

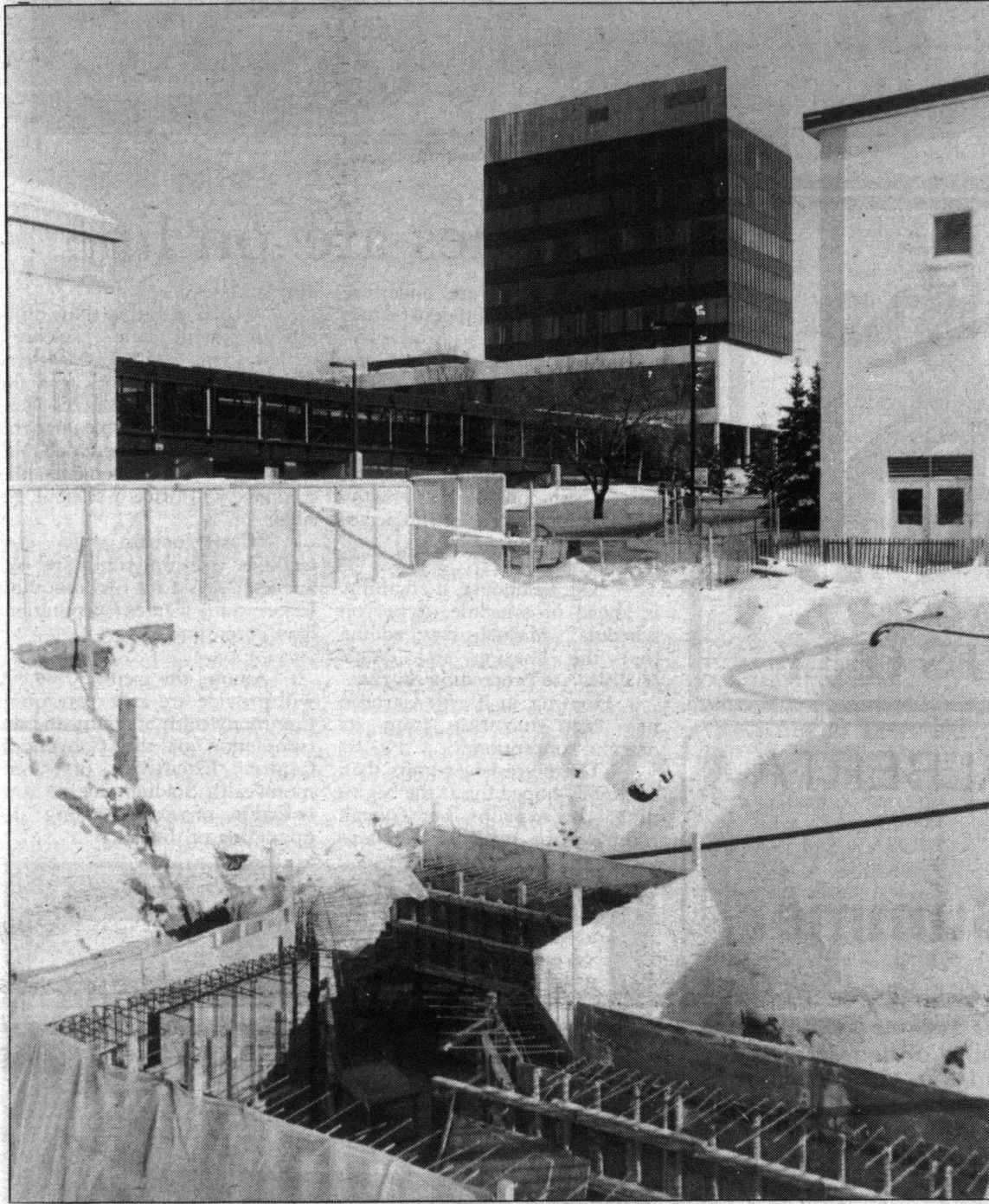
Money can't buy love...

# the Gateway

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...but it improves your bargaining position.

Laurence Peter.



Foundations are being poured for the fieldhouse of the controversial 1983 World University Games

## Who pays Games bills?

by Wes Oginski

The 1983 World University Games are not in danger of being cancelled.

Universiade '83, the official operating body of the Games, is currently working with a budget proposal of approximately \$33 million. The City of Edmonton, the Alberta provincial government, and the Canadian federal government are being asked to contribute \$21.6 million, or about \$7.2 million each.

Last week, questions were raised as to whether the three levels of government would meet the latest budget proposal of the Universiade '83 Corporation.

The Games' budget proposal at one time was estimated at well over \$50 million, but Ernie Miller of Universiade '83 Media Services, says that the Corporation has tightened its budget to bring the costs down.

Areas that have been cut most in the budget have been personnel and transportation. Miller adds that the 'culture aspect' of the Games has not been affected by the budget restraints.

"It would be nice to have a budget sealed and delivered," says Ross Macnab, U of A vice-president (World University Games). "We're not very far off (from a final budget) at this moment, and are operating as if in a sense we have a final budget," he adds.

Alderman Gerry Wright had talked about cancelling the event, but City Council did not actually consider the option.

City Council agreed in principle to contribute a share of \$7.181 million to the Games.

This decision has four conditions that the Universiade must meet, according to City Council minutes: First, the Corporation must agree on a financial reporting system so that difficulties can be spotted early. Second, the remaining two-thirds of the budget must be taken up by the other two levels of government. Third, the other two levels of government must help share any deficit. Fourth, that an advance of \$750,000 of the money from the other governments be made immediately to allow the Corporation to proceed.

Last year, the provincial government was not satisfied with the budget presentation of the Corporation.

"We're satisfied now," says Barry Michelson, deputy minister of Alberta Recreation and Parks. "It (the budget) is a realistic budget."

Mitchelson anticipates an announcement on the provincial government's decision on the Games budget within a week.

The federal government also has not made a decision on their Games' commitment.

A commitment of \$5.2 millions has been made. A telex to the Universiade '83 from Gerald Regan, minister of Sports and Recreation, says the federal government is unable to commit more at this time.

The communication also stipulates: *Identification by the Universiade 1983 Corporation of responsibilities and liabilities for any deficits which might be incurred in the operating or capital budget of the Games and agreement that the federal government will not be approached to assist in defraying any deficits.*

Miller estimates a \$1.98 million shortfall in the Games' budget without the extra \$2 million from the federal government.

"\$1.98 million is not going to make the difference between having the Games and not having the Games," he says. "It's good for business and it's good for the city."

Miller says the City Development Corporation estimates that the Games will generate \$100 million in revenue.

If the Games are faced with a \$1.98 million shortfall, both Macnab and Miller say that the Corporation Board of Governors will present a contingency plan.

In 1983, the City of Edmonton and the University of Alberta will host the World University Games, from July 1 - 11. The Games are an international amateur sporting event, second in size only to the Summer Olympic Games. With about 4500 athletes attending from 85 different countries, these games will be twice the size of the 1978 Commonwealth Games hosted in Edmonton.

### Figures don't add up

## Election '82 continues

by Peter Michalyszyn

With the students' Union election just days away, a serious contradiction has arisen between the Walker slate and current vice president finance Elise Gaudet.

Walker has quoted Gaudet saying that the SU expects to make \$180,000 profits in the fiscal year ending March 1982.

In an interview Monday, Walker replied on that projection to claim, "This is not the time to panic" about SU finances. Walker accused the opposing Cottle slate of "painting a grim picture" when Cottle predicted over \$100,000 in continued losses at the end of the year.

Gaudet does not share Walker's optimism. She says "We (the SU) won't be out of trouble for a long time."

Gaudet says she did not give Walker the surplus figure of \$180,000. In fact, she says the projected budget surplus is only about \$80,000.

The Students' Union is \$100,000 ahead of that budget right now (which may explain where Walker's \$180,000 figure comes from), but Gaudet cautions that a great amount of this apparent surplus must still be paid out for past services or goods received.

As well, of the originally budgetted \$80,000 surplus, a large

percentage must be paid out for capital expenditures, according to Gaudet.

Taking together the extra-budget surplus left over after paying outstanding bills, and the projected surplus minus capital expenditures, and you get about \$80,000, she says.

The financial issue is further confused when the Cottle slate says the SU has a "projected deficit of over \$100,000 in the 1981-82 fiscal year."

Cottle appears to have confused "operating" surpluses with longer term "retained earnings". Indeed, in 1981-82 the SU will generate an \$80,000 surplus, but it will still end up with retained lifetime earnings below minus \$100,000.

Retained earnings essentially represent a balance sheet of the lifetime worth of the SU as of April 1 of any given year. At April 1, 1981, retained earnings were minus \$211,000. At April 1, 1982, retained earnings are projected to show minus \$131,000 - better than last year's figure by subtracting this year's \$80,000 surplus.

Cottle is using the \$131,000 retained earnings figure in his campaign. Walker has used the \$180,000 1981-82 fiscal year's performance. However, his figure is out by \$100,000.

To thoroughly confuse the

voters who are trying to sort out all the financial rhetoric, Gaudet notes the Students' Union is still in debt to the university by about \$350,000. She anticipates to make up only \$50,000 of that before the end of her term April 1.

Over the summer months that debt will rise to about \$800,000, says Gaudet. Thus, while the record shows a 1981-82 operating surplus of \$80,000 and a retained earnings account of minus \$131,000, next year's executive will still be faced with nearly a million dollar debt.

photo Martin Beales

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