

**UNIVERSITY OF GUELPH**  
**UNIVERSITY CENTRE ADMINISTRATION**  
**2010/2011 BUDGET**

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**UNIVERSITY CENTRE ADMINISTRATION  
2010/2011 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 2010/2011 fiscal requirements. This budget reflects the style of management which will enable the University Centre to continue as a viable entity. The University Centre 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 2009/2010 (Forecast to Budget Comparison)**

This has been a challenging year for the University Centre in financial terms. Overall, revenues are anticipated to be some \$9,000 below budget, mainly due to decrease in revenues from Building Management. The increase of \$13,000 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 lower by \$22,000. Both the revenues in Director's Office and Building Management are down. The Director's Office decline is related to an optimistic budget position whereas the decline in Building Management is the result of lower room rentals

The variances in expenditure line items are reflective of increased revenues. Cost of Materials were higher than budgeted reflecting higher sales and product costs. Personnel costs were higher which reflects the increase in revenues. Institutional Charges are lower by \$12,000 reflecting a decrease in space costs charged by the University for space turned over to the Central Student Association. Operating costs were lower by \$13,000. Renovations are anticipated to come in at \$74,000 versus a budget of \$65,000 due to upgrades to the lounge area of Brass Taps. Overall, total Expenditures are projected to be \$1,000 higher than the budgeted level.

Deficit before Net Transfers is projected to be \$212,000 and after Net Transfers of \$210,000, the projected Decrease in Fund Balance is \$2,000 compared to a budgeted Increase in Fund Balance of \$8,000.

### **BUDGET YEAR 2010/2011**

The Budget Year 2010/2011 will be similar to the current fiscal year's experience. The number of registered students will approximate the current year.

Prices will increase approximately 3% for goods and services offered. Operating costs, other than labour, are expected to increase in the 3% range. There is a 7.9% increase in minimum wage effective April 1, 2010. Full-time salaries and benefits will increase in accordance with the collective agreements with employee groups. The net result of these assumptions will be a deficit of \$215,000 before Net Transfers and a final surplus of \$0 after Net Transfers of \$215,000 are considered.

### **2010/2011 BUDGET ASSUMPTIONS**

#### **REVENUES (\$2,153,000)**

##### Brass Taps (\$990,000)

Prices for items to increase 3%. In addition, entertainment programming will continue to be strengthened. Emphasis will also be placed on increasing food sales given this year's success and the number of first-year students who are under the drinking age.

##### Other Revenue (\$1,163,000)

In Programming ticket prices to remain competitive. The emphasis will continue to be on live performances that will have higher contribution levels.

Student fees to increase 1.9% and Lease rates 3%.

**EXPENDITURES (\$2,368,000)**

Cost of Materials (\$388,000)

Material cost is a blended variable cost and is targeted at 36% of revenues for beverages, 40% for food. When these costs are reported against all revenues, the overall ratio is 16%.

Personnel Costs (\$1,030,000)

Full-time salaries and benefits have been increased in accordance with the collective agreements with employee groups in addition to efficiency changes. Minimum wage has been increased in accordance with the Province's Minimum Wage Law.

Institutional Charges (\$500,000)

These costs will increase 3% as directed by the University.

Operating Costs (\$380,000)

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

Renovations (\$60,000)

Costs are allocated to upgrade Brass Taps facility, lighting and meeting room chairs.

**NET TRANSFERS (\$215,000)**

Internal Transfer of funds from the University for Leased Space and shared costs is estimated to be \$215,000.

Table A

**University of Guelph  
University Centre Administration  
2009/ 2010 Forecast To Budget Comparison  
In Thousands \$**

	2009/2010 Forecast		2009/2010 Budget		2009/2010 Variance
<u>Revenue</u>					
Brass Taps	973	46%	960	45%	13
Other Revenue	1,138	54%	1,160	55%	-22
Total Revenue	<u>2,111</u>	<u>100%</u>	<u>2,120</u>	<u>100%</u>	<u>-9</u>
<u>Expenses</u>					
Cost of Materials	377	18%	365	17%	-12
Personnel	1,001	47%	995	47%	-6
Institutional Charges	485	23%	497	23%	12
Operating	378	18%	391	18%	13
Travel	8	0%	9	0%	1
Renovations	74	4%	65	3%	-9
Total Expenses	<u>2,323</u>	<u>110%</u>	<u>2,322</u>	<u>110%</u>	<u>-1</u>
Income (Expenses) Before Transfers	<u>-212</u>	<u>-10%</u>	<u>-202</u>	<u>-10%</u>	<u>-10</u>
Net Transfer	210	10%	210	10%	0
Increase (Decrease) in Fund Balance	<u>-2</u>	<u>0%</u>	<u>8</u>	<u>0%</u>	<u>-10</u>
Unappropriated Fund Balance - Opening	<u>240</u>		<u>240</u>		
Unappropriated Fund Balance - Closing	<u><u>238</u></u>		<u><u>248</u></u>		

Table B

**University of Guelph  
University Centre Administration  
2010/2011 Operating Budget  
In Thousands \$**

	2008/2009 Actual		2009/2010 Forecast		2010/2011 Budget	
Revenue						
Brass Taps	1,032	49%	973	46%	990	46%
Other Revenue	1,088	51%	1,138	54%	1,163	54%
Total Revenue	2,120	100%	2,111	100%	2,153	100%
Expenses						
Cost of Materials	371	18%	377	18%	388	18%
Personnel	970	46%	1,001	47%	1,030	48%
Institutional Charges	480	23%	485	23%	500	23%
Operating	407	19%	378	18%	380	18%
Travel	8	0%	8	0%	10	0%
Renovations	53	3%	74	4%	60	3%
Total Expenses	2,289	108%	2,323	110%	2,368	110%
Income (Expenses) Before Transfers	-169	-8%	-212	-10%	-215	-10%
Net Transfer	214	10%	210	10%	215	10%
Increase (Decrease) in Fund Balance	45	2%	-2	0%	0	0%
Unappropriated Fund Balance - Opening	195		240		238	
Unappropriated Fund Balance - Closing	240		238		238	

**CAPITAL PLAN 2011/2014**

**2010/2011 (\$60,000)**

Twenty-five thousand for Brass Taps Lounge Improvements.  
Twenty-five thousand for Building Management – Lighting Improvements in central courtyard.  
Ten thousand for meeting room chairs

**2011/2012 (\$60,000)**

Thirty-thousand dollars for Brass Taps Improvements.  
Thirty-thousand dollars for Building Improvements.

**2012/2013 (80,000)**

Eighty-thousand dollars for Building Improvements.

**2013/2014 (80,000)**

Eighty-thousand dollars for Building Improvements.