,000 | 43,686 | 11,247 | 54,933 | 6,933 | 45,000 | J |
| Total Revenue | \$ 1,567,000 | \$ 1,326,094 | \$ 337,965 | \$ 1,664,059 | \$ 97,059 | \$ 1,535,282 | |
| Expenses: UARSC Operations | \$ 1,546,000 | \$ 1,316,375 | \$ 286,944 | \$ 1,603,319 | \$ (57,319) | \$ 1,480,947 | |
| Net Operating Revenues | \$ 21,000 | \$ 9,719 | \$ 51,021 | \$ 60,740 | \$ 39,740 | \$ 54,335 | |

Assumptions:

- A Increase of 2% from FY 13/14 projected total revenue
- B Estimate of 2% increase from FY 13/14 shareback total. Final amount to be determined based on sharing policy.
- C Estimate of actual costs to administer sponsored projects. Final amount to be determined based on sharing policy
- D Average fee rate of 5% on total campus program expenditures of \$3 million
- E CSUSM Fndn business services moved to campus
- F Outsourced Follett bookstore commission of 12.5% on \$3.2 million gross sales
- G Outsourced Sodexo foodservice commissions at 0% for FY14/15. Portion of operating costs (utilities) covered by UARSC
- H Commissions from other outsourced commercial service providers (Pepsi, Snack Vending, Campus Coffee, WF ATM, AT&T,
- I Average investible cash balance of \$3.5 million at 1.25%
- J Rent revenue, UARSC office space, Carmel Street

University Auxiliary and Research Services Corporation
Projected FY 13/14 Operating Expenses and Draft FY 14/15 Operating Expense Budget (ver 5/5/14)

| | FY 13/14 Annual Budget | Actual Jul '13 to Mar '14 | Projected Apr '14 to Jun '14 | Total Projected FY 13/14 | Actual vs Budget Variance | DRAFT FY 14/15 BUDGET |
|--|------------------------------|---------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------------|
| Salaries and Benefits | | | | | | |
| UARSC Salaries | \$ 730,416 | \$ 364,812 | \$ 129,902 | \$ 494,714 | (235,702) | 466,447 |
| UARSC Benefits | 280,279 | 138,546 | 49,363 | 187,909 | (92,370) | 186,579 |
| Campus Reimb Sal's & Ben's | 176,268 | 474,629 | 138,280 | 612,909 | 436,641 | 485,622 |
| Total Salaries and Benefits | \$ 1,186,963 | \$ 977,987 | \$ 317,544 | \$ 1,295,531 | \$ 108,568 | \$ 1,138,647 |
| Operating Expenses | | | | | | |
| ADP Payroll/Bank Fees | \$ 48,500 | \$ 35,258 | \$ 11,753 | 47,011 | (1,489) | 46,250 |
| Audit Fees | 66,000 | 51,375 | 17,125 | 68,500 | 2,500 | 66,500 |
| Maint. agreements (IITS, copiers, Deltek) | 62,500 | 50,426 | 17,420 | 67,846 | 5,346 | 59,700 |
| Consulting-Special Projects | 10,000 | 13,717 | 7,541 | 21,258 | 11,258 | 10,000 |
| Univ Procurment Buyer Reimb (see MOU) | 33,000 | - | - | - | (33,000) | - |
| Campus Supplies Reimb (see MOU) | - | - | 20,218 | 20,218 | 20,218 | 16,150 |
| Meetings and Events | 7,500 | 4,058 | 1,000 | 5,058 | (2,442) | 5,000 |
| Insurance - Prop, Liab, D & O | 50,160 | 47,771 | 16,928 | 64,699 | 14,539 | 27,500 |
| Legal | 5,000 | - | - | - | (5,000) | - |
| Mail/Postage | 4,500 | 842 | 2,733 | 3,575 | (925) | 4,500 |
| Memberships & Subscriptions | 500 | 3,736 | - | 3,736 | 3,236 | 4,700 |
| Phone | 8,500 | 2,261 | 4,930 | 7,191 | (1,309) | 7,500 |
| Space Rent/Utilities | 55,000 | 38,416 | 12,805 | 51,221 | (3,779) | 52,000 |
| Supplies and Services | 25,000 | 33,561 | 2,550 | 36,111 | 11,111 | 32,500 |
| Travel and Professional Dev. | 1,000 | 3,843 | - | 3,843 | 2,843 | 5,000 |
| Recruitment | 1,500 | 1,155 | 825 | 1,980 | 480 | 2,000 |
| Other Operating/Contingency | 3,000 | 51,969 | (42,455) | 9,514 | 6,514 | 3,000 |
| Total Operating Expenses | \$ 381,660 | \$ 338,388 | \$ 73,373 | \$ 411,761 | 30,101 | \$ 342,300 |
| Total Operating Expenses | \$ 1,568,623 | \$ 1,316,375 | \$ 390,917 | 1,707,292 | 138,669 | \$ 1,480,947 |
| Less: FY 12/13 Foregone Exchange of Value Reimb | | | (103,973) | | (103,973) | |
| Net Operating Expenses | \$ 1,568,623 | \$ 1,316,375 | \$ 286,944 | \$ 1,603,319 | \$ 34,696 | |



OPERATING BUDGET RESOLUTION FISCAL YEAR 2014-2015

The University Auxiliary and Research Services Corporation operates on a fiscal year beginning July 1 and ending June 30, and

The University Auxiliary and Research Services Corporation Board of Directors approves the operating budget for each fiscal year,

The Board of Directors of the University Auxiliary and Research Services Corporation approved the attached operating budget for the 2014-2015 fiscal year, effective July 1, 2014 and ending June 30, 2015, and

Through her signature below, University President, Karen S. Haynes, signifies her approval of said budget and authorizes University Auxiliary and Research Services Corporation management to proceed with implementation effective July 1, 2014.

Karen S. Haynes, Ph.D.
University President

Date

I hereby certify the attached operating budget for 2014-2015 was adopted by the Board of Directors of the University Auxiliary and Research Services Corporation at a regular meeting held on May 22, 2014, at San Marcos, California.

Bella Newberg
Secretary

Date

ATTACHMENT K

Compensation
Administration Guidelines
FY 14/15



COMPENSATION ADMINISTRATION GUIDELINES

Effective July 1, 2014 – June 30, 2015

The UARSC Board approves the following wage increase guidelines for UARSC Regular Sponsored Project employees¹ subject to Principal Investigator approval and the availability of project funds (grant and contract funded employees only). Wage increase guidelines for UARSC Regular non-Sponsored Project employees for Fiscal Year 14/15 will be provided to and approved by the UARSC Board at a future meeting. Salary adjustments are available for sponsored project employees but are subject to the following guidelines:

Wage increase not to exceed 5.0 percent

- a. All adjustments will be calculated as a percentage of current annual gross wages and must be submitted on an Employment Authorization Form (EAF).
- b. Increases will not be granted without the completion of an annual performance appraisal in the past year. Annual performance appraisals are completed either on a fiscal year basis, project year basis, or position anniversary date. The annual performance appraisal schedule will be decided by the Principal Investigator or Department Director and will communicate this schedule to the UARSC Director, Human Resources and Payroll Services.
- c. Employees with a score of less than 3.00 (below expectations) on their annual performance appraisal will not be eligible for a performance based adjustment.
- d. Employees with less than 6 months of service during the performance appraisal period will not be eligible for a wage increase. This will only apply to annual performance appraisals completed on a fiscal year or project year basis.
- e. Any employee determined to be significantly above the market rate for their position (15% or greater), will be excluded from receiving a wage increase.

All forms are available on UARSC's website at www.csusm.edu/uarsc.

¹ The following categories are not covered by these guidelines: Student Assistant, Graduate Assistant, and University Faculty.

UARSC COMPENSATION GUIDELINES SINCE FY 2004-05

| UARSC Admin/Commercial Projects/Grants | 2004 - 05 | | 2005 - 06 | | 2006 - 07 | | 2007 - 08 | | 2008 - 09 | |
|---|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------------|--|
| | GSI | Perf. | GSI | Perf. | GSI | Perf. | GSI | Perf. | All Performance | |
| | 2.0% | 0.0% | 2.5% | 0.0% | 2.7% | 0.0% | 2.5% | 2.5% | Up to 5.0% | |
| | 2.0% | 3.0% | 2.5% | 0.0% | 2.7% | 0.0% | 2.5% | 2.5% | Up to 5.0% | |

| UARSC Admin/Commercial Projects/Grants | 2009 - 10 | | 2010 - 11 | | 2011 - 12 | | 2012 - 13 | | 2013-14 | |
|---|-------------|--|-------------|--|-------------|--|-------------|--|---------|------------|
| | Performance | | Performance | | Performance | | Performance | | GSI | Perf. |
| | Up to 5.0% | | 0.0% | | 0.00% | | 0.00% | | 3.0% | 0.0% |
| | Up to 5.0% | | Up to 5.0% | | Up to 5.0% | | Up to 5.0% | | 0.0% | Up to 5.0% |

ATTACHMENT L

**Exiting CalPERS Healthcare & Post Retirement Medical
Program Resolution**



**RESOLUTION ELECTING TO CEASE TO BE SUBJECT TO THE PUBLIC
EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

WHEREAS, Government Code Section 22938 provides that a contracting agency which has elected to be subject to the Public Employees' Medical and Hospital Care Act may cease to be so subject by proper application by the local agency; and

WHEREAS, the University Auxiliary and Research Services Corporation, California State University San Marcos, hereinafter referred to as Public Agency is a local contracting agency which has elected to be subject to the provisions of the Act.

NOW THEREFORE, BE IT RESOLVED, that the Public Agency elects and it does hereby elect, to cease to be subject to the provisions of the Act.

BE IT FURTHER RESOLVED, that coverage of the Act cease on December 31, 2014.

Adopted at a regular meeting of the Board of Directors of the University Auxiliary and Research Services Corporation, California State University San Marcos this 22nd day of May 2014.

Dr. Ann Bersi, Chair
University Auxiliary and Research Services Corporation
Board of Directors

The undersigned, Secretary of the Issuer, hereby certifies that the foregoing is a full, true and correct copy of the resolution of the Board of Directors of said Issuer duly made at a meeting held on May 22, 2014 at San Marcos, California.

Bella Newberg, Secretary

Date