

FY 2021 Proposed Auxiliary Activity Budgets

Recommendation for Board Action

It is recommended that the Board of Governors approve the proposed FY 2021 budgets for the auxiliary activity units summarized in this document and detailed in the FY 2021 Current Funds Budget book. Total auxiliary activities revenue and expenditures are as follows (dollars in thousands):

Category	FY 2020 Approved Budget	FY 2020 Projected Actual	FY 2021 Proposed Budget
REVENUES			
Beginning Net Assets	\$3,458.2	\$5,388.2	\$4,159.5
Operating Revenue			
Student Tuition and Fees	\$6,056.5	\$6,056.5	\$6,056.5
Auxiliary Revenues	\$27,770.9	\$19,601.8	\$17,523.3
----- Total Operating Revenue	\$33,827.4	\$25,658.3	\$23,579.8
Non-Operating Revenues			
Gifts	\$2,400.0	\$2,300.2	\$2,540.0
Other	\$3,752.1	\$3,308.3	\$1,569.8
----- Total Non-Operating Revenues	\$6,152.1	\$5,608.5	\$4,109.8
TOTAL REVENUES	\$39,979.5	\$31,266.8	\$27,689.6
EXPENDITURES AND TRANSFERS			
Auxiliary Enterprises			
Compensation	\$13,635.6	\$12,229.6	\$11,228.8
Operating Expenses	\$16,389.1	\$13,809.0	\$13,125.8
----- Expenditures	\$30,024.7	\$26,038.6	\$24,354.6
Transfers Out/(In)			
Debt Service	\$6,951.9	\$6,951.9	\$6,918.0
Plant & Other	\$5,373.2	\$1,390.7	\$1,376.9
General Fund Support	(\$1,885.7)	(\$1,885.7)	(\$1,803.1)
----- Subtotal Transfers	\$10,439.4	\$6,456.9	\$6,491.8
TOTAL EXPENDITURES AND TRANSFERS	\$40,464.1	\$32,495.5	\$30,846.4
Operating Surplus / (Deficit)	(\$484.6)	(\$1,228.7)	(\$3,156.8)
Ending Net Assets	\$2,973.6	\$4,159.5	\$1,002.7

Note: General Fund Support is now shown as a transfer item.

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October 30, 2020

Page 2

Background

The University's auxiliary operations consist of twelve units that provide non-academic essential services to students, faculty, staff, other institutional departments and to the community. Auxiliary activities are characterized by two primary elements: auxiliaries are essentially self-supported and generate revenue based on or related to the cost of the goods and services they provide. For the purposes of this document, auxiliary activities include WDET-FM; a unit categorized as an independent operation operated by Wayne State but not established to provide services to students, faculty or staff. Detailed financial schedules and supporting material for each unit are shown in the FY 2021 Current Funds budget book. Those financial schedules are attached, by reference, to this Board resolution.