

UNIVERSITY OF GUELPH
UNIVERSITY CENTRE ADMINISTRATION
2016/2017 BUDGET

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**UNIVERSITY CENTRE ADMINISTRATION
2016/2017 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 2016/2017 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 and Performances, initiated and run by the University Centre, and short term vendor rentals in the Central Courtyard.

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

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

BUDGET YEAR 2015/2016 (Forecast to Budget Comparison)

This has been a successful year for the University Centre in financial terms in spite of revenues falling short of targets. Overall, revenues are anticipated to be some \$40,000 below budget, due to decrease in revenues from Brass Taps, Director's Office and Building Management. The decrease of \$20,000 in the Brass Taps is attributed to lower sales which is reflective of the overall economy. Other revenues are down by \$20,000 due to an optimistic budget position in Director's Office and reduced room rentals in Building Management.

The variances in expenditure line items are reflective of corresponding decreases in revenues and vacancy savings resulting from the retirements of 3 staff members. Cost of Materials and Personnel costs are lower by \$15,000 and \$40,000 reflecting a decrease in revenues and vacancy savings respectively. Operating Costs are some \$30,000 lower due to decrease in revenues and efficiencies of scale. Overall, total Expenditures are projected to be \$85,000 lower than the budgeted level.

Deficit before Net Transfers is projected to be \$231,000 and after Net Transfers of \$290,000, the projected Increase in Fund Balance is \$59,000 compared to a budgeted Increase in Fund Balance of \$14,000 or \$45,000 better than budget.

BUDGET YEAR 2016/2017

The Budget Year 2016/2017 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 3-4% range. Full-time salaries and benefits will increase in accordance with the collective agreements with employee groups while part-time wages will increase by 2% based on minimum wage legislation. Renovations are budgeted at \$90,000. The net result of these assumptions will be a deficit of \$246,000 before Net Transfers and a final surplus of \$44,000 after Net Transfers of \$290,000 are considered.

2016/2017 BUDGET ASSUMPTIONS

The recent retirement of 3 key staff members from the UC Administration has presented a unique opportunity to the UC Board to look into the structure and operations of the UC Administration. The UC Board has commenced the process of a comprehensive review of the structure and operations of the UC Administration with the goal of identifying areas of improvement and to make recommendations on how services being provided to spaceholders, stakeholders and the broader University community can be further strengthened. The 2016/2017 Budget assumptions do not include any impact, if any, from the recommendations resulting from the review process. The 2016/2017 Budget has been prepared based on operations and activities of the UC Administration remaining the same as in previous years.

REVENUES (\$2,646,000)

Brass Taps (\$1,420,000)

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 (\$1,226,000)

Student numbers will approximately the current year while fees will increase 1.2%.

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 (\$2,892,000)

Cost of Materials (\$560,000)

Material costs for beverage and food are a blended variable cost which is targeted at 40% of revenues. When these costs are reported against all revenues, the overall ratio is 21%.

Personnel Costs (\$1,270,000)

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 to reflect minimum wage legislation.

Institutional Charges (\$562,000)

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

Operating Costs (\$400,000)

Operating costs are variable and are expected to increase 3-4%.

Renovations (\$90,000)

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

NET TRANSFERS (\$290,000)

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

**University of Guelph
University Centre Administration
2015/2016 Forecast To Budget Comparison
In Thousands \$**

	2015/2016 Forecast		2015/2016 Budget		2015/2016 Variance
<u>Revenue</u>					
Brass Taps	1,380	53%	1,400	53%	(20)
Other Revenue	<u>1,205</u>	<u>47%</u>	<u>1,225</u>	<u>47%</u>	<u>(20)</u>
Total Revenue	<u>2,585</u>	<u>100%</u>	<u>2,625</u>	<u>100%</u>	<u>(40)</u>
<u>Expenses</u>					
Cost of Materials	550	21%	565	22%	15
Personnel	1,240	48%	1,280	49%	40
Institutional Charges	551	21%	551	21%	0
Operating	375	15%	405	15%	30
Travel	10	0%	10	0%	0
Renovations	<u>90</u>	<u>3%</u>	<u>90</u>	<u>3%</u>	<u>0</u>
Total Expenses	<u>2,816</u>	<u>109%</u>	<u>2,901</u>	<u>110%</u>	<u>85</u>
Income (Deficit)					
Before Transfers	<u>(231)</u>	<u>-9%</u>	<u>(276)</u>	<u>-10%</u>	<u>45</u>
Net Transfer	<u>290</u>	<u>11%</u>	<u>290</u>	<u>11%</u>	0
Increase (Decrease)					
In Fund Balance	<u>59</u>	<u>2%</u>	<u>14</u>	<u>1%</u>	<u>45</u>
Unappropriated Fund Balance – Opening	<u>354</u>		<u>354</u>		
Unappropriated Fund Balance – Closing	<u>413</u>		<u>368</u>		

**University of Guelph
University Centre Administration
2016/2017 Operating Budget
In Thousands \$**

	2014/2015 Actual		2015-2016 Forecast		2016/2017 Budget	
Revenue						
Brass Taps	1,367	52%	1,380	53%	1,420	54%
Other Revenue	<u>1,252</u>	<u>48%</u>	<u>1,205</u>	<u>47%</u>	<u>1,226</u>	<u>46%</u>
Total Revenue	<u>2,619</u>	<u>100%</u>	<u>2,585</u>	<u>100%</u>	<u>2,646</u>	<u>100%</u>
Expenses						
Cost of Materials	536	20%	550	21%	560	21%
Personnel	1,256	48%	1,240	48%	1,270	48%
Institutional Charges	540	21%	551	21%	562	21%
Operating	428	16%	375	15%	400	15%
Travel	11	0%	10	0%	10	0%
Renovations (Note 1)	<u>89</u>	<u>3%</u>	<u>90</u>	<u>3%</u>	<u>90</u>	<u>3%</u>
Total Expenses	<u>2,860</u>	<u>109%</u>	<u>2,816</u>	<u>109%</u>	<u>2,892</u>	<u>109%</u>
Income (Deficit)						
Before Transfers	<u>(241)</u>	<u>-9%</u>	<u>(231)</u>	<u>-9%</u>	<u>(246)</u>	<u>-9%</u>
Net Transfer	<u>282</u>	<u>11%</u>	<u>290</u>	<u>11%</u>	<u>290</u>	<u>11%</u>
Increase (Decrease)						
In Fund Balance	<u>41</u>	<u>2%</u>	<u>59</u>	<u>2%</u>	<u>44</u>	<u>2%</u>
Unappropriated Fund						
Balance - Opening	<u>313</u>		<u>354</u>		<u>413</u>	
Unappropriated Fund						
Balance – Closing	354		413		457	
	=====		=====		=====	

Notes:

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

CAPITAL PLAN 2017/2020

2016/2017 (\$90,000)

Twenty thousand dollars for Brass Taps Improvements
Seventy thousand dollars for Meeting Rooms & Building Improvements

2017/2018 (75,000)

Twenty thousand for Brass Taps Improvements
Fifty-five thousand dollars for Meeting Room & Building Improvements

2018/2019 (75,000)

Twenty-five thousand for Brass Taps Improvements
Fifty thousand dollars for Meeting Room & Building Improvements

2019/2020 (75,000)

Twenty thousand for Brass Taps Improvements
Fifty-five thousand dollars for Meeting Room & Building Improvements