University of Toronto

(OFFICE OF THE PROVOST)

TO: University Affairs Board

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DATE: March 5, 2007 for March 13, 2007

AGENDA ITEM:

ITEM IDENTIFICATION:

2007-08 Operating Plans for Service Ancillaries

JURISDICTIONAL INFORMATION:

Each year the Board approves operating plans for service ancillaries, which describes the services and programs to be offered, within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

PREVIOUS ACTION TAKEN:

A variety of reviews and consultations has occurred. Draft plans for each ancillary have been reviewed by the Financial Services Department, whose report has been considered by the Service Ancillary Review Group (SARG). Three members of the University Affairs Board are members of SARG.

HIGHLIGHTS:

Enrolment growth continues to put pressure on service ancillaries to meet the increased demand for services.

On all three campuses, building expansion has put a strain on the financial viability of many ancillary operations. Minimal equity down payments for the new buildings resulted in large borrowing and in turn large annual financing costs. Business plans, adopted several years ago when new construction was approved, permitted annual deficits of 5 years and cumulative deficits of 8 years as a necessary element of allowing that expansion to proceed. The impact of this strategy has materialized within the projected long range budget plans.

While some of the service ancillaries are in good shape, and several are expected to return to break-even levels in a reasonable length of time, work is needed to address the financial difficulties faced by New College residence, UTM residence and 89 Chestnut.

Another residence, Woodsworth, may need a continuation of its subsidy for some time beyond the original 8 year commitment in order to remain financially viable.

Collectively, service ancillaries are projecting revenues of $106.5 million and expenses of $115.2 million, for a net loss of $8.7 million (See Schedule II), made up of the following:

Residences	($9.04 M)
Conferences	$0.15 M
Food and Beverage	($0.19 M)
Parking	$0.39 M
Hart House	$0.02 M
	($8.67 M)

Rate increases are variable (see Schedule VI).

These budgets and rates are recommended for approval for 2007-08 as being reasonable on a one year basis given the challenges facing the ancillaries, with the understanding that there will be continuing work over 2007-08, and probably well beyond, to address the various issues.

This is the last year for the current policies, procedures and reporting for service ancillaries. Over the next several months we will be undertaking a comprehensive review of service ancillaries, including governance, consultation and review, budget process, financial principles and policies and presentation.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The degree to which each ancillary anticipates achieving the objectives of the long-range budget guidelines are summarized on page 16.

RECOMMENDATION:

It is recommended that the University Affairs Board approve the 2007-08 operating plans and budgets for Service Ancillaries, as summarized in Schedule II; the service ancillary capital budgets as summarized in Schedule V, and the rates and fees in Schedule VI.

University of Toronto

Service Ancillaries Report on Operating Plans

For the Year 2007-2008

SARG

March 5, 2007

Service Ancillaries Report on Operating Plans

For the Year 2007-2008

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EXECUTIVE SUMMARY

Background

Each year the University Affairs Board approves operating plans for all service ancillaries. These describe the services and programs proposed to be offered within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

The service ancillaries' annual budgets for 2007-08 and long-range plans for 2008-09 to 2011-12 were reviewed by a number of student and local committees and councils. There is student representation on all committees and councils (see page 14).

Following this consultative process, the Financial Services Department reviewed the management reports submitted by each ancillary, for completeness, adherence to fiscal policies and financial feasibility and assessed the progress made by each ancillary towards achieving the four financial objectives established for ancillaries. These are:

1. To operate without subsidy from the operating budget. Should the need for subsidy be identified, the subsidy must be expressed as a matter of policy and compete on equal terms with other priorities in the operating budget.

2. To provide for all costs of capital renewal, including deferred maintenance. Provision must be made for regular replacement of furniture and equipment.

3. Having achieved objectives (1) and (2) to create and maintain an operating reserve (excluding capital requirements) at a minimum level of ten percent of annual expenditure budgets (net of cost of goods sold, capital renewal costs and deans and dons' expenses), as a protection against unforeseen events which would have a negative financial impact on the operation.

4. Having obtained objectives (1), (2) and (3), service ancillaries will contribute net revenues to the operating budget*. The rate of contribution will be established by each individual campus for each individual ancillary. (*For purposes of clarification, objective 4 relates to all contributions of net revenues made by the ancillary operation to any operating budget outside of their own operations.)

Issues requiring further action were identified by Financial Services and addressed by the ancillaries. Finally the budgets were reviewed by the Service Ancillaries Review Group (SARG), which includes three members of the University Affairs Board.

The SARG provides advice and formulates recommendations on the operating plans for all service ancillaries. The SARG process contributes to the success of the ancillary operations by providing direction and guidance on short and long range planning. It serves as a review and monitoring group and recommends plans and budgets for approval. It also considers other matters that fall within its purview.

This report includes a summary of key issues pertaining to ancillaries, highlights for each ancillary budget and summary financial information on the 2007-08 budgets and long range plans and on the extent to which each ancillary anticipates achieving the four financial objectives. Copies of the detailed submissions may be obtained from any of the following offices: Governing Council, Vice-President Business Affairs and Vice-Provost, Students.

Collectively, the service ancillaries are projecting for 2007-08 a total fund balance of $6.9 million, of which commitments to capital renewal total $8.6 million. The St. George Family Housing ancillary also has a trust fund, which is reserved for major capital improvements based on the purchase agreement with Ontario Housing Corporation (OHC). As part of the 2007-08 operating plans the ancillaries in total, plan to contribute $0.4 million to operating and restricted funds. All residence ancillary operations, other than Innis College residence, are projecting operating deficits for the year, as anticipated when new residences were approved for construction. All parking, conference and food service ancillaries are projecting operating surpluses for the year, except UTM food services, St George parking and St George food service operations.

Summary of Key Issues

Enrolment growth continues to put pressure on service ancillaries to meet the increased demand for services. Both Mississauga and Scarborough campuses still anticipate enrollment growth with limited Food services infrastructure in place to meet the demand. A major issue facing Universities in North America is student space for study and social gathering. Often the food service seating area doubles as eating and study space. The food service operation at UTSC recently increased its seating capacity, but still remains 1000 nasm below Council of Ontario Universities (COU) standards for seating spaces. UTM plans will increase food service capacity in 2007/08 when the new Phase 8 residence is completed with a dining room facility that will service residence and commuter students at UTM. The St. George and New College Food service operations completed the RFP for both of their operations, with the contract being awarded to Aramark. This ended a seventeen year relationship with Sodexho. The St. George campus has also begun a food sustainability project.

Although being constrained by green space limitations, Mississauga campus has addressed its current parking demand issues. Changes in class starting times and having exams scheduled for Saturday, along with parking rate adjustments for lower demand lots, improved signage and negotiations with local transit authorities, are some of the ways the ancillary has addressed its parking space issues. The loss of future parking lot spaces due to a required pond for storm water run off from roads and new building construction may cause parking demand issues to return in the near future.

On all three campuses, building expansion to create increased residence spaces has put a strain on the financial viability of most residence operations. Minimal equity down payments for the new residence buildings resulted in major borrowings and in turn large annual mortgage financing costs. The impact of these large borrowings has materialized within the projected long range budget plans (see schedule 1, unappropriated surplus/deficit column). Residence ancillary operations with new buildings supported by partial down payments, donations or operating fund subsidies are fairing better. Deficiencies in some of the newly constructed buildings, have led to increased operating costs for the residence operations. Also, some of the older residences buildings are starting to reflect their age and therefore are requiring more upkeep and maintenance than previously expected.

The University's first year residence guarantee is also having an impact on the preferred student residence mix of 60% first year students and 40% upper year students, although the softening in the off campus housing market has temporarily alleviated this problem for some of the residence ancillaries. Most residence ancillaries have indicated that demand from upper year students to return to residence exists, but occupancy is limited due to the first year guarantee.

The double cohort has produced a younger first year student body which requires more counseling and attention from the residence ancillary staff. It has also produced a generation of students who demand more services but do not realize its associated cost and are reluctant to pay for the service.

Many of the residence operations highlighted their concern with the increase in utility costs and the negative impact it has created within their operating plans and long range budget plans. Graduate House has experienced a 9% decrease in consumption due to the installation of the electroflow system. The Family housing ancillary has also experience a decrease in utility consumption as a result of replacing windows, electrical panels and conservation initiatives.

The SARG membership will be reviewing the current budget process, ancillary principles, financial objectives and schedules in an effort to improve reporting of issues and deficits. An advisory group of ancillary financial offers will be created to review and update budget schedules.

Ancillary heads plan to meet with the Vice-President, Business Affairs on a one on one basis in the fall of 2007, to discuss issues specific to each ancillary.

Residences

The residence expansion has presented a financial challenge, in that the costs of building new residences have risen faster than residence rates. Currently, the approved subsidy from the academic priorities fund (APF) in support of residence expansion is $1.55 million per annum for the first 8 years of operations, of which $1.2 million is allocated to Woodsworth College and $0.35 million to New College. The office of the Vice President of Business Affairs has committed a subsidy of $0.9 million to the 89 Chestnut residence.

This residence construction has necessitated temporary changes to the ancillary principles mentioned earlier. In the case of the first objective, a subsidy will be provided for a maximum of eight years through the APF from the University's operating budget to a college's residence ancillary budget to cover a portion of the borrowing cost. The combined ancillary operation will be required to break even annually in year 5 and cumulatively in year 8, and the subsidy amount will be calculated to achieve those break-even targets. Should special circumstances warrant, the University may continue to assist a college with principle and interest payments after eight years.

In the case of the second objective, the normal capital renewal provision for new residence buildings will be deferred until the sixth year they are in operation.

The third objective will remain unaltered, i.e., the residence ancillary will continue to be responsible for funding operating and maintenance contingencies in the residences.

The first three objectives must be met before the fourth can be invoked, i.e., transfers from the residence and conference ancillaries to the divisional operating budget can only occur when the residence and conference ancillaries combined meet the first three objectives. During the current residence expansion program, the first three objectives will only be met after

1. the annual subsidy provision has ended;
2. the annual 1.5% provision for capital renewal is being set aside; and
3. operating contingencies have been provided for by means of net surpluses.

In the intervening period, it is expected that the residence and conference ancillaries will retain within their ancillary budgets the funds normally transferred to their college operating budget and use these funds to support the expansion program. This expectation has been factored into the financial plans which colleges have submitted for their program of residential expansion and into the calculation of the maximum subsidy available to each division from the APF.

During the residence expansion program, colleges are expected to continue to strive to maximize their cash flows through revenue and expense management. Each year, during which a central subsidy flows to a college, the actual amounts generated by the residence and conference ancillaries combined will be compared to the amounts required in the subsidy model. Colleges will be allowed to transfer to their operating budgets any amount in excess of the amount required by the subsidy model to generate annual break-even of the ancillary in year 5 and cumulative break-even in year 8.

The ancillary objectives have been modified for Scarborough, Mississauga, New College, 89 Chestnut, Woodsworth College, Graduate House and University College residences to allow for deficits, with annual break-even in year 5 and cumulative break-even in year 8, with deferral of the capital renewal provision on new construction to year 6.

Mississauga

The construction of a Phase 8 building (a three wing complex which includes a 418 bed dormitory residence, dining hall and administrative offices) is proceeding as planned and is expected to open in September 2007. The ancillary's long range budget plans include the cost associated with the residence and administrative operations of Phase 8.

The ancillary is forecasting an operating deficit of ($1,047,004) in 2006-07, which is $54,844 under budget. The favourable variance is a result of higher summer revenues. The 2007-08 budget, (the first year of operations for phase 8) anticipates an annual operating deficit of ($1,324,108). As a result of large operating deficits over the past few years and the construction of phase 8 residence, the ancillary operation is forecasting to have a total fund balance in a deficit position of ($4,852,644) in 2007-08 and the deficit is projected to increase to ($6,660,807) by 2010-11. **The ancillary anticipates a positive operating result in 2011-12 (year 5 of Phase 8 residence) and a positive total fund balance by approximately 2019-20 (year 13 of Phase 8 residence) and therefore does not meet the requirement that the combined residence operation, break even annually by year 5 and cumulatively by year 8. The long range budget is inconsistent with the financial plans presented at Business Board for both Phase 7 and Phase 8 residence expansions.**

Fall/Winter room rates are projected to increase for all students. Undergrad room rates are forecasted to increase by 8.8%**.** Family and Graduate housing room rates will increase 5.1% effective September 1st, 2007

Scarborough

The ancillary is forecasting an operating deficit of ($340,775) for 2006-07, which is ($89,963) greater than budget. The unfavourable variance is mainly attributed to higher than expected utility and capital renewal costs. This ancillary is budgeting annual operating losses for the next 2 years of the long range plan, due to the addition of phase IV residence in September 2003. **An operating surplus before commitments of $18,214 is budgeted for 2009-10, the seventh year of the Phase IV residence and two years later than the requirement to breakeven annually by year 5,** but the combined operation is forecasting a positive total fund balance throughout the long rang budget period. The total fund balance is forecasted to be $164,242 as at April 30, 2008, increasing to $532,652 by the end of 2011-12.

All winter room rates are budgeted to increase 7% with summer rates increasing 8%. The budget includes a winter occupancy rate assumption of 97%, based on past experience of early withdrawals resulting from the trimester academic system.

New College

The New College residence ancillary is projecting annual operating deficits in each year of the plan, which will be partially offset by an annual operating subsidy from the Academic Priorities Fund. The APF subsidy has been budgeted at $351,948, for the first eight years of operation of the new residence building which opened in September 2003. **The ancillary is not expected to breakeven annually or cumulatively throughout the long-range plan. Higher utility costs and major maintenance issues within its older residences which require immediate attention are the main reasons for the ancillary's poor financial health.** The ancillary is increasing room rates to address the major maintenance costs already incurred, but it is clear that more is needed. There is some flexibility in room rates since New College currently has the lowest residence rates on the St. George campus for under graduates.

An operating deficit before transfers and commitments of ($2,149,047) is forecast in 2006-07, which is $683,529 over budget. The unfavourable variance is due to an overly optimistic summer revenues budget with a corresponding overage in operating expenses. An operating deficit before transfers and commitments of ($1,893,568) is budgeted for 2007-08. The ancillary's capital renewal reserve is budgeted to be $676,356 in 2007-08 increasing to $745,172 by 2011-12.

Room rates are budgeted to increase by 8.8% in 2007-08.

Innis College

The ancillary is forecasting an operating surplus of $49,337 in 2006-07, which is $124,381 below budget. The unfavourable result is attributed to lower than expected summer revenue and higher utility costs. This ancillary is forecasting annual operating surpluses in four of the next five years. The forecasted total fund balance for 2007-08 is $2,074,830, and is projected to increase to $2,247,361 by 2011-12. Capital renewal reserve is forecasted to be $1,137,000 by the end of 2007-08 and remaining at that level throughout the long range plan.

In order to soften the impact of winter room rate increases, the Residence plans to contribute $125,000 to its needs-based scholarship funds in 2007-08.

Fall/Winter room rates are budgeted to increase 4.25%. Summer room rates will decrease 8.33%, which should help to increase summer occupancy.

University College

The UC Residence ancillary is forecasting an operating surplus before commitments of $213,193 in 2006-07, a favourable variance of $286,384. The forecasted surplus is a result of increased summer revenues and savings on major maintenance projects. The long range budget forecasts an operating loss of ($45,927) for 2007-08, due to higher major maintenance expenses for its existing older residence buildings and higher utility costs. At April 30, 2008, the capital renewal reserve is budgeted to be $2,029,200 with a total fund balance of $3,872,609. The capital renewal is forecasted to increase to $3,082,039 by 2011-12 with a total fund balance of $5,003,895.

Room rates are budgeted to increase 4.5% in 2007-08.

Graduate House

The ancillary is forecasting a surplus of $69,780 before commitments for 2006-07, which is exactly on budget. The residence's 2007-08 budget forecasts an operating deficit before commitments of ($175,163). The budgeted operating deficit is a result of addressing leaks in the building envelope that are affecting many of the student suites and bedrooms. The additional cost of this major repair (approximately $300,000) will be funded by a draw down of the capital renewal reserve. The capital renewal reserve is forecasted to be $1,398,306 with a total fund balance of $1,864,891, as at April 30, 2008.

Room rates are budgeted to increase approximately 4.0% in 2007-08.

St. George Family Housing

The family housing ancillary has continued its planned major maintenance upgrades in 2006-07 by renovating the main floor spaces at 35 Charles Street to expand the residence management offices, add a new bicycle storage area and offices for the admissions and community development office. Also, the hot water tanks were replaced in the apartments at 30 Charles Street.

The 2007-08 budget and long range plan, projects annual operating deficits before commitments for the next 2 years, due to needed major maintenance improvements. The ancillary expects to decrease its capital renewal balance by $0.5 million in 2007-08 to help fund the major maintenance projects. The capital reserve balance is expected to increase from a forecasted balance of $862,167 in 2007-08 to $1,897,167 by 2009-10.

Family Housing has a trust fund set up as part of its purchase agreement whereby the ancillary contributes $600,000 annually to the fund and some of the major capital projects are expensed through this fund. The fund balance at April 30, 2008 is expected to be $301,909.

Apartment room rates are budgeted to increase by 2.6% in 2007-08.

89 Chestnut

89 Chestnut is now in the fourth year of operations. For 2006-07 the ancillary is forecasting a deficit of ($4,437,359) before commitments, approximately $176,948 worst than budget. An unfavourable revenue variance of $0.8 million is due to last minute cancellations of winter residence accommodations and lower summer occupancy. The ancillary has, in an effort to mitigate the revenue shortfall, reduced spending on capital renewal items and other operating expenses.

In 2007-08 the ancillary plans to increase revenues in the banquet facility and parking operations. The 2007-08 room rates are forecast to increase approximately 5% with meal plan rates also increasing 5%. As part of the proposal to purchase the hotel, the ancillary will receive an equity contribution of $900,000 from the Office of the Vice President of Business Affairs. Overall the ancillary forecasts an annual operating deficit of ($3,371,782) before subsidy from the VP Business Affairs office. The total fund balance is budgeted to be in a deficit position of ($12,696,711) at April 30, 2008 increasing to a deficit balance of ($15,0440,272) by 2011-12. **The current long range budget indicates that the ancillary will begin to breakeven annually in year 11 (2013-14).**

The ancillary's long range budget has been significantly changed, as compared to the financial plan approved at Business Board on February 14th, 2003, predominately due to a need to offer more single rooms and fewer double rooms than originally projected. However, it is important to note that this property was acquired and converted to a residence to deal with excess student demand that had necessitated the housing of students in hotels to fulfil the 1st year residence guarantee. The university's operating fund, in the year prior to purchasing 89 Chestnut, leased 490 beds at 2 local downtown hotels at a cost of $3.5 million per year.

The 89 Chestnut, a 1001 bed residence operation with no existing operation to leverage from, currently receives a $900,000 per annum subsidy from the VPBA office. The present value of this subsidy equates to approximately $5,500 per bed. The Woodsworth residence, with no existing operation to leverage from, currently receives an eight year $1.2 million annual subsidy from the APF. The present value of that subsidy equates to $19,500 per bed.

It is clear from the above that 89 Chestnut is operating at a disadvantage, when compared to other entirely new residence operations at the University. If it were possible to increase the annual subsidy to $3.25 million for the next 6 years, (which equates to 77% of the per bed subsidy the Woodsworth residence receives), the ancillary would be able to eliminate its total deficit by year 10.

Woodsworth College

The Woodsworth College residence opened its doors in May 2004. Since the residence is new and has no existing ancillary operation to draw from, an annual subsidy of $1,204,000 from the APF is being made for the first 8 years of operation. For 2006-07 (the ancillary's third year of operation), they are forecasting an annual deficit of ($906,457) before subsidy, resulting in a favourable variance of $201,571. The higher than planned summer occupancy resulted in a favourable revenue variance of $143,000. The winter session has produced 99.5% occupancy levels and a 60% - 40% split of first year to upper year students.

The 2007-08 budget projects an operating deficit of ($867,363) before subsidy from the provost. With the assistance of the subsidy the residence operation broke even annually and cumulatively in year 2 (2005-06) but will run annual operating deficits for a number of years beginning in year 9 (2012-13), as a result of the subsidy no longer being available. A build up of the cumulative surplus in the early years may allow the ancillary to ride out the years after the subsidy. The ancillary will begin to build a capital renewal reserve in year 6 (2009-10). The long range budget is currently slightly better than the financial plan presented at Business Board, but will be negatively affected once the subsidy runs out in 2012-13.

Winter room rates are budgeted to increase approximately 4.8% in 2007-08.

Conference Services

Most of the residences run conference operations. However, only Mississauga and Scarborough manage their conference operations as ancillaries separate from their residence operations. Both Scarborough and Mississauga 2007-08 budgets meet the first three objectives.

Mississauga

The ancillary is expecting an operating surplus of $27,535 in 2006-07, which is $5,098 over budget. The ancillary is planning to increase summer conference business in 2007-08, and is budgeting an operating surplus of $55,173. The total fund balance is forecasted to grow from $82,924 in 2007-08 to $245,954 by 2011-12.

Scarborough

The forecasted operating surplus for 2006-07 is $156,160 before commitments, which is $112,969 greater than budget. Conference accommodation revenues far exceeded budget due to higher revenues from the youth and economy group business, led by the Green Path program. The ancillary plans to increase business as a result of the Green Path program at UTSC which provides a 14 week summer ESL program to recent high school graduates from China. The ancillary continues its plan to leverage from the aggressive marketing of Tourism Toronto. The ancillary is projecting an operating surplus of $95,970 in 2007-08. The total fund balance is forecasted to grow from $460,250 in 2007-08 to $826,767 by 2011-12.

Food and Beverage Services

For the 2007-08 budget year, University College, St. George, New College and UTSC food service ancillary budgets meets the first three objectives, with Mississauga meeting only the first objective.

Mississauga

An operating deficit before commitments of ($137,579) is forecasted for 2006-07, which is $38,609 greater than budget. Revenues for 2006-07 have exceed budget by $468,215 but expenses have increased by $506,824 due to cost of sales, higher maintenance costs and expenses related to the new meal plan system beginning in September 2007. The ancillary is forecasting a deficit total fund balance of ($523,919) as at April 30, 2007.

The population growth on campus has necessitated the need to revamp the food service operations. Immediate expansion plans include a new Starbucks outlet and a residence dining hall, both slated to open September 2007. Plans to close poorly performing outlets are also being reviewed. A comprehensive food service plan for the campus will be pursued.

The budget for 2007-08, projects another operating deficit of ($80,646) before commitments and transfers, due to one-time-only costs for the Colman commons dining facility and the launch of the meal plan. The ancillary's deficit fund balance is projected to increase to ($604,565) in 2007-08.

Overall the ancillary's total fund position is a deficit of ($0.5) million, and is anticipated to remain in a deficit position until 2010-11. The ancillary plans to convene a working group in the near future, which will look at the financial state of the food service ancillary and develop a plan to address the deficit.

Scarborough

The 2006-07 year is the first full year of operations for the new H-Wing food service area and is experiencing some growing pains with lower than anticipated sales volumes. The ancillary is forecasting an operating surplus of $1,431 for 2006-07, on budget for the year. Although food sales are below expectations for the year, lower cost of sales and savings in other expense items will negate its impact. The ancillary is budgeting to breakeven in 2007-08. The total fund balance is projected to increase from $202,624 in 2007-08, to $212,041 by 2011-12. The capital renewal reserve is expected to remain at $104,431 throughout the five year plan.

St. George

After a Request for Proposal (RFP) process that began in early 2006, a new food service provider was awarded the contract. Aramark began operations in late July 2006 taking over from Sedexho. Although their have been some transitional challenges, consumer feedback has been positive, which is reflected in the sales at the retail outlets. The 2006-07 forecasted operating surplus before commitments is $84,499, which is $396,382 higher than budget. The favourable variance is mainly attributed to the increased sales volumes and reduced spending on capital renewal items. With the unanticipated favourable surplus in 2006-07, the ancillary plans to increase its contribution to the capital renewal reserve.

The ancillary is projecting an operating deficit before commitments of ($260,543) for 2007-08. The budgeted deficit is mainly due to the large expenditure for various renovations and expansions of food service outlets including the conversion of a Tim Horton's outlet at MSB to a full service store. The total fund balance is projected to increase from $566,399 in 2007-08 to $1,949,705 by 2011-12. The capital renewal reserve is expected to increase to $1,458,700 by 2011-12.

New College

New College food service ancillary also was part of the St. George campus food service Request for Proposal (RFP) process that was awarded to Aramark. The 2006-07 forecasted operating surplus before commitments is $64,270, which is $31,285 lower than budget. A higher commission rate as a result of the RFP process was offset by shortfalls in non-residence meal plans and catering sales.

The 2007-08 budget and long-range plan projects operating surplus before commitments in each year of the five-year plan. The total fund balance is projected to increase from $152,768 in 2007-08 to $452,578 by 2011-12. The Capital renewal reserve is expected to be $21,393 by 2011-12.

Meal plans are forecast to increase by approximately 3.4% in 2007-08.

University College

The ancillary is a "self-operated" food service operation which primarily services its 730 residence students, but is also open to all UofT students, staff, faculty and the general public. The forecasted operating result before commitments for 2006-07 is a surplus of $314,829, which is $17,113 better than budget.

The ancillary is budgeting an annual operating surplus before commitments of $118,219 in 2007-08. The total fund balance is expected to grow from $326,177 in 2007-08, to $615,561 by 2011-12. The operating reserve balance is maintained at 10% of the operating costs (net of capital renewal expenditures) and will grow to $138,544 by 2011-12.

The ancillary transferred to the residence ancillary in 2005-06, $800,000 to cover all equipment purchases for the newly renovated kitchen. The ancillary also plans to make annual transfers of $130,000 to the residence ancillary operation in 2006-07 and 2007-08, with the transfer decreasing over the remaining years in the long range plan. The transfers are being made to reimburse mortgage costs of the new kitchen and dining facilities.

The meal plan rates are forecasted to increase 2.5% in 2007-08.

Parking Services

For the 2007-08 budget year, Scarborough parking operation meets all four objectives, while St. George and Mississauga meets the first three objectives.

Mississauga

The Mississauga campus is a suburban commuter campus where the use of cars is more extensive than the St. George Campus. With enrolment increasing each year the ancillary must continue to find ways to provide adequate parking for its students and staff. In order to minimize the potential parking congestion, the ancillary is making adjustments to its parking rates to encourage use of lower demand areas. The ancillary is also improving signage, negotiating public transit options and scheduling class times outside the core busy time of 10am to 3pm.

The forecasted operating surplus before commitments for 2006-07 is $16,600, which is $372,890 greater than budget. The favourable variance is due to higher permit and metered parking revenues. The ancillary budgets an annual operating surplus before commitments and transfers of $347,027 in 2007-08. The ancillary has budgeted a transfer of $450,000 to the storm water management pond project, to cover the expense of resurfacing lot 4. The total fund balance is expected to be in a surplus position of $264,249 at April 30, 2008 and increasing to a surplus position of $2,080,994 by 2011-12.

The parking permit rates are budgeted to increase 1% in 2007-08 with cash parking rates remaining the same.

Scarborough

The UTSC parking ancillary completed the construction and renovation of the outer parking lots, in the summer of 2003 and 2004. The ancillary has now deferred its re-development of the inner parking lot facility and drop off area, which was originally planned for summer 2006, due to outstanding campus planning decisions, unresolved issues with the Toronto and Regional Conservation Authority and financing issues.

In 2006-07, the net operating surplus is forecasted at $291,803 before commitments, which is $128,237 greater than budget. The favourable variance is mostly attributed to not incurring the cost of financing the inner parking lot project which was deferred. The ancillary plans to contribute $185,764 to UTSC’s operating budget in 2006-07.

The net operating surplus before commitments is expected to be $266,052 in 2007-08. The operating reserve balance is expected to be $100,000 in 2006-07 and increase to a balance of $380,645 by 2011-12. The total fund balance is expected to be $1,245,177 in 2007-08 and accumulate to $2,420,365 by 2011-12. The ancillary plans to transfer to the College operating budget $191,336 in 2007-08, with transfers increasing 3% per year.

Annual permit rates are budgeted to increase 5% in 2007-08 with cash parking rates remaining the same.

St. George

The ancillary operates 39 surface lots and 7 underground garages, providing 2,487 parking spaces for students, faculty and staff. The forecasted 2006-07 annual operating deficit before commitments is ($380,320), a favourable variance of $166,155. The favourable variance is largely due to lower than expected departmental overhead costs partially offset by the cost of leasing a snow melter machine. Again, the campus is experiencing lower demand for permits but cash and metered parking sales has offset the difference in 2006-07. The ancillary is budgeting operating losses each year in the long range plan.

The ancillary has maintained a total fund balance at a level equal to or greater than the unamortized value of the fixed assets net of any long-term debt, which is in accordance with CICA regulations (i.e. investment in capital assets). At the end of 2011-12, the total fund balance is projected to be $10,062,389, which includes an investment in capital asset balance of $6,453,073.

The ancillary maintains a variable pricing strategy which it began in 2004-05, based on market rates within the neighbourhoods surrounding the St. George Campus. This produces high prices for high demand areas as compared to low demand areas, but continues to remain competitive within the local neighbourhood.

For 2007-08, there are no budgeted rate increases to parking permits or to cash parking rates.

Hart House

The second and third objectives are met by Hart House within the 2007-08 budget year. Hart House receives transitional funding, to facilitate the integration of Hart House Theatre into their operations. As a result of the transitional funding, Hart House does not meet the first objective.

The 2007-08 budget is projecting an operating surplus of $236,000 after transitional funding of $216,000. The long range plan expects annual operating deficits (before transitional funding for Hart House Theatre) in each of the remaining four years as a result of student fee increases being restricted by the Council on Student Services (COSS) protocol. In general, expenses such as salaries and utilities increase each year at a higher rate than revenues.

The operating reserve balance is projected to be $1,259,000 in 2007-08. The forecasted investment in capital assets balance is expected to increase from $2,553,000 in 2007-08 to a balance of $2,733,000 in 2011-12. The capital renewal reserve balance is projected to be $768,000 in 2011-12.

Hart House had conducted an extensive study of its capital requirements and created a 15 year plan for maintenance and renewal of the building that identified and prioritized the various requirements. They are now in the 10th year of that plan and will be undertaking an update of the study.

In 2007-08, student fee rates are forecasted to increase 2.1%.

Members of the Service Ancillary Group

Vice-President, Business Affairs	Catherine Riggall
Chief Financial Officer (Chair)	Sheila Brown
Deputy Provost and Vice-Provost, Students	David Farrar
Senior Planning and Budget officer	Sandeep Malik

***Co-opted members from University Affairs Board*:**

Assistant Dean, Student Affairs UTM	Chris McGrath
Coordinator, Student Affairs	Diana A.R. Alli
Undergraduate Student	Coralie D'Souza

Resource Staff:

Manager, Accounting Services	Lou Ranalli
Financial Accounting Analyst	Nira Rajaratnam

Review and Consultative Process with Student/Local Committees and Councils

1. University of Toronto at Mississauga

Parking

Transportation and Parking Subcommittee
Resource, Planning and Priorities Committee
College Council

Residences

Residence Advisory Network
Resource, Planning and Priorities Committee
College Council

Food Services

Resource, Planning and Priorities Committee
College Council

Facilities Rental & Conference Services

Resource, Planning and Priorities Committee
College Council

2. University of Toronto at Scarborough

Parking

Planning & Budget Committee

Residences

Residences Advisory Committee
Planning & Budget Committee

Food Services

Planning & Budget Committee
Council on Student Services*

Facilities Rental & Conference Services

Planning & Budget Committee

3. St. George Campus

Residences

New College:
Priority, Planning and Budget Committee
New College Council

Innis College:
Innis Residence Committee

Graduate House:
Graduate House Council (residents)
SGS Graduate House Governing Body

University College:
University College Residence Council

89 Chestnut:
Residence Council
Residence Board

St. George Family Housing:
Joint Committee, Management & Tenant Executive Mgmt Board Liaison Committee

Woodsworth College:
Woodsworth Residence Council

Food Services

New College Food Services:
Priority, Planning and Budget Committee
New College Council

University College Food Services:
University College Residence Council Food Committee

4. Hart House

Finance Committee
Board of Stewards
Council on Student Services

SUMMARY OF ANCILLARY LONG RANGE BUDGET RESULTS

OBJECTIVES:

Plans reflect (yes) or do not reflect (no) that the Ancillary:

1. Operates without a subsidy from the operating budget.
2. Includes all costs of capital renewal including deferred maintenance.
3. Generates sufficient surplus to cover operating contingencies.
4. Contributes net revenue to the operating budget.

	Objectives met within the 2007/08 Budget:				2007 - 2008						2011 - 2012					
Ancillary	1	2	3	4	Projected Unappropriated surplus/(deficit) (Schedule II)	Projected investment in capital assets (Schedule II)	Projected Commitments to Capital Renewal (Schedule III)	Projected operating reserve (Schedule III.1)	Projected new constr. reserve (Schedule III.1)	TOTAL FUND BALANCE	Projected Unappropriated surplus/(deficit) (Schedule IV)	Projected investment in capital assets (Schedule IV)	Projected Commitments to Capital Renewal (Schedule III)	Projected operating reserve (Schedule III.1)	Projected new constr. reserve (Schedule III.1)	TOTAL FUND BALANCE
Residence Services																
UTM	yes	no	no	no	(5,252,769)	(1,002,313)	526,527	875,911	-	(4,852,644)	(6,509,994)	(1,023,616)	526,527	854,004	-	(6,153,079)
UTSC	yes	yes	yes	no	(1,852,119)	951,803	311,915	752,643	-	164,242	(1,582,408)	830,502	531,915	752,643	-	532,652
Innis College	yes	yes	yes	yes 125,000	(499,056)	383,766	1,137,000	1,053,120		2,074,830	(172,525)	229,766	1,137,000	1,053,120		2,247,361
New College	no	no	no	no	(11,479,523)	3,256,104	676,356	1,870,795	-	(5,676,268)	(14,009,813)	1,749,465	745,172	2,000,598	-	(9,514,578)
University College	yes	yes	yes	no	(525,227)	1,975,516	2,029,200	393,120	-	3,872,609	25,048	1,467,272	3,082,039	429,536	-	5,003,895
Graduate House	yes	yes	yes	yes 45,000	(2,948,885)	2,909,595	1,398,306	505,875	-	1,864,891	(2,621,132)	2,621,207	2,500,918	583,297	-	3,084,290
Family Housing Residence**	yes	yes	yes	no	1,383,082	58,859	862,167	1,058,464	-	3,362,572	418,531	47,136	1,897,167	1,058,464	-	3,421,298
89 Chestnut Street	no	no	no	no	(12,717,931)	21,220	-	-	-	(12,696,711)	(15,721,492)	681,220	-	-	-	(15,040,272)
Woodsworth College	no	yes	yes	no	-	-	-	1,031,103	-	1,031,103	(17,500)	17,500	539,595	2,657,848	-	3,197,443
Conference Services																
UTM	yes	yes	yes	no	34,669	8,099	-	40,155	-	82,924	199,684	-	-	46,270	-	245,954
UTSC	yes	yes	yes	no	7,811	28,743	-	213,696	210,000	460,250	29,804	6,750	-	260,213	530,000	826,767
Food & Beverage Services																
UTM	yes	no	no	no	(1,603,348)	869,583	60,000	69,200	-	(604,565)	(126,732)	431,854	100,000	69,073	-	474,195
UTSC	yes	yes	yes	no	25,026	31,427	104,431	41,740	-	202,624	56,453	-	104,431	51,157	-	212,041
St. George	yes	yes	yes	no	(560,092)	387,991	623,500	115,000	-	566,399	(78,482)	354,487	1,458,700	215,000	-	1,949,705
New College	yes	yes	yes	no	(1,501,916)	1,535,271	40,270	79,144	-	152,769	(614,316)	967,245	21,393	78,256	-	452,578
University College	yes	yes	yes	no*	(29,527)	59,294	175,593	120,817	-	326,177	118,211	15,622	343,183	138,544	-	615,560
Parking																
UTM	yes	yes	yes	no*	5,936	101,475	-	156,839	-	264,250	1,291,946	25,605	600,000	163,443	-	2,080,994
UTSC	yes	yes	yes	yes 191,336		696,360	-	155,645	393,172	1,245,177		448,330	175,000	380,645	1,416,390	2,420,365
St. George	yes	yes	yes	no	970,237	9,034,682	348,722	300,000	-	10,653,641	3,385,608	5,952,605	424,176	300,000	-	10,062,389
Hart House	no	yes	yes	no	271,821	2,553,179	320,000	1,259,000	-	4,404,000	(579,179)	2,733,179	768,000	1,395,000	-	4,317,000
	Summary totals			361,336	(36,271,811)	23,860,654	8,613,987	10,092,267	603,172	6,898,270	(36,508,288)	17,556,129	14,955,216	12,487,111	1,946,390	10,436,558

* UC Food Service is contributing $130,000 to UC Residence and UTM parking is contributing $450,000 to the Capital fund storm pond project.

** Family Housing has a trust fund for major capital renewal as per purchase agreement with OHC

SCHEDULE II

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND UNAPPROPRIATED SURPLUS FOR THE YEAR ENDING APRIL 30, 2008
(with comparative projected surplus for the year ending April 30, 2007)

	Revenues	Expenditures	Net operating results	Transfers and (increases)/ decreases to commitments	Net increase (decrease) in surplus 2008	Net increase (decrease) in surplus 2007	Investment in capital assets & Unappropriated surplus/(deficit) 2008	Investment in capital assets & Unappropriated surplus/(deficit) 2007
RESIDENCES								
UTM	8,636,708	9,960,816	(1,324,108)	(326,481)	(1,650,589)	(1,051,886)	(6,255,082)	(4,604,493)
UTSC	4,642,463	4,948,918	(306,455)	-	(306,455)	(340,775)	(900,316)	(593,861)
Innis College	2,556,371	2,554,340	2,031	(125,000)	(122,969)	(75,663)	(115,290)	7,679
New College	5,971,239	7,864,807	(1,893,568)	322,992	(1,570,576)	(1,439,826)	(8,223,419)	(6,652,843)
University College	4,837,601	4,883,528	(45,927)	(64,603)	(110,530)	201,368	1,450,289	1,560,819
Graduate House	3,363,412	3,538,575	(175,163)	211,972	36,809	144,624	(39,290)	(76,099)
Family Housing Residence	7,521,315	8,579,690	(1,058,375)	517,500	(540,875)	190,250	1,441,941	1,982,816
89 Chestnut Street	14,871,713	18,243,495	(3,371,782)	900,000	(2,471,782)	(3,537,359)	(12,696,711)	(10,224,929)
Woodsworth College	3,172,626	4,039,989	(867,363)	867,363	-	-	-	-
Total Residences	55,573,448	64,614,158	(9,040,710)	2,303,743	(6,736,967)	(5,909,267)	(25,337,878)	(18,600,911)
CONFERENCES								
UTM	934,509	879,336	55,173	(987)	54,186	20,166	42,768	(11,418)
UTSC	666,132	570,162	95,970	(90,970)	5,000	20,000	36,554	31,554
	1,600,641	1,449,498	151,143	(91,957)	59,186	40,166	79,322	20,136
FOOD & BEVERAGE SERVICES								
UTM	6,537,127	6,617,773	(80,646)	(21,432)	(102,078)	(174,908)	(733,765)	(631,687)
UTSC	1,983,813	1,983,564	249	(249)	-	-	56,453	56,453
St. George	10,762,061	11,022,604	(260,543)	(73,800)	(334,343)	(149,301)	(172,101)	162,242
New College	4,995,260	4,967,438	27,822	(2,413)	25,409	59,620	33,355	7,946
University College	2,659,771	2,541,552	118,219	(204,417)	(86,198)	59,721	29,767	115,965
Total Food Services	26,938,032	27,132,931	(194,899)	(302,311)	(497,210)	(204,868)	(786,291)	(289,081)
PARKING								
UTM	2,551,047	2,204,020	347,027	(432,799)	(85,772)	3,128	107,411	193,183
UTSC	2,268,336	2,002,284	266,052	(246,982)	19,070	(117,621)	696,360	677,290
St. George	5,171,744	5,390,501	(218,757)	4,745	(214,012)	(284,120)	10,004,919	10,218,931
Total Parking	9,991,127	9,596,805	394,322	(675,036)	(280,714)	(398,613)	10,808,690	11,089,404
HART HOUSE	12,376,000	12,356,000	20,000	173,000	193,000	285,000	2,825,000	2,632,000
TOTAL	106,479,248	115,149,392	(8,670,144)	1,407,439	(7,262,705)	(6,187,582)	(12,411,157)	(5,148,452)

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED FUNDS TO BE COMMITTED FOR CAPITAL RENEWAL
FOR THE YEAR ENDING APRIL 30, 2008

	Balance May 1, 2007	Capital renewal allowance	Planned expenditures	Net increase (decrease) in commitments to capital renewal	Transfers	Balance April 30, 2008	Balance April 30, 2012
RESIDENCES							
UTM	526,527	964,246	964,246	-	-	526,527	526,527
UTSC	311,915	775,669	775,669	-	-	311,915	531,915
Innis College	1,137,000	544,761	544,761	-	-	1,137,000	1,137,000
New College	658,499	1,362,000	1,344,143	17,857	-	676,356	745,172
University College	1,850,673	909,220	730,693	178,527	-	2,029,200	3,082,039
Graduate House	1,724,903	331,820	631,820	(300,000)	(26,597)	1,398,306	2,500,918
Family Housing Residence*	1,379,667	1,849,411	2,366,911	(517,500)	-	862,167	1,897,167
89 Chestnut Street	-	1,105,564	1,105,564	-	-	-	-
Woodsworth College	-	214,735	214,735	-	-	-	539,595
Total Residences	7,589,184	8,057,426	8,678,542	(621,116)	(26,597)	6,941,471	10,960,333
CONFERENCES							
UTM	-	14,304	14,304	-	-	-	-
UTSC	-	34,526	34,526	-	-	-	-
Total Conference Services	-	48,830	48,830	-	-	-	-
FOOD & BEVERAGE SERVICES							
UTM	60,000	400,238	400,238		-	60,000	100,000
UTSC	104,431	87,934	87,934	-	-	104,431	104,431
St. George Campus	574,700	1,045,364	996,564	48,800	-	623,500	1,458,700
New College	38,410	196,000	194,140	1,860	-	40,270	21,393
University College	113,012	162,349	99,768	62,581	-	175,593	343,183
Total Food Services	890,553	1,891,885	1,778,644	113,241	-	1,003,794	2,027,707
PARKING							
UTM	-	635,634	635,634	-	-	-	600,000
UTSC	-	436,783	436,783	-	-	-	175,000
St. George	253,467	1,354,425	1,259,170	95,255	-	348,722	424,176
Total Parking	253,467	2,426,842	2,331,587	95,255	-	348,722	1,199,176
HART HOUSE	318,000	1,489,000	1,487,000	2,000	-	320,000	768,000
TOTAL	9,051,204	13,913,983	14,324,603	(410,620)	(26,597)	8,613,987	14,955,216

* Family Housing has a trust fund set up as part of the purchase agreement whereby the ancillary contributes $600,000 annually to the fund and the major capital projects are expensed through this fund. The fund balance at April 30, 2008 is expected to be $301,909 and $19,884 in 2011-12.

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED FUNDS TO BE COMMITTED FOR OPERATING AND NEW CONSTRUCTION RESERVE
FOR THE YEAR ENDING APRIL 30, 2008

	OPERATING RESERVE					NEW CONSTRUCTION RESERVE				
	Balance May 1, 2007	Increase or (decrease) in operating reserve	transfers (to)/from other reserves	Balance operating reserve April 30, 2008	Balance operating reserve April 30, 2012	Balance May 1, 2007	Increase or (decrease) in construction reserve	transfers (to)/from other reserves	Balance new construction reserve April 30, 2008	Balance new construction reserve April 30, 2012
RESIDENCES										
UTM	549,430	326,481	-	875,911	854,004	-	-	-	-	-
UTSC	752,643	-	-	752,643	752,643	-	-	-	-	-
Innis College	1,053,120	-	-	1,053,120	1,053,120	-	-	-	-	-
New College	1,859,696	11,099	-	1,870,795	2,000,598	-	-	-	-	-
University College	377,044	16,076	-	393,120	429,536	-	-	-	-	-
Graduate House	431,249	74,626	-	505,875	583,297	-	-	-	-	-
Family Housing Residence	1,058,464	-	-	1,058,464	1,058,464	-	-	-	-	-
89 Chestnut Street	-	-	-	-	-	-	-	-	-	-
Woodsworth College	694,466	336,637	-	1,031,103	2,657,848	-	-	-	-	-
Total Residences	6,776,112	764,919	-	7,541,031	9,389,510	-		-		
CONFERENCES										
UTM	39,169	986	-	40,155	46,270	-	-	-	-	-
UTSC	202,726	10,970	-	213,696	260,213	130,000	80,000	-	210,000	530,000
Total Conference Services	241,895	11,956	-	253,851	306,483	130,000	80,000	-	210,000	530,000
FOOD & BEVERAGE SERVICES										
UTM	47,768	21,432	-	69,200	69,073	-	-	-	-	-
UTSC	41,491	249	-	41,740	51,157	-	-	-	-	-
St. George Campus	90,000	25,000	-	115,000	215,000	-	-	-	-	-
New College	78,590	554	-	79,144	78,256	-	-	-	-	-
University College	108,981	11,836	-	120,817	138,544	-	-	-	-	-
Total Food Services	366,830	59,071	-	425,901	552,030	-	-	-	-	-
PARKING										
UTM	174,039	(17,200)	-	156,839	163,443	-	-	-	-	-
UTSC	100,000	55,645	-	155,645	380,645	393,172		-	393,172	1,416,390
St. George	400,000	(100,000)	-	300,000	300,000	-	-	-	-	-
Total Parking	674,039	(61,555)	-	612,484	844,088	393,172	-		393,172	1,416,390
HART HOUSE	1,218,000	41,000	-	1,259,000	1,395,000	-	-	-	-	-
TOTAL	9,276,876	815,391	-	10,092,267	12,487,111	523,172	80,000		603,172	1,946,390

SCHEDULE IV

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND UNAPPROPRIATED SURPLUS FOR THE PERIOD 2006/2007 TO 2010/2011

	2007/2008			2008/2009			2009/2010		
	Net operating results	Commitments and transfers of surplus	Investment in capital assets & Unappropriated surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & Unappropriated surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & Unappropriated surplus
RESIDENCES									
UTM	(1,324,108)	(326,481)	(6,255,082)	(1,166,267)	(20,992)	(7,442,341)	(634,991)	(8,656)	(8,085,988)
UTSC	(306,455)	-	(900,316)	(115,719)	-	(1,016,035)	18,214	-	(997,821)
Innis College	2,031	(125,000)	(115,290)	85,698	(125,000)	(154,592)	(5,342)	(50,000)	(209,934)
New College	(1,893,568)	322,992	(8,223,419)	(1,625,846)	339,092	(9,510,173)	(1,414,818)	293,725	(10,631,266)
University College	(45,927)	(64,603)	1,450,289	63,053	(172,250)	1,341,092	177,682	(182,433)	1,336,341
Graduate House	(175,163)	211,972	(39,290)	207,291	(102,276)	65,725	305,637	(351,109)	20,253
Family Housing Residence	(1,058,375)	517,500	1,441,941	(227,522)	(517,500)	696,919	166,669	(517,500)	346,088
89 Chestnut Street	(3,371,782)	900,000	(12,696,711)	(2,230,740)	900,000	(14,027,451)	(1,734,769)	900,000	(14,862,220)
Woodsworth College	(867,363)	867,363	-	(740,792)	740,792	-	(765,659)	765,659	-
Total Residences	(9,040,710)	2,303,743	(25,337,878)	(5,750,844)	1,041,866	(30,046,856)	(3,887,377)	849,686	(33,084,547)
CONFERENCES									
UTM	55,173	(987)	42,768	49,825	(1,439)	91,154	44,070	(1,496)	133,728
UTSC	95,970	(90,970)	36,554	90,921	(90,921)	36,554	88,241	(88,241)	36,554
Total Conferences	151,143	(91,957)	79,322	140,746	(92,360)	127,708	132,311	(89,737)	170,282
FOOD & BEVERAGE SERVICES									
UTM	(80,646)	(21,432)	(733,765)	102,297	3,669	(627,799)	212,846	(666)	(415,619)
UTSC	249	(249)	56,453	2,619	(2,619)	56,453	1,205	(1,205)	56,453
St. George	(260,543)	(73,800)	(172,101)	134,043	(233,800)	(271,858)	434,453	(233,800)	(71,205)
New College	27,822	(2,413)	33,355	46,357	(216)	79,496	65,385	2,389	147,270
University College	118,219	(204,417)	29,767	132,614	(157,279)	5,102	136,465	(125,052)	16,515
Total Food Services	(194,899)	(302,311)	(786,291)	417,930	(390,245)	(758,606)	850,354	(358,334)	(266,586)
PARKING									
UTM	347,027	(432,799)	107,411	457,510	(301,579)	263,342	438,146	(101,626)	599,862
UTSC	266,052	(246,982)	696,360	366,999	(443,790)	619,569	461,236	(555,508)	525,297
St. George	(218,757)	4,745	10,004,919	(288,446)	35,137	9,751,610	(139,079)	(59,308)	9,553,223
Total Parking	394,322	(675,036)	10,808,690	536,063	(710,232)	10,634,521	760,303	(716,442)	10,678,382
HART HOUSE	20,000	173,000	2,825,000	(118,000)	148,000	2,855,000	(119,000)	10,000	2,746,000
TOTAL	(8,670,144)	1,407,439	(12,411,157)	(4,774,105)	(2,971)	(17,188,233)	(2,263,409)	(304,827)	(19,756,469)

SCHEDULE IV

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS AND UNAPPROPRIATED SURPLUS FOR THE PERIOD 2006/2007 TO 2010/2011

	2010/2011			2011/2012		
	Net operating results	Commitments and transfers of surplus	Investment in capital assets & Unappropriated surplus	Net operating results	Commitments and transfers of surplus	Investment in capital assets & Unappropriated surplus
RESIDENCES						
UTM	(6,905)	23,753	(8,069,140)	507,728	27,802	(7,533,610)
UTSC	174,002	(100,000)	(923,819)	291,913	(120,000)	(751,906)
Innis College	171,736	(50,000)	(88,198)	195,439	(50,000)	57,241
New College	(1,184,726)	276,507	(11,539,485)	(1,020,712)	299,849	(12,260,348)
University College	283,296	(231,803)	1,387,834	357,255	(252,769)	1,492,320
Graduate House	393,378	(398,604)	15,027	487,004	(501,956)	75
Family Housing Residence	14,150	-	360,238	105,429	-	465,667
89 Chestnut Street	(1,266,616)	900,000	(15,228,836)	(711,436)	900,000	(15,040,272)
Woodsworth College	(594,719)	594,719	-	(548,490)	548,490	-
Total Residences	(2,016,404)	1,014,572	(34,086,379)	(335,870)	851,416	(33,570,833)
CONFERENCES						
UTM	37,886	(1,558)	170,056	31,249	(1,621)	199,684
UTSC	101,441	(101,441)	36,554	85,915	(85,915)	36,554
Total Conferences	139,327	(102,999)	206,610	117,164	(87,536)	236,238
FOOD & BEVERAGE SERVICES						
UTM	364,105	(21,273)	(72,787)	399,512	(21,603)	305,122
UTSC	2,795	(2,795)	56,453	2,797	(2,797)	56,453
St. George	434,783	(233,799)	129,779	380,026	(233,800)	276,005
New College	83,645	7,047	237,962	104,423	10,544	352,929
University College	132,510	(87,548)	61,477	137,795	(65,439)	133,833
Total Food Services	1,017,838	(338,368)	412,884	1,024,553	(313,095)	1,124,342
PARKING						
UTM	450,923	(101,675)	949,110	470,166	(101,725)	1,317,551
UTSC	546,494	(614,178)	457,613	624,954	(634,237)	448,330
St. George	(131,754)	(3,588)	9,417,881	(31,973)	(47,695)	9,338,213
Total Parking	865,663	(719,441)	10,824,604	1,063,147	(783,657)	11,104,094
HART HOUSE	(332,000)	104,000	2,518,000	(353,000)	(11,000)	2,154,000
TOTAL	(325,576)	(42,236)	(20,124,281)	1,515,994	(343,872)	(18,952,159)

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS
SUMMARY OF 2007-2008 CAPITAL BUDGETS
(with comparative figures for 2006-2007)

	2007/2008	2006/2007
RESIDENCES		
Innis College	-	170,000
New College	185,000	255,000
UTM	125,000	100,000
UTSC	150,000	120,000
89 Chestnut	-	30,000
Graduate House	-	-
Total Residences	460,000	675,000
CONFERENCES		
UTSC	5,000	20,000
Total Conferences	5,000	20,000
FOOD & BEVERAGE SERVICES		
UTM	260,000	90,000
UTSC	2,300	-
St. George	115,000	168,320
Total Food Services	377,300	258,320
PARKING		
UTM	75,000	-
UTSC	188,000	34,500
St. George	141,500	290,000
Total Parking	404,500	324,500
HART HOUSE	800,000	300,000
TOTAL	2,046,800	1,577,820

SCHEDULE OF 2007-2008 ANCILLARY RATES

	2006/07 RATE $	2007/08 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
PARKING					
St. George Parking					
Reserved Permit - annual	1,860.00	1,860.00	-	0.0%	12.4%
Reserved / premium*	1,860.00	1,860.00	-	0.0%	12.4%
Block Reserved - annual	1,440.00	1,440.00	-	0.0%	3.7%
Non Reserved Permit - annual	1,038.00	1,038.00	-	0.0%	0.0%
Daily	variable with demand	variable with demand	n/a	n/a	n/a
Weekly / Weekend / Evening	variable with demand	variable with demand	n/a	n/a	n/a
* Pertains to King's College Circle and Hart House Circle					
UTM					
CCIT Garage*:					
Reserved Permit - annual	1,069.80	1,080.50	10.70	1.0%	-
Monthly	89.15	90.04	0.89	1.0%	-
Surface Lots:					
Reserved Permit - annual	865.20	873.85	8.65	1.0%	5.0%
Monthly	72.10	72.82	0.72	1.0%	5.0%
Unreserved (Lots 2 & 9)					
Unreserved Permit - annual	607.20	623.27	16.07	2.6%	5.0%
Monthly	50.60	51.94	1.34	2.6%	5.0%
Unreserved (Lots 4 & 8)					
Unreserved Permit - annual	607.20	603.27	(3.93)	-0.6%	5.0%
Monthly	50.60	50.27	(0.33)	-0.7%	5.0%
Unreserved - afternoon - annual	454.20	458.74	4.54	1.0%	5.1%
Monthly	37.85	38.23	0.38	1.0%	5.1%
Daily					
Cash 6:30 am - 6:30 a.m. next day	13.00	13.00	-	0.0%	0.0%
Cash 5:00 pm - 6:30 a.m. next day	5.00	5.00	-	0.0%	0.0%
Meters (per half hour)	2.50	2.50	-	0.0%	0.0%
UTSC					
Inner Lot:					
Annual	771.50	810.08	38.58	5.0%	5.0%
Summer	432.04	453.64	21.60	5.0%	17.6%
Residence (September - August)	676.76	710.59	33.83	5.0%	5.0%
Residence - Summer	378.98	397.93	18.95	5.0%	17.6%
Fall/Winter Evening	385.76	405.05	19.29	5.0%	5.0%
Motorcycle, Annual	-	270.03	270.03	100.0%	n/a
Daily - short tem and visitors	12.00	12.00	-	0.0%	0.0%
Evening - flat rate	6.00	6.00	-	0.0%	0.0%
Athletics members - flat rate	13.56	14.24	0.68	5.0%	5.0%
Summer conference - daily rate	5.40	5.40	-	0.0%	0.0%
Summer conference - youth bed rate	1.20	1.20	-	0.0%	0.0%
Outer Lot:					
Annual	537.71	564.60	26.89	5.0%	5.0%
Fall or Winter or Summer Term	301.12	316.18	15.06	5.0%	17.6%
Fall/Winter Evening	268.86	282.30	13.44	5.0%	5.0%
Centennial Permit (Sep - May)	490.96	515.51	24.55	5.0%	5.0%
Daily - flat rate	10.00	10.00	-	0.0%	0.0%
Evening - flat rate	5.00	5.00	-	0.0%	0.0%
FOOD SERVICE					
University College					
Plan A	3,554.00	3,640.00	86.00	2.4%	3.0%
Plan B	3,142.00	3,220.00	78.00	2.5%	3.0%
New College					
15 Meal ($200 Flex)	3,565.00	3,686.00	121.00	3.4%	5.2%
330 Meal ($400 Flex)	3,565.00	3,686.00	121.00	3.4%	5.2%
Room and Carte Blanche	3,715.00	3,841.00	126.00	3.4%	5.5%

SCHEDULE OF 2007-2008 ANCILLARY RATES

	2006/07 RATE $	2007/08 RATE $	INCREASE %	INCREASE %	PRIOR YEAR'S INCREASE %
UTM					
Group A					
Light ($350 Flex)	n/a	3,100.00	3,100.00	100.0%	n/a
Regular ($525 Flex)	n/a	3,400.00	3,400.00	100.0%	n/a
Plus ($700 Flex)	n/a	3,700.00	3,700.00	100.0%	n/a
Group B					
Light ($300 Flex)	n/a	1,800.00	1,800.00	100.0%	n/a
Medium	n/a	1,300.00	1,300.00	100.0%	n/a
RESIDENCES					
St. George Campus					
Graduate House					
Grad. House Res/month - Single - premium	710.00	738.00	28.00	3.9%	4.7%
Grad. House Res/month - Single - regular	637.00	662.00	25.00	3.9%	4.8%
Grad. House Res/month - Singles in suite 970	564.00	587.00	23.00	4.1%	4.8%
Grad. Residence/month- Singles in suite 340	564.00	587.00	23.00	4.1%	4.8%
Grad. House Res/month - Singles in suite 670	614.00	639.00	25.00	4.1%	4.8%
Grad. House Res/month - Double	485.00	505.00	20.00	4.1%	4.8%
Grad. Residence/month - Doubles in suite 508	450.00	468.00	18.00	4.0%	4.7%
University College					
University College - Winter	5,240.00	5,475.00	235.00	4.5%	5.0%
Innis College					
Innis College - Winter	5,410.00	5,640.00	230.00	4.3%	5.9%
Innis College - Summer discounted	2,400.00	2,200.00	(200.00)	-8.3%	9.1%
New College					
New College - Winter	4,876.00	5,305.00	429.00	8.8%	6.0%
New College - Summer/Single	1,706.25 - 2,034.25	1,758.75 - 2,085.75	51.5 - 154.50	2.5% - 8.9%	(11.7%) - 2.8%
New College - Summer/Double	1,155.00 - 1,364.75	1,312.50 - 1,442.00	77.25 - 180.25	5.66% - 15.55%	(16.0%) - (18.1%)
Family Housing					
Bachelor	583.00	598.00	15.00	2.6%	1.9%
1 bedroom (standard)	722.00	741.00	19.00	2.6%	2.0%
1 bedroom (20)	734.00	753.00	19.00	2.6%	1.9%
1 bedroom (large)	765.00	785.00	20.00	2.6%	2.0%
1 bedroom (19/23)	784.00	804.00	20.00	2.6%	2.0%
2 bedroom (standard)	956.00	981.00	25.00	2.6%	2.0%
89 Chestnut Street					
Single	7,354.00	7,722.00	368.00	5.0%	5.0%
Super Single	8,487.00	8,911.00	424.00	5.0%	3.0%
Double	6,056.00	6,359.00	303.00	5.0%	5.0%
Regular Meal Plan	3,588.00	3,767.00	179.00	5.0%	5.0%
Carte Blanche Meals	3,696.00	3,881.00	185.00	5.0%	5.0%
Summer Breakfast	690.00	690.00	-	0.0%	0.0%
12-month contracts					
Single	9,938.00	10,306.00	368.00	3.7%	3.7%
Super Single	11,071.00	11,495.00	424.00	3.8%	2.3%
Double	7,731.00	8,034.00	303.00	3.9%	3.9%
Double Winter + Single Summer	8,640.00	8,943.00	303.00	3.5%	3.4%
Woodsworth College					
Woodsworth College - Winter	6,410.00	6,720.00	310.00	4.8%	4.9%
UTM					
Undergraduate Students					
Townhouses	4,732.07	5,148.00	415.93	8.8%	3.5%
Premium townhouses (Leacock)	4,966.00	5,403.00	437.00	8.8%	3.5%
Suites	5,229.00	5,689.00	460.00	8.8%	3.5%
Dormitory (Opens 2007-08)	n/a	5,000.00	5,000.00	100.0%	n/a

SCHEDULE OF 2007-2008 ANCILLARY RATES

	2006/07 RATE $	2007/08 RATE $	INCREASE %	INCREASE %	PRIOR YEAR'S INCREASE %
Family & Graduate Housing:					
Schreiberwood:					
Phase 5 /month (2 bedroom townhouses):					
May to August	869.00	-	n/a	n/a	5.8%
September to April	900.00	-	n/a	n/a	3.6%
Phase 1 /month (1 bedroom + Den townhouses):					
May	-	-	n/a	n/a	n/a
June to April	-	825.00	n/a	n/a	n/a
Phase 1 /month (3 bedroom townhouses):					
May to August for 06/07 & May to Jun for 07/08	898.00	929.00	31.00	3.5%	6.0%
September to April for 06/07 & July to Apr for 07/08	929.00	977.00	48.00	5.2%	3.5%
Phase 1 /month (4 bedroom townhouses):					
May to August for 06/07 & May to Jun for 07/08	915.00	947.00	32.00	3.5%	6.0%
September to April for 06/07 & July to Apr for 07/08	947.00	996.00	49.00	5.2%	3.5%
Bachelors (Small)					
May to August for 06/07 & May for 07/08	584.00	604.00	20.00	3.4%	6.2%
September to April for 06/07 & June to Apr for 07/08	604.00	635.00	31.00	5.1%	3.4%
Bachelors (Large)					
May to August for 06/07 & May for 07/08	613.00	634.00	21.00	3.4%	6.1%
September to April for 06/07 & June to Apr for 07/08	634.00	667.00	33.00	5.2%	3.4%
MaGrath Valley:					
2 bedroom Apartments					
May to August for 06/07 & May to June for 07/08	869.00	899.00	30.00	3.5%	5.8%
September to April for 06/07 & July to Apr for 07/08	899.00	945.00	46.00	5.1%	3.5%
UTSC					
Winter					
Phase I - III single	5,178.00	5,540.00	362.00	7.0%	7.0%
Phase IV single	5,549.00	5,937.00	388.00	7.0%	7.0%
Phase I - III shared	3,834.00	4,102.00	268.00	7.0%	7.0%
Summer					
Phase I - III (May - August)	2,107.00	2,276.00	169.00	8.0%	8.0%
Visitor Weekly Rate	132.00	143.00	11.00	8.3%	8.2%
Phase IV (May - August)	2,269.00	2,451.00	182.00	8.0%	8.00%
Visitor Weekly Rate	142.00	153.00	11.00	7.7%	8.40%

HART HOUSE

St. George Full Time	63.67	65.00	1.33	2.1%	3.5%
St. George Part Time	12.73	13.00	0.27	2.1%	3.5%
Scarborough & Mississauga (Full time and Part time)	0.40 - 1.95	0.41 - 2.0	.01 - .05	2.5% - 2.6%	5.2% - 3.7%

Rates are on a sessional basis.