

Treasurer's Report

Presenter: Nathan Johnston

Summary of Consolidated Income Statement:

In May 2014, the UQ Union reported an operating surplus of \$127,361 compared with a budgeted surplus of \$148,013, which translates into an unfavourable variance of \$20,653 against the 2014 budget and a negative variance of \$32,418 against the May 2013 results.

A summary of the consolidated income statement is given below:

| | 2014 Actual | 2014 Budget | Variance (with Budget) |
|------------------------------|-----------------------|-----------------------|------------------------|
| Sales Income | \$1,571,588.40 | \$1,581,581.68 | -\$9,993.28 |
| Cost of Sales | -\$702,563.55 | -\$699,174.88 | -\$3,388.67 |
| Gross Profit | \$869,024.85 | \$882,406.80 | -\$13,381.95 |
| Sale On Commission | \$0.00 | \$0.00 | \$0.00 |
| Cost of Sale on Commission | -\$2,173.07 | \$0.00 | -\$2,173.07 |
| Other Income | \$300,367.65 | \$315,381.64 | -\$15,013.99 |
| Gross Profit Before Expenses | \$1,167,229.43 | \$1,197,788.44 | -\$30,559.01 |
| Wages | -\$714,635.86 | -\$685,781.88 | -\$28,853.98 |
| Other Labour Costs | -\$4,553.14 | -\$15,184.27 | \$10,631.13 |
| Operating Expenses | -\$320,679.37 | -\$348,808.59 | \$28,129.22 |
| Net Profit | \$127,361.06 | \$148,013.70 | -\$20,652.64 |

Department Report for Business Trading:

The Business Trading arm recorded a net profit of \$217,928 for May compared with a budgeted net profit of \$251,863. A negative variance of \$33,935 against the 2014 budget and a positive variance of \$1,941 against the May 2013 results.

The Business Trading arm was significantly affected by the two day closure of the Pizza Café, Main Course and the Red Room as a result of a gas line being damaged during the back dock renovations. This resulted in an estimated overall loss in income of \$30,000 for the Business Trading arm.

The Food Services area of Business Trading recorded a net profit of \$236,750 compared with a budgeted surplus of \$247,582. A negative variance of 10,831 against the 2014 budget.

The Hospitality and Entertainment area of Business Trading recorded a net profit of \$29,120 compared with a budgeted profit of \$54,432. A negative variance of -\$25,310 against the 2014 budget.

The Retail area of Business Trading recorded a net profit of \$22,886 compared with a budgeted profit of \$30,615. A negative variance of \$7,729 against the 2014 budget.

A summary of the Business Trading arm is given below:

| | 2014 Actual | 2014 Budget | Variance (with Budget) |
|------------------------------|----------------|----------------|------------------------|
| Sales Income | \$1,571,588.40 | \$1,581,581.68 | -\$9,993.28 |
| Cost of Sales | -\$702,563.55 | -\$699,174.88 | -\$3,388.67 |
| Gross Profit | \$869,024.85 | \$882,406.80 | -\$13,381.95 |
| Sale On Commission | \$0.00 | \$0.00 | \$0.00 |
| Cost of Sale on Commission | -\$2,173.07 | \$0.00 | -\$2,173.07 |
| Other Income | \$157,027.28 | \$161,795.46 | -\$4,768.18 |
| Gross Profit Before Expenses | \$1,023,889.06 | \$1,044,202.26 | -\$20,313.20 |
| Wages | -\$648,755.29 | -\$620,516.35 | -\$28,238.94 |
| Other Labour Costs | -\$4,438.56 | -\$14,314.27 | \$9,875.71 |
| Operating Expenses | -\$152,766.91 | -\$157,508.16 | \$4,741.25 |
| Net Profit | \$217,928.30 | \$251,863.48 | -\$33,935.18 |

Department Report for Student Services and Support:

The Student Services and Support arm recorded a net loss of \$90,567 for May compared with a budgeted loss of \$103,850. A positive variance of \$13,282 against the 2014 budget and a negative variance of \$34,359 against the May 2013 results.

Please note that the May 2014 Gender & Sexuality budget shows an expected surplus of \$5,289.30 as a result of a defective formula used in the budgeting spreadsheet. The formula failed to capture the expected expenditure for the UQ Union Queer Ball but did capture expected revenues from the Ball resulting in an expected surplus.

When the Gender & Sexuality portfolio is adjusted for this error the expected loss for May is \$12,710.70 indicating a positive variance of \$1870.34. Adjusting the budgets at this time would represent a breach of accounting conventions. As a result the error will be carried forward through the year's results. However a footnote will added to the Monthly results table (see below) and Year-To-Date table (next page) to indicate the 'true' financial position of the Gender & Sexuality portfolio.

A summary of the individual portfolio results for the Student Services and Support arm is given below:

| | May 2014 Actual | May 2014 Budget | Variance (with Budget) |
|---------------------------------|-----------------|-----------------|------------------------|
| Gender & Sexuality ¹ | -\$10,840.36 | \$5,289.30 | -\$16,129.66 |
| Student Rights | -\$13,088.45 | -\$4,658.63 | -\$8,429.82 |
| Campus Culture | -\$43,070.13 | -\$16,569.63 | -\$26,500.50 |
| Campus Bus | -\$5,149.98 | -\$4,436.84 | -\$713.14 |
| Clubs & Societies | -\$29,893.11 | -\$29,563.18 | -\$329.93 |
| College Area | \$0.00 | -\$31,250.00 | \$31,250.00 |
| Environment | -\$54.55 | -\$1,500.00 | \$1,445.45 |
| Executive | -\$21,419.86 | -\$23,804.10 | \$2,384.24 |
| Elections & Referendums | \$0.00 | \$0.00 | \$0.00 |
| Goorie Berrimpa | -\$31.00 | -\$3,530.00 | \$3,499.00 |
| International | -\$736.23 | -\$4,030.00 | \$3,293.77 |
| Postgraduate | -\$2,615.11 | -\$1,280.00 | -\$1,335.11 |
| Semper Floreat | -\$12,435.10 | -\$11,819.15 | -\$615.95 |
| Building Expenses | -\$56,376.74 | -\$52,476.95 | -\$3,899.79 |
| Professional Services | -\$746.19 | -\$746.19 | \$0.00 |
| Student Services Overhead | -\$38,563.08 | -\$48,806.24 | \$10,243.16 |
| Gatton | -\$6,088.60 | -\$7,304.58 | \$1,215.98 |
| Herston | \$0.00 | -\$1,500.00 | \$1,500.00 |
| Ipswich | -\$634.07 | -\$4,199.31 | \$3,565.24 |
| Turbot St | \$0.00 | -\$1,000.00 | \$1,000.00 |

¹ May 2014 Budget = -\$12,710.70 / Variance (with Budget) = \$1870.34

As per the previous report the table below shows the YTD spending for each individual portfolio.

| | Year-To-Date Actual | Year-To-Date Budget | Variance (with Budget) |
|---------------------------------|---------------------|---------------------|------------------------|
| Gender & Sexuality ² | -\$34,449.04 | -\$23,424.36 | -\$11,024.68 |
| Student Rights | -\$40,775.20 | -\$46,899.36 | \$6,124.16 |
| Campus Culture | -\$155,285.53 | -\$135,877.36 | -\$19,408.17 |
| Campus Bus | -\$15,075.16 | -\$11,522.33 | -\$3,552.83 |
| Clubs & Societies | -\$119,170.87 | -\$123,204.59 | \$4,033.72 |
| College Area | -\$41,225.77 | -\$110,000.00 | \$68,774.23 |
| Environment | -\$1,209.18 | -\$6,150.00 | \$4,940.82 |
| Executive | -\$107,441.09 | -\$99,979.52 | -\$7,461.57 |
| Elections & Referendums | \$0.00 | -\$1,200.00 | \$1,200.00 |
| Goorie Berrimpa | -\$1,556.27 | -\$12,632.00 | \$11,075.73 |
| International | -\$5,866.45 | -\$13,632.00 | \$7,765.55 |
| Postgraduate | -\$94.97 | -\$13,132.00 | \$13,037.03 |
| Semper Floreat | -\$53,483.34 | -\$57,280.09 | \$3,796.75 |
| Building Expenses | -\$258,060.33 | -\$236,875.61 | -\$21,184.72 |
| Professional Services | -\$3,730.95 | -\$3,730.95 | \$0.00 |
| Student Services Overhead | -\$193,311.02 | -\$203,849.97 | \$10,538.95 |
| Gatton | -\$26,299.16 | -\$28,347.08 | \$2,047.92 |
| Herston | \$0.00 | -\$3,000.00 | \$3,000.00 |
| Ipswich | -\$4,255.78 | -\$10,534.58 | \$6,278.80 |
| Turbot St | \$0.00 | -\$4,000.00 | \$4,000.00 |

A summary of the Student Services and Support arm is given below:

| | 2014 Actual | 2014 Budget | Variance (with Budget) |
|------------------------------|---------------|---------------|------------------------|
| Sales Income | \$0.00 | \$0.00 | \$0.00 |
| Cost of Sales | \$0.00 | \$0.00 | \$0.00 |
| Gross Profit | \$0.00 | \$0.00 | \$0.00 |
| Sale On Commission | \$0.00 | \$0.00 | \$0.00 |
| Cost of Sale on Commission | \$0.00 | \$0.00 | \$0.00 |
| Other Income | \$143,340.37 | \$153,586.18 | -\$10,245.81 |
| Gross Profit Before Expenses | \$143,340.37 | \$153,586.18 | -\$10,245.81 |
| Wages | -\$65,880.57 | -\$65,265.53 | -\$615.04 |
| Other Labour Costs | -\$114.58 | -\$870.00 | \$755.42 |
| Operating Expenses | -\$233,907.61 | -\$257,435.96 | \$23,528.35 |
| Net Profit | -\$90,567.24 | -\$103,849.78 | \$13,282.54 |

² YTD Actual = -\$34,449.04 / YTD Budget = -\$46,424.35 / Variance (with Budget) = \$11,975.31

Since the defect was discovered the 2014 Annual Budget has been reviewed and no further defects have been discovered. Overall this means that the Student Services and Gender & Sexuality portfolio in particular are well below budget and performing very well thus far.

The following documents are attached for consideration:

- (a) The Consolidated Profit & Loss Summary for February 2014
- (b) The Business Trading Profit & Loss Summary for February 2014
- (c) The Student Services and Support Profit & Loss Summary for February 2014

Other Business:

The renovations to the UQ Union Loading Dock were completed on schedule last Friday the 21st of June. Due to unexpected costs the renovations have incurred approximately an additional \$14,000 of expenditure than initially budgeted for.

If members have questions or requests for further financial documentations please direct any communication to the Treasurer – treasurer@uqu.com.au.