

CAL STATE L.A.
UNIVERSITY AUXILIARY SERVICES, INC.
BOARD OF DIRECTORS MEETING AGENDA

THE BOARD ROOM
(ZOOM MEETING)
THURSDAY, DECEMBER 10, 2020

BOARD MEETING.....11:30 AM – 12:30 PM

- I. CALL TO ORDERDR. GOMEZ
- II. APPROVAL OF 09/15/2020 MINUTES.....DR. GOMEZ
- III. EXECUTIVE DIRECTOR’S REPORT.....MR. MARJI
 - A. FINANCIAL REPORTS
 - B. CORPORATE TAX FORM 990 REVIEW
- IV. ACTION ITEM:
 - A. RESOLUTION, ESTABLISHING LOCAL AGENCY INVESTMENT FUND (LAIF).....MR. MARJI
- V. PUBLIC FORUM
- VI. ANNOUNCEMENTS
 - A. NEXT BOARD OF DIRECTORS MEETING: MARCH 18, 2021
- VII. ADJOURNMENT.....DR. GOMEZ

Commercial Services is developing a business plan for outside the campus business opportunities. Staff is meeting on a regular basis. Commercial Services is also partnering with Student Life to provide services for the Food Pantry.

In Sponsored Programs, about \$60M proposals were submitted and only \$15M were awarded. It is around 25% award rate compared to our average of 46-48%. In meetings with the College Deans, it was requested to review the processes of what is submitted and what is awarded. UAS is working on developing the data through Microsoft Power BI.

Mr. Marji stated that UAS is in the process of submitting a Paycheck Protection Program (PPP) Loan forgiveness application.

In Payroll, the employee application process was reviewed and the ADP system will be used to reduce the staff's paper burden and to automate the candidate selection process. It will be available to campus around mid to late October.

The LA BioSpace project is on target. The estimated opening date is late January to early February 2021.

V. AUDIT REPORT

Mr. Marji introduced the new auditing firm, CohnReznick. It is the first year CohnReznick is auditing UAS. Mr. Good presented the Audited Financial Statements.

The report states a clean or unmodified opinion. It is the highest level of assurance that CohnReznick can provide.

VI. ACTION ITEMS

A. AUDIT ACCEPTANCE

Ms. Ekshian moved, Ms. Williams second and motion carried to approve the Audited Financial Statements.

VII. PUBLIC FORUM

There was no public form at this time.

VIII. CONFLICT OF INTEREST STATEMENTS

Mr. Marji presented the Conflict of Interest Statement to the Board. Required by the Education Code Sections 89906-89909, the Statement needs to be signed by each Board member on an annual basis.

IX. ANNOUNCEMENTS

Next Board of Directors meeting is scheduled for Thursday, December 10, 2020.

X. ADJOURNMENT

Ms. Williams motioned, Dr. Scott-Johnson second and motioned was carried to adjourn the meeting at 3:20 pm.

Approved by the Board of Directors, December 10, 2020

JOYCE WILLIAMS, SECRETARY
UAS BOARD OF DIRECTORS

**Statement of Net Position
As of June 30, 2020**

LIABILITIES AND NET ASSETS

Long-term Debt Obligations - Current	194,000	211,200	(17,200)
Capital Lease Obligation- Current	985,000	985,000	-
Accounts payable	2,148,870	4,583,721	(2,434,851)
Accrued expenses	1,779,092	1,633,226	145,867
Deferred Revenue	7,622,881	5,329,023	2,293,858
Reserve for Disallowances	1,233,472	1,247,659	(14,188)
Deposits held in custody for others	433,104	408,707	24,397
Total current liabilities	14,396,420	14,398,536	(2,116)
Long-term Debt Obligations	5,614,600	5,618,600	(4,000)
Long-term Debt Obligations Premium	150,777	156,361	(5,584)
Postretirement Benefits	1,761,955	1,699,811	62,144
Capital Lease Payable	15,825,000	15,825,000	-
Capital Lease Premium	1,607,041	1,651,681	(44,640)
Total long-term liabilities	24,959,373	24,951,453	7,920
Unamortized Gain on Refunding	534,271	549,112	(14,841)
Unamortized gain on sale of property	137,953	141,584	(3,630)
Deferred Inflows on Other Post Employment Benefits	722,098	722,098	-
Total other liabilities	1,394,322	1,412,794	(18,471)
Fund Balance	13,038,412	13,447,553	(409,141)
Total Net Assets	13,038,412	13,447,553	(409,141)
Total liabilities and net assets	53,788,528	54,210,336	(421,805)

**Statement of Revenue, Expenses
and Change in Net Position
As of October 31, 2020**

Description	FY 2019/20	Current Year	FY 2020/21	Actual % of
	As of 10/31	Budget	As of 10/31	Budget As of Date
<u>Unrestricted</u>				
REVENUE				
Food & Catering Revenue	1,278,826	1,493,152	229,898	15%
Less: Cost of Goods	(435,536)	(512,332)	(89,315)	17%
	843,290	980,820	140,582	14%
Indirect Cost Revenue	713,563	1,795,987	790,645	44%
C&G Admin Recovery	56,393	164,694	92,967	56%
Commission Income	600,470	488,090	145,377	30%
Lease Income	589,829	1,713,136	592,384	35%
Interest Income	10,452	11,139	104,660	940%
Child Care Center Revenue	216,111	415,152	47,650	11%
Campus Program User's Fee	64,014	145,000	35,614	25%
LA BioLab Incubator	-	305,920	-	0%
Other Revenue	109,031	450,100	15,032	3%
Total Revenue	3,203,153	6,470,038	1,964,911	30%
EXPENSES				
Salaries and Wages	935,183	2,364,838	804,314	34%
Benefits	414,142	833,620	394,227	47%
Audit/Legal	126,281	52,680	26,080	50%
Contractual Services	259,617	542,819	156,631	29%
Supplies & Services	221,653	391,416	69,930	18%
Utilities & Telephone	173,451	363,000	131,401	36%
Insurance Premiums	(42)	110,000	9,961	9%
Interest on capital lease	264,974	910,750	249,542	27%
Bank Charges	35,866	81,202	13,216	16%
Repair & Maintenance	80,543	113,875	13,350	12%
Lease & Rental	13,854	112,320	2,872	3%
Other Operating Expenses	44,640	133,827	8,844	7%
Total Operating Exp.	2,570,163	6,010,347	1,880,369	31%
Gross Operating Income/(Loss)	632,991	459,691	84,542	18%
Campus Programs net, income/(expenses)	56,262	50,000	40,082	80%
Net Operating Income/(Loss)	689,253	509,691	124,624	24%
Non Cash Expenditures				
Depreciation & Amortization	374,723	1,111,598	374,573	34%
Grants and Contracts depreciation	-	-	159,192	0%
Deferred Building Maintenance Reserve	-	175,000	-	-
LA BioSpace Construction Pass-through**	(25,887)	-	-	0%
Reserve - Post Retirement Med	-	87,513	-	0%
Net Income/(Loss)	340,416	(689,394)	(409,141)	59%
<u>Restricted</u>				
Contracts & Grants Revenue	8,933,378	19,000,000	7,287,429	38%
Contracts & Grants Expenditure	9,030,489	19,000,000	7,287,429	38%
	(97,111)	-	-	-

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
Statement of Cash Flows
As of October 31, 2020

31-Oct-20

Cash flows from operating activities:

Change in net assets (409,141)

**Adjustment to reconcile change in net assets
to net cash provided by operating activities:**

Change in Accumulated Depreciation 523,768

Change in operating assets and liabilities:

Accounts receivable and other assets 3,506,123

Accounts payable and other liabilities (2,339,638)

Deferred revenue and reserve for disallowance 2,279,671

Net cash provided by (used in) operating activities 3,560,782

Cash Flow from capital and related financing activities:

Acquisition of Capital Assets (27,001)

Proceeds from long-term debt -

Interest paid on capital debt and leases 68,500

Principal paid on capital debt and leases (21,200)

Net cash provided by (used in) financing activities 20,299

Cash Flow from investment activities:

Investment in CSU Pool 360

Reinvestment of Investment Income (104,660)

Proceeds from Interest Income and sale of investment -

Net cash provided by (used in) investment activities (104,300)

Net increase/(decrease) in cash and cash equivalents 3,476,781

Cash and cash equivalents, beginning of year 8,069,233

Cash and cash equivalents, end of year 11,546,014

Lease & Commission Revenue Details
As of October 31, 2020

	FY 2019/20	Current Year	FY 2020/21	Available Budget	Actual %
<u>Commission Income</u>					
Bookstore	265,521	250,500	144,602	105,898	58%
Starbucks	38,369	25,400	-	25,400	0%
Golden Eagle Express	2,413	1,990	-	1,990	0%
Metro	4,583	4,300	-	4,300	0%
Café 47	30,055	30,200	-	30,200	0%
Carl's Jr	40,136	34,000	-	34,000	0%
El Pollo Loco	45,661	31,000	-	31,000	0%
Johnny's Kitchen	19,830	15,100	-	15,100	0%
Kikka	21,737	14,300	-	14,300	0%
Juice It Up	22,894	16,900	-	16,900	0%
Sbarro's	32,112	32,300	-	32,300	0%
First Class Vending	19,046	15,200	-	15,200	0%
Every Table	29,086	16,900	-	16,900	0%
Misc. Commission	29,027	-	775	(775)	0%
Total Commission Income	600,470	488,090	145,377	342,713	30%
<u>Lease Income</u>					
Extended Education	156,293	468,900	156,293	312,607	33%
Service Center/One Card	21,197	63,600	21,197	42,403	33%
Pat Brown Institute	31,928	95,800	31,928	63,872	33%
Ballroom rental	130,625	394,759	130,625	264,134	33%
Room Rental - FCU	15,732	47,197	12,578	34,619	27%
ATM - FCU	7,214	21,382	7,383	13,999	35%
ATM - Bank of America	-	13,045	4,348	8,697	33%
ATM - Wells Fargo	4,707	12,895	4,825	8,070	37%
TVFM Building	188,083	423,178	188,083	235,095	44%
AT&T Cell Tower Lease	15,353	58,700	15,814	42,886	27%
T Mobile	14,061	58,880	19,311	39,569	33%
Verizon	4,635	54,800	-	54,800	0%
Total Lease Income	589,829	1,713,136	592,384	1,120,752	38%

RESOLUTION
AUTHORIZING INVESTMENT OF MONIES
IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Cal State LA University Auxiliary Services Inc. (“UAS”) hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the UAS;

NOW THEREFORE, BE IT RESOLVED, that the Board of Cal State LA University Auxiliary Services Inc. hereby authorizes the deposit and withdrawal of UAS monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following UAS officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

<u>Tariq Marji</u>	<u>Lisa Chavez</u>	<u>Joyce Williams</u>	<u>Jason Barsana</u>	<u>Ernesto Argumaniz</u>
(Name)	(Name)	(Name)	(Name)	(Name)
<u>Executive Director</u>	<u>VP for Admin. & Finance and CFO</u>	<u>AVP for Financial Services</u>	<u>Jr. Financial Analyst</u>	<u>Corporate Contracts Manager</u>
(Title)	(Title)	(Title)	(Title)	(Title)
_____	_____	_____	_____	_____
(Signature)	(Signature)	(Signature)	(Signature)	(Signature)

Section 2. This resolution shall remain in full force and effect until rescinded by the Board of Cal State LA University Auxiliary Services Inc. by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

* * * * *

I, Joyce Williams, Secretary of Cal State LA University Auxiliary Services Inc., incorporated under the laws of the State of California, hereby certify that the foregoing is a true copy of a resolution duly adopted by the Executive Committee of Board of Directors of said Corporation at a meeting duly held December 10, 2020, at which a quorum was present and voting, and that the same has not been repealed or amended, and remains in full force and effect and does not conflict with the Bylaws of said Corporation.

SECRETARY