



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB F

November 20, 2020

## Annual Auxiliary Enterprise Operations Report

Board [Policy R550, Auxiliary Enterprises Operation and Accountability](#), requires the Commissioner's office to prepare an analysis of the financial condition of auxiliary enterprises at each USHE degree-granting institution for Board review and monitoring. Technical colleges also operate limited auxiliary services that will be presented to the Board separately after a policy update and an internal audit. Auxiliary enterprises are business activities or other essential self-supporting activities designed to provide specific services to students, faculty, staff, or guests of the institution.

Fiscal Year 2019-20 fund balances appear healthy, with all institutions reporting positive ending balances despite declines from lost services due to COVID-19 in the last quarter of the fiscal year. Fiscal year 2020-21 budget projections demonstrate the continuing challenge all auxiliaries face from reduced revenues and indeterminate expenses. The attached report summarizes revenues, expenditures, and fund balances for all degree-granting auxiliary enterprises (listed in [Board Policy R550](#)) and provides further detail on the four most common auxiliary enterprises:

*Campus Stores* — provides textbooks, clothing, technology, and general merchandise. In 2019-20, five of the eight degree-granting institutions had decreased income, with revenues declining 7% and expenditures declining 4%.

*Housing* — institutional owned housing. For 2019-20, all degree-granting institutions have a positive net income but also show declining revenues and increased expenditures. UVU and SLCC do not operate campus housing.

*Food Service* — campus dining, catering, convenience stores, meal plans, etc. In 2019-20, five of the eight degree-granting institutions had negative net income, with total revenues declining 22% and expenditures declining 15%.

*Student Center* — student recreation, socialization, activities, and related services. For 2019-20, net income at five of the seven degree-granting institutions was positive, with total revenue declining 6% and expenditures 5%. Snow College does not operate a student center.

### Commissioner's Recommendation

This is an information item only; no action is required.

### Attachment:

UTAH SYSTEM OF HIGHER EDUCATION

MEMORANDUM

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**UTAH SYSTEM OF HIGHER EDUCATION**  
**Report of Total Auxiliary Enterprise Operations (2019-20 Actuals)**

	<u>UU</u>	<u>USU</u>	<u>WSU</u>	<u>SUU</u>	<u>SNOW</u>	<u>DSU</u>	<u>UVU</u>	<u>SLCC</u>
Beg Fund Balance <sup>1</sup>	\$ 4,248,496	\$ 217,045	\$ 5,169,042	\$ 1,765,219	\$ 293,750	\$ 2,148,820	\$ 3,055,596	\$ 1,077,919
Revenues	138,524,085	41,674,799	16,432,598	8,269,578	3,760,270	7,940,955	17,319,765	2,970,319
Expenditures	(137,773,114)	(33,765,569)	(14,934,922)	(5,562,484)	(2,817,803)	(6,594,654)	(17,783,095)	(2,638,480)
Net Income	750,971	7,909,230	1,497,676	2,707,094	942,467	1,346,301	(463,330)	331,839
Transfers	(1,278,642)	(8,115,418)	(1,384,178)	(2,707,094)	(1,233,790)	(1,492,979)	463,330	149,781
Change in Fund Balance	(527,671)	(206,188)	113,498	-	(291,323)	(146,678)	-	481,620
End Fund Balance	<u>\$ 3,720,825</u>	<u>\$ 10,857</u>	<u>\$ 5,282,540</u>	<u>\$ 1,765,219</u>	<u>\$ 2,427</u>	<u>\$ 2,002,142</u>	<u>\$ 3,055,596</u>	<u>\$ 1,559,539</u>

<sup>1</sup> It should be noted that the Fund Balance includes cash, inventories, etc. related to running/maintaining Auxiliary Enterprise Operations.

**UTAH SYSTEM OF HIGHER EDUCATION**  
**Report of Total Auxiliary Enterprise Operations (2020-21 Budgets)**

	<u>UU</u>	<u>USU</u>	<u>WSU</u>	<u>SUU</u>	<u>SNOW</u>	<u>DSU</u>	<u>UVU</u>	<u>SLCC</u>
Beg Fund Balance <sup>1</sup>	\$ 3,938,825	\$ 10,857	\$ 5,282,540	\$ 1,765,219	\$ 2,427	\$ 2,002,142	\$ 3,055,596	\$ 1,559,538
Revenues	128,800,305	44,733,301	17,450,645	7,926,584	4,245,500	8,460,000	13,293,077	2,050,500
Expenditures	<u>(141,843,722)</u>	<u>(34,708,669)</u>	<u>(17,433,508)</u>	<u>(4,966,044)</u>	<u>(2,807,500)</u>	<u>(7,000,000)</u>	<u>(12,833,998)</u>	<u>(2,402,170)</u>
Net Income	(13,043,417)	10,024,632	17,137	2,960,540	1,438,000	1,460,000	459,079	(351,670)
Transfers	<u>11,755,955</u>	<u>(9,960,620)</u>	-	<u>(3,084,756)</u>	<u>(1,120,000)</u>	<u>(1,335,000)</u>	<u>(459,079)</u>	<u>293,475</u>
Change in Fund Balance	<u>(1,287,462)</u>	<u>64,012</u>	<u>17,137</u>	<u>(124,216)</u>	<u>318,000</u>	<u>125,000</u>	<u>-</u>	<u>(58,195)</u>
End Fund Balance	<u>\$ 2,651,363</u>	<u>\$ 74,869</u>	<u>\$ 5,299,677</u>	<u>\$ 1,641,003</u>	<u>\$ 320,427</u>	<u>\$ 2,127,142</u>	<u>\$ 3,055,596</u>	<u>\$ 1,501,343</u>

<sup>1</sup> It should be noted that the Fund Balance includes cash, inventories, etc. related to running/maintaining Auxiliary Enterprise Operations.

## UTAH SYSTEM OF HIGHER EDUCATION

### Auxiliary Enterprise Operations Comparisons of Totals (FY 2019 to FY 2020)

	UU				USU				WSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 149,949,078	\$ 138,524,085	\$ (11,424,993)	-8%	\$ 47,556,341	\$ 41,674,799	\$ (5,881,542)	-12%	\$ 18,638,202	\$ 16,432,598	\$ (2,205,604)	-12%
Expenditures	(141,513,474)	(137,773,114)	3,740,360	-3%	(35,694,352)	(33,765,569)	1,928,783	-5%	(16,360,084)	(14,934,922)	1,425,162	-9%
Net Income	8,435,604	750,971	(7,684,633)	-91%	11,861,989	7,909,230	(3,952,759)	-33%	2,278,118	1,497,676	(780,442)	-34%
End Fund Bal	\$ 3,819,848	\$ 3,720,825	\$ (99,023)		\$ 217,046	\$ 10,857	\$ (206,189)		\$ 5,169,042	\$ 5,282,540	\$ 113,498	

  

	SUU				SNOW				DSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 8,745,837	\$ 8,269,578	\$ (476,259)	-5%	\$ 3,974,782	\$ 3,760,270	\$ (214,512)	-5%	\$ 8,619,491	\$ 7,940,955	\$ (678,536)	-8%
Expenditures	(5,527,094)	(5,562,484)	(35,390)	1%	(4,180,168)	(2,817,803)	1,362,365	-33%	(7,096,422)	(6,594,654)	501,768	-7%
Net Income	3,218,743	2,707,094	(511,649)	-16%	(205,386)	942,467	1,147,853	559%	1,523,069	1,346,301	(176,768)	-12%
End Fund Bal	\$ 1,765,219	\$ 1,765,219	\$ -		\$ 193,060	\$ 2,427	\$ (190,633)		\$ 2,148,820	\$ 2,002,142	\$ (146,678)	

  

	UVU				SLCC				Total			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 18,716,825	\$ 17,319,765	\$ (1,397,060)	-7%	\$ 4,905,401	\$ 2,970,319	\$ (1,935,082)	-39%	\$ 261,105,957	\$ 236,892,369	\$ (24,213,588)	-9%
Expenditures	(17,722,762)	(17,783,095)	(60,333)	0%	(4,629,595)	(2,638,480)	1,991,025	-43%	\$ (232,723,861)	\$ (221,870,121)	10,853,740	-5%
Net Income	994,063	(463,330)	(1,457,393)	-147%	275,896	331,839	55,943	20%	28,382,096	15,022,248	(13,359,848)	-47%
End Fund Bal	\$ 3,055,596	\$ 3,055,596	\$ (0)		\$ 1,077,920	\$ 1,559,539	\$ 481,619		\$ 17,446,551	\$ 17,399,145	\$ (47,406)	

# UTAH SYSTEM OF HIGHER EDUCATION

## Campus Store Auxiliary Enterprise Operations Comparisons (FY 2019 to FY 2020)

	UU				USU				WSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 23,439,428	\$ 23,349,555	\$ (89,873)	0%	\$ 8,929,158	\$ 8,783,031	\$ (146,127)	-2%	\$ 9,288,882	\$ 8,298,479	\$ (990,403)	-11%
Expenditures	(23,761,399)	(23,928,495)	(167,096)	1%	(8,650,587)	(8,954,059)	(303,472)	4%	(9,243,576)	(8,445,717)	797,859	-9%
Net Income	\$ (321,971)	\$ (578,940)	(256,969)		\$ 278,571	\$ (171,028)	(449,599)		\$ 45,306	\$ (147,238)	(192,544)	

  

	SUU				SNOW				DSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 2,902,998	\$ 2,903,005	\$ 7	0%	\$ 361,168	\$ 392,469	\$ 31,301	9%	\$ 3,549,179	\$ 3,133,710	\$ (415,469)	-12%
Expenditures	(3,000,568)	(2,844,276)	156,292	-5%	(442,398)	(411,742)	30,656	-7%	(3,300,579)	(2,994,624)	305,955	-9%
Net Income	\$ (97,570)	\$ 58,729	156,299		\$ (81,230)	\$ (19,273)	61,957		\$ 248,600	\$ 139,086	(109,514)	

  

	UVU				SLCC				Total			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 9,497,419	\$ 8,911,865	\$ (585,554)	-6%	\$ 2,101,328	\$ 379,014	\$ (1,722,314)	-82%	\$ 60,069,560	\$ 56,151,128	\$ (3,918,432)	-7%
Expenditures	(9,540,595)	(9,781,295)	(240,700)	3%	(1,844,821)	(229,533)	1,615,288	-88%	\$ (59,784,523)	\$ (57,589,741)	2,194,782	-4%
Net Income	\$ (43,176)	\$ (869,430)	(826,254)		\$ 256,507	\$ 149,481	(107,026)		\$ 285,037	\$ (1,438,613)	(1,723,650)	

# UTAH SYSTEM OF HIGHER EDUCATION

## Housing Auxiliary Enterprise Operations Comparisons (FY 2019 to FY 2020)

	UU				USU				WSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 51,395,474	\$ 49,300,991	\$ (2,094,483)	-4%	\$ 16,335,715	\$ 15,472,311	\$ (863,404)	-5%	\$ 5,221,245	\$ 4,819,116	\$ (402,129)	-8%
Expenditures	(46,183,151)	(47,031,261)	(848,110)	2%	(8,141,574)	(8,547,152)	(405,578)	5%	(3,209,064)	(3,235,707)	(26,643)	1%
Net Income	\$ 5,212,323	\$ 2,269,730	(2,942,593)		\$ 8,194,141	\$ 6,925,159	(1,268,982)		\$ 2,012,181	\$ 1,583,409	(428,772)	

  

	SUU				SNOW				DSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 2,571,056	\$ 2,160,174	\$ (410,882)	-16%	\$ 2,073,885	\$ 2,208,813	\$ 134,928	7%	\$ 2,345,817	\$ 2,351,797	\$ 5,980	0%
Expenditures	(1,013,167)	(1,073,218)	(60,051)	6%	(954,276)	(994,611)	(40,335)	4%	(976,918)	(1,043,351)	(66,433)	7%
Net Income	\$ 1,557,889	\$ 1,086,956	(470,933)		\$ 1,119,609	\$ 1,214,202	94,593		\$ 1,368,899	\$ 1,308,446	(60,453)	

  

	UVU				SLCC				Total			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	No Housing				No Housing				\$ 74,721,947	\$ 71,494,086	\$ (3,227,861)	-4%
Expenditures	No Housing				No Housing				\$ (57,269,086)	\$ (58,689,593)	(1,420,507)	2%
Net Income	No Housing				No Housing				\$ 17,452,861	\$ 12,804,493	(4,648,368)	

# UTAH SYSTEM OF HIGHER EDUCATION

## Food Services Auxiliary Enterprise Operations Comparisons (FY 2019 to FY 2020)

	UU				USU				WSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 16,181,000	\$ 11,250,000	\$ (4,931,000)	-30%	\$ 10,723,313	\$ 9,473,323	\$ (1,249,990)	-12%	\$ 209,832	\$ 111,051	\$ (98,781)	-47%
Expenditures	(15,553,000)	(11,468,000)	4,085,000	-26%	(10,369,686)	(10,323,478)	46,208	0%	(183,223)	(102,651)	80,572	-44%
Net Income	\$ 628,000	\$ (218,000)	(846,000)		\$ 353,627	\$ (850,155)	(1,203,782)		\$ 26,609	\$ 8,400	(18,209)	

  

	SUU				SNOW				DSU			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 381,589	\$ 303,145	\$ (78,444)	-21%	\$ 1,210,479	\$ 938,666	\$ (271,813)	-22%	\$ 2,322,979	\$ 2,034,288	\$ (288,691)	-12%
Expenditures	(304,359)	(307,386)	(3,027)	1%	(1,263,082)	(1,212,078)	51,004	-4%	(2,381,878)	(2,026,970)	354,908	-15%
Net Income	\$ 77,230	\$ (4,241)	(81,471)		\$ (52,603)	\$ (273,412)	(220,809)		\$ (58,899)	\$ 7,318	66,217	

  

	UVU				SLCC				Total			
	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change	2018-19	2019-20	\$ Change	% Change
Revenues	\$ 3,843,823	\$ 3,029,595	\$ (814,228)	-21%	\$ 1,213,648	\$ 913,477	\$ (300,171)	-25%	\$ 36,086,663	\$ 28,053,545	\$ (8,033,118)	-22%
Expenditures	(3,421,968)	(3,010,118)	411,850	-12%	(1,185,480)	(1,073,595)	111,885	-9%	\$ (34,662,676)	\$ (29,524,276)	5,138,400	-15%
Net Income	\$ 421,855	\$ 19,477	(402,378)		\$ 28,168	\$ (160,118)	(188,286)		\$ 1,423,987	\$ (1,470,731)	(2,894,718)	

# UTAH SYSTEM OF HIGHER EDUCATION

## Student Center Auxiliary Enterprise Operations Comparisons (FY 2019 to FY 2020)

	UU				USU				WSU			
	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%
Revenues	\$ 3,672,291	\$ 3,524,233	\$ (148,058)	-4%	\$ 3,072,958	\$ 2,803,164	\$ (269,794)	-9%	\$ 2,940,619	\$ 2,191,959	\$ (748,660)	-25%
Expenditures	(4,018,215)	(3,835,566)	182,649	-5%	(1,802,986)	(1,881,297)	(78,311)	4%	(2,791,736)	(2,174,047)	617,689	-22%
Net Income	\$ (345,924)	\$ (311,333)	34,591		\$ 1,269,972	\$ 921,867	(348,105)		\$ 148,883	\$ 17,912	(130,971)	

  

	SUU				SNOW				DSU			
	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%
Revenues	\$ 2,890,194	\$ 2,903,254	\$ 13,060	0%	No Student Center				\$ 401,516	\$ 421,160	\$ 19,644	5%
Expenditures	(1,209,000)	(1,337,604)	(128,604)	11%	No Student Center				(437,047)	(529,710)	(92,663)	21%
Net Income	\$ 1,681,194	\$ 1,565,650	(115,544)		No Student Center				\$ (35,531)	\$ (108,550)	(73,019)	

  

	UVU				SLCC				Total			
	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%	2018-19	2019-20	\$ Change	%
Revenues	\$ 2,136,518	\$ 2,173,883	\$ 37,365	2%	\$ 1,590,425	\$ 1,677,827	\$ 87,402	5%	\$ 16,704,521	\$ 15,695,480	\$ (1,009,041)	-6%
Expenditures	(2,132,053)	(2,136,996)	(4,943)	0%	(1,599,204)	(1,335,352)	263,852	-16%	\$ (13,990,241)	\$ (13,230,572)	759,669	-5%
Net Income	\$ 4,465	\$ 36,887	32,422		\$ (8,779)	\$ 342,475	351,254		\$ 2,714,280	\$ 2,464,908	(249,372)	