

UNIVERSITY OF GUELPH
UNIVERSITY CENTRE ADMINISTRATION
2013/2014 BUDGET

UNIVERSITY CENTRE ADMINISTRATION

2013/2014 BUDGET

TABLE OF CONTENTS

Introduction/Operational Summary.....	1
Current Year 2012/2013.....	1
Budget Year 2013/2014.....	2
Revenue Assumptions.....	2
Expenditure Assumptions.....	3
Table A - 2012/2013 Forecast to Budget Comparison.....	4
Table B - 2013/2014 Department Operating Budget.....	5
Capital Plan 2014 - 2017.....	6

**UNIVERSITY CENTRE ADMINISTRATION
2013/2014 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 2013/2014 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.

CURRENT YEAR 2012/2013 (Forecast to Budget Comparison)

This has been a successful year for the University Centre in financial terms. Overall, revenues are anticipated to be some \$36,000 above budget, due to an increase in revenues from Brass Taps and other miscellaneous revenues. The increase of \$16,000 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 \$20,000 due to higher room rentals and student fee income.

The variances in expenditure line items are reflective of increased revenues. Cost of Materials approximate budget while Personnel costs were higher by \$9,000 reflecting an increase in revenues. Operating Costs are some \$19,000 lower due to tighter controls and cost-cutting measures. Renovations are anticipated to come in at the budgeted amount of \$170,000. Overall, total Expenditures are projected to be \$14,000 lower than the budgeted level.

Deficit before Net Transfers is projected to be \$275,000 and after Net Transfers of \$225,000, the projected Decrease in Fund Balance is \$50,000 compared to a budgeted Decrease in Fund Balance of \$100,000.

BUDGET YEAR 2013/2014

The Budget Year 2013/2014 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% for goods and services offered. Cost of Materials will increase by 2-3%. Operating costs, other than labour, are expected to increase in the 2% range. Full-time salaries and benefits will increase in accordance with the collective agreements with employee groups. Renovations are budgeted at \$75,000. The net result of these assumptions will be a deficit of \$202,000 before Net Transfers and a final surplus of \$28,000 after Net Transfers of \$230,000 are considered.

2013/2014 BUDGET ASSUMPTIONS

REVENUES (\$2,460,000)

Brass Taps (\$1,230,000)

Prices for items to increase 2%. 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 (\$1,230,000)

Student numbers to remain constant while fees increase 1.4%.

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 (\$2,662,000)

Cost of Materials (\$492,000)

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 (\$1,180,000)

Full-time salaries and benefits have been increased in accordance with University of Guelph budget assumptions and in line with the collective labour agreements. There will be no minimum wage increase.

Institutional Charges (\$530,000)

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

Operating Costs (\$375,000)

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

Renovations (\$75,000)

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

NET TRANSFERS (\$230,000)

Internal Transfer of funds from the University for Leased Space and shared costs is estimated to be \$230,000.

Table A

**University of Guelph
University Centre Administration
2012/ 2013 Forecast To Budget Comparison
In Thousands \$**

	2012/2013 Forecast		2012/2013 Budget		2012/2013 Variance
<u>Revenue</u>					
Brass Taps	1,206	50%	1,190	50%	16
Other Revenue	1,215	50%	1,195	50%	20
Total Revenue	2,421	100%	2,385	100%	36
<u>Expenses</u>					
Cost of Materials	481	20%	480	20%	(1)
Personnel	1,159	48%	1,150	48%	(9)
Institutional Charges	520	21%	520	22%	0
Operating	361	15%	380	16%	19
Travel	5	0%	10	0%	5
Renovations	170	7%	170	7%	0
Total Expenses	2,696	111%	2,710	114%	14
Income (Deficit) Before Transfers	(275)	-11%	(325)	-14%	50
Net Transfer	225	9%	225	9%	0
Increase (Decrease) in Fund Balance	(50)	-2%	(100)	-4%	50
Unappropriated Fund Balance - Opening	307		307		
Unappropriated Fund Balance - Closing	257		207		

Table B

**University of Guelph
University Centre Administration
2013/2014 Operating Budget
In Thousands \$**

	2011/2012 Actual		2012/2013 Forecast		2013/2014 Budget	
Revenue						
Brass Taps	1,270	51%	1,206	50%	1,230	50%
Other Revenue	1,212	49%	1,215	50%	1,230	50%
Total Revenue	<u>2,482</u>	<u>100%</u>	<u>2,421</u>	<u>100%</u>	<u>2,460</u>	<u>100%</u>
Expenses						
Cost of Materials	488	20%	481	20%	492	20%
Personnel	1,167	47%	1,159	48%	1,180	48%
Institutional Charges	509	21%	520	21%	530	22%
Operating	405	16%	361	15%	375	15%
Travel	10	0%	5	0%	10	0%
Renovations (Note 1)	112	5%	170	7%	75	3%
Total Expenses	<u>2,691</u>	<u>108%</u>	<u>2,696</u>	<u>111%</u>	<u>2,662</u>	<u>108%</u>
Income (Deficit) Before Transfers	<u>(209)</u>	<u>-8%</u>	<u>(275)</u>	<u>-11%</u>	<u>(202)</u>	<u>-8%</u>
Net Transfer	254	10%	225	9%	230	9%
Increase (Decrease) in Fund Balance	<u>45</u>	<u>2%</u>	<u>(50)</u>	<u>-2%</u>	<u>28</u>	<u>1%</u>
Unappropriated Fund Balance - Opening	<u>262</u>		<u>307</u>		<u>257</u>	
Unappropriated Fund Balance - Closing	<u><u>307</u></u>		<u><u>257</u></u>		<u><u>285</u></u>	

Notes:

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

CAPITAL PLAN 2014/2017

2013/2014 (\$75,000)

Sixty thousand dollars for Brass Taps Improvements.
Fifteen thousand dollars for Meeting Rooms & 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.

2016/2017 (60,000)

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