



AGENDA ITEM BRIEFING NOTE

Please ensure you use a briefing note for every agenda item from your office and/or department. If the item is recurring, or there's no material, I still require a briefing note and indicate "no material".

Date:	March 19, 2014			
Agenda Item:	6.c. UNBC Annual Ancillary Budget 2014/2015			
Prepared For:	<input type="checkbox"/> In-Camera Session	<input checked="" type="checkbox"/> Public Session		
Purpose:	<input type="checkbox"/> Information	<input type="checkbox"/> Discussion	<input type="checkbox"/> Seeking Direction	<input checked="" type="checkbox"/> Approval
Prepared By:	Colleen Smith, Director Finance & Budgets and Aaron LeBlanc, Director Ancillary Services			
Reviewed By:	Eileen Bray, VP Administration & Finance			

Background: Ancillary Operations is comprised of the following units:

1. Parking & Security Services
2. Identification Card System
3. English Language Studies
4. Conference Services
5. Bookstore
6. Copy Services
7. Residences
8. Food Services
9. Vending
10. Continuing Studies
11. Ancillary Services Administration
12. Northern Sport Centre (NSC)

A summary budget for Parking & Security Services and the Identification System is attached.

English Language Studies was previously a part of the Continuing Studies area. It is expected that the new Director will work with relevant stakeholders to develop a plan and budget for this area. As a result, a budget for 2014/15 has not been prepared for Board review at this time but should follow at a later date as part of an overall plan.

Units #4 through #12 are part of the Ancillary Services Division, under the direction of the Director of Ancillary Services. Information for these areas is provided in the report from Aaron LeBlanc

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which follows this memo. Please note that the NSC operating budget was unanimously approved by the NSCL Board on March 11, 2014.

Motion: That, on the recommendation of the Finance and Audit Committee, the Board of Governors approves the of the 2014/15 Ancillary Budget for the University of Northern British Columbia, as presented.

Recommendation Approved: **Not Approved:** **Date:**

Remarks/Next Steps:

SMART CARD (SELF-PROVISION OPERATION)
 BUDGET SUBMISSION FOR 2014/15
 FUND: 80155

OPERATING BUDGET	2013/14	2014/15
General Operations		
Revenues	26,000	25,000
Salaries & Benefits		
General Operating Expenditures	8,000	5,000
Net Operating Income / (Loss)	18,000	20,000
Net Transfers	(18,000)	(20,000)
Surplus / (Deficit)	-	-

NOTES:

Transfer out to Ancillary Capital Reserve: \$20,000

Based on most recent experience, operating expenses are expected to be limited. The transfer to capital is used to build a reserve to fund equipment needs such as computers and cameras; the bulk of the reserve will utilized to replace the system (software and hardware) in the next few years.

PARKING & SECURITY SERVICES (SELF-PROVISION OPERATION)
 BUDGET SUBMISSION FOR 2014/15
 FUND: 80135

OPERATING BUDGET	2013/14	2014/15
General Operations		
Revenues	1,060,757	1,060,757
Salaries & Benefits	791,672	802,169
General Operating Expenditures	189,203	189,203
Net Operating Income / (Loss)	79,882	69,385
Net Transfers	(79,882)	(69,385)
Surplus / (Deficit)	-	-

NOTES:
Transfers:
Parking:
Transfer in from General Operating for general wage increase: \$12,035
Transfer to Security to cover excess expenses over Gen Ops allocation: -\$92,145
Transfer to Parking reserve: -\$87,948
Net transfer out from Parking: -\$168,058
Security:
Transfer in from General Operating for general wage increase: \$7,128
Transfer in from Parking to cover excess expenses over Gen Ops allocation: \$92,145
Transfer to Staff PDA: -\$600
Net transfer in to Security: \$98,673
Net Transfers Out from Parking and Security: -\$69,385

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Ancillary Services had a very successful year in 2013/14.

Increased revenues that resulted in a net increase to UNBC's bottom line are the primary financial highlights for 2013/14. Although the 2014/15 Budget forecasts a 58% increase in net contribution from Ancillaries to UNBC, it is not this highlight that we are pleased with the most.

Providing critical internal services for UNBC and making a net contribution is our measure of success.

If Ancillary Services can continue to provide important services for UNBC, while we continue to grow our annual contribution, then we will consider any given year a complete success.

2014/15 Looking Forward

Continuing Studies (CS) will move online in 2014/15. Last year represented a year of investment into developing its online framework. CS is poised to move online during 2014 and to further expand its traditional offerings in the regions. Investments made traditional programming such Environmental Monitoring will be expanded into the region.

Working partnerships with Emily Carr, Kitimat Valley Institute, and Northern BC Tourism will prove beneficial as we feature new programming such as the Summer Institute of Design for Teens in Northern British Columbia. Destination Learning opportunities in Northern British Columbia such as Jet Boat Photography, Ghost Towns, and Walking with the Dinosaurs are a few of the current offerings this summer with an expanded selection planned for the summer of 2015.

Conference and Event Services (CES) will play a critical role for 25th Anniversary Celebrations and Canada Winter Games. CES is ready to support these important events on our campus. Currently CES averages 1 booking request every 7 minutes throughout the year. The proposed budget addresses resources needed to properly position CES during these two events.

Housing starts planning for its renovations. The demo suite was completed and feedback will be collected until the fall of 2014. At that point a final renovation plan will be completed with work starting the summer of 2015.

Food Services will reveal its new Dining Hall. September 2014 will be the first time people will be able to try the services in the new Dining Hall. Features including Local Chef's and an increased ability to utilize local foods in the new dining hall are 2 of the many new features that will be rolled out this fall. Furthermore meal plan commitments are tracking to hit Year 1 targets.

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Financial Summary and 2014/15 Budget

	Units	2012/13	2013/14		2014/15	
		Actual	Budgeted	Projected	Budgeted	Notes
Revenues	Ancillary Central	-	527,650	707,754	866,518	
	Continuing Studies	1,006,386	1,600,000	1,566,373	1,978,305	
	Conference and Events	309,106	454,585	859,190	455,500	NOTE 1
	Bookstore	2,479,247	2,572,200	2,385,300	2,236,464	
	Vending	9,946	15,000	8,150	10,000	
	Copy Services	439,642	513,900	468,100	499,900	
	Food Services	64,037	75,000	58,996	284,540	NOTE 2
	Residence	2,629,507	2,468,423	2,615,250	2,471,144	
SUBTOTAL REVENUES		6,937,421	8,226,758	8,669,113	8,802,371	
Expenses	Ancillary Central	-	(527,650)	(543,543)	(704,069)	
	Continuing Studies	(996,599)	(1,538,925)	(1,481,050)	(1,857,829)	
	Conference and Events	(351,988)	(453,817)	(792,918)	(454,956)	
	Bookstore	(2,323,787)	(2,443,332)	(2,242,356)	(2,106,700)	
	Vending	-	-	(7,700)	(7,627)	
	Copy Services	(461,961)	(480,022)	(437,722)	(486,517)	
	Food Services	(39,916)	(38,500)	(41,476)	(230,869)	
	Residence	(2,741,714)	(2,818,992)	(3,557,699)	(2,764,392)	
Ancillary Contribution to UNBC Central		(79,546)	(95,522)	(95,522)	(190,370)	NOTE 3
Additional Base Contribution			(150,000)	(150,000)	(150,000)	
SUBTOTAL EXPENSES		(6,995,511)	(8,546,760)	(9,349,986)	(8,953,329)	
Unit Balances	Ancillary Central	-	-	14,211	12,450	NOTE 3
	Continuing Studies	(9,940)	29,075	53,323	41,343	
	Conference and Events	(42,882)	768	66,272	544	
	Bookstore	105,717	77,424	91,500	40,305	
	Vending	9,310	14,700	150	1,973	
	Copy Services	(31,112)	23,600	20,100	3,385	
	Food Services	23,024	35,000	16,020	42,290	
	Residence	(112,207)	(350,569)	(942,449)	(293,248)	NOTE 4
All Units		(58,090)	(320,002)	(680,873)	(150,958)	
All Units minus residence		54,117	30,567	261,576	142,290	
All Units minus residence, minus approved reserve investments			30,567	76,576	142,290	Note 5

The NSC is not part of the UNBC reserve therefore financials have been provided for information purposes only.

	Projected Year-end 2013/14			Proposed Budget 2014/15		
	Revenue	Expenses	Balance	Revenue	Expenses	Balance
Northern Sport Centre	2,141,000	2,035,000	106,000	2,148,250	2,054,711	93,539

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Notes - Financial Summary and 2013/14 Budget

Note 1 (CES Revenue)

2013/14 realized an increase in revenue primarily due to the Elders Gathering. Expenses also increased.

Note 2 (Food Services Revenue)

Food Services will realize an increase in revenue due to higher expected sales volume for 2014/15 and an increase in negotiated commissions.

Note 3 (Additional Contribution and Unit Balances)

Unit Balances are adjusted to reflect individual unit contributions to "Additional Contribution to UNBC Central". Not all units make a contribution because they are not generating a profit. Moving into 2014/15 the following units will make a contribution

- | | |
|-----------------------|------------|
| 1) Continuing Studies | 4% Revenue |
| 2) Bookstore | 4% Revenue |
| 3) Vending | 4% Revenue |
| 4) Copy Services | 2% Revenue |

Note 4 (Residence Balance)

2013/14 saw Residence repay one of its current debentures. The shortfall in the sinking fund created a larger than anticipated 2013/14 operating deficit.

2014/15 will see another debenture paid in full and the anticipated operational deficit reflects the repayment of this debenture.

The anticipated reserve balance for Residence is (964,629). 2014/15 will result in another operating deficit however with the repayment of the 2nd debenture Residence will propose a budget in 2015/16 that will

- 1) Provide a payment plan to address the reserve balance
- 2) Provide a payment plan to payback its renovation loan from UNBC.

Note 5 (Approved Reserve Investments)

Continuing Studies received approval to use reserve funds to develop an online learning platform. Ancillary Services is able to cover the cost of this investment without having to utilize these approved funds from its reserve.