

UNIVERSITY OF GUELPH
UNIVERSITY CENTRE ADMINISTRATION
2012/2013 BUDGET

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UNIVERSITY CENTRE ADMINISTRATION 2012/2013 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 2012/2013 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 2011/2012 (Forecast to Budget Comparison)

This has been a successful year for the University Centre in financial terms. Overall, revenues are anticipated to be some \$88,000 above budget, mainly due to an increase in revenues from Brass Taps. The increase of \$55,000 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 \$33,000 due to increased special events and higher 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 was also higher which reflects the increase in revenues. Operating Costs are higher due to increased revenues. Renovations are anticipated to come in at the budgeted amount of \$60,000. Overall, total Expenditures are projected to be \$68,000 higher than the budgeted level.

Deficit before Net Transfers is projected to be \$198,000 and after Net Transfers of \$220,000, the projected Increase in Fund Balance is \$22,000 compared to a budgeted Increase in Fund Balance of \$2,000.

BUDGET YEAR 2012/2013

The Budget Year 2012/2013 will be similar to the current fiscal year's experience. The number of registered students will approximate the current year.

Prices will increase approximately 2-3% for goods and services offered. Cost of Materials will increase by 2-3%. Operating costs, other than labour, are expected to increase in the 3% range. Full-time salaries and benefits will increase in accordance with the collective agreements with employee groups. Renovations are budgeted at \$170,000. The net result of these assumptions will be a deficit of \$325,000 before Net Transfers and a final deficit of \$100,000 after Net Transfers of \$225,000 are considered.

2012/2013 BUDGET ASSUMPTIONS

REVENUES (\$2,385,000)

Brass Taps (\$1,190,000)

Prices for items to increase 2-3%. 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 (\$1,195,000)

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

Student fees to increase 3.1% and Lease rates 2%.

EXPENDITURES (\$2,710,000)

Cost of Materials (\$480,000)

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 20%.

Personnel Costs (\$1,150,000)

Full-time salaries and benefits have been increased in accordance with the collective agreements with employee groups in addition to efficiency changes. There will be no minimum wage increase.

Institutional Charges (\$520,000)

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

Operating Costs (\$380,000)

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

Renovations (\$170,000)

Costs allocated to upgrade Brass Taps facility and UC courtyard.

NET TRANSFERS (\$225,000)

Internal Transfer of funds from the University for Leased Space and shared costs is estimated to be \$225,000.

Table A

University of Guelph
University Centre Administration
2011/ 2012 Forecast To Budget Comparison
In Thousands \$

	2011/2012 Forecast		2011/2012 Budget		2011/2012 Variance
<u>Revenue</u>					
Brass Taps	1,175	50%	1,120	49%	55
Other Revenue	<u>1,180</u>	<u>50%</u>	<u>1,147</u>	<u>51%</u>	<u>33</u>
Total Revenue	<u>2,355</u>	<u>100%</u>	<u>2,267</u>	<u>100%</u>	<u>88</u>
<u>Expenses</u>					
Cost of Materials	475	20%	460	20%	-15
Personnel	1,130	48%	1,095	48%	-35
Institutional Charges	510	22%	510	22%	0
Operating	374	16%	350	15%	-24
Travel	4	0%	10	0%	6
Renovations	<u>60</u>	<u>3%</u>	<u>60</u>	<u>3%</u>	<u>0</u>
Total Expenses	<u>2,553</u>	<u>108%</u>	<u>2,485</u>	<u>110%</u>	<u>-68</u>
Income (Expenses) Before Transfers	<u>-198</u>	<u>-8%</u>	<u>-218</u>	<u>-10%</u>	<u>20</u>
Net Transfer	220	9%	220	10%	0
Increase (Decrease) in Fund Balance	<u>22</u>	<u>1%</u>	<u>2</u>	<u>0%</u>	<u>20</u>
Unappropriated Fund Balance - Opening	<u>262</u>		<u>262</u>		
Unappropriated Fund Balance - Closing	<u>284</u>		<u>264</u>		

Table B

**University of Guelph
University Centre Administration
2012/2013 Operating Budget
In Thousands \$**

	2010/2011 Actual		2011/2012 Forecast		2012/2013 Budget	
Revenue						
Brass Taps	1,232	52%	1,175	50%	1,190	50%
Other Revenue	1,138	48%	1,180	50%	1,195	50%
Total Revenue	2,370	100%	2,355	100%	2,385	100%
Expenses						
Cost of Materials	500	21%	475	20%	480	20%
Personnel	1,150	49%	1,130	48%	1,150	48%
Institutional Charges	499	21%	510	22%	520	22%
Operating	355	15%	374	16%	380	16%
Travel	10	0%	4	0%	10	0%
Renovations (Note 1)	55	2%	60	3%	170	7%
Total Expenses	2,569	108%	2,553	108%	2,710	114%
Income (Expenses) Before Transfers	-199	-8%	-198	-8%	-325	-14%
Net Transfer	224	9%	220	9%	225	9%
Increase (Decrease) in Fund Balance	25	1%	22	1%	-100	-4%
Unappropriated Fund Balance - Opening	237		262		284	
Unappropriated Fund Balance - Closing	262		284		184	

Notes:

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

CAPITAL PLAN 2013/2016

2012/2013 (\$170,000)

Twenty thousand dollars for Brass Taps Improvements.
One hundred and fifty thousand dollars for UC Courtyard Improvements.

2013/2014 (60,000)

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

2014/2015 (60,000)

Fifteen thousand for Brass Taps Improvements
Forty-five thousand dollars for Meeting Room & Building Improvements.

2015/2016 (60,000)

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