



DATE: June 11, 2018

FROM: John Tcheng, Director  
Budget Administration *J*

TO: Lisa Chavez, Vice President  
For Administration and Chief Financial Officer

CC: A. Sahagun, File

SUBJECT: University Auxiliary Services (UAS) Budget for Fiscal Year 2018/19

This is a recommendation for your approval of the enclosed budget for University Auxiliary Services (UAS) for fiscal year 2018/19. The UAS Board approved the budget at its May 18, 2018 meeting. Below is a brief summary.

The 2018/19 \$9,771,045 operating revenue budget reflects a decrease of <\$44,497>, which is less than a 1% decrease from the 2017/18 \$9,815,542 budgeted revenues. This is mainly due to a decrease in miscellaneous receipts. Total operating expenditures for 2018/19 are estimated to be at \$7,309,311, which is \$237,288 higher than 2017/18 budgeted expenses. This is due to projected increases in salary and benefit expenses 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 for the 2018/19 capital lease obligations to the university. The projected contribution to retained earnings at year end is \$3,971,236.

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

*Lisa Chavez* 6/12/18 Approved  Not Approved  Let's Discuss   
Lisa Chavez, VPA and CFO

*William A. Covino* Approved  Not Approved  Let's Discuss   
William A. Covino, President



**Cal State L.A. University Auxiliary Services, Inc.  
FY 2018/19 Operating Budget Proposal**

Description	FY 2016/17			FY 2018/19	\$ Change to	% Change to
	Year-End Actuals	FY 2017/18 Budget	FY 2017/18 Projection	Budget Proposal	FY 2018/19 Budget	FY 2018/19 Budget
<b>Unrestricted</b>						
<b>REVENUE</b>						
Food & Catering Revenue	\$ 4,396,581	\$ 4,026,800	\$ 4,110,119	\$ 4,075,000	\$ 48,200	1%
Less: Cost of Goods	(1,527,429)	(1,347,367)	(1,512,166)	(1,490,000)	(142,633)	11%
	2,869,152	2,679,433	2,597,953	2,585,000	(94,433)	-4%
Indirect Cost Revenue	2,305,902	2,195,000	2,206,299	2,325,000	130,000	6%
C&G Admin Recovery	188,598	150,000	150,127	150,000	-	0%
Commission Income	1,623,972	1,667,996	1,651,502	1,680,500	12,504	1%
Lease Income	1,549,827	1,589,787	1,589,438	1,574,395	(15,392)	-1%
Interest Income	45,240	36,000	37,368	36,000	-	0%
Child Care Center Revenue	624,375	617,650	573,802	587,650	(30,000)	-5%
Campus Program User's Fee	202,612	150,000	151,409	150,000	-	0%
Other Revenue	1,321,996	729,676	773,715	682,500	(47,176)	-6%
<b>Total Revenue</b>	<b>10,731,673</b>	<b>9,815,542</b>	<b>9,731,613</b>	<b>9,771,045</b>	<b>(44,497)</b>	<b>0%</b>
<b>EXPENSES</b>						
Salaries and Wages	2,739,154	2,926,508	2,992,262	3,145,675	219,167	7%
Benefits	526,820	1,172,210	1,114,539	1,276,015	103,805	9%
Audit/Legal	150,459	169,000	149,036	162,000	(7,000)	-4%
Contractual Services	627,126	578,275	669,051	588,275	10,000	2%
Supplies & Services	766,961	722,133	751,823	712,900	(9,233)	-1%
Utilities & Telephone	528,312	394,500	379,295	395,850	1,350	0%
Insurance Premiums	92,145	82,000	84,470	82,000	-	0%
Interest on capital lease	709,805	674,981	659,984	568,746	(106,235)	-16%
Bank Charges	103,659	104,200	147,796	132,600	28,400	27%
Repair & Maintenance	124,323	61,000	70,373	48,000	(13,000)	-21%
Lease & Rental	43,071	42,200	43,268	48,100	5,900	14%
Other Operating Expenses	145,697	145,016	134,588	149,150	4,134	3%
<b>Total Operating Exp.</b>	<b>6,557,531</b>	<b>7,072,023</b>	<b>7,196,483</b>	<b>7,309,311</b>	<b>237,288</b>	<b>3%</b>
<b>Gross Operating Income/(Loss)</b>	<b>4,174,142</b>	<b>2,743,519</b>	<b>2,535,131</b>	<b>2,461,734</b>	<b>(281,785)</b>	<b>-10%</b>
Campus Programs net, income/(expenses)	105,659	50,000	50,000	50,000	-	0%
<b>Net Operating Income/(Loss)</b>	<b>4,279,801</b>	<b>2,793,519</b>	<b>2,585,131</b>	<b>2,511,734</b>	<b>(281,785)</b>	<b>-10%</b>
<b>Non Cash Expenditures/(Revenue)</b>						
Depreciation & Amortization	1,187,434	1,187,270	1,192,978	1,190,498	3,228	0%
Deferred Building Maintenance Reserve*		0	400,000	400,000	400,000	
Reserve - Post Retirement Med	552,000	560,000	552,000	450,000	(110,000)	-20%
Rongxiang Xu Biospace construction pass-through**			(414,374)	(3,500,000)		
<b>Net Income/(Loss)</b>	<b>2,540,367</b>	<b>1,046,249</b>	<b>854,526</b>	<b>3,971,236</b>	<b>2,924,987</b>	<b>280%</b>
<b>Restricted</b>						
Contracts & Grants Revenue	23,155,984	24,000,000	24,515,000	25,800,000	1,800,000	8%
Contracts & Grants Expenditure	23,155,984	24,000,000	24,515,000	25,800,000	1,800,000	8%
	-	-	-	-	-	0%

Footnote:

\*Reserve for deferred maintenance of Golden Eagle building

\*\*Cash receipts from Foundation to cover the construction cost of the Rongxiang Xu building.