

**UNIVERSITY OF GUELPH**

**UNIVERSITY CENTRE**

**2017/2018 BUDGET**

**UNIVERSITY CENTRE**

**2017/2018 BUDGET**

**TABLE OF CONTENTS**

Introduction/Operational Summary.....	1
Current Year 2016/2017.....	1
Budget Year 2017/2018.....	2
Revenue Assumptions.....	2
Expenditure Assumptions.....	3
Table A - 2016/2017 Forecast to Budget Comparison.....	4
Table B – 2017/2018 Department Operating Budget.....	5
Capital Plan 2018 - 2021.....	6

## **UNIVERSITY CENTRE 2017/2018 BUDGET**

### **INTRODUCTION**

The University Centre is aware of the financial constraints facing the University this fiscal year and the need to maintain tighter management and operational controls in order to achieve the 2017/2018 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 under the umbrella of UC Services 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 services including room reservations, meeting room set-ups, table reservations in the Central Courtyard and locker rentals in addition to managing the physical aspects of the building.

### **BUDGET YEAR 2016/2017 (Forecast to Budget Comparison)**

This has been a very successful year for the University Centre in financial terms. Overall, revenues are anticipated to be some \$14,000 above budget, due to increase in revenues from Programming, Director's Office and Building Management.

The variances in expenditure line items are reflective of operational efficiencies and vacancy savings. Cost of Materials and Personnel costs are lower by \$30,000 and \$130,000 reflecting operational efficiencies and vacancy savings respectively. Operating Costs are some \$5,000 lower due to efficiencies of scale. Renovations are higher by \$180,000 reflecting improvements and upgrades to meeting rooms. Overall, total Expenditures are projected to be \$15,000 higher than the budgeted level.

Deficit before Net Transfers is projected to be \$247,000 and after Net Transfers of \$290,000, the projected Increase in Fund Balance is \$43,000 compared to a budgeted Increase in Fund Balance of \$44,000.

### **BUDGET YEAR 2017/2018**

The Budget Year 2017/2018 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 by 1.5% based on minimum wage legislation. Renovations are budgeted at \$130,000. The net result of these assumptions will be a deficit of \$260,000 before Net Transfers and a final surplus of \$40,000 after Net Transfers of \$300,000 are considered.

### **2017/2018 BUDGET ASSUMPTIONS**

The UC Board continues its comprehensive review of the structure and operations of the University Centre 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. It is anticipated that this review will be completed by the end of April 2017. The 2017/2018 Budget assumptions do not include any impact, if any, from the recommendations resulting from the review process. The 2017/2018 Budget has been prepared based on operations and activities of the University Centre remaining the same as in previous years and will be similar to previous years experience recognizing the anomaly of vacancy savings.

### **REVENUES (\$2,690,000)**

#### **Brass Taps (\$1,435,000)**

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 (\$1,255,000)

Student numbers will approximately the current year while fees will increase 1.8%.

Lease rates to increase 1.5%, Room Rental revenues to remain constant.

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

**EXPENDITURES (\$2,950,000)**

Cost of Materials (\$550,000)

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 20%.

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 (\$570,000)

These costs will increase 1.5% as directed by the University Budget Office.

Operating Costs (\$420,000)

Operating costs are variable and are expected to increase 2-3%.

Renovations (\$130,000)

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

**NET TRANSFERS (\$300,000)**

Internal Transfer of funds from the University for Leased Space and shared costs is estimated to be \$300,000.

**University of Guelph  
University Centre  
2016/2017 Forecast To Budget Comparison  
In Thousands \$**

	<b>2016/2017 Forecast</b>		<b>2016/2017 Budget</b>		<b>2016/2017 Variance</b>
<b><u>Revenue</u></b>					
Brass Taps	1,420	53%	1,420	54%	(0)
Other Revenue	<u>1,240</u>	<u>47%</u>	<u>1,226</u>	<u>46%</u>	<u>14</u>
Total Revenue	<u>2,660</u>	<u>100%</u>	<u>2,646</u>	<u>100%</u>	<u>14</u>
<b><u>Expenses</u></b>					
Cost of Materials	530	20%	560	21%	(30)
Personnel	1,140	43%	1,270	48%	(130)
Institutional Charges	562	21%	562	21%	0
Operating	395	15%	400	15%	(5)
Travel	10	0%	10	0%	0
Renovations	<u>270</u>	<u>10%</u>	<u>90</u>	<u>3%</u>	<u>180</u>
Total Expenses	<u>2,907</u>	<u>109%</u>	<u>2,892</u>	<u>109%</u>	<u>15</u>
Income (Deficit) Before Transfers	<u>(247)</u>	<u>-9%</u>	<u>(246)</u>	<u>- 9%</u>	<u>(1)</u>
Net Transfer	<u>290</u>	<u>11%</u>	<u>290</u>	<u>11%</u>	0
Increase (Decrease) In Fund Balance	<u>43</u>	<u>2%</u>	<u>44</u>	<u>2%</u>	<u>1</u>
Unappropriated Fund Balance – Opening	<u>447</u>		<u>447</u>		
Unappropriated Fund Balance – Closing	<u>490</u>		<u>491</u>		

**University of Guelph  
University Centre  
2017/2018 Operating Budget  
In Thousands \$**

	<b>2015/2016 Actual</b>		<b>2016-2017 Forecast</b>		<b>2017/2018 Budget</b>	
<b>Revenue</b>						
Brass Taps	1,362	51%	1,420	53%	1,435	53%
Other Revenue	<u>1,301</u>	<u>49%</u>	<u>1,240</u>	<u>47%</u>	<u>1,255</u>	<u>47%</u>
Total Revenue	<u>2,663</u>	<u>100%</u>	<u>2,660</u>	<u>100%</u>	<u>2,690</u>	<u>100%</u>
<b>Expenses</b>						
Cost of Materials	512	19%	530	20%	550	20%
Personnel	1,215	46%	1,140	43%	1,270	48%
Institutional Charges	551	21%	562	21%	570	21%
Operating	474	18%	395	15%	420	16%
Travel	17	0%	10	0%	10	0%
Renovations (Note 1)	<u>109</u>	<u>4%</u>	<u>270</u>	<u>10%</u>	<u>130</u>	<u>5%</u>
Total Expenses	<u>2,878</u>	<u>108%</u>	<u>2,907</u>	<u>109%</u>	<u>2,950</u>	<u>110%</u>
Income (Deficit)						
Before Transfers	<u>(215)</u>	<u>-8%</u>	<u>(247)</u>	<u>-9%</u>	<u>(260)</u>	<u>-10%</u>
Net Transfer	<u>308</u>	<u>12%</u>	<u>290</u>	<u>11%</u>	<u>300</u>	<u>11%</u>
Increase (Decrease)						
In Fund Balance	<u>93</u>	<u>4%</u>	<u>43</u>	<u>2%</u>	<u>40</u>	<u>1%</u>
Unappropriated Fund						
Balance - Opening	<u>354</u>		<u>447</u>		<u>490</u>	
Unappropriated Fund						
Balance – Closing	447		490		530	
	=====		=====		=====	

Notes:

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

**CAPITAL PLAN 2018/2021**

**2017/2018     (\$130,000)**

Thirty thousand dollars for Brass Taps Improvements  
One hundred thousand dollars for Meeting Rooms & Building Improvements

**2018/2019     (100,000)**

Twenty thousand for Brass Taps Improvements  
Eighty thousand dollars for Meeting Room & Building Improvements

**2019/2020     (90,000)**

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

**2020/2021     (90,000)**

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