

AUXILIARY SERVICES CORPORATION
Annual Report
2005-06



Prepared and Submitted by
Dana C. Wavle
Executive Director
September 14, 2006

2005-06 Board of Directors

President	Raymond Franco	Director	Joanne Barry
Vice President	Mary Kate Boland	Director	Julie Lenhart
Secretary	Meg Nowak	Director	Henry Steck
Treasurer	William Shaut	Director	Nicole Tirado
Director	Seth Brown / Sarah Wightman		

2005-06 Management Team

Executive Director	Dana Wavle
Controller	Jeffrey Johnson
Executive Administrative Assistant	Craig Biviano
Human Resources Manager	Michelle Brackin
Director of Dining Services	William McNamara
Director of College Stores	Emily Gray
Book Department Manager	David Brower
Marketing Specialist	Christine Applegate
Maintenance Manager	Jim Owens
Unit Manager, Campus Corner	Georgian DeForest
Unit Manager, Commissary & Lower Campus	Linda Murphy
Unit Manager, Corey Union	Dixie Latimer
Unit Manager, Hilltop	Jennifer Kozlowski
Unit Manager, Neubig Dining	Steve Hammond
Unit Manager, Neubig Dining	Tom Kiernan
Unit Manager, Old Main & Bookmark	Carole Lathrop
Unit Manager, Campus Catering	Judy Haese
Assistant Manager, Campus Catering	Marty Haugh
Systems/Network Administrator	Samuel Coffey

2005-06 Supervisors

Brenda Scutt	Darleen Schmidt	Leslie Zogg
Brenda Tario	Debra Grant-Maarberg	Mary Beth Coats
Bryan Booth	Donna Johnson	Michelle VanAuken
Bud Diescher, IV	Jaqueline Conger	Nancy Lieber
Cleon Miles	Kathleen Homan	Sean Agate
Dan Kelly	Leatha Mikitiuk	

Selected Highlights

- Sales increased from \$13.4 million in FY05 to \$14.4 million in FY06. ASC's financial condition remains positive, as we ended FY06 with a surplus of \$225,300, following a surplus of \$751,000 in FY05.
- In the Dining Services division, the number of on-campus meal plans on file at the end of the fall and spring semesters was 2,692 and 2,509, respectively. In total, the number of on-campus meal plans in FY06 exceeded the prior year and budget by 2.3% and 0.7%, respectively.¹
- In the College Stores division, total textbook sales remained flat at \$2.6 million. This is consistent with the national trend, which reflects increased competition from online sellers (Amazon, eBay, Half.com, etc.). Total prepacks were down 4.4% in FY06 (up 2.6% for fall semester and down 19.7% for spring semester).²
- Connections debit account deposits increased 10% in FY06. We attribute the continuing increase in deposits to the popular and successful "Get Connected" marketing program that was originally implemented in 2003-04. As of May 31, 2006, total deposits were \$2,159,600, compared to \$1,962,400 in the prior year.
- FY06 Milestones: \$10 million in dining sales, \$2 million in Connections deposits, 2,000 textbook prepacks for the fall semester, and \$2 million in Campus Corner sales (493% increase).

Dining Services Sales by Unit

Dining Unit	FY06 Sales	FY05 Sales	\$ Variance
Neubig Dining	\$2,053,600	\$1,688,700	\$364,900
Dragon's Den	708,000	736,400	(28,400)
Dragon's Court/Raq. Pizza	2,780,000	4,317,200	(1,537,200)
Creamery	-- 0 --	-- 0 --	-- 0 --
The Colloquium	106,300	107,700	(1,400)
Campus Catering	523,900	554,500	(30,600)
Caleion Room	119,200	60,600	58,600
Campus Corner	2,231,400	-- 0 --	2,231,400
Crossroads Café	-- 0 --	33,400	(33,400)
The Bookmark	230,500	107,100	123,400
Dunkin' Donuts	807,700	712,200	95,500
Friendly's (incl. DC/RP in FY05)	283,100	-- 0 --	283,100
Poolside	173,200	192,300	(19,100)
Miscellaneous/Concessions	50,300	64,700	(14,400)
TOTAL	\$10,067,200	\$8,574,800	\$1,492,400

Summary of Meal Plans

Meal Plans	FY06	FY05	Variance
Fall (as of ~12/01)	2,692	2,656	+36
Spring (as of ~5/01)	2,509	2,426	+83
Total	5,201	5,082	+119

College Store Sales by Category

Category	FY06 Sales	FY05 Sales	\$ Variance
Text & Trade Books	\$2,649,400	\$2,648,300	\$1,100
Soft Goods / Apparel	585,400	600,900	(15,500)
Computer & Electronics	298,500	386,500	(88,000)
Academic Supplies	101,200	95,200	6,000
Gifts & Greeting Cards	143,700	146,500	(2,800)
C-Store	-- 0 --	361,900	(361,900)
Other	120,600	99,100	21,500
TOTAL	\$3,898,800	\$4,338,400	\$(439,600)
Textbook Prepacks Fall	2,000	1,950	+2.6%
Textbook Prepacks Spring	709	883	-19.7%

ASC Family Fund

- Received \$2,219.82 in donations during the year.
- Provided assistance to one employee in the amount of \$200.
- Balance as of June 30, 2006, was \$2,019.82.

Staffing³

- In October 2005, Jeffrey Johnson was appointed to the position of controller, filling the position vacated by Gene Cvik in May 2005. Jeff is from Chagrin Falls, Ohio, where he was the director of finance and administration for TEP Bedding Group, a manufacturer of mattresses and other bedding products. He has a B.S. in business administration from Miami University in Oxford, Ohio, and over twenty-five years of accounting and finance experience.
- In November 2005, James Owens was promoted to the position of maintenance manager, filling the position vacated by Michael Tubbs in September 2005. Jim was originally hired by ASC as a maintenance technician in December 2004. He has a B.S. in fluid dynamics and oceanography from the SUNY Maritime College. Prior to joining ASC, Jim worked extensively in the areas of construction, plumbing, electrical, and HVAC in the local area as well as in Michigan and Kentucky.
- In December 2005, Samuel Coffey was hired for the position of systems/network administrator, filling a position held by two individuals since it was created in 2004. Prior to joining ASC, Sam held the position of manager of information systems and facilities at Promergent in East Syracuse. He has over 15 years of experience in various technology positions. Sam holds several technical certifications and has a B.S. in electrical engineering technology from SUNY College of Technology in Utica.

- In January 2006, Linda Murphy was appointed to the position of Commissary & Poolside manager, filling an opening that resulted from management attrition and re-assignments in 2005. Linda came to ASC after working over 10 years in several Florida school districts as a foodservice professional. Prior to relocating to Florida, she worked in dietary services in several Broome County nursing homes. Early in her career, Linda was the director of food service for Jamestown Community College. Linda has an associate's degree in food service administration from SUNY Morrisville, a bachelor's degree in hotel, restaurant and institutional management from the University of Delaware, and an M.B.A. from St. Leo University in Florida.
- In April 2005, Susan Hubbard was hired for the position of accounting supervisor, filling the position vacated by Nancy Lieber's retirement after 28 years of service. Sue worked previously as a paper buyer and warehouse manager at Wilcox Press and as an auditor with the Wendy's Franchise Office. In her spare time, Susan handles the accounting responsibilities for Homer Logging Contractors, a business she and her husband own and operate. Susan earned her bachelor's degree in accounting from Ithaca College and her master's in business from Phoenix University.
- In May 2006, Jennifer Kozlowski was appointed to the position of Hilltop dining manager. Jennifer was hired in June 2005 and worked in all our dining operations in 2005-06 as a "floating" supervisor, gaining a broad range of dining services experience. Jennifer has an associate's degree in business from Tompkins Community College and she has worked previously as a bakery manager and retail food services manager. Other experience includes marketing, sales, and management at Greek Peak.

General Reports

Customer Satisfaction Surveys – During the fall semester, we conducted the ASC dining services survey, which measures customer satisfaction in four main areas: food, service, environment (facilities), and meal plans. The 25-question survey instrument is based upon a rating scale of 1 (very poor) to 10 (excellent). Our aggregate rating decreased slightly from 7.94 in 2004 to 7.85 in 2005. Our rating for the first 22 questions covering food, service, and environment remained virtually unchanged (8.00 in 2004, 7.97 in 2005). However, the survey respondents gave us lower ratings on the final three questions covering meal plans and dining services in general. This is most likely due to the new AYCTE meal plans and the transition from last year's retail plans. Fortunately, we did see a notable increase in the aggregate rating from *freshman* (7.94 in 2004, 8.12 in 2005). This would indicate that freshmen with no previous history or experiences on campus (different expectations) are more satisfied with the new plans than last year's freshmen were with the "old" retail plans. We fully expect to see observable improvement in our survey ratings in 2006-07 as the freshmen become sophomores, new freshmen come to campus, and upper classmen graduate or move off-campus.

In the College Store division, we conducted our bi-annual customer satisfaction survey during the spring semester. This survey consists of approximately 35 questions, and it is administered by the National Association of College Stores (NACS). We received the preliminary results in May, and we are pleased to report an increase in our overall rating from 3.88 in 2004 to 3.93 in 2006. We will continue to review the survey results and strive for continuous improvement in 2006-07.

An insightful and generally favorable summary of general customer trends and preferences appears on the next page.

General Customer Trends and Preferences	2006	2004	2002
% of students who generally buy textbooks at College Store	77.1%	74.2%	69.5%
% of students who generally sell textbooks to College Store	70.3%	69.7%	63.6%
% of students who use posters/signs as information source(s)	40.6%	47.4%	54.4%
% of students who use e-mail as information source(s)	93.1%	65.6%	43.0%
% of students who have purchased textbooks from internet	24.8%	12.5%	3.9%

New Meal Plans – In 2004-05, we received student feedback from a variety of sources that indicated growing frustration with the design and functionality of our meal plans.⁴ We identified four main areas of frustration and/or concern: (1) the point system, (2) the complexity of the plans (“meal plans are confusing and stressful”), (3) the inability of the plans to guarantee a full complement of meals for an entire semester, and (4) the retail dining format (students complained about being “nickel and dimed”). The 2004 Porter Study revealed similar issues and recommended all-you-care-to-eat (“AYCTE”) meal plans in response. With all of this in mind, the ASC Board of Directors (with SGA endorsement) approved new meal plans for 2005-06. The new AYCTE meal plans were formally implemented in August 2005. In general, the transition from retail to AYCTE was successful based upon our ability to address or resolve the above-referenced issues, especially given the magnitude of the change. We will continue our efforts to enhance and improve the AYCTE meal plans by focusing on Neubig Dining in 2006-07. Specifically, we will be making appropriate menu-related, service-related, and operational improvements to this flagship facility in order to increase student utilization and satisfaction (see Customer Satisfaction Surveys above).

Parking Lot Project – This project entered its fourth and most significant year of development in 2005-06. ASC and the Cortland Rural Cemetery (“CRC”) signed the long-awaited Memorandum of Understanding (“MOU”) in June 2005. The MOU outlines the terms of the 30-year lease agreement between ASC and the CRC, including ASC’s right to alter and use the property for an hourly-pay parking lot and the CRC’s right to receive base rent plus a share of the revenue. The design of the lot was completed during the fall semester and the project made its way through the various governing authorities during the spring semester. The project required and received approval from the State Cemetery Board, County Planning Board, Zoning Board of Appeals, Coordinated Environmental Review, Historic Board, and the City Planning Commission. Trowbridge & Wolf modified the design of the parking lot toward the end of the process in order to address major concerns expressed by the City Planning Commission.

Ultimately, the project was approved in March 2005. Ruston Paving of Syracuse was awarded the construction contract in May and broke ground in June 2006, three and one-half years after ASC initiated discussions with the CRC and one year after the MOU was signed. The project is scheduled for completion in August 2006.

Campus Corner (Subway) – Prior to 2005-06, the Campus Corner was unable to exceed \$400,000 per year in sales volume for the following reasons: (1) students could not use the non-refundable portion of their meal plan in the store, (2) the store lacked a strong branded concept that would draw students and increase foot traffic, and (3) the store was operated as a hybrid unit – it was a College Store enterprise selling convenience food, snack, and candy items, bottled beverages, and smoothies. The format did not work, as evidenced by the weak sales and mediocre financial performance.

During the summer of 2005, we gave the store a face-lift, introduced Subway, and re-assigned the operation to Dining Services. As a result, the Campus Corner's sales increased from \$361,900 in FY05 to \$2.1 million in FY06. The store is now a key part of ASC's complement of services, and it is making positive financial and operational contributions to the Dining Services division. The Campus Corner with the Subway hub exceeded all of our expectations and projections in 2005-06. Ironically, it has become one of our largest dining operations on campus (the classic "good problem"). We will work on balancing our dining operations in 2006-07, hoping to increase Neubig's utilization and to carefully decrease the Campus Corner's utilization.

Hilltop – ASC's new dining facility in Brockway Hall was officially named and logoed "Hilltop" in 2005-06. The facility will be 95% complete on June 30, 2006. Porter Consulting designed Hilltop and HMC, Inc. procured, fabricated and installed all equipment and fixtures. Hilltop will feature display cooking, which means most of the menu items will be prepared and cooked in the servery area directly in front of the customer. Display cooking is a contemporary foodservice innovation that has rapidly gained popularity in the college and university environment. Hilltop is ASC's first all-new dining facility since the opening of the Dragon's Den in 1998. There are only three remnants of the Creamery in Hilltop: two walk-in coolers and the walk-in freezer. *Everything* else is brand new! Hilltop will be ASC's model for all future dining renovations and new construction projects.

Pre-Planning of Various Projects – The following projects are still in the planning, design, and/or approval stages:

- Raquette Lake Bulkhead & Water Source (separate projects)
- Neubig Dining Hall Renovation (Porter Consulting, March Associates)
- College Store Renovation (Drayden Design Group)

Clocktower Response – ASC’s response top this tragic event is documented on the NACAS online news web page:

<http://www.nacas.org/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=2056>

The write-up can be easily located online by doing a Google search using the following keywords: NACAS Clocktower. ASC donated \$22,900 in goods, services, and financial support directly to the 30 students who were displaced by the fire.

Accolades – ASC was featured in the following articles in 2005-06:

- “Online Ordering Boosts Pizza Sales at SUNY Cortland,” On-Campus Hospitality, Nov. 2005, p. 52.
- “Subway’s Official Grand Opening Ceremony,” Dragon Chronicle, February 16, 2006, pp. 1, 4.
- “Spring Break Cruise in Neubig,” Dragon Chronicle, March 2, 2006, p. 1.
- “C/Store Sales Jump 500% at SUNY Cortland,” On-Campus Hospitality, March 2006, pp. 32-33.
- “Working Together,” On-Campus Hospitality, March 2006, p. 5.
- “Blog-Worthy Fare,” Food Management, April 2006, p. 48.

Executive Management Team Annual Reports – Annual reports from each member of ASC’s executive management team are included in this report as addendums. The reports are presented as submitted to the Executive Director, with minimal edits.

Divisional Area	Submitted By	Addendum
Human Resources	Michelle Brackin	A
Dining Services	Bill McNamara	B
College Store	Emily Gray	C
Ancillary Services	Craig Biviano	D
Accounting & Finance	Jeff Johnson	E

The ASC executive management team is to be commended for its excellent work and noteworthy achievements in 2005-06.

Conclusion

This annual report represents the combined hard work, dedication, and commitment to excellence of every ASC employee in the organization. We extend a sincere and heartfelt "thank you" to each and every member of the ASC family of employees who serve the campus daily. ASC management would also like to express its thanks and appreciation to the Board of Directors and the Bylaws, Finance, Operations, and Personnel committees for continued guidance, support, and organizational leadership.

Addendum A

Human Resources Annual Report 2005-06 (by Michelle Brackin)

Safety

- Took over chairing the ASC Safety Committee implementing a monthly schedule for meetings
- Presented a general food service safety training session for all dining employees during the training week - Fall semester 2005
- Implemented a safety incentive to reduce accidents which successfully lowered the annual total of reported accidents

Training

- Trained all raters on the proper way to conduct a performance evaluation and reviewed the new performance evaluation criteria with all non-bargaining unit employees
- Provided a presentation to all employees on the financial details of ASC's health, dental and vision insurance, wellness tips to lower medical expenses, and flexible spending accounts at the Return to Work Day
- Organized a Driver's Safety training with an outside vendor for all ASC drivers
- Arranged for Blood Borne Pathogen training for new employees
- Organized a mediation between two employees to provide better coping skills

Recruitment

- Recruited a Controller, System Network Administrator, two Dining Managers, Maintenance Manager, Accounting Supervisor and thirty-three other regular hourly employees. Chaired the System Network Administrator and one Dining Manager search committees
- Took over supervising the completion of student new hire paperwork; processing over 340 new student employees
- Researched and implemented a criminal history background check procedure for Raquette Lake employees and other high risk positions

Compensation

- Implemented an off cycle wage increase for hourly supervisors to adjust to market pressures
- Reviewed compliance with the new NYS minimum wage for all ASC employees

Administration

- Assisted with exploration of ASC supervision of the SGA Office Coordinator and participated on the search committee for this position
- Participated in Family Fund committee meetings, implemented the payroll deductions, and reviewed the first application for funds
- Implemented several ASC wide Fish Activities – Decorating Contests, Olympic Gold Medal Contest, Payroll Lottery, Guess the date of the first snow fall, and Thanksgiving Trivia
- Added an Employee Page to the ASC website with links to benefit vendors, forms, and wellness information
- Managed the reorganization of the ASC administrative supply room
- Investigated possible upgrades to our current payroll system

- Performed a complete audit of all I-9's
- Updated all Union job descriptions to ensure consistency and accuracy before providing a copy to the Union
- Chaired a web development committee that successfully solicited proposals for web hosting, copy and construction from over 60 vendors

Benefits

- Implemented a health savings account/high deductible program for all ASC employees; gained 20% participation of employees with health insurance
- Worked with a consultant to evaluate our workers' compensation experience rating history with NYS
- Collaborated with our lawyer to revise the Health and Welfare Wraparound Document to incorporate the Health Savings Account, Self-Insured Dental/Vision and the new PPO Health Insurance Plan

Labor Relations

- Negotiated a memorandum of agreement regarding adding a HD/HSA plan option for union employees
- Negotiated a memorandum of agreement regarding use of EPTO during inclement weather
- Attended 3 Labor Management Meetings

Addendum B

Dining Services Annual Report 2005-06 (by Bill McNamara)

Operations:

- Successfully opened the Campus Corner and Subway
- Relocated Friendly's to its own location in Corey Union
- Modified Neubig to an "AYCTE"

Projects:

- Design and build of Hilltop dining
- Hired designer and architect for Neubig dining facility renovation

New Hires:

- Linda Murphy – Commissary Concessions
- Jennifer Kozlowski – Hilltop
- Jim Owens – Maintenance manager

Retirements:

- Nancy Hartford

Meal Plan:

- Successfully changed meal plans from declining balance to guaranteed meals per week

Special Events:

- Open House
- Senior Games
- Bull Lacrosse
- Culinary Challenge 2006– Tom Kiernan
- Loyal E. Horton - Caribbean Cruise – "Going for the Gold"
- Campus Corner grand opening and food show
- Landmark dedication
- 1890 house Gala

Community Relations:

- Dairy Parade
- Homer Music Boosters Concessions 1/06

Greening:

- Implementation of "Greenware"
- Working closely with Greening committee and Lime Hollow Nature Center on composting and Recycling oil for bio-diesel fuel

Training and Development:

- Introduced back to work training for all employees 2x per year
- Combined Safety committee with Manager meetings
- All managers attended the NACUFS regional at Cornell
- Judy Haese attended catering workshop in Las Vegas

Program Recognition:

November 2005	Raquette Pizza featured in On-Campus Hospitality for Webfood success.
January 2006	Participated on a panel at the SASA annual conference – Trends in Vegan/Vegetarian
March 2006	Campus Corner featured in On-Campus Hospitality for Vender partnerships and Convenience Store success
March 2006	Presented “Retailing in the Food Service Environment” at the NACUFS Regional conference on
April 2006	Food Management Magazine featured the “Veggie Patch” and recipes
May 2006	C-BORD Conference Presented “How Raquette Pizza was revitalized”

September 2006 Update

Congratulations to our award-winning Dining Services Division!



Addendum C

College Store Annual Report 2005-06 (by Emily Gray)

1. Began implementation of store strategic initiatives. Held off-campus meeting with staff and Tom Byrne to work on initiative for improving College Store facility. Developed planning documents for program and facility design. Have second strategic planning meeting scheduled for late June to discuss customer service and textbook initiatives.
2. Invited and evaluated proposals from designers for renovation of the College Store. Selected Drayden Design as store designer. Held initial two days of planning meetings with David Burgess of Drayden Design, store staff, E-team, Tom Byrne, plus meetings and focus groups with campus administrators, faculty, ASC board members and students.. Preliminary design plans are in process for 06-07 implementation.
3. Began informally working on two CBC textbook initiatives—preserving textbook market share and increasing used book ratios. Held successful buybacks and maintained textbook sales. Continued to refine textbook buying procedures.
4. Conducted NACS Customer Satisfaction and Faculty Satisfaction surveys. Significantly improved from 2004 surveys on several key benchmarked indicators, including increasing textbook market share to almost 78%.
5. Met with faculty at department meetings, communicating results of the Student Watch Survey, including key points regarding adoption deadlines, buyback prices, high new book prices, lack of use of textbooks by faculty, poor sell through and the impact of publisher bundles and packages.
6. Developed a line of “official Dragon logo” merchandise for sale in the store. Added other new clothing and gift items to improve merchandise mix. Continued to improve display and promotion of general merchandise. Added back health and beauty aids, magazines and snacks after transfer of C-Store to Dining Services.
7. Applied to become an Apple Demo Center (application still pending).
8. Developed eye-catching computer sales marketing piece for distribution at Admissions Open House to try to capture sales of computers to parents of incoming students prior to Orientation. Continued developing “Dell University” concept with web link and membership code for customers to enter to receive additional discounts off Dell consumer prices. Have received a number of orders in April and May.
9. Continued developing partnership with Sport Management Club for designing, ordering, marketing and selling Cortaca tee shirts. Agreed upon design, colors and prices of next year’s shirt prior to end of spring semester. Also agreed to add 2 new gift items.
10. Improved overall gross margin over last year’s and over this year’s budget, and ended the year with healthy sales in spite of decreases in computer sales and elimination of use of Dining holding accounts impact on general merchandise sales.
11. Continued to hold down operating expenses, which will help us to end the year with a healthy bottom line.

Addendum D

Ancillary Services Annual Report 2005-06 (by Craig Biviano)

Project Management

- Coordinated and assisted on the renovation of Corey's Food Court whereby adding a new grab and go station to the mix of services.
- Coordinated and assisted on the completion and relocation of Friendly's scoop shop to new location in Corey Union.
- Coordinated and assisted on the completion with the new established Subway concept in Corey Union.
- Coordinated and assisted in all phases of the renovations with Brockway Hall's new "Hilltop" food service with Director of Dining Service and others (Porter Consulting, HMC, DeWolff Architects, SUNY Construction fund & SUNY Cortland's Facilities Office).
- Coordinated and assisted in all phases of these two renovations at the Commissary. The Removal of a concrete ramp and a Dock Leveler Upgrade and replacement.

Ancillary Services

- Coordinated & completed new on-line copying service within the Cornish vending Center.
- Reorganized Network Printing service within the Library whereby strengthening service to the late night reading room and second floor labs with color printing and copying presents.
- Organized, design, coordinated and completed new on-line vending service to the Glass Towers Resident Hall to include Laundry View services.
- Oversaw and completed new online vending service to Winchell Hall.
- Assisted the Campus Physical Plant with the procedures now implemented for the new campus fuel management proxy ID program.
- Coordinated & completed upgrade to Park Center vending service by replacing analog pairs with network fiber.

ASC Janitorial Program

- Currently manage this program.
- Organized and coordinated the Dragon Court vinyl floor tile refurbishing project.
- Organized and coordinated the upgrades/repairs to several floor care machines valued over \$10,000 which were stored idle. The machinery is now in service and used daily.
- Coordinated, assisted and implemented new chemical Ready to Dispense (RTD) program.

Addendum E

Accounting & Finance Annual Report 2005-06 (by Jeff Johnson)

MEMORANDUM

TO: Dana
FROM: Jeff
DATE: June 19, 2006
RE: Tasks completed by ASC admin office in the past 9 months

- Hired one Accounting Supervisor
- Hired one Network Administrator
- Received Board approval for FY06/07 budgets
- Successfully passed a very useful Agency audit by SUNY
- Computer systems – completed system diagrams (current and proposed), upgraded security and operating systems, instituted maintenance/replacement schedule, upgraded CBord systems and added Hilltop and reestablished, audited and updated maintenance contracts (firewall & CBord)
- Completed first annual office holiday schedule
- Began the ongoing process of reviewing and updating of internal controls
- Began the ongoing process of improving employee morale and team building
- Began the ongoing process of mastering the controller position at ASC

Endnotes:

¹ In FY05, the number of meal plans on file at the end of the fall and spring semesters was 2,656 and 2,426, respectively. The budgeted number of meal plans in FY06 was 2,709 and 2,458 for the fall and spring semesters, respectively.

² FY06 textbook prepacks were 2,000 and 709 for the fall and spring semesters, respectively. FY05 prepacks were 1,950 and 883 for the fall and spring semesters, respectively.

³ ASC's executive management team is summarized below:

Name	Position	Years of Service	Education
Dana Wavle	Executive Director	10 years	MBA, BS
Craig Biviano	Executive Admin. Asst.	27 years	AS
Michelle Brackin, SPHR	Human Resources Mgr.	9 years	BS
Jeffrey Johnson	Controller	1 year	BS
Emily Gray, CCR	Director of College Stores	5 years	BA
William McNamara	Director of Dining Services	3 years	BS, AS

⁴ Prior to 2005, the Flex and Declining Balance plans remained virtually unchanged since 1996-97, and the "points" system had been utilized for over 20 years.

**AUXILIARY SERVICES CORPORATION
OF SUNY CORTLAND
STATEMENT OF FINANCIAL POSITION
Fiscal Years Ended June 30, 2006 and 2005**

ASSETS

CURRENT ASSETS	<u>2006</u>	<u>2005</u>
Cash and Cash Equivalents:		
Cash	396,713	755,980
Cash Held for Others - Agency	1,473,980	1,548,239
Total Cash and Cash Equivalents	1,870,693	2,304,219
Short-Term Investments:		
Mutual Funds	1,238,855	1,256,409
Corporate Stock	276,619	263,071
Total Short-Term Investments	1,515,474	1,519,480
Accounts Receivable:		
Trade	392,159	417,353
Student Loans	16,463	11,425
Less: Allowance for Doubtful Accounts	(1,000)	(1,000)
Total Accounts Receivable	407,622	427,778
Inventories:		
College Stores	472,975	489,605
Dining Services	95,426	79,321
Antlers / Raquette Lake	9,426	7,124
Total Inventories	577,827	576,050
Prepaid Expenses and Other Assets	138,538	130,509
Total Current Assets	4,510,154	4,958,036
NONCURRENT ASSETS		
Land, Buildings, and Equipment	7,127,848	5,887,256
Less: Accumulated Depreciation	(4,296,137)	(3,807,261)
Long-Term Investments	1,355,055	1,434,112
Total Noncurrent Assets	4,186,766	3,514,107
TOTAL ASSETS	8,696,920	8,472,143

**AUXILIARY SERVICES CORPORATION
OF SUNY CORTLAND
STATEMENT OF FINANCIAL POSITION
Fiscal Years Ended June 30, 2006 and 2005**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	<u>2006</u>	<u>2005</u>
Accounts Payable	129,160	146,293
Promise(s) to Give	3,000	0
Accrued Expenses	42,962	32,796
Accrual for Compensated Absences	318,406	259,300
Collections Received in Advance	60,175	77,576
Deposits Held for Others - Agency and Student Loan	1,490,443	1,559,664
Total Current Liabilities	2,044,146	2,075,629
 NONCURRENT LIABILITIES		
Promise(s) to Give	6,000	0
Postretirement Medical Benefits	605,520	580,520
Total Liabilities	2,655,666	2,656,149
 NET ASSETS		
Unrestricted:		
Designated for Equipment Replacement	2,136,544	1,903,700
Designated for Working Capital	934,700	1,100,000
Designated for Capital Assets	2,431,761	2,079,995
Designated for Uninsured Losses	200,000	200,000
Other Unrestricted, Undesignated	338,249	532,299
Total Unrestricted	6,041,254	5,815,994
Temporarily Restricted		
State Equipment Replacement Reserve	0	0
Total Net Assets	6,041,254	5,815,994
 TOTAL LIABILITIES AND NET ASSETS	 8,696,920	 8,472,143

**AUXILIARY SERVICES CORPORATION
OF SUNY CORTLAND**
STATEMENT OF OPERATING ACTIVITIES
Fiscal Years Ended June 30, 2006 and 2005

	Dining Services	College Store	Raquette Lake	Ancillary Services	Administration	Total Fiscal 2006	Total Fiscal 2005
Sales	10,067,178	3,868,578	204,377	160,733	-	14,300,866	13,221,628
Other Income & Commissions	-	30,175	-	82,840	-	113,015	144,310
Cost of Goods Sold	3,509,132	2,700,788	65,666	43,877	-	6,319,463	5,493,027
GROSS PROFIT	6,558,046	1,197,965	138,711	199,696	-	8,094,418	7,872,911
OPERATING EXPENSES							
Direct:							
Salaries & Wages	2,886,257	363,436	44,435	65,362	559,563	3,919,052	3,609,543
Employee Benefits	1,364,764	155,407	22,410	28,862	188,560	1,760,003	1,644,171
Provision for Depreciation of ASC-Owned Equipment	347,279	22,252	23,691	60,723	34,933	488,878	457,760
Provision for Replacement of State-Owned Equipment	-	-	-	-	-	0	0
Utilities & Rent	384,515	47,599	24,413	8,080	26,834	491,441	354,621
Supplies & Materials	347,963	13,852	8,871	1,552	21,014	393,253	379,607
Contracted Services	76,522	80,669	6,481	9,496	73,795	246,963	209,452
Other Operating Expenses	255,376	66,877	30,241	7,048	142,792	502,334	519,653
Total Direct Expenses	5,662,676	750,092	160,543	181,123	1,047,490	7,801,924	7,174,807
Allocation of Administration	711,008	303,928	14,853	17,701	(1,047,490)	0	(1)
Total Operating Expenses	6,373,684	1,054,020	175,396	198,824	(0)	7,801,924	7,174,806
Net Excess Revenue Over (Under)	184,362	143,944	(36,685)	872	0	292,493	698,105
Operating Expenses						(142,355)	(137,483)
Other Program Expenses							
Net Excess Revenue Over Operating and Other Program Expenses						150,138	560,622
Investment Income						84,121	190,351
NET EXCESS REVENUE BEFORE CONTRIBUTION						234,260	750,973
Contribution to SUNY Cortland College Foundation						(9,000)	0
NET EXCESS REVENUE AFTER CONTRIBUTION						225,260	750,973

AUXILIARY SERVICES CORPORATION
OF SUNY CORTLAND
SCHEDULE C - PROGRAM EXPENSES
FOR THE YEARS ENDED JUNE 30,

Program:	2006	2005
AASCU/ADP Wingspread Conference	\$ -0-	\$ 1,500
Admissions Recruitment Programs	24,992	20,694
Advisement & Transition: COR101 The Cortland Experience Instructor Grant	674	-0-
Alcohol Free Coffee House	3,500	2,499
Alternative Spring Break	1,400	1,000
Athletic Academic Excellence	-0-	450
Brooks Museum Lecture Series	1,996	1,499
CALS Lecture Grant Program	11,960	11,250
CALS Performing Arts Series	11,000	10,750
Center for Multicultural and Gender Studies	-0-	5,100
Chi Alpha Epsilon Induction	500	500
Chinese Documentary Film Series	500	-0-
Community Bike Program	999	-0-
Disability Awareness Weekend with COR101 Students at Raquette Lake	620	-0-
Diversity Guest Speaker	500	-0-
Dowd Fine Arts Exhibit	2,991	1,197
Early Childhood Program Training Series	500	500
Earth Day/Earth Week	750	500
Eating Disorders Awareness	1,500	1,000
Educational Opportunity Programs	6,710	6,500
Educators in Training Conferences	500	-0-
Family Weekend	2,500	2,000
Goofs & Goblets	700	500
Gospel Choir	-0-	1,180
Graduate Student Orientation	1,192	-0-
Greek Leadership Programs	700	498
Guess Who's Coming to Dinner	350	500
Hillel	285	-0-
Homecoming/Community Weekend	-0-	1,809
Leadership Development Programs	1,000	2,280
Let's Be Tobacco Free	496	496
Make a Difference Day	-0-	190
Multicultural Life	3,500	3,000
Native American Film Festival and Events	289	586
National Girls/Women in Sports Day	200	-0-
New Student Orientation Program	5,000	4,000
Performing Arts - Professional Studies	1,507	-0-
President's Purpose of Charter	43,656	38,955
Program Grant - Discretionary	1,138	-0-
Project for Eastern & Central Europe	721	618
Scholar's Day	2,440	1,300
SGA Festivus	-0-	1,000
SGA Spring Fling	600	5,680
SGA Winter Formal	1,000	750
Sled Hockey/Wheelchair Equipment Maintenance	-0-	600
SUNY Cortland Children's Museum	-0-	1,000
SUNY Librarians Association Conference	-0-	750
Supporting Hall Communities on Campus (FISH)	-0-	3,000
Teachers in Training	400	500
Tunnel of Oppression	300	-0-
Welcome Week	2,489	1,352
World First Learning Community	300	-0-
Total Program Expenses	\$ 142,355	\$ 137,483

See Independent Auditor's Report