



TO: University Affairs Board

SPONSOR: David Farrar, Deputy Provost & Vice-Provost, Students
CONTACT INFO: Phone (416) 978-3870 / Email <david.farrar@utoronto.ca>

DATE: March 5, 2007 for March 13, 2007

AGENDA ITEM: 6.(e)

ITEM IDENTIFICATION:

Operating Plans for Hart House.

JURISDICTIONAL INFORMATION:

The Terms of Reference of the University Affairs Board provide that the Board is responsible for policy concerning student services and for overseeing their operations. Changes to the level of service offered, fees charged for the services and categories of users require the Board's approval. The Board receives annually from its assessors reports on matters within its areas of responsibility, including statements of current issues, opportunities and problems, along with recommendations for changes in policies, plans or priorities that would address such issues.

Pursuant to the terms of the *Memorandum of Agreement between The University of Toronto, The Students' Administrative Council, The Graduate Students' Union and The Association of Part-time Undergraduate Students for a Long-Term Protocol on the Increase or Introduction of Compulsory Non-tuition Related Fees* (the "Protocol"), approved by Governing Council on October 24, 1996, the Council on Student Services (or the relevant body within a division of the University) reviews in detail the annual operating plans, including budgets and proposed compulsory non-academic incidental fees, and offers its advice to University Affairs Board on these plans.

The Board is also responsible for policy affecting the operation of the service ancillaries and for the operating plans for the ancillaries. The plans describe the services and programs proposed to be offered within the financial parameters set by the University's operating budget and financial policies and include each ancillary's annual operating budget. Specifically, the plans outline changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

Hart House is both a service ancillary and a student service.

PREVIOUS ACTION TAKEN:

The Operating Plans for Hart House for the current fiscal year were approved by the University Affairs Board on March 21, 2006.

The 2007-08 Operating Plans for Hart House have been approved by the Hart House Board of Stewards and the Service Ancillaries Review Group (SARG).

See separate memorandum concerning consideration of the proposed plans by the Council on Student Services (COSS).

The proposed fee increases are within the limits provided by the Protocol for consideration by the Board.

HIGHLIGHTS:

The experience of this past year and plans for the coming year are summarized in the attached material from Margaret Hancock, Warden, Hart House.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The degree to which Hart House anticipates achieving the objectives of the long-range budget guidelines is summarized in the 2007-08 operating plans for service ancillaries.

RECOMMENDATION:

It is recommended that the University Affairs Board approve:

That the 2007-08 operating plans and budget for Hart House, as presented in the attached documentation from Margaret Hancock, Warden, be approved; and

That the sessional Hart House fee for a full-time student on the St. George campus be increased to \$65.00 (\$13.00 for a part-time student), which represents a year over year increase of 2.1% (resulting from the elimination of a 2004-05 three year temporary increase, a permanent increase of 2.0%, and a temporary three year increase of 1.5%); and

That the sessional Hart House fee for a full-time student at UTM or UTSC be increased to \$2.00 (\$0.41 for a part-time student), which represents a year over year increase of 2.6% (resulting from the elimination of a 2004-05 three year temporary increase, a permanent increase of 2.0%, and a temporary three year increase of 1.5%).

Overview of Mission, Programs, and Services

Hart House is the social, cultural, recreational athletics and informal education centre for the University of Toronto. Every student on the university's three campuses and the more than 3,000 faculty, staff and alumni who join as senior members are all members of Hart House. The House also welcomes thousands of people from the wider community to numerous events on an annual basis. As a centre of campus life, more than 6,200 people are in the House every day, using the athletics facilities and participating in the thousands of meetings, activities, events and celebrations that are organized annually by Hart House's 32 student-led clubs and committees, campus-recognized student groups, university departments and community organizations. Hart House continues to fulfill its mission to be a welcoming and inclusive home on campus for all its members, providing excellent programs and services while balancing the budget and preserving the building.

2006/07 was the final year of our second 5 Year Plan. As the term of the current warden concludes in June 2007, a new strategic plan will be undertaken with the new warden. The goals and objectives of the current strategic plan have been used as the basis of planning for the 2007-08 fiscal year. The current 5 Year Plan was developed in a broadly consultative process with students, senior 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. The strategic plan is reviewed and updated annually to be responsive to experience, needs and opportunities.

Hart House continues to widen participation in its services and programs. More campus-recognized student groups are using the House for meetings and events. We continue to seek ways to include students from the east and west campuses in the House, by providing special events and facilitating participation in activities which are unique to Hart House such as Hart House Theatre, the Farm and the art program. As well, Hart House is a bridge between the campus and the city, welcoming the general public to numerous events, providing food services, and renting space in the facility for events sponsored by the wider community. As an example, in September 2006, Hart House participated in the Nuit Blanche event with the City of Toronto during which 40,000 people visited the special art exhibits at the House.

The House is open 365 days per year from early in the morning until midnight or late evening. In terms of physical accessibility, the completion of the elevator in September 2004 makes approximately 85% of the House accessible. An Accessibility Plan was approved by the Board of Stewards in January 2005; funding for its recommendations is included in the 2007/08 budget. Future plans for deferred and major maintenance and special projects will be designed to continue to improve the accessibility of the House.

B. Operating Plan and Experience for 2006-07

We will achieve our budget for 2006-07 with a forecasted surplus of \$115,000, before commitments but after transfers from the University in support of Hart House Theatre.

Hart House Theatre continues to grow financially each year. Revenues for the 2006-07 Season are expected to be \$63,000 greater than 2005-06 and next year it is budgeted to increase again by another \$32,000. The theatre is successfully changing its economy from a rental facility to a

producing theatre with box office sales increasing each season by close to 50%. This year's first two productions have outsold last year's by 45%. The university will continue to support the theatre for the next 3 years while Hart House continues to build the theatre endowment fund.

Deferred and major maintenance is anticipated to be \$614,000 this year compared to a budget of \$359,000. This is mainly due to the project to improve ventilation in the kitchen area and the Arbor Room required by the City of Toronto Health Department. \$200,000 was budgeted in the deferred and major maintenance plan to cover these costs, but the actual tendered costs were \$205,000 greater. In addition to the replacement of the ventilation system, this project included the upgrading of wiring, fire safety systems, lighting and the construction of a separate food preparation area for the new Arbor Room food service provider. This expense represents a massive investment in the infrastructure of Hart House of the scale that is only undertaken once every 50 years. To accommodate the increase, several projects were delayed until 2007-08.

The catering department is exceeding its budget this year, contributing significant revenue to the House. Since the renovation to the Gallery Grill and the addition of the bar, the Grill is now also beginning to operate with a small profit.

Due to unsustainable financial losses throughout its 51 year history, a decision was reached jointly by the Finance Committee, the House Committee and the Board of Stewards to terminate the in-house food service operation in the Arbor Room and to seek an independent provider. The in-house operation was terminated on June 30, 2006. After renovations to the space, an independent food service provider will begin operations in February 2007. The 2006-07 budget was already approved when this decision was made, with the assumption that the Arbor Room would be operating at a loss. The exact costs of closing down and re-opening were unpredictable. The combined operating loss for the months of May and June 2006 together with transitioning costs will exceed the budget for the Arbor Room by about \$150,000.

C. Operating Plan for 2007/08

The 2007/08 budget has been reviewed and recommended by the Hart House Finance Committee and approved by the Board of Stewards. It represents a fiscally prudent approach to providing programming and services to meet increasing demands, being responsive to new initiatives, maintaining the quality of programs and services while intensifying the use of space and preserving the building while providing excellent stewardship for Hart House's finances. Our budget goals for 2007/08 are to achieve a budget in a surplus position and be sustainable in future years. The budget balances programming objectives including operating Hart House Theatre on a permanent basis, developing new revenue streams to reduce dependency on student fees, investing adequately in capital assets, investing consistently in deferred and major maintenance and maintaining a reasonable level of unrestricted net assets. The 2007/08 budget achieves these goals, showing annual operating net revenue of \$236,000.

Recognizing that student and senior member fees need to be kept at rates which take into account inflation, the demands of enrollment and the timely preservation of the building, realistic assumptions about 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). For 2007/08, the net student fee increase (after removal of the temporary fee increase from 2004/05) is proposed to be 2.1%. Annual increases to the student fee are necessary to cover inflationary increases in expenditures, particularly salaries and utility costs that make up more than half of our expenditures. For the past several years, our operating plans have predicted steady fee increases of 3.5%, less any clawbacks for temporary increases as required by the COSS protocol. This year's proposed fee increase is consistent with that practice. For senior members, there has been some loss of members as the athletics facility has become more crowded in recent years. Their fee must be competitive in relation to the market for fitness facilities and so it does not necessarily increase at the same rate each year.

We are anticipating some increase in catering revenue and room rental revenue as a result of improved room utilization and a targeted marketing programme. We have reduced room rental prices for University of Toronto clients while charging market rates for external clients.

The operation of Hart House Theatre is going very well. Student productions are increasingly successful. The integration of human, financial and physical resources is resulting in efficiencies and enhancements to all the programs of the House. UofTix (our campus box office) is planning new growth over the next several years. With the addition of all Varsity sporting events to its roster and the continued growth in other areas such as conferences and lectures, this new revenue stream is expected to increase by approximately 20% this year and next. Online sales continue to grow, making up close to 45% of all advance sales.

The budget for programming for the clubs and committees has been maintained at its current level and is planned to increase by the 2% inflation factor in each subsequent year. To identify significant new external project funds being generated for special exhibitions at the art gallery, new categories of revenue and expenditure have been created (deferred project revenue and programming projects).

Staffing levels are reduced by 10 FTEs from 2006-07 due to the termination of food service by Hart House staff in the Arbor Room. Under the collective agreements with CUPE and USWA, Hart House is required to continue the salaries and benefits of staff who are displaced due to contracting out until they find other positions. For budget purposes, we are assuming that all staff will be able to find other employment within the university by mid-year.

The change in the operation of the Arbor Room has a positive impact on the budget beginning in 2007-08 and extending into the near future. There will no longer be an operating loss and there will be revenue from the new provider.

A 15-year plan (2000-2015) for the continuous improvement and preservation of the building, described in the engineering survey and the architectural survey, is 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. In order to take into account the needs of the building, balancing the disruption of repairs with ongoing programming, having a realistic work plan for repairs and smoothing expenses, the projects have been categorized into “A”, “B” and “C” lists (Schedule 6). Only essential “A” list items were used in the 2007-08 operating plan. The “A” list items include those projects deferred from 2006-07 to accommodate the kitchen changes. The current engineering study will be updated in 2007-08. It will include the theatre which was not part of the House when the original study was undertaken.

D. Capital Plan for 2007-08

The capital budget is set at \$800,000. It includes \$340,000 for the acquisition of capital equipment, \$300,000 for improvements to the Theatre entrance way and \$160,000 for building improvements to the fabric of the House over and above the deferred and major maintenance expenditures. The Theatre improvements are funded by contributions to the internally restricted Theatre Renovations Fund. In addition, \$50,000 of the building improvements is being funded by the internally restricted Art Gallery Fund.

E. Current Long Range Financial Plan

The long-range planning assumptions are set out on a separate schedule 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 indicates a series of operating surpluses with the exception of modest deficits in the 2010/11 and 2011/12 budget years. This relative financial sustainability was achieved through a long-term financial planning exercise in which we examined how to increase non-fee revenue and contain expenditures without sacrificing quality in programs and services. Ongoing challenges include the fact that the rate of increase for salaries, wages and benefits and utility costs is significantly greater than the stated inflation factor upon which fees are based; senior member fees are market-driven and need to be competitive; and Hart House facilities are operating close to capacity. 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 for deferred and major maintenance is indexed for inflation.

As a result of operating surpluses before commitments, the existing cash surplus remains fairly consistent over the next five years. With respect to the net asset position, an operating fund reserve was established in 2004-05 to cover unexpected contingencies. The fund is set at 10% of total budgeted revenue from all sources. Overall, total restricted and unrestricted net assets increase slightly over the five-year period.

Hart House
University Affairs Board
Service Ancillary Operating Plan
2007-08

The long-range financial forecast has improved from that of previous years and is now in a stable position. Because our ability to generate additional revenue is very limited, we will continue to examine the major expenditures of the House (i.e. salaries, wages and benefits) to see if there are different ways of doing things which would enable us to continue on a sustainable platform for the long-term. Engaging an independent food provider for the Arbor Room will have a positive effect on the bottom line beginning in 2007-08 as the House will no longer be incurring a major loss in that area.

HART HOUSE CONSOLIDATED OPERATING BUDGET AND 5-YEAR FORECAST

(\$ 000's)

	2005/06 ACTUAL	2006/07 BUDGET	2006/07 FORECAST	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
Revenue								
Student fees	5,756	5,916	6,049	6,177	6,385	6,539	6,735	6,947
Senior member fees	1,103	1,162	1,055	1,077	1,109	1,143	1,177	1,212
Food, interest and general	4,738	4,689	4,639	4,732	4,743	4,858	4,964	5,054
Deferred revenue	77	102	75	75	105	130	130	130
Deferred project revenue	-	-	-	125	125	125	125	125
Endowment Income	29	32	36	37	38	46	53	57
Unrestricted donations & grants	32	62	107	153	168	185	204	224
	11,735	11,963	11,961	12,376	12,673	13,026	13,387	13,749
Expenses								
Salaries, wages, benefits & fees	6,036	6,489	6,540	6,737	7,074	7,428	7,799	8,189
Professional fees	303	335	257	263	268	274	279	285
Publicity	140	158	161	185	189	192	196	200
Data processing & software	54	111	131	142	155	158	161	164
General office	891	510	490	523	533	544	555	566
Laundry, supplies & garbage	324	358	355	346	353	360	367	375
Cost of Goods Sold	1,108	1,211	947	930	949	968	987	1,007
Insurance	92	90	102	105	107	109	111	114
Utilities	847	790	842	880	898	916	934	953
Clubs & Committees' Programmes	413	500	450	500	510	520	531	541
Programming projects	-	-	-	125	125	125	125	125
Hart House Theatre production costs	34	40	39	40	41	42	42	43
	10,242	10,593	10,318	10,779	11,204	11,638	12,091	12,564
Capital renewal:								
Annual maintenance	386	415	430	427	436	444	453	462
Deferred & major maintenance	389	359	614	446	413	295	402	298
Depreciation	491	538	489	480	510	535	535	535
Expendable equipment	138	140	133	134	137	139	142	145
	1,404	1,452	1,666	1,487	1,495	1,414	1,532	1,440
Central overhead	69	72	77	90	92	94	96	97
	11,715	12,117	12,061	12,356	12,791	13,145	13,719	14,102
Operating result before commitments & transfers	20	(154)	(100)	20	(118)	(119)	(332)	(353)
- Transfer from U of T for Theatre support	148	143	140	139	137	129	122	118
- Transfer from U of T for Theatre utilities	78	71	75	77	79	81	83	85
	246	60	115	236	98	91	(127)	(150)
Less: Increase/(decrease) in Unappropriated equity from								
- Investment in capital assets	581	(136)	(114)	395	15	35	55	75
- Deferred & major maint.	43	89	(166)	2	39	165	66	178
Operating result after commitments & transfers	(378)	107	395	(161)	44	(109)	(248)	(403)

2007/08 ANNUAL OPERATING PLAN

**HART HOUSE
CONSOLIDATED OPERATING BUDGET AND 5-YEAR FORECAST
ASSUMPTIONS**

	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
General Inflation forecast (% of prior)	102.0%	102.0%	102.0%	102.0%	102.0%
Enrollment increase forecast (% of prior)	100.5%	101.3%	100.4%	101.0%	101.1%
Net Student fee rate forecast (% of prior) see below *	102.0%	102.0%	102.0%	102.0%	102.0%
Investment yield forecast (% of invested cash - see Schedule 3)	3.5%	4.1%	4.4%	4.6%	4.6%
Senior Member fees rate forecast (% of prior year)	103.0%	103.0%	103.0%	103.0%	103.0%
General Increase in salaries, wages and benefits (% of prior year - cost of living and step increase)	106.0%	105.0%	105.0%	105.0%	105.0%
* Student fee rate increase requested	103.5%	103.5%	103.5%	103.5%	103.5%
Less: Student fee clawback due to prior year's temporary increase	101.5%	101.5%	101.5%	101.5%	101.5%
Net Student fee rate forecast (% of prior)	<u>102.0%</u>	<u>102.0%</u>	<u>102.0%</u>	<u>102.0%</u>	<u>102.0%</u>

HART HOUSE
2007/08 ANNUAL OPERATING PLAN

Schedule 2

CONSOLIDATED
STATEMENT OF EQUITY
(\$000's)

	2005/06 ACTUAL	2006/07 BUDGET	2006/07 FORECAST	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
UNRESTRICTED NET ASSETS								
- Unrestricted accumulated net assets								
Operating result after commitments and transfers	\$ (378)	107	395	(161)	44	(109)	(248)	(403)
Restatement of prior periods (accounting changes)	96	-	-	-	-	-	-	-
Transfer to Operating Fund Reserve	(25)	4	4	(41)	(30)	(35)	(35)	(36)
Bal., begin. of year	382	(175)	75	474	272	287	142	(140)
Balance, end of year	\$ 75	(64)	474	272	287	142	(140)	(579)
APPROPRIATED EQUITY								
- Operating Fund Reserve (10% of revenue)								
Increase/(decrease) in commitment	\$ 25	(4)	(4)	41	30	35	35	36
Balance, beginning of year	1,197	1,222	1,222	1,218	1,259	1,289	1,324	1,359
Balance, end of year	\$ 1,222	1,218	1,218	1,259	1,289	1,324	1,359	1,395
APPROPRIATED EQUITY								
-Reserve for Def. & Major Maintenance								
Increase/(decrease) in commitment	\$ 43	89	(166)	2	39	165	66	178
Balance, beginning of year	441	482	484	318	320	359	524	590
Balance, end of year	\$ 484	571	318	320	359	524	590	768
APPROPRIATED EQUITY								
-Other internally restricted net assets								
Increase/(decrease) in commitment	\$ (96)	(19)	(23)	(250)	(200)	(19)	(19)	(19)
Balance, beginning of year	779	761	683	660	410	210	190	172
Balance, end of year	\$ 683	742	660	410	210	190	172	153
APPROPRIATED EQUITY								
- Investment in capital assets								

**HART HOUSE
2007/08 ANNUAL OPERATING PLAN**

Schedule 2

**CONSOLIDATED
STATEMENT OF EQUITY
(\$000's)**

	2005/06 ACTUAL	2006/07 BUDGET	2006/07 FORECAST	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
Increase/(decrease) in commitment	\$ 581	(136)	(114)	395	15	35	55	75
Balance, beginning of year	1,691	2,271	2,272	2,158	2,553	2,568	2,603	2,658
Balance, end of year	\$ 2,272	2,135	2,158	2,553	2,568	2,603	2,658	2,733
ENDOWMENT FUND								
-Club & Committee Endowment Fund								
Increase/(decrease) in commitment	\$ 3	50	105	50	51	51	51	51
Balance, beginning of year	1	101	4	109	159	210	261	312
Balance, end of year	\$ 4	151	109	159	210	261	312	363
ENDOWMENT FUND								
-House Theatre Endowment Fund								
Increase/(decrease) in commitment	\$ 175	210	3	50	100	100	100	100
Balance, beginning of year	661	769	836	839	889	989	1,089	1,189
Balance, end of year	\$ 836	979	839	889	989	1,089	1,189	1,289
TOTAL NET ASSETS								
- Total restricted and unrestricted net assets								
Increase/(decrease) in Total Net Assets	\$ 424	301	200	86	49	222	6	(17)
Balance, beginning of year	5,159	5,438	5,583	5,783	5,869	5,918	6,140	6,146
Balance, end of year	\$ 5,583	5,739	5,783	5,869	5,918	6,140	6,146	6,129

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

	2005/06 ACTUAL	2006/07 BUDGET	2006/07 FORECAST	2007/08 BUDGET	2008/09 BUDGET	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET
CASH FLOW FORECAST								
Operating result before commitments & transfers	21	(154)	(100)	20	(118)	(119)	(332)	(353)
Add non-cash items:								
Amortization of capital contributions	(77)	(102)	(75)	(75)	(105)	(130)	(130)	(130)
Depreciation	491	538	489	480	510	535	535	535
Less capital expenditures	(1,017)	(300)	(300)	(800)	(420)	(440)	(460)	(480)
Add funding transfer for Hart House Theatre	148	143	140	139	137	129	122	118
Add funding transfer for Theatre Utilities	78	71	75	77	79	81	83	85
Add donations (contributions) for capital purchases	-	-	-	-	-	-	-	-
Net change in non-cash working capital balances related to operations	139	-	-	-	-	-	-	-
Increase/(decrease) in cash	(217)	196	229	(159)	83	56	(182)	(225)
Cash position, begin of year	3,695	3,204	3,478	3,707	3,548	3,632	3,687	3,506
CASH POSITION, END OF YEAR	3,478	3,400	3,707	3,548	3,632	3,687	3,506	3,281
CASH REQUIREMENTS FORECAST								
Internally restricted funds, excluding DMM	683	741	660	410	210	190	172	180
Reserve for Deferred & Major Maintenance	484	571	318	320	359	524	590	768
Cash reserve for general operations	1,222	1,218	1,218	1,259	1,289	1,324	1,359	1,390
Total cash required	2,389	2,530	2,196	1,989	1,858	2,038	2,121	2,338
CASH SURPLUS/(SHORTFALL)	1,089	870	1,512	1,560	1,774	1,649	1,385	943
INVESTED CASH FORECAST								
Cash surplus (shortfall) per above		869	1,512	1,560	1,774	1,649	1,385	943
Add: Reserve for Deferred & Major Maintenance		571	318	320	359	524	590	768
Add: 50% of internally restricted funds		371	330	205	105	95	86	90
	3,707	1,811	2,160	2,085	2,238	2,268	2,061	1,801
Add balance from prior year-end		1,601	1,601	2,160	2,085	2,238	2,268	2,061
		3,413	3,761	4,244	4,322	4,506	4,330	3,862
Divide by 2 for average balance		2	2	2	2	2	2	2
AVERAGE INVESTED CASH		1,706	1,881	2,122	2,161	2,253	2,165	1,931

**HART HOUSE
2007/08 ANNUAL OPERATING PLAN**

Schedule 4

**HART HOUSE
STUDENT FEE SCHEDULE**

	Sessional Fees (1)	2004/05 Fee Drop Off (2)	2% Inflationary Increase (3)	1.5% Additional Increase (4)	Student Fees 07/08 (5) = (1+2+3+4)	% Change (5) = (3+4+2)/(1)
St. George Full time	63.67	(0.87)	1.26	0.94	65.00	2.1%
St. George Part time (= 20% St. George Full time)	12.73	(0.17)	0.25	0.19	13.00	2.1%
UTSc & UTM Full time	1.95	(0.02)	0.04	0.03	2.00	2.6% *
UTSc & UTM Part time (= 20% of UTSc & UTM full time)	0.40	(0.01)	0.01	0.01	0.41	2.5% *

* = Difference due to rounding

HART HOUSE
2007/08 ANNUAL OPERATING PLAN

Schedule 4.1

HART HOUSE
CALCULATION OF STUDENT FEES

Year 2007 - 08	Student Fees 07/08	Projected Summer Enrolment 07/08	Projected Enrolment 07/08	Student Fees Summer Session	Student Fees Fall Session	Student Fees Winter Session	Student Fees Total 07/08
St. George Full time	\$ 65.00	2,969	43,239	\$ 193,000	\$ 2,811,000	\$ 2,811,000	\$ 5,815,000
St. George Part time (= 20% of full time)	\$ 13.00	7,882	6,791	102,000	88,000	88,000	278,000
UTM Full time	\$ 2.00	1,169	9,768	2,000	20,000	20,000	42,000
UTSc Full time	\$ 2.00	1,821	9,039	4,000	18,000	18,000	40,000
UTM Part time (= 20% of UTM full time)	\$ 0.41	2,908	908	1,000	-	-	1,000
UTSc Part time (= 20% of UTSc full time)	\$ 0.41	3,173	859	1,000	-	-	1,000
		<u>19,922</u>	<u>70,604</u>	<u>\$ 303,000</u>	<u>\$ 2,937,000</u>	<u>\$ 2,937,000</u>	<u>\$ 6,177,000</u>
Year 2006 - 07 Projection	Student Fees 06/07	Actual Summer Enrolment 06/07	Projected Enrolment 06/07	Student Fees Summer Session	Student Fees Fall Session	Student Fees Winter Session	Student Fees Total 06/07
St. George Full time	\$ 63.67	3,432	43,028	\$ 218,500	\$ 2,739,600	\$ 2,739,600	\$ 5,697,700
St. George Part time (= 20% St. George Full time)	\$ 12.73	8,167	6,511	104,000	82,900	82,900	269,800
UTM Full time	\$ 1.95	1,125	9,447	2,200	18,400	18,400	39,000
UTSc Full time	\$ 1.95	1,661	9,229	3,200	18,000	18,000	39,200
UTM Part time (= 20% of UTM full time)	\$ 0.40	2,795	887	1,100	400	400	1,900
UTSc Part time (= 20% of UTSc full time)	\$ 0.40	2,894	791	1,200	300	300	1,800
		<u>20,074</u>	<u>69,893</u>	<u>\$ 330,200</u>	<u>\$ 2,859,600</u>	<u>\$ 2,859,600</u>	<u>\$ 6,049,400</u>
							<u>\$5,916,000</u>
							<u>\$ 133,400</u>
							<u>2.25%</u>

HART HOUSE SCHEDULE OF SENIOR MEMBER AND OTHER FEES

		2006/07	2007/08	Change
<u>ATHLETICS</u>				
<u>Regular Fee</u>	Monthly	\$ 66.00	\$ 68.00	\$ 2.00
	Annually	\$ 757.00	\$ 780.00	\$ 23.00
<u>Discounted Fees</u>				
Spouse of Student Member or Senior Member	Monthly	\$ 51.00	\$ 53.00	\$ 2.00
	Annually	\$ 585.00	\$ 603.00	\$ 18.00
Class of 05	Monthly	\$ 33.00	\$ 34.00	\$ 1.00
	Annually	\$ 379.00	\$ 390.00	\$ 11.00
Member over 60	Monthly	\$ 51.00	\$ 53.00	\$ 2.00
	Annually	\$ 585.00	\$ 603.00	\$ 18.00
Faculty or Staff	Monthly	\$ 47.50	\$ 49.00	\$ 1.50
	Annually	\$ 542.00	\$ 558.00	\$ 16.00
Affiliated Students	Annually	\$ 205.00	\$ 211.00	\$ 6.00
Visiting Student	4 months	\$ 160.00	\$ 165.00	\$ 5.00
One Month Member	Monthly	\$ 89.00	\$ 92.00	\$ 3.00
<u>CLUBS & COMMITTEES</u>				
<u>Regular Fee</u>	Annually	\$ 160.00	\$ 165.00	\$ 5.00
<u>Special Fees</u>				
Spouse of Student Member or Senior Member	Annually	\$ 160.00	\$ 165.00	\$ 5.00
Member over 60	Annually	\$ 106.00	\$ 109.00	\$ 3.00
Faculty or Staff	Annually	\$ 160.00	\$ 165.00	\$ 5.00
Visiting Student	Annually	\$ 160.00	\$ 165.00	\$ 5.00
<u>ATHLETICS PLUS</u>				
	Monthly	\$ 90.00	\$ 93.00	\$ 3.00
	Annually	\$ 1,020.00	\$ 1,051.00	\$ 31.00
<u>JOINT PLAN</u>				
	Annually	\$ 252.00	\$ 260.00	\$ 8.00

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

Privilege Level	Discount Code	Description	2007/08 Projected			06/07 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	Total # of Members					
Athletics	60	Over 60 years of age	50	100	150	155	\$ 53.00	\$ 603.00	\$88,443.40			
	97	Class of 06	20	140	160	182	\$ 34.00	\$ 390.00	\$61,245.28			
	AF	Affiliated Student	10	-	10	4	\$ -	\$ 211.00	\$1,990.57			
	MS	Spouse of Senior Member	30	80	110	116	\$ 53.00	\$ 603.00	\$65,066.04			
	GS	Graduate of Another Univ	10	50	60	50	\$ 68.00	\$ 780.00	\$45,849.06			
	MR	Regular	40	450	490	461	\$ 68.00	\$ 780.00	\$375,849.06			
	SF	Staff & Faculty	-	35	35	46	\$ 49.00	\$ 558.00	\$19,415.09			
	SS	Spouse of a Student Member	-	-	-	-	\$ 53.00	\$ 603.00	\$0.00			
	SM	Special Membership	1	6	7	-	\$ 68.00	\$ 780.00	\$5,354.72			
	VF	Visiting student (Fall)	20	-	20	16	\$ -	\$ 165.00	\$3,113.21			
		Post-doctoral Fellow	5	20	25	28	\$ 53.00	\$ 603.00	\$14,844.34			
		One Month Member	-	3	3	5	\$ 92.00	\$ -	\$3,124.53			
Athletics Plus	Athletics Plus		18	6	24	21	\$ 93.00	\$ 1,051.00	\$12,082.08			
									\$696,377.36	6.7%	\$ 650,000	
Clubs & Committees												
	60	Over 60 years of age	53	-	53	49	\$	109.00	\$5,450.00			
	97	Class of 06	-	-	-	-	\$	149.00	\$0.00			
	GO	Grad of Another University	-	-	-	-	\$	165.00	\$0.00			
	MR	Regular	175	-	175	201	\$	165.00	\$27,240.57			
	MS	Spouse of Student/Senior Member	-	-	-	-	\$	165.00	\$0.00			
	SF	Staff & Faculty	-	-	-	-	\$	165.00	\$0.00			
	SM	Special Membership	4	-	4	1	\$	165.00	\$622.64			
									\$33,313.21	9.9%	\$ 30,000	
Total Members					1,326	1,335			\$729,690.57	6.8%	\$ 680,000	
Joint plan			1,390	21	1,411	1,403	\$	260.00	\$398,990.65	0.5%	\$ 396,900	
											\$2,090.65	
											<u>\$ 1,076,900</u>	

* 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.

2007/08 ANNUAL OPERATING PLAN

Schedule 6

**HART HOUSE
DEFERRED & MAJOR MAINTENANCE PROJECTS**

	2006/07 <u>Budget</u>	2006/07 <u>Forecast</u>	2007/08 <u>Total</u>
Projects as set out in DMM engineering study	-	282,200	-
1 Structure	-	-	-
2 Roofs	5,000	-	-
3 Walls	20,000	-	20,000
4 Windows/Exterior Doors	10,000	-	5,000
7 Mechanical Systems	22,200	-	26,000
8 Electrical	15,000	-	-
9 Elevators	-	-	160,000
B - 1 Farm	10,000	-	-
B - 2 Farm residence	-	-	-
B - 3 Barn	-	-	-
Total Engineering study	<u>82,200</u>	<u>282,200</u>	<u>211,000</u>
Architectural			
Replacement of range hood in Main Kitchen	200,000	293,000	-
Renovation to Music Room, N & S Dining room	-	6,100	-
Renewal of finishes	15,000	9,300	25,000
Resurfacing of running track	-	-	30,000
New carpet in Theatre	12,000	12,000	-
Life Safety Improvements	-	11,200	40,000
Renovation of 3rd floor washrooms	-	-	69,900
Renewal of 2nd Floor Washrooms	50,000	-	70,000
Total Architectural	<u>277,000</u>	<u>331,600</u>	<u>234,900</u>
Additional D &MM projects not covered in study	-	-	-
Carry over from prior years	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	359,200	613,800	445,900
Contingency 10%	-	-	-
	<u>\$ 359,200</u>	<u>613,800</u>	<u>445,900</u>

2007/08 ANNUAL OPERATING PLAN

Schedule 7

**HART HOUSE
CAPITAL BUDGET**

	2006/07 <u>Budget</u>	2006/07 <u>Forecast</u>	2007/08 <u>Budget</u>
FURNITURE & EQUIPMENT			
2006-07 Furniture & Equipment	200,000	110,000	48,000
2007-08 Furniture & Equipment	-	-	292,000
Theatre Enterance Way	-	-	300,000
BUILDING IMPROVEMENTS			
2007-08 Building Improvements	100,000	190,000	160,000
	\$ <u>300,000</u>	<u>300,000</u>	<u>800,000</u>

Funding

Unrestricted net assets	450,000
Art Gallery Internally Restricted Funds	50,000
Theatre Renovations Fund	300,000
	<u>800,000</u>

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

2006-07 budgeted salary expenditure base			
Budgeted full-time salaries excluding benefits, before increase		\$	4,146,000
Average ATB increase/decrease for staff members			
OR rate stipulated in long-term budget assumption			
for 2007-08 (3% + 2%) - full-time salaries		5.00%	
Average benefit cost rate, full time salaries		<u>23.50%</u>	
SUB-TOTAL, INDEXED SALARY AND BENEFIT COSTS FULL-TIME STAFF		\$	5,376,326
2006-07 budgeted salary expenditure base			
Part-time wages excluding benefits, before increase		1,746,900	
Average ATB increase/decrease for staff members			
OR rate stipulated in long-term budget assumption			
for 2007-08 (3%) - full-time salaries		3.00%	
Average benefit cost rate, part-time wages		<u>15.18%</u>	
SUB-TOTAL, INDEXED WAGES AND BENEFIT COSTS PART-TIME STAFF		\$	2,072,485
Indexed salary and benefits expenditure costs		\$	7,448,811
Add an estimate of severance costs (2007-08)		\$	-
Subtract the amount of net revenue from other sources of revenue			
2006-07 budget (i.e. non-student fee revenue)			
Total revenue		12,177,000	
Less student fees - base		(5,916,000)	
Less student fees - clubs & committees		<u>(32,500)</u>	
		\$	(6,228,500)
Add the non-salary expenditure base (2006-07 budget)			
Total budgeted expenses		12,117,000	
Less: budgeted salaries, wages and benefits		<u>(6,488,000)</u>	
		\$	5,629,000
Add occupancy costs (2007-08 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			
(2007-08 population at 2006-07 rates)		<u>(81,600)</u>	
Difference		\$	6,767,711
Divide difference by the 2007-08 projected enrollment, giving part-time enrollment			
the "established weight"		<u>46,870</u>	
Result = indexed fee (with UTI increase)		<u>\$</u>	<u>72.20</u>
2006-07-fee augmented by the CPI increase (2%)	2006-07 base fees =	63.67	<u>\$</u>
			<u>64.06</u>
Proposed 2007/08 fee increase			<u>\$</u>
			<u>65.00</u>
Proposed 2007-08 fee increase: (Refer to Schedule 4)			
Base fees		\$	63.67
2004-05 fee reduction		\$	(0.87)
CPI increase	2%		1.26
Proposed increase	1 1/2%		0.94
		<u>\$</u>	<u>65.00</u>