



MEMORANDUM

DATE: March 18, 2002
TO: **Members of the University Affairs Board**
ITEM IDENTIFICATION: **Hart House Operating Plans for 2002-2003**
SPONSOR: Ian Orchard, Vice-Provost, Students
Phone (416) 978-3870/ Email <ian.orchard@utoronto.ca>

Jurisdictional Information:

- ◆ Each year, the Board approves operating plans for the service ancillaries, which describe the services and programs to be offered, within the financial parameters set by the University's operating budget and financial policies, set by Business Board. Hart House is a service ancillary.
- ◆ According to the terms of the Long-term Fees Protocol approved by Governing Council on October 24, 1996, the Council on Student Services (COSS) reviews in detail the annual operating plans, including budgets, for all student services supported by the student service fee, and offers its advice to the University Affairs Board. Hart House derives a substantial part of its revenue from the student ancillary fee.
- ◆ According to the terms of the Protocol, Governing Council may approve permanent increases in existing fees by a percentage less than or equal to the lesser of the Consumer Price Index (CPI) or the University of Toronto Index (UTI).
- ◆ According to the terms of the Protocol, Governing Council may also approve temporary increases in existing fees not greater than the greater of the CPI or UTI increase, for up to three years.
- ◆ According to the terms of the Long-term Fees Protocol, the Governing Council retains jurisdiction over decisions relating to services offered by the University of Toronto and fees charged for these services.

Previous Action Taken:

- ◆ The University Affairs Board approved operating plans for Hart House for 2001-2002 at its meeting of April 18, 2001.
- ◆ The Hart House Board of Stewards approved the 2002-2003 plans and budget at its January 2002 meeting.
- ◆ The Service Ancillary Review Group (SARG) reviewed and approved Hart House's plans. Three members of the University Affairs Board are members of SARG and have participated in the review of the plans.
- ◆ The Council on Student Services considered Hart House's plans and proposed fee increase at its meeting of March 12, 2002, and did not approve them.

Action Sought:

- ◆ Approval of the operating plans and budgets for Hart House for 2002-2003, as outlined in the attached memorandum from the Warden, Margaret Hancock. The fees are outlined in the attached material, and included on Schedule D.

- ◆ As a result of the COSS vote, Hart House is permitted to request a permanent increase amounting to the CPI (2%) or \$2.37 added to the full-time student fee, and a temporary increase amounting to its calculated UTI or less. Hart House is seeking both the permanent increase and a temporary increase of 1.5% or \$1.78 in the full-time student fee on the St. George campus. Beginning in the Fall Session 2002-2003, the fee for a full-time student on the St. George campus will be \$124.39, an increase of \$4.15. Not included in the calculations of the fee increase is a temporary accessibility levy of \$1.71.

Highlights:

- ◆ Highlights of the Hart House operating plans are contained in the Warden's memo. More detailed information is available in the Hart House Five Year Plan document.

Financial Implications:

- ◆ The degree to which Hart House anticipates achieving the objectives of the long-range budget guidelines is summarized in the SARG report.



University of Toronto

University of Toronto

Hart House

Operating Plan and Budget 2002-03

March 13, 2002

Hart House Operating Plan

2002-03

Presentation to Council on Student Services

A. Overview of Mission, Programmes, and Services

Hart House is the social, cultural, recreational athletics and informal education centre for the University of Toronto. The more than 50,000 students now enrolled at the University are all members of Hart House as well as the almost 3,000 faculty, staff and alumni who join as senior members. Hart House continues to strive to fulfil its mission to be a welcoming and inclusive home on campus for all its members, providing excellent programmes and services while balancing the budget and preserving the building.

Hart House continues to widen participation in its services and programmes by encouraging activities and events that are attractive to the diverse student and senior member population. Hart House is a centre of campus life, with approximately 6400 people using the House each day. The House is open 365 days per year from early in the morning until midnight or late evening. More than 1000 cultural events are organized annually by the 32 Hart House clubs and committees. In addition, many major campus events are held in the House. We continue to seek ways to include students from the east and west campuses in the House, including providing special events and facilitating participation in activities which are unique to Hart House such as Hart House Theatre, the Farm and the art programme. As well, we rent space in our facility for events sponsored by the wider community and a number of Hart House events welcome the general public.

2002/03 is the first year of our second 5 Year Plan (attached) which was developed in a broadly consultative process with members and staff. It builds on the solid foundation of the House's current activities, stretching and pushing the House in new ways with creative activities flowing from five guiding principles. For the past five years, the annual operating plans have been based on the multi-year strategic plan and this practice will continue with the new plan.

B. Prior Year's Operating Plan And Experience

The 2001/02 budgeted loss was \$987,000 before commitments and transfers but the updated forecast for 2001/02 indicates a slight improvement with a loss of \$629,000. Several factors affected this outcome. Deferred and major maintenance expenditures were under budget by \$630,000 while regular maintenance expenditures were up by \$143,000. Hart House was required to close the guest rooms in mid-year as they are not in compliance with current fire code standards resulting in a \$70,000 decrease in net revenue for the year. A review of the changes necessary to bring the guest rooms in compliance with the code has demonstrated that it will not be possible to reopen the guest rooms for financial and aesthetic reasons.

Hart House assumed the management of Hart House Theatre on May 1, 2001. It has been a successful startup and the Theatre is forecast to break even for the year. The performance of the Arbor Room continues to be unacceptable with an expected loss of \$71,000. Several measures to improve its performance have been undertaken including a renovation in the summer of 2001 causing an increase in the number of transactions, new cash registers to track sales by menu item to allow improved management of inventory and staffing, and an increase in prices. Close monitoring of the performance of the Arbor Room indicates that there is improvement in some aspects but much more is needed for the operation to be sustainable.

C. Operating Plan for 2002/03

The 2002/03 budget has been reviewed and recommended by the Finance Committee and approved by the Board of Stewards. It represents a prudent and conservative approach to maintaining existing levels of programmes and preserving the building while providing excellent stewardship for Hart House's finances. Issues raised by the Service Ancillary Review Group last year about annual operating deficits, the construction of the elevator and funding for the theatre have been addressed in the proposed budget.

With respect to annual operating deficits, although a deficit is proposed for 2002/03 due to significant priorities for deferred and major maintenance, the 10-year forecast (schedule 1A) shows surpluses in every future year which will replenish and build the total net assets. Each budget line has been carefully reviewed and a model has been built which is sustainable for the House. Recent challenges including the integration of Hart House Theatre and the closing of the guest rooms due to fire code requirements have been taken into account.

Recognizing that fees need to be kept at rates which take into account inflation, the demands of increased enrollment and the timely preservation of the building, realistic assumptions about revenue from student and senior member fees have been made which we think will be acceptable to these constituencies (see schedules 4, 4.1, 5, 5.1). Two approaches to fees were considered: one which had a large increase in one year followed by smaller increases in the two subsequent years with the pattern repeating over ten years; and another which raised fees at a smooth consistent rate over several years. Both approaches enable the budget to produce a surplus from 2003/04 forward. The smooth approach was favoured over the choppy one based on feedback from student and senior members, consideration of the limitations on student fee increases due to the COSS Memorandum of Agreement (see sections 3 and 4) and consideration of the limitations on senior member fee increases in order to remain competitive within the market.

A recently updated engineering survey and new architectural survey of the deferred and major maintenance needs of the House provide us with a 15-year plan (2000-2015) for the continuous preservation and improvement of the building. The surveys are the basis on which the deferred and major maintenance expenditures are projected. In the next 5 years, the plan requires significant expenditures on major items which cause a dip in cash and the reserve funds although the operating results are positive. In subsequent years, as shown in the ten year forecast, the requirements for expenditures diminish to more manageable levels, making it possible to continue to have balanced budgets and to replenish the reserve funds in that period. In order to take into account the needs of the building, balancing the disruption of repairs with ongoing programming, having a realistic workplan for repairs and smoothing expenses, the projects have been categorized into "A", "B" and "C" lists (Schedule 6). The "A" list has been used in the 2002-03 operating plan. Due to the extensive repairs required for the farm residence, it has been determined that it will be more prudent to construct a new house with the expense covered by a 5-year mortgage.

Presentation to Council on Student Services

The Access Project to install an elevator to reach all 5 floors of Hart House was begun in the summer of 2001. Phase 1, the construction of a corridor on the Arbor Room level to link the east side of the building with the athletics facility on the west side, was successfully finished in October 2001 and is now in use. Detailed drawings for phase 2, the construction of accessible washrooms on the second and third floors, and phase 3, the installation of the elevator, are being completed now in preparation for tendering when funding is in place. If our funding application to the Cultural Spaces Canada programme is successful, it may be possible to proceed with phases 2 and 3 as early as the summer of 2002.

The first year of the integration of Hart House Theatre into Hart House is going very well. Student productions in various media fill the calendar and the integration of human, financial and physical resources is resulting in efficiencies and enhancements to all the programmes of the House. The development campaign to build an endowment is well begun.

D. Current Long Range Financial Plan

The long-range planning assumptions are set out at the bottom of Schedule 1 and are in accordance with enrollment, investment yield, and inflation factors recommended by the University of Toronto's Financial Services Department. Based on student and senior member feedback, we think that the proposed fee increases are realistic and will be acceptable to both student and senior members.

The five-year financial plan and ten-year forecast ensures adequate cash flow for deferred & major maintenance and other commitments. Deferred and major maintenance expenditures are planned for the next 15 years and reviewed frequently with the Finance Committee of the House to minimize volatility in expenditures due to unforeseen events while enabling the programming in the House to continue. The long-range budget adds an increasing annual operating contingency expense for deferred and major maintenance projects.

As a result of operating losses before commitments and transfers and increased deferred and major maintenance expenditures commencing in 2001/02, the existing cash surplus will begin to erode by the end of 2002/03. The athletics facility requires extensive renovations to the locker rooms and \$300,000 has been added to the 2002/03 deferred and major maintenance budget for this purpose.

Hart House has identified a number of capital projects as part of its fundraising campaign. Success in these endeavours would have a positive impact on the cash balance. However, no provision for these revenues or expenditures is included in the projections.

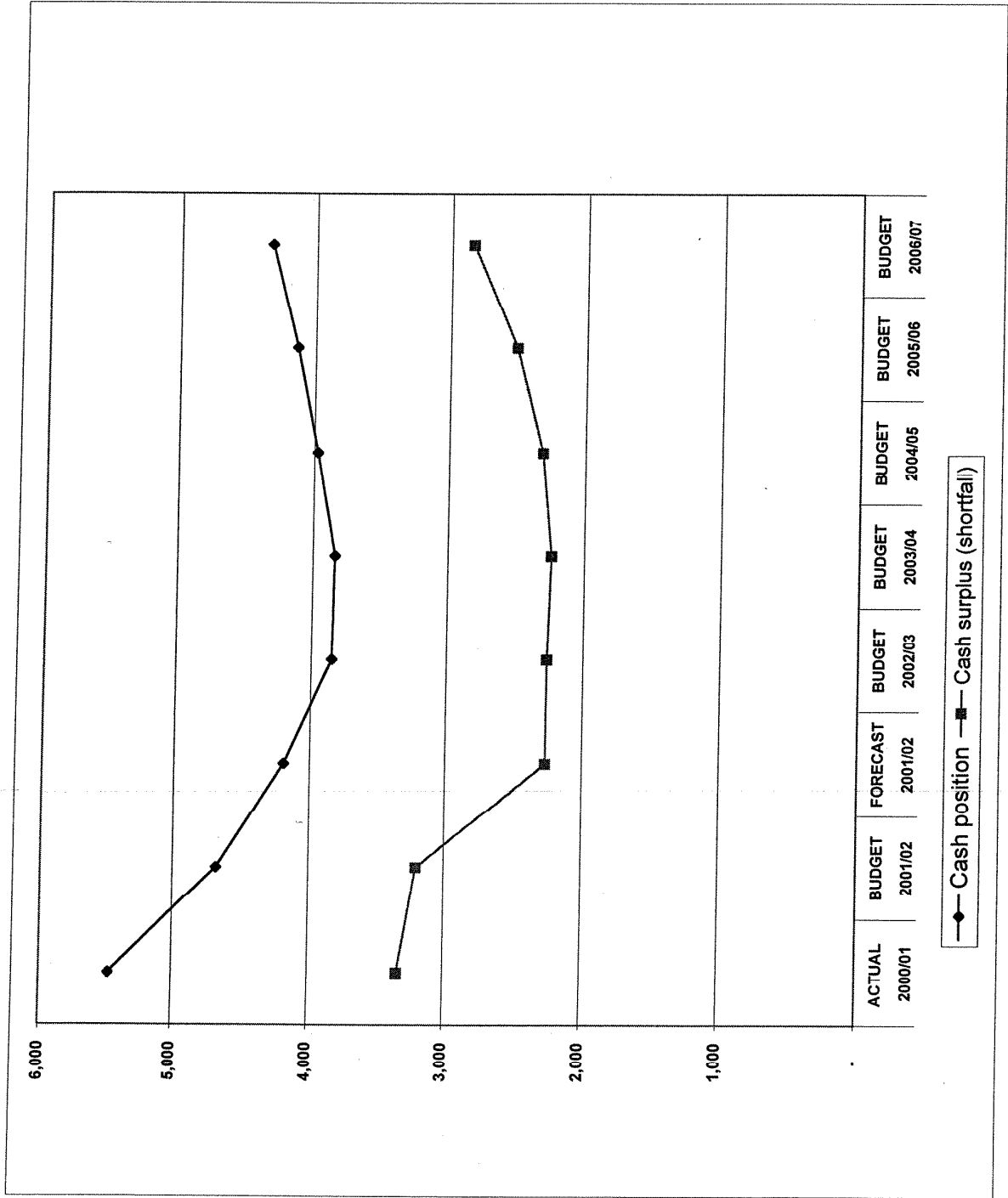
E. Capital Plan for 2002-03.

The capital budget is set at \$650,000. It includes \$300,00 for the acquisition of capital equipment, \$100,000 for building improvements to the fabric of the House over and above the deferred and major maintenance expenditures and \$250,000 for the construction of the new farm house.

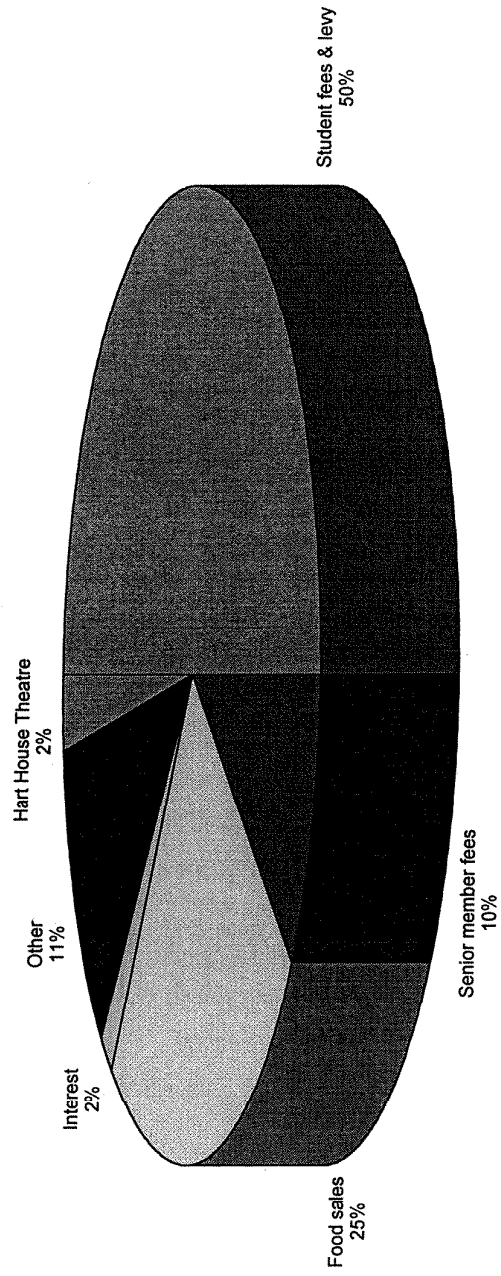
HART HOUSE

CASH POSITION AND CASH SURPLUS (SHORTFALL) - 5 YEAR FORECAST

\$'000



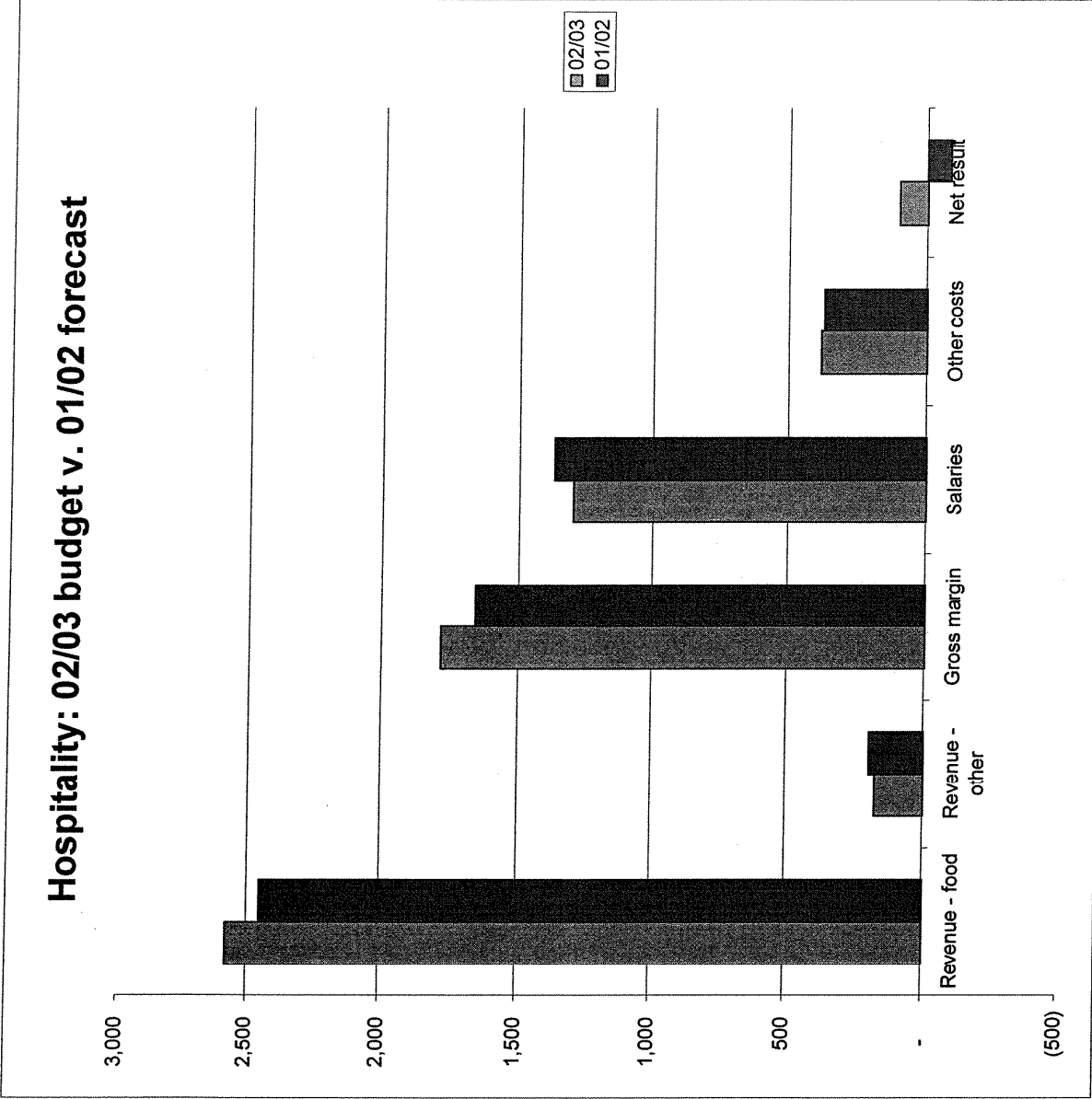
2002 - 2003 revenue budget: \$10.291 million



HART HOL

Hospitality budget changes from prior year

	02/03	01/02	% change
Revenue - food	2,579	2,452	5.2%
Revenue - other	174	196	-11.2%
Gross margin	1,782	1,655	7.7%
Salaries	1,299	1,369	-5.1%
Other costs	381	371	2.7%
Net result	102	(85)	220.0%



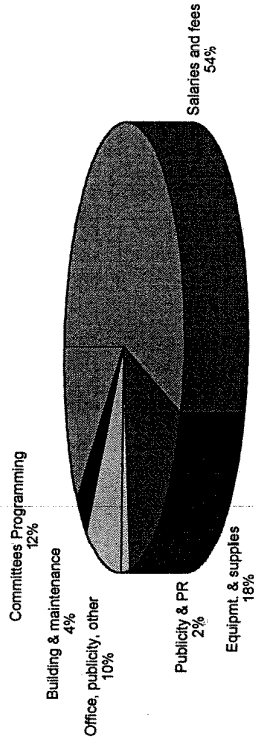
HART HOUSE

Member Service (Programming & Athletics) Budget

Programming + Athletics

	in thousands of dollars		% change
	02/03	01/02	
Salaries, wages & benefits	1,782	1,700	4.8%
Salaries and fees	1,879	1,789	5.0%
Equipmt. & supplies	611	581	5.3%
Publicity & PR	76	76	0.2%
Office, publicity, other	339	324	4.5%
Building & maintenance	124	131	-5.3%
Committees' Programming	400	400	0.0%
	3,353	3,224	4.0%

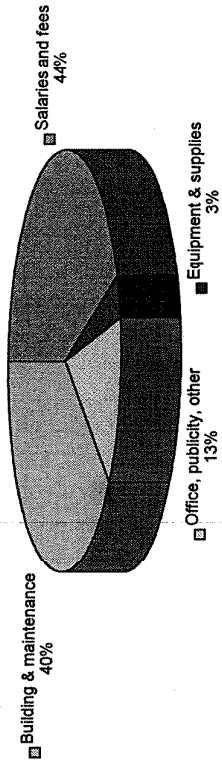
Member Service: 2002-2003 Budget



Support costs (Development, Facility, Finance/MIS and Warden) attributable to all House activities

	in thousands of dollars		% change
	02/03	01/02	
Salaries and fees	1,898	1,604	18.4%
Equipment & supplies	150	135	10.8%
Office publicity, other	572	524	9.1%
Building & maintenance	1,768	1,610	9.8%
	\$ 4,388	\$ 3,873	13.3%

Support costs: 2002-2003 Budget



**HART HOUSE
CONSOLIDATED OPERATING BUDGET AND 5-YEAR FORECAST**
(\$ 000's)

	2000/01 ACTUAL	2001/02 BUDGET	2001/02 FORECAST	2002/03 BUDGET	2003/04 BUDGET	2004/05 BUDGET	2005/06 BUDGET	2006/07 BUDGET
Revenue								
Student fees	4,507	4,371	4,418	4,778	5,074	5,465	5,686	5,972
Athletics renovator fee	Included	391	396	427	-	-	-	-
Accessibility project funding	(58)	(63)	(64)	(66)	-	-	-	-
Senior member fees	1,021	888	987	1,034	1,056	1,086	1,130	1,186
Food, interest and general	3,610	3,887	3,723	3,848	3,856	3,932	4,013	4,095
Deferred revenue	8	-	48	48	48	48	48	48
Unrestricted Donations & Grants	264	200	123	222	222	222	222	222
	9,352	9,674	9,631	10,291	10,254	10,753	11,098	11,523
Expenses								
Salaries, wages, benefits & fees	4,626	4,963	4,981	5,273	5,376	5,486	5,596	5,708
Current pension savings	(118)	(59)	(59)	-	-	-	-	-
Professional fees	154	241	299	288	294	300	306	312
Publicity	107	198	157	167	170	174	177	181
Data processing & software	13	104	57	72	63	65	66	67
General office	222	392	354	385	393	401	409	417
Laundry	128	127	140	137	140	143	145	148
Supplies	145	118	141	148	151	154	157	160
Cost of Goods Sold	1,133	1,068	1,078	1,058	1,076	1,101	1,123	1,145
Garbage	28	26	29	28	29	29	30	30
Insurance	67	73	64	65	66	68	69	70
Utilities	627	631	680	684	696	712	726	740
Capital renewal:								
Annual maintenance	331	388	531	398	406	414	422	431
Deferred & major maint.- engineering	474	1,134	404	446	332	278	411	595
Deferred & major maint.- architectural	-	-	100	330	112	125	106	108
Depreciation	583	566	628	707	386	416	436	456
Expendable equipment	180	132	113	119	121	124	126	129
Interest on renovation mortgage	54	35	35	28	11	8	5	2
Clubs & Committees' Programmes	342	400	400	400	400	400	400	400
Hart House Theatre production costs	-	25	50	45	46	22	22	23
Central overhead	9,076	10,562	10,180	10,778	10,276	10,417	10,732	11,122
	65	79	80	78	80	81	83	85
	9,141	10,661	10,260	10,856	10,356	10,498	10,815	11,207
Operating result before commitments & transfers	211	(987)	(629)	(565)	(101)	255	283	317
- Transfer from U of T for Theatre	-	234	218	218	216	-	-	-
	211	(753)	(411)	(347)	117	255	283	317
Less: increase/(decrease) in Appropriated equity								
- Investment in capital assets	(170)	169	109	199	76	71	74	77
- Interest on renovation	(54)	(35)	(35)	(14)	-	-	-	-
- Deferred & major maint.	(74)	(707)	(104)	(368)	(26)	21	(64)	(181)
Operating result after commitments & transfers	509	(180)	(381)	(164)	67	163	293	421
General Inflation forecast (% of prior)				102.00%	102.00%	102.00%	102.00%	102.00%
Enrollment increase forecast (% of prior)				103.4575%	104.0365%	104.0590%	100.5271%	101.4790%
Student fee rate forecast (% of prior)				103.50%	103.50%	103.50%	103.50%	103.50%
Investment yield forecast (% of invested cash - see Schedule 3)				3.0500%	3.0500%	3.0500%	3.0500%	3.0500%
Senior Member fees rate forecast (% of prior year)				103.50%	102.00%	103.00%	104.00%	105.00%

**HART HOUSE
CONSOLIDATED OPERATING BUDGET AND 10-YEAR FORECAST**
(\$ 000's)

	2002/03 BUDGET	2003/04 BUDGET	2004/05 BUDGET	2005/06 BUDGET	2006/07 BUDGET	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
Revenue										
Student fees	4,778	5,074	5,465	5,686	5,972	6,091	6,213	6,337	6,464	6,593
Athletics renovation fee	427	-	-	-	-	-	-	-	-	-
Accessibility project funding	(66)	-	-	-	-	-	-	-	-	-
Senior member fees	1,034	1,065	1,088	1,130	1,186	1,271	1,234	1,271	1,322	1,388
Food, interest and general	3,848	3,856	3,932	4,013	4,095	4,177	4,261	4,346	4,433	4,522
Deferred revenue	48	48	48	48	48	48	48	48	48	48
Unrestricted Donations & Grants	222	222	222	222	222	250	250	250	250	250
	10,291	10,264	10,753	11,098	11,523	11,768	11,998	12,244	12,509	12,793
Expenses										
Salaries, wages, benefits & fees	5,273	5,378	5,486	5,596	5,708	5,822	5,938	6,057	6,178	6,302
Professional fees	288	294	300	306	312	318	324	331	337	344
Publicity	167	170	174	177	181	184	188	192	196	200
Data processing & software	72	63	65	66	67	69	70	71	73	74
General office	385	393	401	409	417	425	434	442	451	460
Laundry	137	140	143	145	148	151	154	157	161	164
Supplies	148	151	154	157	160	163	167	170	173	177
Cost of Goods Sold	1,058	1,079	1,101	1,123	1,145	1,168	1,191	1,215	1,240	1,264
Garbage	28	29	30	30	30	31	32	32	33	33
Insurance	65	66	68	69	70	72	73	75	76	78
Utilities	684	698	712	726	740	755	770	786	801	817
Capital renewal:										
Annual maintenance	398	406	414	422	431	439	448	457	466	476
Deferred & major maint.- engineering	446	332	278	411	595	93	178	10	185	659
Deferred & major maint.- architectural	330	112	125	106	108	108	112	125	106	108
Depreciation	707	398	416	436	456	476	496	526	546	566
Expendable equipment	1'9	121	124	126	129	131	134	137	139	142
Interest on renovation mortgage	28	11	8	5	2	-	-	-	-	-
Clubs & Committees' Programmes	400	400	400	400	400	425	425	425	425	425
Hart House Theatre production costs	45	46	22	22	23	23	24	24	25	25
Central overhead	10,778	10,275	10,417	10,732	11,122	10,855	11,159	11,233	11,611	12,314
	78	80	81	83	85	86	88	90	92	93
	10,856	10,356	10,498	10,815	11,207	10,941	11,247	11,322	11,703	12,408
Operating result before commitments & transfers	(565)	(101)	255	283	317	828	751	922	806	385
- Transfer from U of T for Theatre	2'8	218	-	-	-	-	-	-	-	-
	(3'7)	117	255	283	317	828	751	922	806	385
Less: increase/(decrease) in Appropriated equity										
- Investment in capital assets	199	78	71	74	77	24	4	(26)	(46)	(66)
- Interest on renovation	(4)	-	-	-	-	-	-	-	-	-
- Deferred & major maint.	(368)	(28)	(84)	(84)	(181)	250	169	334	187	(279)
Operating result after commitments & transfers	(164)	67	163	293	421	554	578	614	685	730
General Inflation forecast (% of prior)	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Enrollment increase forecast (% of prior)	103.46%	104.04%	104.06%	100.53%	101.48%	100.00%	100.00%	100.00%	100.00%	100.00%
Student fee rate forecast (% of prior)	103.50%	103.50%	103.50%	103.50%	103.50%	102.00%	102.00%	102.00%	102.00%	102.00%
Investment yield forecast (% of invested cash - see Schedule 3)	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%	3.0500%
Senior Member fees rate forecast (% of prior year)	103.50%	102.00%	103.00%	104.00%	105.00%	102.00%	102.00%	103.00%	104.00%	105.00%

HART HOUSE
2002/03 ANNUAL OPERATING PLAN

CONSOLIDATED
STATEMENT OF EQUITY
(\$000's)

	2000/01 ACTUAL	2001/02 BUDGET	2001/02 FORECAST	2002/03 BUDGET	2003/04 BUDGET	2004/05 BUDGET	2005/06 BUDGET	2006/07 BUDGET
UNAPPROPRIATED EQUITY (DEFICIT)								
- Unrestricted accumulated surplus								
Operating result after commitments and transfers	\$ 509	(180)	(381)	(164)	67	163	293	421
Restatement of prior periods (accounting changes)	(119)	-	(250)	-	-	-	-	-
Bal., begin. of year	2,012	2,402	2,402	1,771	1,607	1,674	1,837	2,130
Balance, end of year	\$ 2,402	2,222	1,771	1,607	1,674	1,837	2,130	2,551
APPROPRIATED EQUITY								
-Reserve for interest on Athletic renovation loan								
Increase/(decrease) in commitment								
- Loan int. (Athletic renovat.)	\$ (54)	(35)	(35)	(14)	-	-	-	-
Balance, beginning of year	139	85	85	14	-	-	-	-
Balance, end of year	\$ 85	50	50	-	-	-	-	-
APPROPRIATED EQUITY								
-Reserve for Def. & Major Maintenance								
Increase/(decrease) in commitment	\$ (74)	(707)	(104)	(368)	(28)	21	(84)	(181)
Balance, beginning of year	1,129	1,055	1,055	951	583	555	576	492
Balance, end of year	\$ 1,055	348	951	583	555	576	492	311
APPROPRIATED EQUITY								
- Investment in capital assets								
Increase/(decrease) in commitment	\$ (170)	169	109	199	78	71	74	77
Balance, beginning of year	1,098	928	928	1,037	1,236	1,314	1,385	1,459
Balance, end of year	\$ 928	1,097	1,037	1,236	1,314	1,385	1,459	1,536

HART HOUSE
CONSOLIDATED 5-YEAR CASH FLOW, CASH REQUIREMENTS, AND INVESTMENT FORECAST
(\$'000's)

	2000/01 ACTUAL	2001/02 BUDGET	2001/02 FORECAST	2002/03 BUDGET	2003/04 BUDGET	2004/05 BUDGET	2005/06 BUDGET	2006/07 BUDGET
CASH FLOW FORECAST								
Operating result before commitments & transfers	211	(987)	(629)	(565)	(101)	255	283	317
Add non-cash items:								
Amortization of capital contributions	(8)	-	(8)	(48)	(43)	(48)	(48)	(48)
Depreciation	583	586	626	707	385	416	436	456
Less capital expenditures	(188)	(400)	(1,258)	(650)	(423)	(440)	(460)	(480)
Less Athletics capital replacements	-	-	-	-	-	-	-	-
Add funding transfer for Hart House Theatre	-	234	218	218	213	-	-	-
Add mortgage financing	-	-	-	250	-	-	-	-
Add donations (contributions) for capital purchase	-	-	-	-	-	-	-	-
Less Loan principal payment	(216)	(235)	(235)	(256)	(44)	(47)	(50)	(53)
Net change in non-cash working capital balances related to operations	152	-	-	-	-	-	-	-
Increase/(decrease) in cash	534	(802)	(1,286)	(344)	(9)	136	161	192
Cash position, begin of year	4,942	5,476	5,476	4,189	3,843	3,836	3,972	4,133
CASH POSITION, END OF YEAR	5,476	4,674	4,189	3,845	3,833	3,972	4,133	4,325
CASH REQUIREMENTS FORECAST								
Internally restricted funds, excluding DMM	732	769	622	638	670	704	739	776
Reserve for Deferred & Major Maintenance	1,055	348	951	583	555	576	492	311
Cash reserve for general operations	350	350	350	360	370	380	390	400
Total cash required	2,137	1,467	1,923	1,581	1,595	1,660	1,621	1,487
CASH SURPLUS/(SHORTFALL)	3,339	3,207	2,266	2,264	2,241	2,312	2,512	2,838
INVESTED CASH FORECAST								
Cash surplus (shortfall) per above	3,207	3,207	2,266	2,264	2,241	2,312	2,512	2,838
Add: Reserve for Deferred & Major Maintenance	348	348	951	583	555	576	492	311
Add: 50% of internally restricted funds	384	384	311	319	335	352	370	388
Add balance from prior year-end	4,942	3,939	3,528	3,166	3,131	3,240	3,374	3,537
		4,942	4,942	3,528	3,163	3,131	3,240	3,374
Divide by 2 for average balance	8,881	8,881	8,470	6,894	6,297	6,371	6,614	6,911
		2	2	2	2	2	2	2
AVERAGE INVESTED CASH	4,441	4,441	4,235	3,347	3,149	3,186	3,307	3,455

HART HOUSE STUDENT FEE SCHEDULE

2002/03 ANNUAL OPERATING PLAN

Schedule 4

	Base Fees 01/02 (1)	Proposed Change \$ (2)	Student Fee 02/03 (3) = (1)+(2)	% Change (4) = (2)/(1)	Accessibility Project Funding (5)	Total Fees 02/03 (6) = (1)+(2)+(5)
St. George Full time						
Core fee	108.78	3.81	112.59	3.5%	1.57	114.16
Athletics renovation project fee	9.75	0.34	10.09	3.5%	0.14	10.23
	<u>\$118.53</u>	<u>\$4.15</u>	<u>\$122.58</u>	<u>3.5%</u>	<u>\$1.71</u>	<u>\$124.39</u>
St. George Part time (= 30% St. George Full time)						
Core fee	32.64	1.14	33.78	3.5%	0.51	34.29
Athletics renovation project fee	2.92	0.10	3.02	3.4%	-	3.02
	<u>\$35.56</u>	<u>\$1.24</u>	<u>\$36.80</u>	<u>3.5%</u>	<u>\$0.51</u>	<u>\$37.31</u>
St. George Summer (= prior year St. George Part time)						
Core fee	32.48	0.16	32.64	0.5%	-	32.64
Athletics renovation project fee	2.91	0.01	2.92	0.3%	-	2.92
	<u>\$35.39</u>	<u>\$0.17</u>	<u>\$35.56</u>	<u>0.5%</u>	<u>\$0.00</u>	<u>\$35.56</u>
UTSc & UTM Full time						
Core fee	3.31	0.12	3.43	3.6%	-	3.43
Athletics renovation project fee	0.28	0.01	0.29	3.6%	-	0.29
	<u>\$3.59</u>	<u>\$0.13</u>	<u>\$3.72</u>	<u>3.6%</u>	<u>\$0.00</u>	<u>\$3.72</u>
UTSc & UTM Part time						
Core fee	1.02	0.04	1.06	3.9%	-	1.06
Athletics renovation project fee	0.09	-	0.09	0.0%	-	0.09
	<u>\$1.11</u>	<u>\$0.04</u>	<u>\$1.15</u>	<u>3.6%</u>	<u>\$0.00</u>	<u>\$1.15</u>

HART HOUSE
2002/03 ANNUAL OPERATING PLAN

Schedule 4.1

HART HOUSE
ENROLMENT STATISTICS AND STUDENT FEE REVENUE CALCULATION

		Projected 01/02	Projected 02/03	Projected Increase (Decrease)	% Increase (Decrease)
<i>N.B. Enrolment values are projected, not actual</i>					
Undergraduate & Graduate	Full time	34,352	35,704	1,352	3.94%
Undergraduate & Graduate	Part time	10,252	10,217	(35)	-0.34%
UTM	Full time	4,728	5,215	487	10.30%
UTSc	Full time	4,697	4,946	249	5.30%
UTSc & UTM	Part time	3,240	3,499	259	7.99%
Summer	Part time	9,600	9,600	-	0.00%
		66,869	69,181	2,312	3.46%
Core student levy (see Schedule 4 for rates)		\$4,418,000	\$4,778,000		
Athletics renovation fee (see Schedule 4 for rates)		\$396,000	\$427,000		
Total Revenue calculated on enrolment		\$4,814,000	\$5,205,000		
Accessibility Project Funding					
Core student fee portion		\$59,000	\$61,000		
Athletics renovation fee portion		\$5,000	\$5,000		
Total Accessibility Project Funding		\$64,000	\$66,000		
Net Student Fee Revenue					
Core student levy (see Schedule 4 for rates)		\$4,359,000	\$4,717,000		
Athletics renovation fee (see Schedule 4 for rates)		\$391,000	\$422,000		
Total Revenue calculated on enrolment		\$4,750,000	\$5,139,000		
Budgeted revenue		\$4,699,000			
Difference		\$51,000			
Difference %		1.06%			

HART HOUSE SCHEDULE OF SENIOR MEMBER AND OTHER FEES

		2001/02	2002/03	Change
<u>ATHLETICS</u>				
<u>Regular Fee</u>	Monthly	\$ 55.00	\$ 58.00	\$ 3.00
	Annually	\$ 624.00	\$ 658.00	\$ 34.00
<u>Discounted Fees</u>				
Spouse of Student Member or Senior Member	Monthly	\$ 41.25	\$ 44.25	\$ 3.00
	Annually	\$ 468.00	\$ 502.00	\$ 34.00
Class of 02	Monthly	\$ 27.50	\$ 29.00	\$ 1.50
	Annually	\$ 312.00	\$ 329.00	\$ 17.00
Member over 60	Monthly	\$ 41.25	\$ 44.25	\$ 3.00
	Annually	\$ 468.00	\$ 502.00	\$ 34.00
Faculty or Staff	Monthly	\$ 39.00	\$ 41.50	\$ 2.50
	Annually	\$ 448.50	\$ 471.00	\$ 22.50
Visiting Student	4 months	\$ 135.00	\$ 140.00	\$ 5.00
One Month Member	Monthly	\$ 75.00	\$ 80.00	\$ 5.00
<u>CLUBS & COMMITTEES</u>				
<u>Regular Fee</u>	Annually	\$ 135.00	\$ 140.00	\$ 5.00
<u>Special Fees</u>				
Spouse of Student Member or Senior Member	Annually	\$ 135.00	\$ 140.00	\$ 5.00
Member over 60	Annually	\$ 88.25	\$ 91.25	\$ 3.00
Faculty or Staff	Annually	\$ 135.00	\$ 140.00	\$ 5.00
Visiting Student		\$ 135.00	\$ 140.00	\$ 5.00
<u>ATHLETICS PLUS</u>				
	Monthly	\$ 75.00	\$ 78.00	\$ 3.00
	Annually	\$ 835.00	\$ 864.00	\$ 29.00
		Split 50-50 with Dept. of Athletics		
<u>JOINT PLAN</u>	Annually	\$ 212.52	\$ 220.00	\$ 7.48

2002/03 ANNUAL OPERATING PLAN

Schedule 5.1

**HART HOUSE
CALCULATION OF SENIOR MEMBER FEES REVENUE**

Privilege Level	Discount Code	Description	2002/03 Projected		01/02 project		Monthly Fee (w GST)	Annual Fee (w GST)	Revenue (net of GST & shared portion)	Discount factor	BUDGET
			# of Members Annual	# of Members Monthly	Total # of Members	Total # of Members					
Athletics	60	Over 60 years of age	66	45	111	107	\$ 44.25	\$ 502.00	\$53,296.26		
	97	Class of 02	61	156	217	235	\$ 29.00	\$ 329.00	\$69,492.52		
	AF	Affiliated Student	7	-	7	7	\$ -	\$ 183.00	\$1,197.20		
	MS	Spouse of Senior Member	15	85	100	77	\$ 58.00	\$ 658.00	\$64,514.02		
	GS	Spouse of Grad of Another Univ	21	127	148	149	\$ 44.25	\$ 502.00	\$72,877.57		
	MIR	Regular	167	532	699	718	\$ 58.00	\$ 658.00	\$448,745.79		
	SF	Staff & Faculty	8	41	49	49	\$ 41.50	\$ 471.00	\$22,603.74		
	SS	Spouse of a Student Member	-	-	-	-	\$ 44.25	\$ 502.00	\$0.00		
	SM	Special Membership	2	6	8	8	\$ 58.00	\$ 658.00	\$5,132.71		
	VF	Visiting student (Fall)	28	-	28	21	\$ -	\$ 140.00	\$3,663.55		
		Post-doctoral Fellow	-	24	24	35	\$ 44.25	\$ -	\$11,910.28		
		One Month Member	-	5	5	4	\$ 80.00	\$ -	\$4,485.98		
Athletics Plus		Athletics Plus	16	9	25	28	\$ 78.00	\$ 864.00	\$10,396.26	6.9%	\$ 715,000
Clubs & Committees											
	60	Over 60 years of age	41	-	41	41	\$ -	\$ 91.25	\$3,496.50		
	97	Class of 2T2	-	-	-	-	\$ -	\$ 135.00	\$0.00		
	GO	Grad of Another University	-	-	-	-	\$ -	\$ 140.00	\$0.00		
	MIR	Regular	208	-	208	189	\$ -	\$ 140.00	\$27,214.95		
	MS	Spouse of Student/Senior Membe	-	-	-	-	\$ -	\$ 140.00	\$0.00		
	SF	Staff & Faculty	-	-	-	-	\$ -	\$ 140.00	\$0.00		
	SM	Special Membership	1	-	1	2	\$ -	\$ 140.00	\$130.84		
Total Members			1,500	-	1,671	1,670			\$799,158.18	6.3%	\$ 748,900
Joint plan					971	1,500			\$308,411.21	7.6%	\$ 285,000
									\$33,900		
									\$1,033,900		

* Budget amount has been discounted since increases take effect as members renew throughout the year and to allow for fewer members due to turnover and a slower summer period. A more significant discount is applied to the Joint Plan because of continued uncertainty surrounding its status and future.

2002/03 ANNUAL OPERATING PLAN

Schedule 6

**HART HOUSE
DEFERRED & MAJOR MAINTENANCE PROJECTS**

	2001/02 Budget	2001/02 Forecast	2002/03 Budget A-List	2002/03 B-List	2002/03 C-List	2002/03 Total
Projects as set out in DMM engineering study	-	504,400	-	-	-	-
New Engineering Study						
1 Structure	5,100	-	-	-	-	-
2 Roofs	142,800	-	85,000	-	-	85,000
3 Walls	295,800	-	80,000	-	-	80,000
4 Windows/Exterior Doors	5,100	-	5,000	-	-	5,000
7 Mechanical Systems	139,740	-	35,200	32,342	100,000	167,542
8 Electrical	71,400	-	6,000	30,600	10,200	46,800
9 Elevators	-	-	160,000	-	-	160,000
B - 1 Farm	34,680	-	25,000	-	-	25,000
B - 2 Farm residence	4,590	-	-	-	-	-
B - 3 Barn	2,550	-	-	-	-	-
Architectural	218,320	-	80,000	40,000	30,000	150,000
Additional D &MM projects not covered in study	-	-	300,000	-	-	300,000
Carry over from prior years	137,049	-	-	-	-	-
Contingency	50,000	-	-	-	-	-
Less items carried over to future years	-	-	-	-	-	-
	\$ 1,107,129	504,400	776,200	102,942	140,200	1,019,342

**HART HOUSE THEATRE
DEFERRED & MAJOR MAINTENANCE PROJECTS**

	2001/02 Budget	2001/02 Forecast	2002/03 Budget A-List	2002/03 B-List	2002/03 C-List	2002/03 Total
New Engineering Study						
7 Chillers	61,200	-	-	-	-	-
Air cooled condensing units	15,300	-	-	-	-	-
Contingency	23,500	-	-	-	-	-
	100,000	26,900	-	-	-	126,900

2002/03 ANNUAL OPERATING PLAN

Schedule 7

**HART HOUSE
CAPITAL BUDGET**

FURNITURE & EQUIPMENT

2001-02 Furniture & Equipment

2002-03 Furniture & Equipment Unspecified
New Farm house

	2001/02 <u>Budget</u>	2001/02 <u>Forecast</u>	2002/03 <u>Budget</u>
	400,000	400,000	300,000
			250,000
	100,000	100,000	100,000
	<u>\$ 500,000</u>	<u>500,000</u>	<u>650,000</u>

BUILDING IMPROVEMENTS

**HART HOUSE
CALCULATION OF INFLATION RATES - COSS FEES PROTOCOL APPENDIX
(\$ 000's)**

2002-03 budgeted salary expenditure base		
Budgeted full-time salaries excluding benefits, before increase	\$	2,245,156
Average ATB increase/decrease for staff members		
OR rate stipulated in long-term budget assumption		
for 2002-03 (2% + 2%) - full-time salaries	4.00%	
Institutional average benefit cost rate, full time salaries (before pension saving)	<u>20.00%</u>	
SUB-TOTAL, FULL-TIME STAFF	\$	<u>2,783,993</u>
2002-03 budgeted salary expenditure base		
Part-time wages excluding benefits, before increase	2,042,855	
Average ATB increase/decrease for staff members		
OR rate stipulated in long-term budget assumption		
for 2002-03 (2%) - full-time salaries	2.00%	
Institutional average benefit cost rate, part-time wages (before pension saving)	<u>16.50%</u>	
SUB-TOTAL, PART-TIME STAFF	\$	<u>2,420,783</u>
Indexed salary and benefits expenditure costs	\$	5,204,777
Add an estimate of severance costs (2002-03)	\$	-
Subtract the amount of net revenue from other sources of revenue		
2002-03 budget (i.e. non-student fee revenue)		
Total revenue	10,509,000	
Less student fees - base	(4,712,000)	
Less student fees - renovation loan levy	(427,000)	
Less student fees - clubs & committees (included in general)	<u>(157,900)</u>	
	\$	(5,212,100)
Add the non-salary expenditure base (2002-03 budget)		
Total budgeted expenses	10,856,100	
Add back pension saving (salary-related)	-	
Less: budgeted salaries, wages and benefits	<u>(5,273,000)</u>	
	\$	5,583,100
Add occupancy costs (2001-02 budget)		-
Reduce the amount by the proportion of non-student use, where no user fees		-
Reduce by amount by the proportion attributed to Erindale and Scarborough,		
OR fees expected to be paid by Erindale and Scarborough students		
(2002-03 population at 2001-02 rates)	<u>(41,778)</u>	
Difference	\$	5,533,999
Divide difference by the 2002-03 projected enrollment, giving part-time enrollment		
the "established weight"	<u>38,769</u>	
Result = indexed fee (with UTI increase)	\$	<u>142.74</u>
2001-02-fee augmented by the CPI Increase (2%)	\$	<u>120.90</u>

