

University of Houston System
Auxiliary Services FY22 Projections as of September 9, 2021

	FY21	FY22	
Revenue	Projections	Budget	
Food Service Commission	\$ (670,466)	\$ (5,479,502)	
Signing Bonus	(4,125,000)	-	
Vending Commission	(213,176)	(490,202)	
Bookstore Commission	(916,862)	(1,092,476)	
Rent	(104,586)	(55,000)	
Fixed Payments (Chartwells)	(232,500)	(1,350,000)	
Other Revenue	(72,107)	(100,000)	
Total Revenue	\$ (6,334,697)	\$ (8,567,180)	91%
Fixed Expenses			
Debt Service	\$ 1,171,076	\$ 1,193,482	
Rent			
Utilities	\$ 338,988	\$ 867,143	
Total Fixed Expenses	\$ 1,510,064	\$ 2,060,625	93%
Variable Expenses			
S&W	\$ 637,434	\$ 596,641	
Benefits	188,701	190,950	
Required Brand refreshes, capital needs	216,112	1,291,250	
M&O	2,800,724	3,438,153	
Other (Cost Recovery)	331,927	355,000	
Total Variable Expenses	\$ 4,174,898	\$ 5,516,994	78%
Net Income	(649,735.22)	(989,561.00)	
Beginning Fund Equity	(1,225,074.55)	(1,292,668.58)	
Transfers from equity	542,442.00	83,335.00	
Ending Equity	\$ (1,332,368)	\$ (2,198,895)	141%

This is a work in progress working with available information.

Most of the UHS auxiliary operations are not tracking all of their associated expenses in cost centers or programs connected to the auxiliary operation revenue.

One way that we corrected this with public art is created "mirror" cost centers across the UH System for ease of tracking budgeted revenue and expenses.

Having consistent reporting will help UHS Auxiliary Services negotiate with better estimates in mind across the UH System and help us make better, long-term decisions.

Some UHS universities have a practice of "sweeping" available auxiliary equity, putting the auxiliary at risk for future investment in the program.

UHV is the most at-risk with a deficit balance of almost \$1 million

For those UHS universities with national brands (Starbucks and Chick-Fil-A), there needs to be a set-aside cash of at least \$100,000 per year for brand refreshes. Brand refreshes range anywhere from \$400,000-\$500,000 in today's dollars every 5 years.

91% of auxiliary revenue is generated at UH.

93% of fixed auxiliary expenses occur at UH.

78% of variable auxiliary expenses occur at UH.

155% of UHS auxiliary cash is held at UH

3/4 UHS auxiliary operations were profitable in 2021.

3/4 UHS auxiliary operations are expected to be profitable in 2022.

UHCL should have money to reinvest next year in the program, now would be a good time to get all of the expenses included

University of Houston
Auxiliary Services FY22 Projections as of September 9, 2021

	FY21	FY22
Revenue	Projections	Budget
Food Service Commission	\$ (648,860)	\$ (5,389,502)
Signing Bonus	(4,030,834.00)	-
Vending Commission	(166,834.00)	(379,500.00)
Bookstore Commission	(533,415.00)	(650,000.00)
Rent	(104,586.00)	(55,000.00)
Fixed Payments (Chartwells)	(232,500.00)	(1,350,000.00)
Other Revenue	(56,319.00)	(100,000.00)
Total Revenue	\$ (5,773,348)	\$ (7,924,002)
Fixed Expenses		
Debt Service	\$ 1,142,288	\$ 1,164,694
Rent		
Utilities	\$ 260,364	\$ 755,000
Total Fixed Expenses	\$ 1,402,652	\$ 1,919,694
Variable Expenses		
S&W	500,320	473,564
Benefits	147,876	155,247
Required Brand refreshes, capital needs	-	1,200,000
M&O	2,606,637	3,284,401
Total Variable Expenses	\$ 3,254,833	\$ 5,113,212
Net Income	(1,115,863)	(891,096)
Beginning Fund Equity	(1,279,405)	(1,880,259)
Transfers from equity	515,009	83,335
Ending Equity	\$ (1,880,259)	\$ (2,688,020)

**University of Houston-Downtown
Auxiliary Services FY21/FY22 Projections**

		FY21	FY22	FY22
Revenue		Projections	Budget	Notes
	Food Service Commission	\$ (10,000)	\$ (90,000)	67% of FY19 retail and catering commission
	Signing Bonus	\$ (34,978)	\$ -	
	Vending Commission	(18,228)	\$ (75,000)	90% of FY19 commission
	Bookstore Commission	(180,391)	\$ (210,000)	78% of FY19 commission
	Rent	-	\$ -	
	Fixed Payments (Chartwells)	-	\$ -	
	Other Revenue	-	\$ -	
	Total Revenue	(243,597)	\$ (375,000)	
Fixed Expenses				
	Debt Service	-	\$ -	
	Rent	-	\$ -	
	Utilities	49,791	\$ 82,138	
	Total Fixed Expenses	49,791	\$ 82,138	
Variable Expenses				
	S&W	58,980	\$ 62,490	Not tracked in auxiliary cost center
	Benefits	17,694	\$ 18,747	
	Required Brand refreshes, capital needs	-	\$ -	
	M&O	50,000	\$ 50,000	
	Total Variable Expenses	126,674	\$ 131,237	
	Net Income	(67,132)	\$ (161,625)	
	Beginning Fund Equity	-		No actual equity; any funds are transferred out each year to other cost centers.
	Transfers from equity	27,433		
	Ending Equity	\$ (39,699)	\$ (161,625)	

Per Mary Torres: Any ending balance is swept at the end of the year.

**University of Houston-Clear Lake
Auxiliary Services FY21/FY22 Projections**

		FY21	FY22	FY22
Revenue		Projections	Budget	Notes
	Food Service Commission	\$ -	\$ -	Hoping for a break even in FY22
	Signing Bonus (Chartwells/Coke)	\$ (30,987)	\$ -	
	Vending Commission	(15,925)	\$ (16,722)	
	Bookstore Commission	(126,310)	\$ (132,626)	
	Rent	-	\$ -	
	Fixed Payments (Chartwells)	-	\$ -	
	Other Revenue	-	\$ -	"Other Revenue" is not from AS
	Total Revenue	(173,222)	\$ (149,348)	
Fixed Expenses				
	Debt Service	-	\$ -	
	Rent	-	\$ -	
	Utilities	-	\$ -	AS not charged for utilities
	Total Fixed Expenses	-	\$ -	
Variable Expenses				
	S&W	35,784	\$ 16,475	Not tracked in auxiliary cost center
	Benefits	10,416	3,722.00	
	Required Brand refreshes, capital needs	193,773	80,000.00	
	M&O	23,462	30,902.00	
	Total Variable Expenses	263,435	\$ 131,099	
	Net Income	90,214	\$ (18,249)	
	Beginning Fund Equity	(302,374)	\$ (212,160)	
	Transfers from equity	-	\$ -	
	Ending Equity	\$ (212,160)	\$ (230,409)	

University of Houston-Victoria
Auxiliary Services FY21/FY22 Projections

		FY21	FY22	FY22
Revenue		Projections	Budget	Notes
	Food Service Commission	\$ (11,606)	\$ -	
	Signing Bonus (Chartwells and Coke)	\$ (28,201)	-	
	Vending Commission	(12,189)	(18,980)	
	Bookstore Commission	(76,746)	(99,850)	
	Rent	-	-	
	Fixed Payments (Chartwells)	-	-	
	Other Revenue	(15,788)	-	
	Total Revenue	(144,530)	(118,830)	
Fixed Expenses				
	Debt Service	28,788	28,788	
	Rent	-	-	
	Utilities	28,833	30,005	
	Total Fixed Expenses	57,621	58,793	
Variable Expenses				
	Chartwells Cost Recovery	331,927	355,000	
	S&W	42,350	44,112	Not tracked in auxiliary cost center
	Benefits	12,715	13,234	
	Required Brand refreshes, capital needs	22,339	11,250	
	M&O	120,625	72,850	
	Total Variable Expenses	529,956	141,446	
	Net Income	443,046	81,409	
	Beginning Fund Equity	356,704	799,750	
	Transfers from equity			
	Ending Equity	799,750	881,159	