

AUXILIARY OPERATIONS

JANUARY 22, 2015

College of DuPage

Auxiliary Operation Defined

▶ ICCB Definition:

- *Established by Section 3-31.1 of the Public Community College Act.*
- ***Accounts for college services where a fee is charged to students/staff and the activity is intended to be self-supporting.*** Each enterprise/service should be accounted for separately using a group of self-balancing accounts within the fund. Examples of accounts in this fund include food services and student stores.

▶ College of DuPage / GAAP Definition:

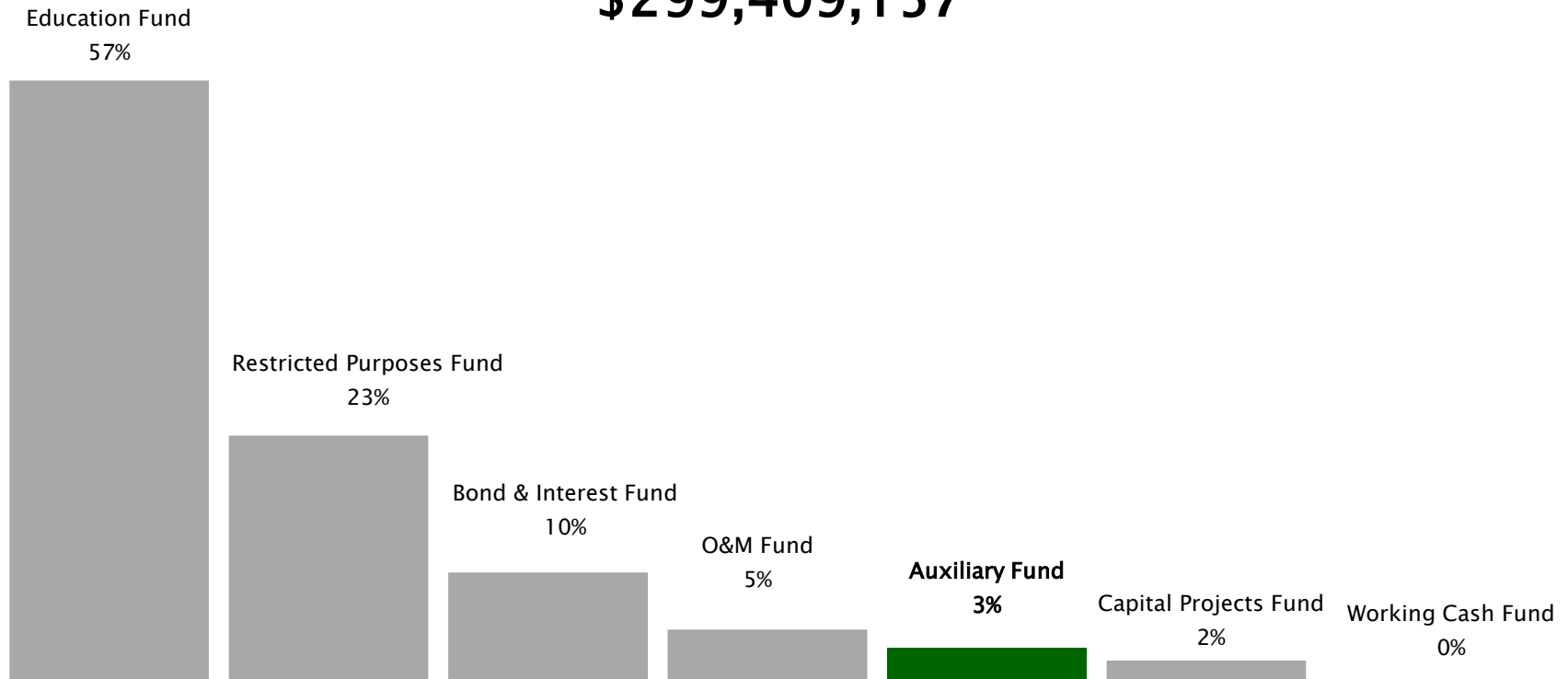
- The Auxiliary Enterprise Fund is used to record revenues and expenses related to providing services to students, faculty, staff, and the general public for which a fee is charged that is directly related to the service provided. The intent is that this fund be self-supporting and that any fees will cover the costs of the services.

Auxiliary Re-evaluated

- ▶ During FY2012, the Financial Affairs Department reviewed all auxiliary operations and found that many did not meet the definition of an auxiliary business.
- ▶ Based on this review, 128 auxiliary units were identified that did not meet the ICCB and GAAP definitions. The purpose of the 128 operations identified were either for education, student services, or a support function of the College, not an operation intended to be self-supporting.
- ▶ On July 1, 2012, 83 of the identified operations were inactivated because they were no longer used; 32 were transferred to the Education Fund; and 13 were transferred to the Agency Fund.

Auxiliary Fund Revenues Constitute 3 Percent of Total College Revenues

FY2014 Total Revenues
\$299,409,157



Auxiliary Operations is Primarily Comprised of Seven Business Units

	FY2014		
	Revenues	Expenses	Surplus/(Deficit)
Continuing Education*	\$ 8,300,018	\$ 9,360,986	\$ (1,060,968)
Radio Station*	1,866,600	1,658,706	207,894
Bookstore	1,039,265	11,919	1,027,346
MAC Arts Center	862,477	1,023,522	(161,045)
Waterleaf	798,759	1,335,608	(536,849)
Food Service	209,645	42,168	167,477
Chaparral Fitness	69,476	104,604	(35,128)
Total	\$ 13,146,240	\$ 13,537,513	\$ (391,273)

*Financial data includes Education, Auxiliary, and Restricted Fund activity

- Like other colleges, COD subsidizes Auxiliary Operations because of the benefits they provide to the students and broader community.

Benefits of Auxiliary Units

- ▶ **Enrich Cultural Vitality of the Community**
- ▶ Promotes the Arts
- ▶ Allows Community to Enjoy the Arts and Dining Options
- ▶ **Aids in Marketing COD to the Community**
- ▶ Fosters support of College Foundation
- ▶ Provides consulting services to small businesses
- ▶ **Provides Job Training and Professional Development opportunities for Adults**
- ▶ Offers Child Care Services for working parents
- ▶ Supports Training of Local Law Enforcement
- ▶ Provides Lifelong Learning Institute for community members age 50 and over
- ▶ Enhances Adult learning
- ▶ Provides Amenities to Students to Enhance their College Experience
- ▶ **Promotes Enrollment Growth by bringing community members on campus**
- ▶ **Provide Essential Services to Students**

McAninch Arts Center (MAC)



Mission

- ▶ ***The mission of the McAninch Arts Center** is to foster enlightened educational and entertaining performance opportunities, which encourage artistic expression and engagement, establish a lasting relationship between people and art, and enrich the cultural vitality of the community.*
- ▶ Last year about this time we re-opened after completing a \$35 million renovation of the performances spaces and three floors of academic labs and studios, which closed the Center for two years. **The facilities and funding allow the MAC to host about 261 events and 80,000 people per year.**
- ▶ The MAC hosts, on average, 5.1 public performances, 1.6 arts programs, 2.2 rental events, 10.25 rehearsals and one non-art college department use each week. **Including rehearsals and techs, the new MAC presents 2.5 scheduled events per day, seven days a week, 52 weeks a year.**

The MAC is...



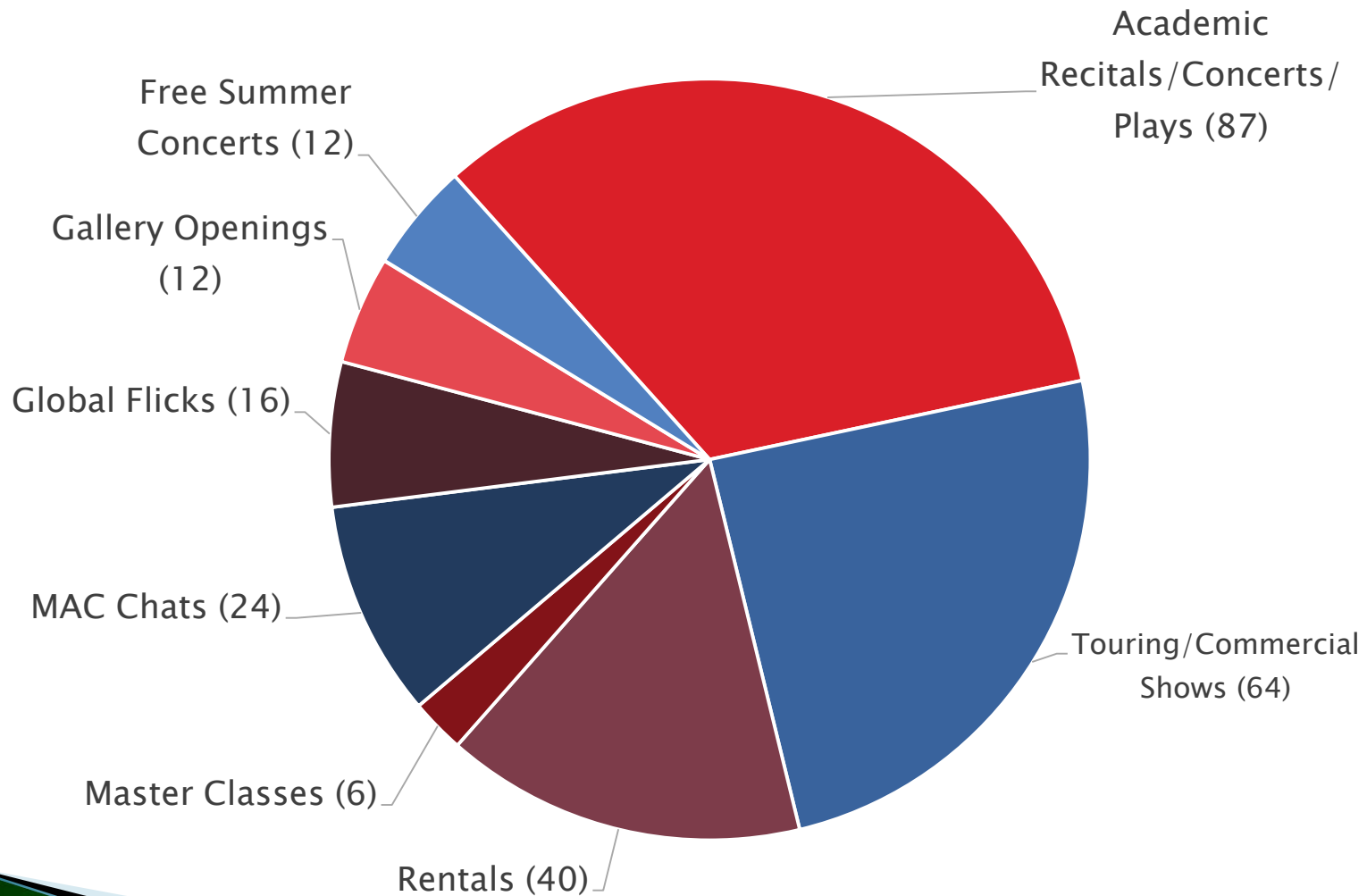
MAC Spaces

- **Belushi Performance Hall** - 780 seats, each with a spectacular view of the stage
- **Playhouse Theatre** (formerly Theatre 2) - 186-seat hall, offers an intimate experience
- **Studio Theatre** - a “Black Box” theatre space with flexible seating for up to 70 audience members that can be reconfigured to suit the needs of each production
- **Cleve Carney Art Gallery** - a 90-by-25 foot space dedicated to year-long visual art exhibition.
- **Wings Student Art Gallery**
- All-new **Lakeside Pavilion** - an expansive outdoor space that features a Patio Amphitheatre stage, lush lawn, and capacity for approximately 2,000 people

Over 8,000 guests attended the various free entertainment options over the course of last summer.

The MAC Serves

75% of MAC Programming Serves Academic Programs



How the MAC Impacts DuPage County



- **Increases livability rankings of the County**
- **Fuels the local economy** - According to Americans for the Arts, with every ticket purchase there is an average of \$24.60 per person in ancillary spending (restaurants, gas, child care, transportation). Based on our conservative estimate of 80,000 people coming to the MAC annually, that equals **\$1,968,000 in ancillary revenue each year for DuPage County businesses.**
- In a 2014 Arts Study by the DuPage Community Foundation, **COD was mentioned most frequently as “a central hub with accessibility to everyone and the promise to be a greater cultural focus for the County.”**

A New Strategy for The MAC

Maximized Revenue Opportunities

▶ New Strategic Marketing

- Press coverage on **television, newspapers, and social media**
- New **MAC Website**
- Targeted mailing list with expanded reach
- **Carol Fox** - outside marketing/PR firm hired to brand and build awareness of the MAC as a first-class entertainment venue

▶ Improved, Full-Service Experience

- **80 amazing, engaged volunteers**
- **Expanded concession sales** (popcorn, snacks) to maximize ancillary income to meet **133% increase** in revenue goal (\$70,000 FY15 from \$30,000 FY12).
- Implemented a **POS system** and patron **credit card payment option**.

▶ **Rentals** - Revamped rental process and on target to meet **35% increase** in rental sales goal (\$202,000 FY15 from \$150,000 FY12).

How are we doing?

**For the first time in years, the MAC is
poised to exceed budget.**

MAC: Strategic Planning and Programming



- ▶ **Modified performance programming - increase profit margins, maintain artist expenses**
 - More **family shows, comedy, mainstream, bigger names, and acts that appeal to college students**
 - Strategic programming of dates/times (i.e. New Philharmonic New Year's Eve concerts)
- ▶ **Free Lakeside Summer Outdoor Concert and Movie series**
 - attracted over 8,000 community members and tax payers to the campus for the first time in a unique and memorable experience and offered them the opportunity to engage with the college
- ▶ **Implemented strategies to increase student and community engagement**
 - Gave 300 tickets to admissions to support their recruiting efforts
 - Offered a new student ticket discount: 20 half-price tickets for any performance
 - Donated over 622 tickets to 74 organizations for community based 501(c)(3) fundraising events
- ▶ **Added Cultural Arts fundraising focus** - annual MAC Gala and Cultural Arts Fundraiser
- ▶ **Strengthened the financial position of New Philharmonic**
 - Increased funding through additional grant opportunities and donor solicitation
 - Revised programming to grow attendance (ticket revenue), build new audiences, and reduce operating expenses.
 - added a third New Year's Eve performance and **grossed a record-breaking \$100,000 in one night**
 - introduced thematic programs like Oktoberfest, featured in Lakeside Summer Outdoor series.
- ▶ **Created synergies between MAC, WDCB Radio, Waterleaf Restaurant, Inn at Water's Edge**
 - Promoting one another's core business and generating revenue for MAC's auxiliary operation

MAC subscriber base has increased from 433 to 750
(FY14 to FY15)

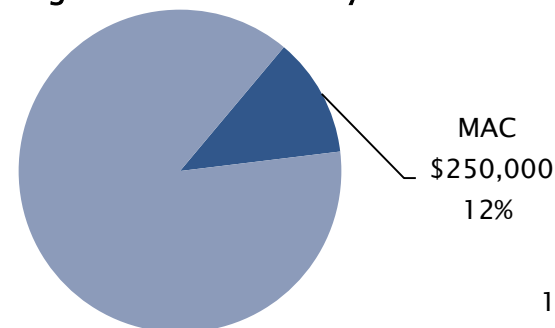


MAC Engages Students

- ▶ **Exclusive offers for College of DuPage students:**
 - 20 half-price tickets to every touring show
 - unlimited \$10 tickets to every New Philharmonic performance
- ▶ **6 master classes**
- ▶ **Free international film series**
- ▶ **300 free tickets to prospective students**
- ▶ **1000 College of DuPage students perform on our stages annually**
- ▶ **College Theater's *A Christmas Carol* had record-breaking sales in 2014 (2,476 tickets sold)**
- ▶ **Starting in the Fall 2014 semester, \$250,000 of student activity fees was allocated to the MAC to enhance the student experience.** This has afforded **over 1,700 students** access to professional world class theatre events so far this season. Prior to this year, less than 300 COD students attended shows at the MAC each year.
 - **193 regular student tickets (\$2 off)**
 - **1,438 half-price student tickets**
 - **150 student New Philharmonic tickets (\$10)**

**1,781 SUBSIDIZED STUDENT TICKETS
SO FAR THIS SEASON**

FY2015 Budgeted Student Activity Fee Revenue



Since 2009, the amount of funding the College provides to the MAC has decreased substantially.



Summary of Revenues, Expenses and Surplus (Deficit)
FY2008 through FY2014

	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008
Revenues	\$ 682,977	\$ 436,815	\$ 1,469,199	\$ 1,522,198	\$ 1,746,040	\$ 1,367,040	\$ 1,572,320
Expenses	1,023,522	777,912	1,987,065	1,874,896	2,345,356	2,237,830	2,188,381
Revenues Over/(Under) Expenses	(340,545)	(341,097)	(517,866)	(352,698)	(599,316)	(870,790)	(616,061)

MAC's Six Months Results Snapshot

► FY2015 as of December 31, 2014

	Year-to-Date, December 31				
	FY2015	FY2014	FY2015 Budget	Prior Year Variance Fav / (Unfav)	Budget Variance Fav / (Unfav)
Revenues	\$ 1,046,791	\$ 278,094	\$ 1,295,050	\$ 768,697	\$ (248,259)
Expenses	968,385	347,222	1,471,491	(621,163)	503,106
Revenues Over/(Under) Expenses	78,406	(69,128)	(176,441)	147,534	254,847

- Through the first half of FY2015, the MAC is operating at a slight profit, while traditionally always operating at a loss.

McAninch Arts Center (MAC)

► Revenues & Expenses by Product Line:

FY2015 * through 12/31/14 *			
	<u>Revenues</u>	<u>Expenses</u>	<u>Surplus/(Deficit)</u>
MAC Touring	\$ 728,546	\$ 548,665	\$ 179,881
New Philharmonic	202,390	147,695	54,695
MAC Operations	68,113	234,561	(166,448)
MAC Rental	47,633	18,855	28,778
Friends of MAC	109	18,609	(18,500)
Buffalo Theatre	-	-	-
Total	<u>\$ 1,046,791</u>	<u>\$ 968,385</u>	<u>\$ 78,406</u>



- ▶ Waterleaf Restaurant opened October 3, 2011.
- ▶ The dining room has a seating capacity of 130. The outdoor patio can host 60-150 people during warmer weather.
- ▶ Restaurant built as part of educational specifications from the Faculty.
 - Operated 2 days a week as a learning lab for students.
 - Since the learning lab would sit idle on the other days, the College decided to make use of this space by operating a commercial restaurant the remaining 5 days a week.
 - Adds additional value as a marketing tool for the College.

Waterleaf Restaurant



Waterleaf has received *OpenTable's* Diner's Choice Award for the West Suburbs for 14 months successively, with an average rating of 4.7 stars.



Phil Vettel of *Chicago Tribune* gives Waterleaf 3 out of 4 stars.



Crain's Chicago Business gives Waterleaf 3 out of 4 stars.



Yelp Elite rated Waterleaf 5 stars.

Waterleaf Restaurant



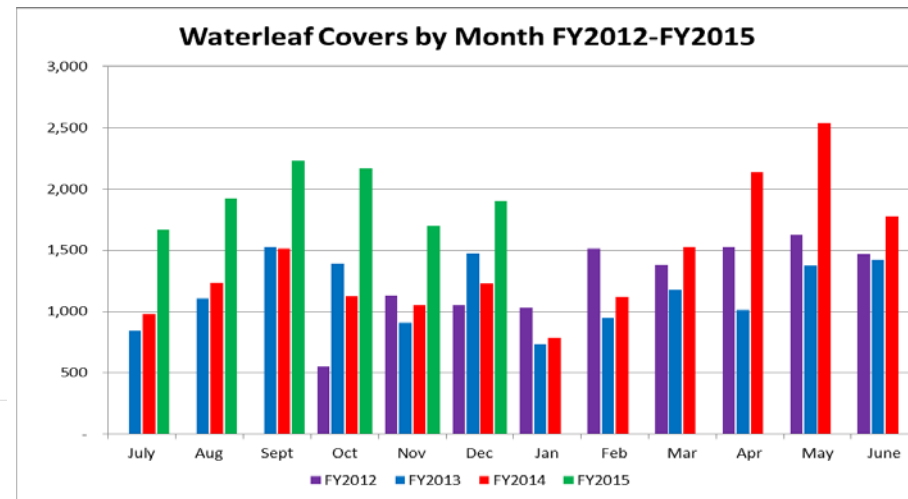
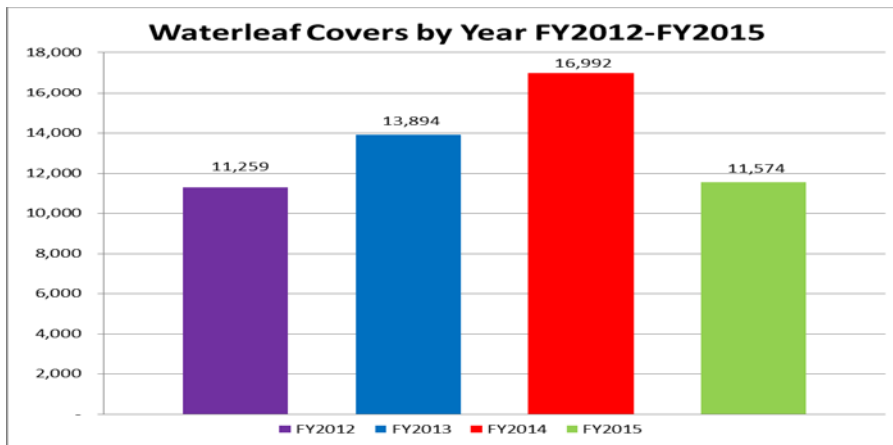
Restaurant industry statistics:

- ▶ About **one in four restaurants close or change ownership within their first year of business**. Over three years, that number rises to three in five.
- ▶ **A restaurant in its first year of business will likely earn a profit of 0%.**
- ▶ **Generally, the more high-end the restaurant is, the lower its profit-to-operation cost ratio.** A high-end restaurant has expenses that a basic, family-oriented restaurant does not, like **fine tablecloths/linens and higher wages**. As a result of these added overheads, and the higher wages that they are expected to pay employees, high-end restaurants earn, on average, a profit margin of just 8%.
- ▶ **Restaurants that serve alcohol earn a far larger profit margin than those that do not, simply because there is such a high markup on alcohol products.**
- ▶ **All restaurants earn the highest profit margins on their beverages.**
- ▶ Typically, a cup of soda costs 20 cents per serving, while tea and coffee cost five to seven cents per serving. The **markup ranges from 300% to 600%, and carries the lowest cost**. Alcohol has a similar markup. Wine has a relatively low price per glass, which is marked up between 200% and 600% depending on the type of restaurant and the wine label.

Waterleaf Restaurant



- ▶ New restaurants take time to break even and become profitable. The industry standard is 2-3 years.
- ▶ Waterleaf has been open for just over 3 years and financial results are showing improvement.
- ▶ As of December 2014, the Waterleaf served 11,574 customers, compared to 7,125 in the respective prior year period—an increase of 62%.



Waterleaf Restaurant



FY2014 Performance

	FY2014	FY2013	FY2012 *
Revenues	\$ 798,759	\$ 660,539	\$ 536,661
Expenses	1,335,608	1,218,383	1,112,664
Surplus (Deficit)	\$ (536,849)	\$ (557,844)	\$ (576,003)

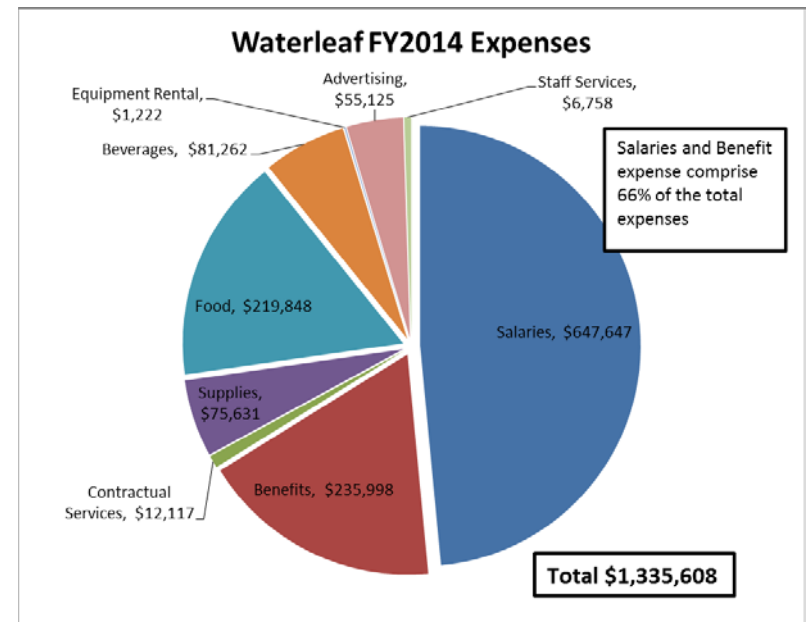
* - Waterleaf began operations on October 3, 2011, FY2012 results are for 9 months.

Gross Margin FY2014 vs FY2013:

	Fiscal Year 2014		
	Food	Liquor	Total
Sales	\$ 562,478	\$ 236,281	\$ 798,759
Cost of Sales	239,891	72,263	312,154
Gross Margin	\$ 322,587	\$ 164,018	\$ 486,605
Gross Margin %	57%	69%	61%

	Fiscal Year 2013		
	Food	Liquor	Total
Sales	\$ 473,467	\$ 187,072	\$ 660,539
Cost of Sales	242,073	65,160	307,233
Gross Margin	\$ 231,394	\$ 121,912	\$ 353,306
Gross Margin %	49%	65%	53%

- Revenues have been slowly trending up since the opening. Results were adversely impacted by the closure of the MAC in October 2012 through January 2014 for renovations.
- The menu, advertising signage, and labor model have been reworked to improve revenues and reduce costs.
- Alcoholic beverages account for nearly 30% of Waterleaf's revenues and have a gross margin of 69%.



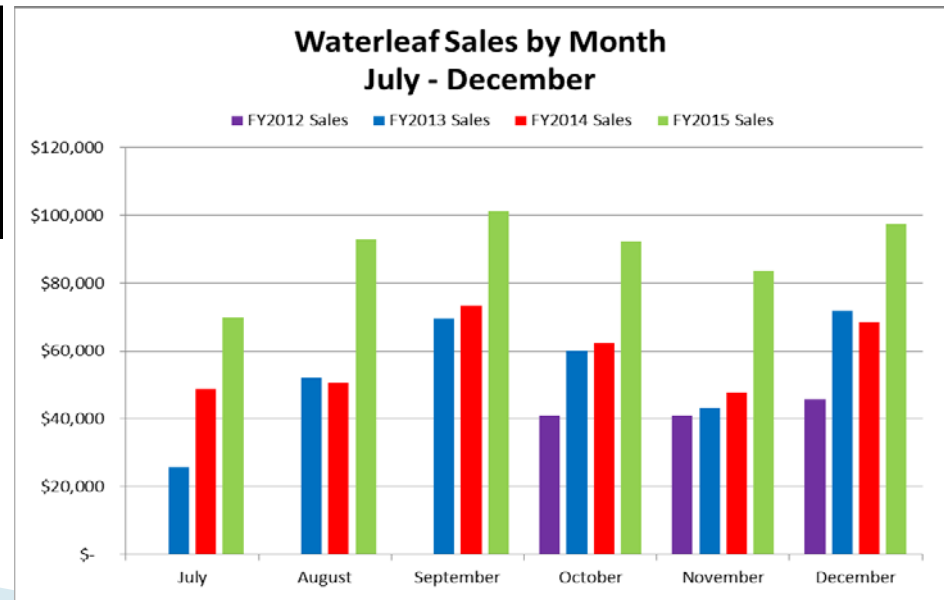
Waterleaf Restaurant



Financial results are improving—Revenues are 52% higher than prior year.

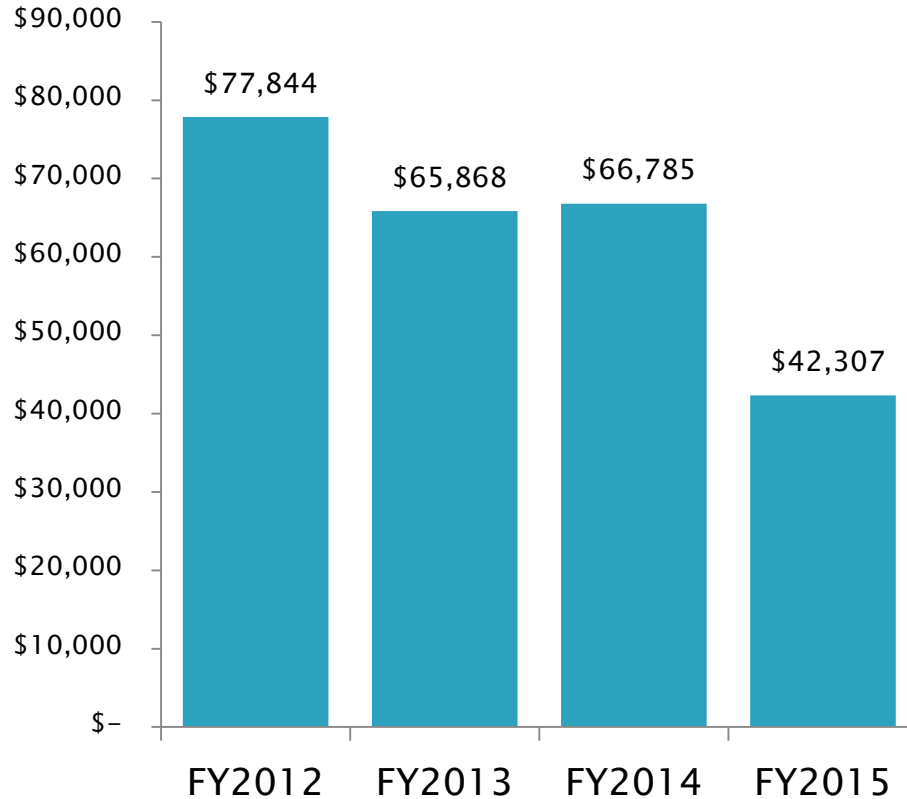
December Year-to-Date Results			
	FY2015	FY2014	Variance
Revenues	\$ 536,975	\$ 351,234	\$ 185,741
Expenses	753,323	606,306	(147,017)
Surplus (Deficit)	\$ (216,348)	\$ (255,072)	\$ 38,724

Inventory as of 12/31/14		
Food	\$	9,805
Alcohol		36,740
Total	\$	46,545



Waterleaf Restaurant

Alcohol Purchases



Purchases by Vendor, FY2012-FY2015:

Vendor	Amount
Heritage Wine Cellars, Inc.	\$ 70,912.72
Maverick Wine Co., LLC	46,386.96
Fine Vines Llc	32,091.00
Wirtz Beverage Illinois	37,252.26
Vintage Wines	19,453.98
Winebow	13,888.02
Southern Wine & Spirits	13,446.76
Cream Wine Company, LLC	8,119.33
Tenzing Wine	4,022.00
H2Vino, LLC	2,524.00
Sabaca Beverage Group	1,321.22
Novovino Wine Co. Llc	1,147.00
Wein - Bauer	860.10
Eagle Eye	583.08
T Elenty Holdings, LLC	384.00
WOODLAND DIRECT	218.00
Binny's Beverage Depot	193.81
Total	<u>\$ 252,804.24</u>

Alcohol Inventory Balance at 12/31/14: **\$36,740**

Chaparral Fitness Center – Opened January, 2014



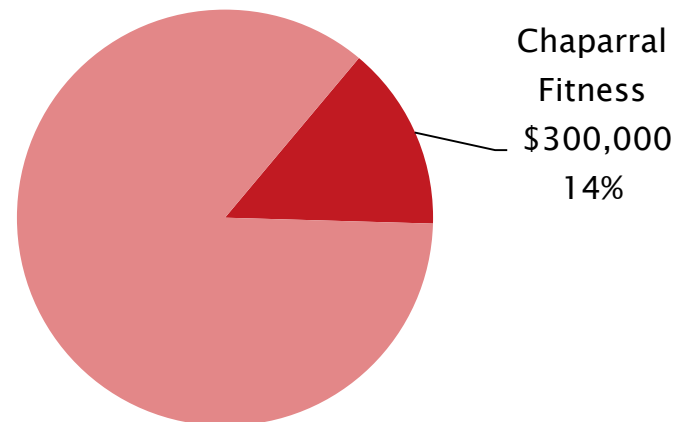
- ▶ **11,000 square foot** fitness floor
- ▶ **40,000 square foot** arena/indoor track
- ▶ **8 lane**, 25 yard lap pool
- ▶ Newly renovated **locker rooms**
- ▶ 23 commercial treadmills
- ▶ 15 variable motion ellipticals
- ▶ State-of-the-art Cybex Arc Trainers, bikes, stair climbers, rowers
- ▶ Weight machines & free weights

Chaparral Fitness Center



- ▶ By the students, for the students
 - Starting with the Fall 2014 semester, the student activity fee was increased by \$1.00 to support **free memberships** for all full-time students.
 - \$300,000 of revenue from the student activity fee is allocated to Chaparral Fitness to support operating costs.

FY2015 Budgeted Student Activity Fee Revenue

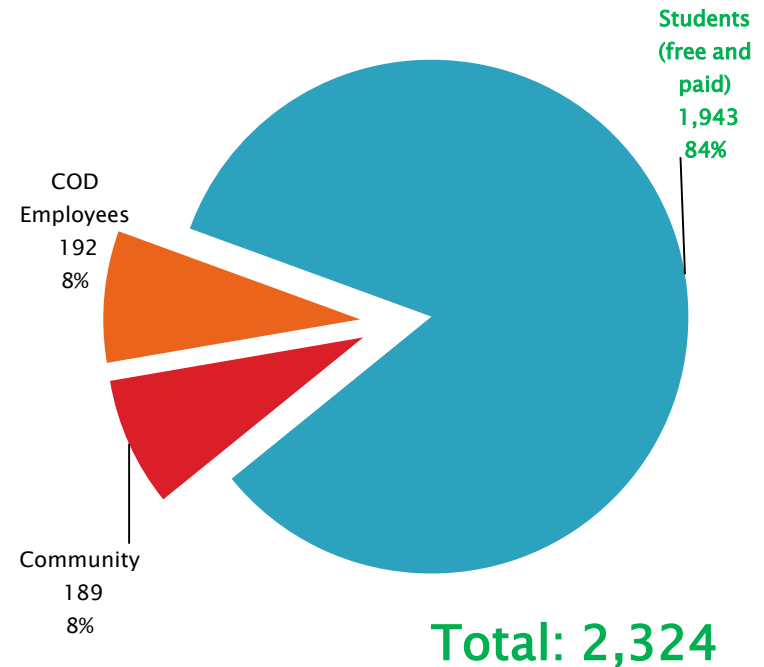


Chaparral Fitness Center



- ▶ Memberships for College staff - \$240/annually
 - Can be fully reimbursed by College
- ▶ Community memberships are available to residents of District 502:
 - Community: \$396 annually
 - Senior Citizen: \$288 annually
- ▶ Currently employs:
 - 10 part-time trainers,
 - Student workers,
 - 1 part-time administrative assistant,
 - 1 manager

Total Active Members



*Students as of 12/1/14,
Employees & Community as of 1/6/15

Chaparral Fitness Center

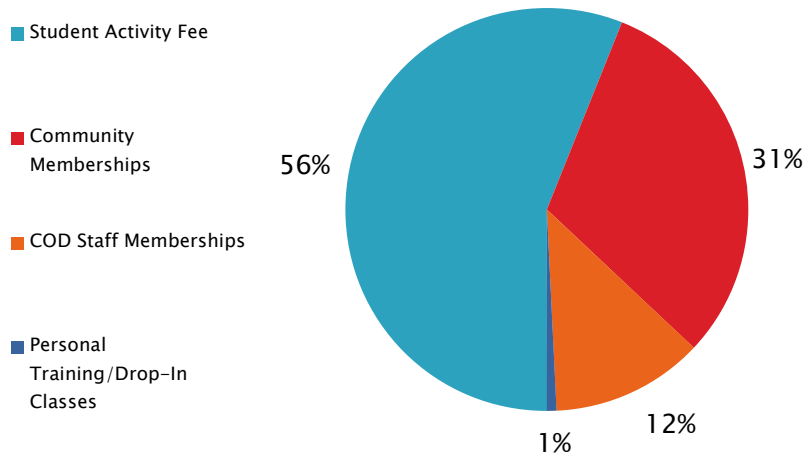


Financial Results

	As of 12/31/14 FY2015	FY2014*
Revenues	\$ 198,044	\$ 69,476
Expenses	126,769	104,604
Surplus (Deficit)	\$ 71,275	\$ (35,128)

*FY2014 open for 6 months





Cumulative Revenues Since Opening – \$267,520



- For the first half of FY2015, Chaparral Fitness is operating at a surplus of \$71,275.
- Over 50% of the revenues come from the student activity fee, followed by community memberships at 31%.
- The largest component of operating costs is for salaries.
 - Salaries & Benefits make up 96% of total costs.

Food Service

Food Service is composed of the cafeteria operation, on-campus dining venues, and vending machines, all aimed at providing good quality foods and beverages at reasonable prices.

- ▶ **Sodexo**   **STARBUCKS**  
- ▶ Offers a wide variety of retail food options including vegan, vegetarian, and gluten-free products to cater to students, visitors, and community members.
- ▶ Operates several popular dining venues on campus including Subway, Starbucks, Einstein Bros Bagels, and Chick-Fil-A.
- ▶ Provides job and internship opportunities and hires students for a variety of special events.
- ▶ Supports the local community by collecting for the Northern Illinois Food Bank.
- ▶ **Pepsi-Cola**
- ▶ Provides a variety of beverage vending choices on campus and at the regional centers.
- ▶ Donates to the College in support of athletic programs, sustainability/campus initiatives, and the annual Culinary/Hospitality fundraising dinner.
- ▶ **Ace Coffee Bar**
- ▶ Provides state-of-the-art food and coffee vending machines on campus and at the regional centers.

Food Service

College of DuPage
Food Service
Financial Results
FY2008 through FY2014

	<u>FY2014</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Ace Coffee Bar	\$ 51,948	\$ 45,907	\$ 45,987	\$ 47,188	\$ 54,508	\$ 65,750	\$ 65,625
Pepsi-Cola	137,697	133,672	127,346	125,180	208,348	230,000	230,000
Sodexo	20,000	30	2,693	53,647	48,861	48,863	37,700
Total Revenues	<u>209,645</u>	<u>179,609</u>	<u>176,026</u>	<u>226,015</u>	<u>311,717</u>	<u>344,613</u>	<u>333,325</u>
Expenses	<u>42,168</u>	<u>17,254</u>	<u>34,644</u>	<u>13,216</u>	<u>22,662</u>	<u>108,494</u>	<u>75,261</u>
Surplus (Deficit)	<u>\$ 167,477</u>	<u>\$ 162,355</u>	<u>\$ 141,382</u>	<u>\$ 212,799</u>	<u>\$ 289,055</u>	<u>\$ 236,119</u>	<u>\$ 258,064</u>

- ▶ **The Food Service unit has always operated at a surplus. In FY2014, the College received \$167,477 from its operations.**
- ▶ **In FY2012, Chartwells terminated its contract with the College, and Sodexo began managing the Food Service operations. Although profitability has decreased, Sodexo has brought several national brand concepts on campus which have been very popular with students.** In FY2014, the College renegotiated its contract with Sodexo and currently receives an annual \$20,000 gift for its continued partnership.
- ▶ In FY2010, the vending services contractor changed from Aramark to Ace Coffee Bar. Ace provided the College with a 2.3% sales commission increase over its predecessor on all food and hot beverage products sold through 2014. **Although vending machine sales have decreased, the College is in the process of renewing its contract with Ace and will receive an additional 0.9% commission increase on all products sold beginning January 2015.**
- ▶ **Beverage vending revenues have decreased since FY2009 as a result of a contract renegotiation with Pepsi-Cola in early 2010 which eliminated the annual minimum commission guarantee and reduced the annual sponsorship contribution.** The College currently receives monthly sales commissions based on the number of cases sold, in addition to a per case sold rebate at the end of each year. Pepsi also provided the College with a \$50,000 annual sponsorship fee through 2014. Per the Board-approved contract, the College will receive a \$51,000 annual sponsorship beginning in 2015.

Food Service

Financial Results Year-to-Date December

	<u>FY2015</u>	<u>FY2014</u>
Ace Coffee Bar	\$ 21,439	\$ 24,238
Pepsi-Cola	29,416	80,716
Sodexo	20,000	-
Total Revenues	<u>70,855</u>	<u>104,954</u>
 Expenses	 2,364	 4,837
Surplus (Deficit)	<u>\$ 68,491</u>	<u>\$ 100,117</u>

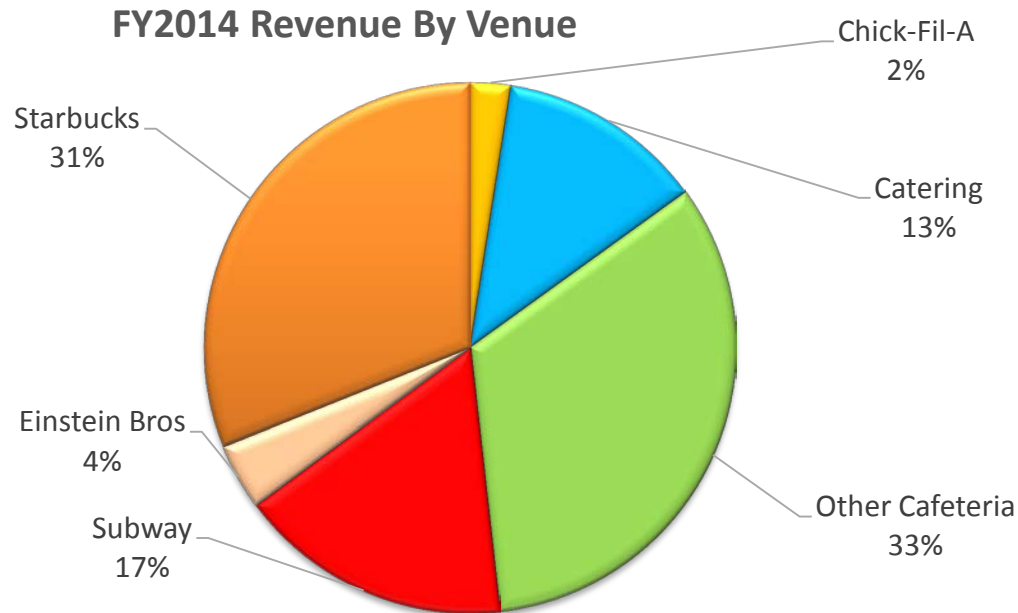


Summary of Compensation Terms

- ▶ **Sodexo**
- ▶ \$20,000 annual gift plus a 50% profit split over a 5% gross margin
- ▶ **Pepsi-Cola**
- ▶ 10%-45% commission per case sold, a \$2.00 per case sold annual rebate, plus a \$50,000 sponsorship fee paid annually (\$51,000 beginning 2015)
- ▶ **Ace Coffee Bar**
- ▶ 25.6% commission on all food, hot beverages, and dairy products sold (26.5% beginning 2015)

Food Service

Analysis of FY2014 Sodexo Sales



- ▶ Starbucks accounted for the majority of national brand sales at 31% in FY2014. **As of December FY2015, Starbucks also accounted for 31% of total Sodexo sales.**
- ▶ Chick-Fil-A opened on April 22, 2014, and accounted for 2% of FY2014 sales. **As of December FY2015, Chick-Fil-A accounted for 15% of total Sodexo sales.**
- ▶ Einstein Bros Bagels re-opened on January 15, 2014, and accounted for 4% of FY2014 sales. As of December FY2015, Einstein Bros Bagels accounted for 7% of total Sodexo sales.
- ▶ **Although these venues are very popular, the College's profitability is diminished through royalties that are paid to the brands.**

Bookstore

The objectives of the Bookstore operation and services are to support the College Philosophy and Mission by providing the College community with the optimum range of merchandise, services, and pricing expected from a quality academic bookstore.

▶ **Follett Higher Education Group**

- ▶ Serves the needs of COD students by providing textbooks, computer products, supplies and other related academic materials necessary for course studies.
- ▶ Offers a textbook rental and buy-back program.
- ▶ Provides the College with an annual \$10,000 textbook scholarship managed by Financial Aid.
- ▶ Donates the top seventy-five selling book titles to the Library for student use each year.
- ▶ Sells premium branded clothing products and College of DuPage imprinted apparel.

Bookstore

- FY2014 revenues are slightly lower due to a change in how revenues are paid to the bookstore under the new agreement (percent of sales by month instead of flat monthly amount).

	<u>FY2014</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Revenues	\$ 1,039,265	\$ 1,176,945	\$ 1,118,558	\$ 1,114,289	\$ 1,584,230	\$ 1,006,692	\$ 926,332
Expenses	<u>11,919</u>	<u>10,453</u>	<u>10,599</u>	<u>9,724</u>	<u>9,363</u>	<u>13,455</u>	<u>4,322</u>
Surplus (Deficit)	<u>\$ 1,027,346</u>	<u>\$ 1,166,492</u>	<u>\$ 1,107,959</u>	<u>\$ 1,104,565</u>	<u>\$ 1,574,866</u>	<u>\$ 993,237</u>	<u>\$ 922,009</u>

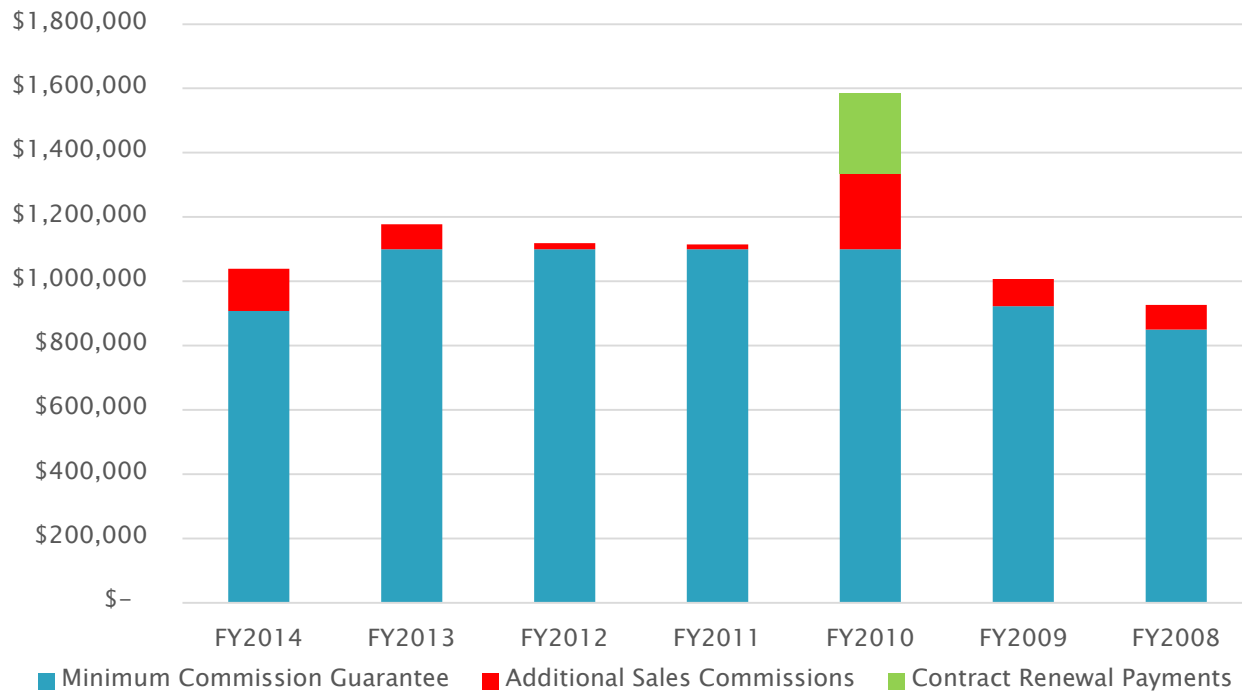
- Since 2009, Follett has guaranteed the College an annual minimum of \$1.1 million in revenue (based on the contract year beginning in March).
- Revenues have remained consistent due to the commission guarantee but decreased beginning in FY2011 due to the introduction of the textbook rental program which resulted in approximately 50% less commissions generated on rentals versus textbook purchases.
- FY2010 revenues were significantly higher than any other fiscal year, as the College received a one-time \$250,000 contract renewal payment for the successful execution of the 2009 agreement. In addition, the College received commissions at a higher percentage rate compared to the terms of the 2003 agreement due to higher bookstore sales.
- FY2014 revenues were below average from March through June, as the 2014 agreement eliminated the fixed monthly payments to the College. The College still receives a \$1.1 million annual commission guarantee but is now paid based on gross monthly bookstore revenues.

Bookstore

FY2008 – FY2014 Total Revenues

	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008
Minimum Commission Guarantee	\$ 907,355	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 922,917	\$ 850,000
Additional Sales Commissions	131,910	76,945	18,558	14,289	234,230	83,775	76,332
Contract Renewal Payments	-	-	-	-	250,000	-	-
	<u>\$ 1,039,265</u>	<u>\$ 1,176,945</u>	<u>\$ 1,118,558</u>	<u>\$ 1,114,289</u>	<u>\$ 1,584,230</u>	<u>\$ 1,006,692</u>	<u>\$ 926,332</u>

FY2008 – FY2014 Revenue Distribution



WDCB 90.9 FM Radio Station



- ▶ WDCB 90.9 FM is a listener-supported public radio station serving Chicagoland since 1977. The station airs more than 125 hours of jazz weekly and is widely-acknowledged as “Chicago’s Jazz Station.” The station also provides blues and folk/Americana music, and local news. WDCB also hosts and sponsors numerous concerts throughout the year, as well as other free programming at College of DuPage and at venues throughout the Chicagoland area.
- ▶ **More than 180,000 listeners tune into WDCB weekly.**
- ▶ For the past five years, the Chicago Music Awards has nominated WDCB for its “Most Popular College/Community Music Radio” category, and WDCB has won the honor twice.
- ▶ In FY2013, as part of the College’s ongoing capital construction and renovation projects, a new facility was constructed to broadcast its programs from within the Student Resource Center (SRC). The cost of the new facility and the equipment purchased totaled \$1,210,376, and was recorded as revenue in the station’s audited financial statements.

WDCB Radio Station

Historical Trend FY2008 through FY2014 (in Thousands)



- WDCB has always operated at a loss.
- Since FY2008, COD's financial support has decreased from \$881,000 to \$571,000 in FY2014.
- Through better management and streamlining operating costs, WDCB's operating loss has been reduced from \$745,000 in FY2008 to \$363,000 in FY2014.

	FY2014	FY2013 (Note 1)	FY2012	FY2011	FY2010	FY2009	FY2008
Revenues*	\$1,867	\$2,083	\$2,043	\$2,115	\$2,366	\$2,298	\$2,346
Expenses	1,659	1,912	1,816	1,950	2,126	2,118	2,210
Surplus (Deficit)	\$208	\$101	\$227	\$165	\$240	\$180	\$136
Less: COD Support	571	702	685	753	924	872	881
Surplus (Deficit) without COD Support	\$(363)	\$(531)	\$(458)	\$(588)	\$(684)	\$(692)	\$(745)

- *Revenues above include COD Support.
- Note 1 – FY2013 revenue of \$2,083,122 in the chart above excludes the College's capital contribution revenue of \$1,210,376, for the renovation of the radio station facilities.

WDCB Radio Station



	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008
Tower Rental	\$99,617	\$101,680	\$108,790	\$-	\$-	\$-	\$-
Fundraising (Contributions)	747,493	768,592	703,480	782,608	896,725	887,920	870,610
Subtotal for Tower Rental and Fundraising Revenues	847,110	870,272	812,270	782,608	896,725	887,920	870,610
Grants	192,396	195,155	235,855	202,753	245,569	226,007	220,469
COD Support	570,648	701,603	685,029	752,921	923,738	872,756	881,535
Facilities usage/Overhead provided by COD	256,446	316,092	309,933	376,511	300,415	311,741	373,461
Total Revenue before Capital Contributions	1,866,600	2,083,122	2,043,087	2,114,793	2,366,447	2,298,424	2,346,075
Capital Contributions	-	1,210,376	-	-	-	-	-
Total Radio Station	\$1,866,600	\$3,293,498	\$2,043,087	\$2,114,793	\$2,366,447	\$2,298,424	\$2,346,075

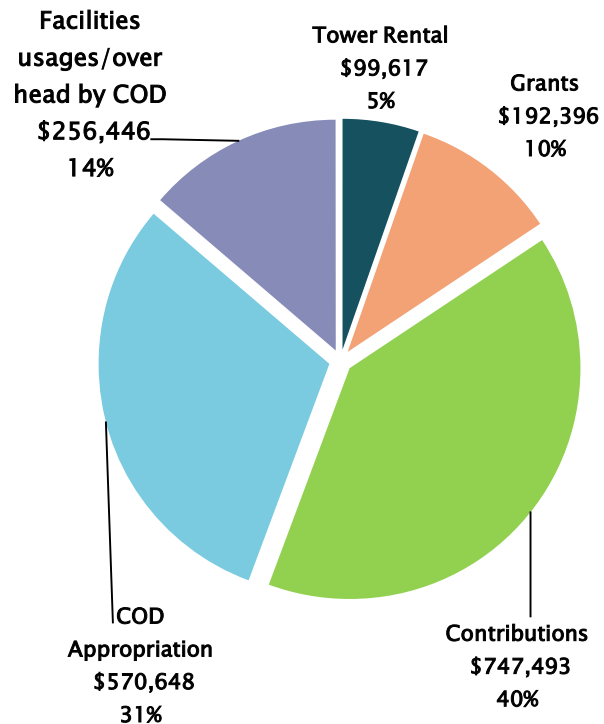
- Tower rental includes income from five cell phone companies for renting space on the radio tower.
- Contributions revenue decreased from FY2010 to FY2011 and FY2012 due to lower membership renewals.
- Grants revenue fluctuates every year based on grant agencies funding availability. In FY2010, the revenue increased due to an additional award of \$34,000.
- **Revenues from external sources have remained constant since FY2008. The decline in FY2014 revenues reflect the lower COD Support.**

WDCB Radio Station

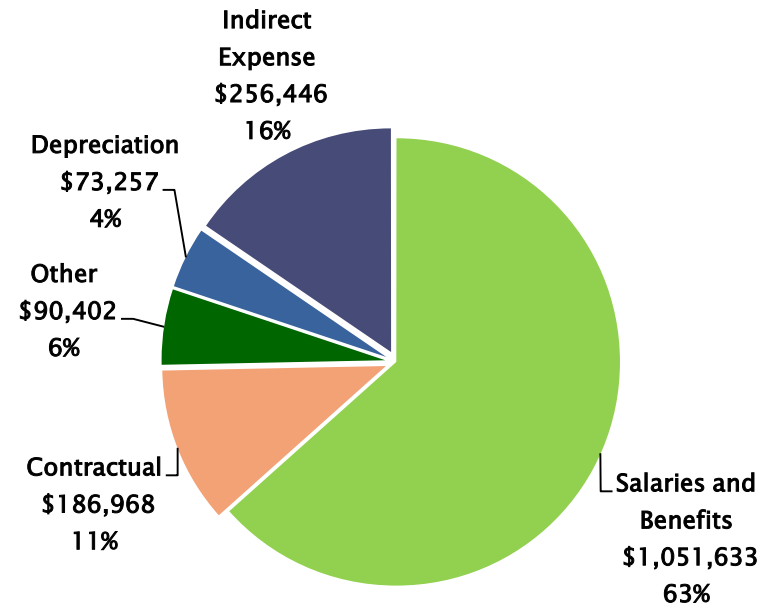
FY2014 Revenues and Expenses Breakout



Total Revenues



Total Expenses



WDCB Radio Station

FY2015 as of December 31, 2014



	Year to Date, December 31			Prior Year Variance Fav / (Unfav)	Budget Variance Fav / (Unfav)
	FY2015	FY2014	FY2015 Budget		
Revenues*	\$979,248	\$946,023	\$1,136,903	\$33,225	\$(157,655)
Expenses	822,459	830,665	1,007,594	8,206	185,135
Surplus (Deficit)	\$156,789	\$115,359	\$129,309	\$41,431	\$27,480
Less: COD Support	(272,978)	(287,359)	(340,286)	14,781	67,308
Surplus (Deficit) without COD Support	\$(116,189)	\$(172,401)	\$(210,977)	\$56,212	\$94,788

For the first 6 months of the year, WDCB lost \$116,189; this compares favorably to prior year loss of \$172,401, and the budget loss of \$210,977.

- *Revenues above include COD Support.
- Revenues increased in FY2015 due to higher tower rental revenue from the addition of two more leases, increased donations and higher underwriting (advertising) revenue. This increase in revenue led to a reduction in the operating loss compared to last year.