

**UNIVERSITY OF GUELPH**  
**UNIVERSITY CENTRE ADMINISTRATION**  
**2014/2015 BUDGET**

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**UNIVERSITY CENTRE ADMINISTRATION  
2014/2015 BUDGET**

**INTRODUCTION**

The University Centre is aware of the financial constraints facing the University this fiscal year and the need to control expenditures to achieve the 2014/2015 fiscal requirements. This budget reflects the style of management which will enable the University Centre to continue as a viable entity. The University Centre Board reports to the Board of Governors and is operated on a cost recovery basis. The University Centre utilizes standard commercial principles in its business operations, and applies contribution towards non-profit events that enhance the University community life. Its organizations and services offered are outlined below.

**OPERATIONAL SUMMARY**

Operationally, the University Centre reports through a University Centre Board of 20 members. This Board has a direct reporting relationship to the University's Board of Governors.

The Directorate's overall purpose is to be the focus for the University as a community, providing those social, recreational and cultural activities that are not normally provided through the academic curriculum or other University services. To accomplish this, the University Centre provides services through the management and operations of the following functional areas.

Brass Taps - A fully licensed lounge, licensed under the Alcohol and Gaming Commission of Ontario with a seating capacity of 500.

Programming/University Centre Events - Entertainment and cultural events, including Fairs, initiated and run by the University Centre.

Director's Office and Administration - Administrative support for the Directorate.

Building Management - Leases and services including room reservations and locker rentals in addition to managing the physical aspects of the building.

**BUDGET YEAR 2013/2014 (Forecast to Budget Comparison)**

This has been a successful year for the University Centre in financial terms. Overall, revenues are anticipated to be some \$71,000 above budget, due to an increase in revenues from Brass Taps and other miscellaneous revenues. The increase of \$65,000 in the Brass Taps is attributed to improved marketing strategies and a greater emphasis on food, which resulted in greater student participation. Other revenues are up by \$6,000 due to higher room rentals, and performance and shows.

The variances in expenditure line items are reflective of increased revenues. Cost of Materials and Personnel costs are higher by \$28,000 and \$20,000 respectively reflecting an increase in revenues. Operating Costs are some \$25,000 higher due to increased revenues and performers fees. Renovations are higher by \$20,000 owing to acquisition of new furniture and fixtures in Brass Taps. Overall, total Expenditures are projected to be \$88,000 higher than the budgeted level.

Deficit before Net Transfers is projected to be \$219,000 and after Net Transfers of \$260,000, the projected Increase in Fund Balance is \$41,000 compared to a budgeted Increase in Fund Balance of \$28,000 or \$13,000 better than budget.

### **BUDGET YEAR 2014/2015**

The Budget Year 2014/2015 will be similar to the current fiscal year's experience. The number of registered students will approximate the current year.

Price increases for goods and services offered will be based on increased operating costs. Operating costs, other than labour, are expected to increase in the 2-3% range. Full-time salaries and benefits will increase in accordance with the collective agreements with employee groups while part-time wages will increase based on minimum wage legislation. Renovations are budgeted at \$90,000. The net result of these assumptions will be a deficit of \$260,000 before Net Transfers and a final surplus of \$30,000 after Net Transfers of \$290,000 are considered.

### **2014/2015 BUDGET ASSUMPTIONS**

#### **REVENUES (\$2,580,000)**

##### Brass Taps (\$1,345,000)

Prices to increase based on increase in product, labour and other operating costs. In addition, entertainment programming will continue to be strengthened. The emphasis on increasing food sales will continue given this year's success and the number of first-year students who are under the drinking age.

##### Other Revenue (\$1,235,000)

Student numbers to remain constant while fees increase 1%.

Lease rates to increase 2%, Room Rental revenues to remain constant.

Event Ticket Sales to be competitive with an emphasis on events that generate positive contribution levels.

**EXPENDITURES (\$2,840,000)**

Cost of Materials (\$550,000)

Material costs for beverage and food are a blended variable cost which is targeted at 41% of revenues. When these costs are reported against all revenues, the overall ratio is 21%.

Personnel Costs (\$1,240,000)

Full-time salaries and benefits have been increased in accordance with University of Guelph budget assumptions and in line with the collective labour agreements. Part-time wages have been increased by 7% to reflect minimum wage legislation.

Institutional Charges (\$540,000)

These costs will increase 2% as directed by the University Budget Office.

Operating Costs (\$410,000)

Operating costs are variable and are expected to increase 2%.

Renovations (\$90,000)

Costs allocated to upgrade Brass Taps facility, Meeting rooms and Building Improvements, and Peter Clark Hall.

**NET TRANSFERS (\$290,000)**

Internal Transfer of funds from the University for Leased Space and shared costs is estimated to be \$290,000.

Table A

**University of Guelph  
University Centre Administration  
2013/ 2014 Forecast To Budget Comparison  
In Thousands \$**

	2013/2014 Forecast		2013/2014 Budget		2013/2014 Variance
<u>Revenue</u>					
Brass Taps	1,295	51%	1,230	50%	65
Other Revenue	1,236	49%	1,230	50%	6
Total Revenue	2,531	100%	2,460	100%	71
<u>Expenses</u>					
Cost of Materials	520	21%	492	20%	-28
Personnel	1,200	47%	1,180	48%	-20
Institutional Charges	530	21%	530	22%	0
Operating	400	16%	375	15%	-25
Travel	5	0%	10	0%	5
Renovations	95	4%	75	3%	-20
Total Expenses	2,750	109%	2,662	108%	-88
Income (Deficit) Before Transfers	-219	-9%	-202	-8%	-17
Net Transfer	260	10%	230	9%	30
Increase (Decrease) in Fund Balance	41	2%	28	1%	13
Unappropriated Fund Balance - Opening	253		253		
Unappropriated Fund Balance - Closing	294		281		

Table B

**University of Guelph  
University Centre Administration  
2014/2015 Operating Budget  
In Thousands \$**

	2012/2013 Actual		2013/2014 Forecast		2014/2015 Budget	
<b>Revenue</b>						
Brass Taps	1,318	52%	1,295	51%	1,345	52%
Other Revenue	1,240	48%	1,236	49%	1,235	48%
<b>Total Revenue</b>	<b>2,558</b>	<b>100%</b>	<b>2,531</b>	<b>100%</b>	<b>2,580</b>	<b>100%</b>
<b>Expenses</b>						
Cost of Materials	509	20%	520	21%	550	21%
Personnel	1,194	47%	1,200	47%	1,240	48%
Institutional Charges	519	20%	530	21%	540	21%
Operating	450	18%	400	16%	410	16%
Travel	9	0%	5	0%	10	0%
Renovations (Note 1)	203	8%	95	4%	90	3%
<b>Total Expenses</b>	<b>2,884</b>	<b>113%</b>	<b>2,750</b>	<b>109%</b>	<b>2,840</b>	<b>110%</b>
Income (Deficit) Before Transfers	-326	-13%	-219	-9%	-260	-10%
Net Transfer	272	11%	260	10%	290	11%
Increase (Decrease) in Fund Balance	-54	-2%	41	2%	30	1%
Unappropriated Fund Balance - Opening	307		253		294	
Unappropriated Fund Balance - Closing	253		294		324	

Notes:

1. Net of Capital Assets, Amortization and Transfer to Appropriated Fund

**CAPITAL PLAN 2015/2018**

**2014/2015 (\$90,000)**

Twenty-five thousand dollars for Brass Taps Improvements  
Forty thousand dollars for Meeting Rooms & Building Improvements  
Twenty-five thousand for Peter Clark Hall renovations.

**2015/2016 (60,000)**

Twenty thousand for Brass Taps Improvements  
Forty thousand dollars for Meeting Room & Building Improvements.

**2016/2017 (60,000)**

Twenty thousand for Brass Taps Improvements  
Forty thousand dollars for Meeting Room & Building Improvements.

**2017/2018 (60,000)**

Twenty thousand for Brass Taps Improvements  
Forty thousand dollars for Meeting Room & Building Improvements.