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DATE: July 25, 2017

FROM: Mae Santos, Treasurer Cal State LA University Auxiliary Services, Inc.  
Associate VP for Administration and Finance/Financial Services

TO: William A. Covino  
President

Lisa Chavez, Vice President  
For Administration and Chief Financial Officer

CC: A. Sahagun, File

SUBJECT: **University Auxiliary Services (UAS) Budget for Fiscal Year 2017/18**

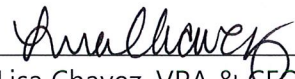
  
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 PRESIDENT'S OFFICE

This is a recommendation for your approval of the enclosed budget for University Auxiliary Services (UAS) for fiscal year 2017/18. The UAS Board approved the budget at its June 2, 2017 meeting. Below is a brief summary.

The 2017/18 \$9,815,542 operating revenue budget reflects an increase of \$833,192 which is approximately 9% increase from the 2016/17 \$9,616,792 budgeted revenues. This is mainly due to an expected increase in food and catering revenues. Total operating expenditures for 2017/18 are estimated to be \$7,072,023 which is \$554,087 higher than the 2016/17 budgeted expenses. The projected increase in salary and benefit expenses includes the additional benefit costs related to the implementation of the Affordable Care Act and minimum wage increases as required by federal law. These costs represent the majority of the expenditure budget.

In addition, the proposed budget provides sufficient funds for UAS to pay the 2017/18 capital lease obligations to the university. The projected contribution to retained earnings at year end is \$1,046,249.

Please let me know if you have any questions regarding this budget.

  
 Lisa Chavez, VPA & CFO      7/25/17      Date      Approved  Not Approved  Let's Discuss

  
 William A. Covino, President      7/28/17      Date      Approved  Not Approved  Let's Discuss



**Cal State L.A. University Auxiliary Services, Inc.  
FY 2017/18 Operating Budget Proposal**

Description	FY 2015/16			FY 2017/18	\$ Change to	% Change to
	Year-End Actuals	FY 2016/17 Budget	FY 2016/17 Projection	Budget Proposal	FY 2016/17 Budget	FY 2016/17 Budget
<b><u>Unrestricted</u></b>						
<b>REVENUE</b>						
Food & Catering Revenue	\$ 2,871,141	\$ 3,300,000	\$ 4,061,433	\$ 4,026,800	\$ 726,800	22%
Less: Cost of Goods	(909,682)	\$ (1,040,000)	(1,359,038)	(1,347,367)	(307,367)	30%
	1,961,459	2,260,000	2,702,395	2,679,433	419,433	19%
Indirect Cost Revenue	2,175,160	2,005,000	2,005,000	2,195,000	190,000	9%
C&G Admin Recovery	109,415	150,000	150,000	150,000	-	0%
Commission Income	1,585,696	1,523,600	1,638,145	1,667,996	144,396	9%
Lease Income	1,631,625	1,552,900	1,544,436	1,589,787	36,887	2%
Interest Income	11,291	18,000	36,263	36,000	18,000	100%
Child Care Center Revenue	501,012	542,650	631,510	617,650	75,000	14%
Campus Program User's Fee	175,250	150,000	150,000	150,000	-	0%
Other Revenue	782,010	780,200	759,044	729,676	(50,524)	-6%
<b>Total Revenue</b>	<b>8,932,919</b>	<b>8,982,350</b>	<b>9,616,792</b>	<b>9,815,542</b>	<b>833,192</b>	<b>9%</b>
<b>EXPENSES</b>						
Salaries and Wages	2,149,237	2,497,541	2,814,211	2,926,508	428,967	17%
Benefits	781,769	1,066,070	1,105,416	1,172,210	106,140	10%
Audit/Legal	136,508	144,000	144,000	169,000	25,000	17%
Contractual Services	663,974	600,775	572,551	578,275	(22,500)	-4%
Supplies & Services	615,413	684,550	681,709	722,133	37,583	5%
Utilities & Telephone	368,733	363,250	399,356	394,500	31,250	9%
Insurance Premiums	74,353	82,000	80,453	82,000	-	0%
Interest on capital lease	1,261,093	728,300	710,308	674,981	(53,319)	-7%
Bank Charges	55,465	84,200	96,574	104,200	20,000	24%
Repair & Maintenance	70,469	80,000	60,349	61,000	(19,000)	-24%
Lease & Rental	177,852	41,000	39,602	42,200	1,200	3%
Other Operating Expenses	118,401	146,250	129,134	145,016	(1,234)	-1%
<b>Total Operating Exp.</b>	<b>6,473,267</b>	<b>6,517,936</b>	<b>6,833,663</b>	<b>7,072,023</b>	<b>554,087</b>	<b>9%</b>
<b>Gross Operating Income/(Loss)</b>	<b>2,459,652</b>	<b>2,464,414</b>	<b>2,783,129</b>	<b>2,743,519</b>	<b>279,105</b>	<b>11%</b>
Campus Programs net, income/(expenses)	234,620	50,000	150,000	50,000	-	0%
<b>Net Operating Income/(Loss)</b>	<b>2,694,272</b>	<b>2,514,414</b>	<b>2,933,129</b>	<b>2,793,519</b>	<b>279,105</b>	<b>11%</b>
<b>Non Cash Expenditures</b>						
Depreciation & Amortization	1,185,158	1,187,111	1,191,608	1,187,270	159	0%
Reserve - Post Retirement Med	552,000	560,000	560,000	560,000	-	0%
<b>Net Income/(Loss)</b>	<b>957,114</b>	<b>767,303</b>	<b>1,181,521</b>	<b>1,046,249</b>	<b>278,946</b>	<b>36%</b>
<b><u>Restricted</u></b>						
Contracts & Grants Revenue	20,514,511	22,000,000	22,000,000	24,000,000	2,000,000	9%
Contracts & Grants Expenditure	20,572,535	22,000,000	22,000,000	24,000,000	2,000,000	9%
	(58,025)	-	-	-	-	0%