

## **Overview of Mission, Programmes, and Services**

Hart House is a multi-faceted hub at the University where students, faculty, staff and alumni engage in social, cultural and informal education, and recreational athletics. Hart House also welcomes multiple thousands of people from the wider community to numerous events (e.g., theatre performances, art shows, talks, workshops, conferences, weddings, etc.) on an annual basis. Students come to Hart House to work out, to eat lunch, study in the library, participate in one of 30 student-led clubs and committees, to attend a jazz concert, wait for the UTM shuttle, hold a meeting, attend a meeting, play billiards, attend a debate or book reading, etc. Hart House is open 365 days per year from early morning until late evening, and continues to fulfill its mission as a welcoming and inclusive space on campus, providing excellent programmes and services while balancing the budget and preserving the building.

Largely informed by the May 2007 Hart House Review, a four year plan has been developed with a broad agenda of equity programming, greater collaboration with academic divisions, and meaningful linkages to students who are not currently involved at Hart House (please refer to Appendix A). We are pleased to report that more campus-recognised student groups are using the House for meetings and events. We continue to seek ways to include students from the east and west campuses, by providing special events and facilitating participation in activities which are unique to Hart House, such as Hart House Theatre, the Farm and arts programmes. In addition to Hart House's role and function as a place of student engagement and student life, it is also a bridge between the University and the city, welcoming the general public to numerous events throughout the year, by providing food services, renting space for events sponsored by the wider community, as well as multiple thousands of attendees to Hart House organised events, such as talks, arts-based performances, Nuit Blanche, etc.

### **B. Operating Plan and Experience for 2008-09**

We will achieve our budget for 2008-09 with a forecasted surplus of \$271,000.

We will accomplish this in spite of enrolment projections not matching take-up, resulting in a \$44,300 deficiency in student fees. In addition, a major reorganisation of USW positions took place in May 2008, and resulted in severance costs of \$149,000. The reorganisation of positions was undertaken with a view to creating efficiencies, centralising functions, increasing communication, providing enhanced customer service. The HR changes saw two departments merge (Hall Porters and Membership Services Office) into the HUB, resulting in greater access to services for members and a reduction in casual labour costs. We also created a one-stop shopping model for room rental, AV, catering and events by situating room reservations and AV, previously located in the facilities department into the events

and catering department. One limited term position was added in the Events and Catering department to generate revenue from NGOs, government and industry groups by way of utilising the facility between 9:00 and 4:00, Monday to Friday, when there is less demand for space from students.

The theatre has successfully transitioned from a purely rental facility in the early 2000's, back to a producing theatre, with box office sales significantly increasing each season. To date this season, the shows have received outstanding reviews, and have been highly acclaimed by national and local press. Irrespective of its acclaimed reviews, financially, the theatre will remain highly dependent on rental revenue, and a significant increase in endowment funding is essential. To this end, the fundraising campaign is about to be re-launched in mid-February, 2009, with a new case for giving, a new campaign cabinet, and a strengthened relationship with the University's Department of University Advancement. All of this is vital, as, as will be explained in the next section, as the university will discontinue its support of the theatre at the end of the 2008-09 fiscal year.

Deferred and major maintenance is anticipated to be slightly over its budget of \$199,000 with a forecast of \$203,000. Annual maintenance is forecast at \$493,000, compared to a budget of \$450,000. The catering department is exceeding its budget this year, contributing a little under half a million dollars revenue to the House. The Gallery Grill is operating with a very modest profit.

### **C. Operating Plan for 2009/10**

The 2009/10 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 high quality programming and services while meeting increasing demands, is responsive to new initiatives, and preserving the building while providing excellent stewardship for Hart House's finances. Our budget goals for 2009/10 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 2009/10 budget achieves the goal for the next fiscal year, showing net income of \$78,000.

The on-going longer-term signals concern.

Hart House's 2009-2010 budget has been designed to continue to strengthen and diversify our co-curricular offerings for University of Toronto students, maintain our facilities and strengthen services offered to University of Toronto students, faculty,

staff, alumni, and members of the general public. Our goal to further diversity and strengthen our programme offerings, and provide top-notch service is situated in an environment where, in 2009-2010, we also face and address significantly rising costs and other major financial challenges. Three major areas totaling \$634,000 are attributable to:

- Salaries and benefits under the recently settled collective agreements have increased costs by \$357,100
- On direction of Business Affairs, we have eliminated endowment interest income for 2009-10. This removes about \$58,000 revenue; and
- Loss of support from the University for the Theatre \$219,000.

The method of calculating the student fee increase is defined by the Long-term Protocol on the Increase or Introduction of Compulsory Non-tuition Related Fees (COSS Protocol). Student fee calculations are based on an increase of existing fees "not greater than the greater of" the UTI calculation or the CPI increase. For 2009-2010, Hart House's CPI increase is greater than the UTI, hence, under the COSS Protocol, the UTI must be used. This year is the first time that the UTI has been less than the CPI for Hart House. For 2009-2010, the net student fee increase (after removal of the temporary fee increase from 2006/07) is 0.7% or 46 cents a semester for full-time students on the St. George campus. 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 claw backs for temporary increases as required by the COSS protocol. We are not able to request our usual 3.5% this year, due to the rules of the COSS Protocol.

The demand on Hart House's athletics area has been steadily increasing over the past number of years. Between September 1, 2008 and December 31, 2008, over 148,000 visits were made, compared to 135,000 between January 1 and April 30, 2008. While we are delighted that the facility is being well used, there is also concern that senior members who pay annual dues of \$805 are becoming increasingly sensitive about the busyness of the facility. For senior members there has been some attrition as the athletics facility has become more heavily used by students. Senior member fees have risen at the same rate as that student fees have in the past number of years. As the senior fee must be competitive in relation to the market for fitness facilities, and concerned about our market competitiveness and increasing busyness, we undertook an analysis of competitor gym facilities fees. Results determined that Hart House was at the high end of the market fee structure, and a decision was made to freeze senior fees for 2009-10. (please refer to schedules 5 and 5.1)

We are anticipating some increase in catering revenue and room rental revenue as a result of improved room utilisation and a targeted marketing programme. We offer reduced room rental prices for University of Toronto clients while charging market rates for external clients. While we have not yet seen cancellations in numbers that alarm, though the weakened economy is a concern for our catering and room rental revenues.

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 programmes of Hart House. UofTtix (the main U of T box office) is planning new growth over the next several years. With the addition of Convocation Hall to its roster and the continued growth in other areas such as conferences and lectures, this revenue stream is expected to continue to increase. Online sales continue to grow, making up more to 50% of all advance sales.

The budget for programming for the clubs and committees has been reduced by \$25,000, the entire amount of which has been located in general student programming. With the goal of increasing student involvement in Hart House, a budget provision has been made which is aimed at providing financial support for student initiatives across the University, via the good ideas fund and accessibility fund for co-curricular activities.

Staffing levels will be increased by 2 FTEs from 2008-09 to support enhanced communications and marketing to students and alumni, and IT. Both positions are projected to have direct revenue benefit as Hart House continues to increase its online business operations, marketing and communications capabilities, all of which are seen to benefit both students and non-students. The addition of the IT position is a direct result of a recommendation from an IT audit that was conducted in the fall of 2008.

Also in the fall of 2008, an engineering audit was undertaken to advise as to the budgetary planning for the continuous improvement and preservation of the building, through our deferred and major maintenance plan.

#### **D. Capital Plan for 2009-10**

The capital budget is set at \$1,795,000. It includes \$330,000 for the acquisition of capital equipment, and \$90,000 for building improvements to the fabric of the House over and above the deferred and major maintenance expenditures of \$775,000. An amount of \$600,000 is for renovations to the Justina M. Barnicke Art Gallery, and will be entirely funded from government grants and donations. Please refer to Schedule 7.

#### **E. Current Long Range Financial Plan**

The long-range planning assumptions are set out on a separate schedule and are in accordance with inflation factors recommended by the University of Toronto's Financial Services Department. We have reduced the investment yield to 2% to be in line with the current payouts received on our funds held by University of Toronto. Enrolment projections are provided by Planning and Budgets.

The five-year financial plan indicates a series of operating deficits commencing in 2010/11 budget year. 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 minimise 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 deficits before commitments, the existing cash position decreases significantly 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. Starting in 2009-10, the unrestricted net assets are in a negative position. As a result of operating deficits before commitments, the existing cash position also decreases significantly 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. Starting in 2009-10, the unrestricted net assets are in a negative position. However, when the unrestricted net assets are taken into account with our investment in capital assets and the operating reserve fund, the total for in 2009-10 is \$3,427,000. Overall, total restricted and unrestricted net assets decrease over the five-year period in spite of contributions to Theatre and Club and Committee endowment funds, and the increase in the operating fund reserve.

Simply put, Hart House is very aware that we cannot run a deficit. In each of the past three years, we have achieved a net revenue surplus that exceeded our budget. We anticipate doing so again this year. To address the long-term budget issues, we will continue to focus on operational effectiveness within departments and across the House. Beyond the two FTE positions being added this year, replacements for retirements or resignations will be highly scrutinised before any movement to replace. Efficiencies are being examined in our casual payroll in the athletics and HUB area. We are about to re-launch our Theatre Campaign with a new case for giving, and a motivated and well-connected Theatre Cabinet. Like all other departments, faculties and units within the University, unnecessary costs will be identified and cut. If necessary, capital expenditures will be delayed, as will all but essential building repairs. With respect to additional revenue streams, in the fall of 2009, CIUT will relocate to the Warden's apartment space at Hart House, and will generate approximately \$30,000 per year in NASM rental; the relocation of the ArtsZone in September 2008 has added an additional \$5,000 in NASM rental. As mentioned previously, in the fall of 2008, a limited-term contract appointment was added in the Events and Catering Department to generate additional revenue in day-time facility rental by way of NGO's and Provincial Government departments holding catered workshops and meetings in our meeting room spaces. Attempts are also being made to identify additional revenue through the rental of the Great Hall. To this end, Hart House's musical groups have been restricted to evening rehearsals on two nights (down from four nights) so as to free up the space for external groups to book the space for revenue purposes. Results from these two changes are headed in the right direction as revenue in the Catering and Events department is ahead of forecast this fiscal year. Explorations are also underway to generate additional income by way of summer programming at Hart House. A children's arts based summer camp and arts institute are both under consideration. In addition, a new arts-based programme revenue stream, based on Hart House's recreational athletics model of 10-12 week classes, is being considered. Variations on this theme also include weekend workshops and summer workshops.

**Appendix A**  
**2008-2012 Goals**

- 1) Collaborate on the administrative role and mutually beneficial delivery of Recreational Athletics Programming on the St. George Campus
- 2) Create mechanisms (evaluation tools, assessment methods) to better understand the experiences of Hart House participants
- 3) Enhance professional development and training opportunities for staff
- 4) Ensure effective long-term stewardship of Hart House's facilities and resources
- 5) Ensure Hart House has the best possible structure to support its programming and services
- 6) Ensure that Hart House delivers excellent customer service
- 7) Ensure that Hart House is a supportive environment in which risk taking is encouraged
- 8) Ensure that space in Hart House is allocated and utilized optimally
- 9) Examine current uses and develop additional opportunities for the Farm
- 10) Expand and strengthen Hart House's role and image as a centre for leadership development
- 11) Expand and strengthen mutually beneficial relationships with academic units, services, programmes and divisions
- 12) Foster greater cohesion in the planning, administration and communication of a whole House vision
- 13) Intensify efforts to engage UTM/UTSC campuses at Hart
- 14) House Raise \$8 million for the Theatre
- 15) Strengthen capacity and effectiveness of Hart House's strategic communications
- 16) Strengthen the leadership role Hart House plays in the University's arts and cultural community
- 17) To be a leader in campus sustainability
- 18) To engage students in questions, issues and activities related to the pursuit of equity and social justice
- 19) To meaningfully engage an even wider diversity of students who are studying at U of T, and develop new structures, processes and programming to serve this enhanced new diversity.

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

*Third Draft Version*

	2007/08 ACTUAL	2008/09 BUDGET	2008/09 FORECAST	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET
<b>Revenue</b>								
Student fees	6,197	6,529	6,485	6,650	6,706	6,717	6,739	6,741
Senior member fees	1,105	1,093	1,057	1,067	1,088	1,132	1,188	1,248
Interest and general	1,971	2,206	2,308	2,293	2,311	2,357	2,395	2,420
Food revenue	2,402	2,771	2,738	2,967	3,115	3,178	3,241	3,306
Deferred revenue	76	110	13	77	77	77	77	77
Deferred project revenue	163	60	69	74	74	74	74	74
Endowment Income	47	50	57	-	74	85	87	89
Unrestricted donations & grants	37	42	46	60	66	73	80	88
	11,998	12,861	12,773	13,188	13,512	13,692	13,882	14,043
<b>Expenses</b>								
Salaries, wages, benefits & fees	6,450	7,226	7,142	7,513	7,874	8,267	8,661	9,115
Professional fees	370	402	448	382	390	397	405	413
Publicity	167	185	229	171	174	178	181	185
Data processing & software	51	149	125	128	141	143	146	149
General office	795	663	605	508	503	513	523	534
Laundry, supplies & garbage	351	341	350	353	360	367	375	382
Cost of Goods Sold	722	923	885	991	1,011	1,031	1,052	1,073
Insurance	97	108	132	134	137	139	142	145
Utilities	877	931	930	933	952	971	990	1,010
Clubs & Committees' Programmes (net)	384	400	340	375	380	390	400	410
Programming projects	163	60	69	74	74	74	74	74
Hart House Theatre production costs	33	38	46	41	42	43	44	44
	10,460	11,442	11,301	11,604	12,037	12,515	13,014	13,536
Capital renewal:								
Annual maintenance	447	450	493	493	503	513	523	534
Deferred & major maintenance	114	199	203	207	366	399	433	466
Depreciation	478	559	504	587	650	715	760	805
Expendable equipment	122	140	136	135	138	140	143	146
Central overhead	1,161	1,348	1,336	1,422	1,657	1,767	1,859	1,951
	84	85	84	84	86	87	89	91
	11,705	12,875	12,721	13,110	13,779	14,370	14,963	15,577
<b>Operating result before</b>								
<b>commitments &amp; transfers</b>	293	(14)	52	78	(267)	(678)	(1,081)	(1,534)
- Transfer from U of T for Theatre support	217	215	219	-	-	-	-	-
<b>Excess (Deficiency) of Revenue over Expenses</b>	510	201	271	78	(267)	(678)	(1,081)	(1,534)



**HART HOUSE**  
**2009/10 ANNUAL OPERATING PLAN**  
**CONSOLIDATED OPERATING BUDGET AND 5-YEAR FORECAST**  
**ASSUMPTIONS**

	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET
General Inflation forecast (% of prior)	102.0%	102.0%	102.0%	102.0%	102.0%
Enrollment increase forecast (% of prior)	101.0%	100.3%	99.7%	100.2%	100.0%
Student fee rate forecast (% of prior)	100.7%	100.5%	100.5%	100.1%	100.0%
Investment yield forecast (% of invested cash - see Schedule 3)	2.0%	2.0%	2.0%	2.0%	2.0%
Senior Member fees rate forecast (% of prior year)	100.0%	102.0%	104.0%	105.0%	105.0%
General Increase in salaries, wages and benefits (% of prior year - cost of living and step increase)	105.0%	105.0%	105.0%	105.0%	105.0%
<b>Student fee rate forecast (% of prior)</b>					
Base Increase	0.1%	0.0%	0.0%	0.1%	0.0%
(Lower of CPI or UTI)					
Claw back of prior year's increases	-1.5%	-1.5%	-1.5%	-2.0%	-2.0%
Temporary Increase (Higher of UTI or CPI)	2.0%	2.0%	2.0%	2.0%	2.0%
Student Fee increase	0.6%	0.5%	0.5%	0.1%	0.0%

CONSOLIDATED  
STATEMENT OF NET ASSETS  
( \$000's )

HART HOUSE  
2009/10 ANNUAL OPERATING PLAN

Schedule 2

	2007/08 ACTUAL	2008/09 BUDGET	2008/09 FORECAST	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET
<b>UNRESTRICTED NET ASSETS</b>								
- Unrestricted accumulated net assets								
Operating result after commitments and transfers	\$ 207	(447)	(276)	(725)	(248)	(781)	(1,125)	(1,520)
Transfers to other Internally Restricted Funds	-	-	(400)	-	-	-	-	-
Transfers to Operating Fund Reserve	(42)	(94)	(48)	(12)	(32)	(18)	(19)	(16)
Bal., begin. of year	542	774	707	(17)	(754)	(1,034)	(1,834)	(2,978)
Balance, end of year	\$ 707	233	(17)	(754)	(1,034)	(1,834)	(2,978)	(4,514)
<b>APPROPRIATED EQUITY</b>								
- Operating Fund Reserve (10% of revenue)								
Increase/(decrease) in commitment	\$ 41	94	48	12	32	18	19	16
Balance, beginning of year	1,218	1,214	1,259	1,307	1,319	1,351	1,369	1,388
Balance, end of year	\$ 1,259	1,308	1,307	1,319	1,351	1,369	1,388	1,404
<b>APPROPRIATED EQUITY</b>								
- Reserve for Def. & Major Maintenance								
Increase/(decrease) in commitment	\$ 260	(203)	149	(482)	(49)	101	51	1
Balance, beginning of year	378	653	638	787	305	256	357	408
Balance, end of year	\$ 638	450	787	305	256	357	408	409
<b>APPROPRIATED EQUITY</b>								
- Other internally restricted net assets								
Increase/(decrease) in commitment	\$ (175)	(250)	127	(250)	(200)	(19)	(19)	(19)

HART HOUSE  
2009/10 ANNUAL OPERATING PLAN

Schedule 2

CONSOLIDATED  
STATEMENT OF NET ASSETS  
( \$000's )

	2007/08 ACTUAL	2008/09 BUDGET	2008/09 FORECAST	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET
Balance, beginning of year	783	910	608	735	485	285	265	247
Balance, end of year	\$ 608	660	735	485	285	265	247	228

**APPROPRIATED EQUITY**  
- Investment in capital assets

Increase/(decrease) in commitment	\$ 43	851	398	1,285	30	2	(7)	(15)
Balance, beginning of year	2,455	2,121	2,498	2,896	4,181	4,211	4,213	4,206
Balance, end of year	\$ 2,498	2,972	2,896	4,181	4,211	4,213	4,206	4,191

**ENDOWMENT FUND**  
-Club & Committee Endowment Fund

Increase/(decrease) in commitment	\$ 3	50	105	50	51	51	51	51
Balance, beginning of year	14	110	17	122	172	223	223	274
Balance, end of year	\$ 17	160	122	172	223	274	325	376

**ENDOWMENT FUND**  
-House Theatre Endowment Fund

Increase/(decrease) in commitment	\$ 213	2,000	50	2,000	1,000	100	100	100
Balance, beginning of year	929	1,030	1,142	1,192	3,192	4,192	4,292	4,392
Balance, end of year	\$ 1,142	3,030	1,192	3,192	4,192	4,292	4,392	4,492

**TOTAL NET ASSETS**  
- Total restricted and unrestricted net assets

Increase/(decrease) in Total Net Assets	\$ 780	2,001	153	1,878	584	(547)	(949)	(1,402)
Balance, beginning of year	6,376	6,827	7,156	7,309	9,187	9,770	9,224	8,275
Balance, end of year	\$ 7,156	8,828	7,309	9,187	9,770	9,224	8,275	6,873

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

**CASH FLOW FORECAST**

	2007/08 ACTUAL	2008/09 BUDGET	2008/09 FORECAST	2009/10 BUDGET	2010/11 BUDGET	2011/12 BUDGET	2012/13 BUDGET	2013/14 BUDGET
Operating result before commitments & transfer	510	(14)	52	78	(267)	(678)	(1,081)	(1,534)
Add non-cash items:								
Amortization of capital contributions	(76)	(110)	(13)	(77)	(77)	(77)	(77)	(77)
Depreciation	478	559	504	587	650	715	760	805
Less capital expenditures	(372)	(940)	(741)	(1,020)	(420)	(440)	(460)	(480)
Less capitalized Deferred & Major Maintenance	(74)	(460)	(146)	(775)	(183)	(200)	(216)	(233)
Add funding transfer for Hart House Theatre	217	215	219	-	-	-	-	-
Add donations (contributions) for capital purchase	30	-	450	540	-	-	-	-
Net change in non-cash working capital balances related to operations	(46)	-	-	-	-	-	-	-
Increase/(decrease) in cash	667	(650)	323	(667)	(297)	(680)	(1,074)	(1,519)
Cash position, begin of year	4,190	4,742	4,857	5,180	4,513	4,216	3,535	2,461
<b>CASH POSITION, END OF YEAR</b>	<b>4,857</b>	<b>4,092</b>	<b>5,180</b>	<b>4,513</b>	<b>4,216</b>	<b>3,535</b>	<b>2,461</b>	<b>942</b>

**CASH REQUIREMENTS FORECAST**

Internally restricted funds, excluding DMM	608	660	735	485	285	265	247	259
Reserve for Deferred & Major Maintenance	638	450	787	305	256	357	408	409
Cash reserve for general operations	1,259	1,307	1,307	1,319	1,351	1,369	1,388	1,420
Total cash required	2,505	2,417	2,829	2,109	1,892	1,991	2,043	2,088
<b>CASH SURPLUS/(SHORTFALL)</b>	<b>2,352</b>	<b>1,675</b>	<b>2,351</b>	<b>2,404</b>	<b>2,324</b>	<b>1,544</b>	<b>419</b>	<b>(1,146)</b>

**INVESTED CASH FORECAST**

Cash surplus (shortfall) per above	1,675	1,675	2,351	2,404	2,324	1,544	419	(1,146)
Add: Reserve for Deferred & Major Maintenance	450	450	787	305	256	357	408	409
Add: 50% of Internally restricted funds	330	330	367	242	142	133	123	129
	2,455	2,455	3,506	2,952	2,722	2,034	950	(607)
Add balance from prior year-end	5,180	3,073	3,073	3,506	2,952	2,722	2,034	950
Divide by 2 for average balance	5,528	2	6,579	6,457	5,674	4,756	2,985	343
	2	2	2	2	2	2	2	2

**HART HOUSE  
2009/10 ANNUAL OPERATING PLAN**

Schedule 4

**HART HOUSE  
STUDENT FEE SCHEDULE**

	Sessional Fees (1)	2006/07 Fee Drop Off (2)	UTI 0.1% Inflationary Increase (3)	CPI 2% Additional Increase (4)	Student Fees 09/10 (5) = (1+2+3+4)	% Change (5) = (3+4+2)/(1)
St. George Full time	66.30	(0.92)	0.07	1.31	66.76	0.7% *
St. George Part time (= 20% St. George Full time)	13.26	(0.18)	0.01	0.26	13.35	0.7% *
UTSc & UTM Full time	2.04	(0.03)	-	0.04	2.05	0.5% *
UTSc & UTM Part time (= 20% of UTSc & UTM full time)	0.42	(0.01)	-	0.01	0.42	0.0% *

\* Difference due to rounding.

**Note:**

The method of calculating the student fee increase is defined by the COSS Protocol. Student fee calculations are based on an increase of existing fees not greater than the greater of the UTI increase or the CPI increase. For 2009/10, the CPI increase is greater than the UTI, hence the UTI is used. The CPI becomes a temporary increase unless approved by COSS and UAB.

The CPI is the Consumer Price index and is provided by U of T for budget purposes. The UTI is calculated by the procedures set out in the COSS Protocol. Refer to the "Inflation" worksheet for the calculations.

HART HOUSE  
2009/10 ANNUAL OPERATING PLAN

Schedule 4.1

HART HOUSE  
CALCULATION OF STUDENT FEES

Year 2009 - 10	Student Fees 09/10	Projected Summer Enrollment 09/10	Projected Enrollment 09/10	Student Fees Summer Session	Student Fees Fall Session	Student Fees Winter Session	Student Fees Total 09/10
St. George Full time	\$ 66.76	3,716	45,224	\$ 248,000	\$ 3,019,000	\$ 3,019,000	\$ 6,286,000
St. George Part time (= 20% of full time)	\$ 13.35	7,592	6,406	101,000	86,000	86,000	273,000
UTM Full time	\$ 2.05	1,259	10,546	3,000	22,000	22,000	47,000
UTSc Full time	\$ 2.05	2,191	9,481	4,000	19,000	19,000	42,000
UTM Part time (= 20% of UTM full time)	\$ 0.42	3,013	918	1,000	-	-	1,000
UTSc Part time (= 20% of UTSc full time)	\$ 0.42	2,673	770	1,000	-	-	1,000
		20,444	73,345	\$ 358,000	\$ 3,146,000	\$ 3,146,000	\$ 6,650,000
<b>Year 2008 - 09 Projection</b>							
St. George Full time	\$ 66.30	3,861	44,285	\$ 256,000	\$ 2,936,100	\$ 2,936,100	\$ 6,128,200
St. George Part time (= 20% of St. George Full time)	\$ 13.26	8,003	6,041	106,100	80,100	80,100	266,300
UTM Full time	\$ 2.04	1,196	10,037	2,400	20,500	20,500	43,400
UTSc Full time	\$ 2.04	2,262	9,392	4,600	19,200	19,200	43,000
UTM Part time (= 20% of UTM full time)	\$ 0.42	2,858	882	1,200	400	400	2,000
UTSc Part time (= 20% of UTSc full time)	\$ 0.42	2,759	747	1,200	300	300	1,800
		20,939	71,384	\$ 371,500	\$ 3,056,600	\$ 3,056,600	\$ 6,484,700
					Budgeted revenue 2008/09		\$ 6,529,000
					Difference		\$ (44,300)
					Difference %		-0.68%

## HART HOUSE SCHEDULE OF SENIOR MEMBER AND OTHER FEES

		2008/09	2009/10	Change
<b><u>ATHLETICS</u></b>				
<b><u>Regular Fee</u></b>	Monthly	\$ 70.00	\$ 70.00	\$ -
	Annually	\$ 805.00	\$ 805.00	\$ -
<b><u>Discounted Fees</u></b>				
Spouse of Student Member or Senior Member	Monthly	\$ 55.00	\$ 55.00	\$ -
	Annually	\$ 621.00	\$ 621.00	\$ -
Class of 07	Monthly	\$ 35.00	\$ 35.00	\$ -
	Annually	\$ 402.00	\$ 402.00	\$ -
Member over 60	Monthly	\$ 55.00	\$ 55.00	\$ -
	Annually	\$ 621.00	\$ 621.00	\$ -
Faculty or Staff	Monthly	\$ 50.50	\$ 50.50	\$ -
	Annually	\$ 578.00	\$ 578.00	\$ -
Affiliated Students	Annually	\$ 217.00	\$ 217.00	\$ -
Visiting Student	4 months	\$ 170.00	\$ 170.00	\$ -
One Month Member	Monthly	\$ 95.00	\$ 95.00	\$ -
<b><u>CLUBS &amp; COMMITTEES</u></b>				
<b><u>Regular Fee</u></b>	Annually	\$ 170.00	\$ 170.00	\$ -
<b><u>Special Fees</u></b>				
Spouse of Student Member or Senior Member	Annually	\$ 170.00	\$ 170.00	\$ -
Member over 60	Annually	\$ 130.00	\$ 130.00	\$ -
Faculty or Staff	Annually	\$ 170.00	\$ 170.00	\$ -
Visiting Student	Annually	\$ 170.00	\$ 170.00	\$ -
<b><u>ATHLETICS PLUS</u></b>				
	Monthly	\$ 96.00	\$ 96.00	\$ -
	Annually	\$ 1,082.00	\$ 1,082.00	\$ -
<b><u>JOINT PLAN</u></b>				
	Annually	\$ 268.00	\$ 276.00	\$ 8.00

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

2009/10 ANNUAL OPERATING PLAN

Schedule 5.1

Privilege Level	Discount Code	Description	2009/10 Projected			08/09 project		Revenue		Discount factor	BUDGET
			# of Members Annual	# of Members Monthly	Total # of Members	Total # of Members	Monthly Fee (w/ GST)	Annual Fee (w/ GST)	(net of GST & shared portion)		
<b>Athletics</b>	60	Over 60 years of age	50	100	150	155	\$ 55.00	\$ 621.00	\$91,835.58		
	97	Class of 08	20	140	160	182	\$ 35.00	\$ 402.00	\$63,128.84		
	AF	Affiliated Student	10	-	10	4	\$ -	\$ 217.00	\$2,066.67		
	MS	Spouse of Senior Member	30	80	110	116	\$ 55.00	\$ 621.00	\$67,554.18		
	GS	Graduate of Another Univ	10	50	60	50	\$ 70.00	\$ 805.00	\$47,289.31		
	MR	Regular	40	450	490	461	\$ 70.00	\$ 805.00	\$387,270.44		
	SF	Staff & Faculty	-	35	35	46	\$ 50.50	\$ 578.00	\$20,009.43		
	SS	Spouse of a Student Member	-	-	-	-	\$ 55.00	\$ 621.00	\$0.00		
	SM	Special Membership	1	6	7	-	\$ 70.00	\$ 805.00	\$5,521.38		
	SF	Visiting student (Fall)	20	-	20	16	\$ -	\$ 170.00	\$3,238.10		
	VF	Post-doctoral Fellow	5	20	25	28	\$ 55.00	\$ 621.00	\$15,409.97		
		One Month Member	-	3	3	5	\$ 95.00	\$ -	\$3,226.42		
<b>Athletics Plus</b>		<b>Athletics Plus</b>	18	6	24	21	\$ 96.00	\$ 1,082.00	\$12,534.66	12.4%	\$ 630,000
<b>Clubs &amp; Committees</b>											
	60	Over 60 years of age	53	-	53	49	\$ -	\$ 130.00	\$6,561.90		
	97	Class of 0T8	-	-	-	-	\$ -	\$ 153.00	\$0.00		
	GO	Grad of Another University	-	-	-	-	\$ -	\$ 170.00	\$0.00		
	MR	Regular	175	-	175	201	\$ -	\$ 170.00	\$28,333.33		
	MS	Spouse of Student/Senior Mem	-	-	-	-	\$ -	\$ 170.00	\$0.00		
	SF	Staff & Faculty	-	-	-	-	\$ -	\$ 170.00	\$0.00		
	SM	Special Membership	4	-	4	1	\$ -	\$ 170.00	\$647.62		
<b>Total Members</b>											
					1,326				\$754,627.83	13.2%	\$ 655,000
<b>Joint plan</b>			1,390	21	1,411	1,403		\$ 276.00	\$424,782.06	1.5%	\$ 418,200
									<u>2,738</u>		<u>\$ 1,073,200</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.



2009/10 ANNUAL OPERATING PLAN

Schedule 6

**HART HOUSE  
DEFERRED & MAJOR MAINTENANCE PROJECTS**

	2008/09 <u>Budget</u>	2008/09 <u>Forecast</u>	2009/10 <u>Budget</u> A-List	2009/10 B-List	2009/10 C-List
Projects as set out in DMM engineering study	199,000	203,200	-	-	-
New Engineering Study					
1 Structure	-	-	8,600	-	-
2 Roofs	-	-	10,000	-	-
3 Walls	-	-	80,000	-	-
4 Windows/Exterior Doors	-	-	20,000	-	-
7 Mechanical Systems	-	-	20,000	-	-
8 Electrical	-	-	25,000	-	-
9 Elevators	-	-	25,000	-	-
B - 1 Farm	-	-	-	-	-
B - 2 Farm residence	-	-	-	-	-
B - 3 Barn	-	-	-	-	-
Total Engineering study	199,000	203,200	188,600	-	-
Architectural					
Renovation to 2nd Floor Washrooms & 3rd floor washroom	-	-	-	-	-
Renewal of Finishes	-	-	-	-	-
Other					
Safety Review	-	-	18,400	-	-
	-	-	18,400	-	-
Deferred & Major Maintenance Expensed to Operations	199,000	203,200	207,000	-	-
Deferred & Major Maintenance Capitalized Expenditures					
Below grade roof waterproofing			50,800	-	-

2009/10 ANNUAL OPERATING PLAN

Schedule 6

**HART HOUSE  
DEFERRED & MAJOR MAINTENANCE PROJECTS**

	2008/09 <u>Budget</u>	2008/09 <u>Forecast</u>	2009/10 <u>Budget</u>	2009/10 <u>B-List</u>	2009/10 <u>C-List</u>
			A-List		
Paint window frames			-	10,000	84,900
Replace wall coping sealants			67,600	-	-
Ventilation systems			5,000	-	-
Replace Art Gallery condensate receiver			9,600	-	-
Fire Hoses			-	10,900	-
Replace Art Gallery Cooling system			55,200	-	-
Electrical Distribution Repair			25,000	-	82,500
Replace West Servery Elevator			-	-	-
Common area light fixtures			-	10,200	-
Freight elevator	200,000	-	-	-	-
Theatre Washrooms	100,000	148,000	530,000	-	-
Second Floor Washrooms	160,000	-	31,800	19,700	24,900
Contingency - 10%	-	-	775,000	50,800	192,300
Additional D &MM projects not covered in study	-	-	-	-	-
Carry over from prior years	-	-	-	-	-
Less items carried over to future years	-	-	-	-	-
<b>Capitalized Deferred &amp; Major Maintenance</b>	<u>460,000</u>	<u>148,000</u>	<u>775,000</u>	<u>50,800</u>	<u>192,300</u>
<b>Total Deferred &amp; Major Maintenance Expenditures</b>	<u>\$ 659,000</u>	<u>351,200</u>	<u>982,000</u>	<u>50,800</u>	<u>192,300</u>

**HART HOUSE  
CAPITAL BUDGET**

**2009/10 ANNUAL OPERATING PLAN**

**Schedule 7**

	2008/09	2008/09	2009/10
	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
<b>FURNITURE &amp; EQUIPMENT</b>			
2008-09 Furniture & Equipment	-	83,400	100,000
2009-10 Furniture & Equipment	375,000	309,100	230,000

Theatre Entrance Way	100,000	301,600	-
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**BUILDING IMPROVEMENTS**

2009-10 Building Improvements	115,000	46,400	90,000
Capitalized Deferred & Major Maintenance	460,000	148,000	775,000
Art Gallery Renovations	250,000	-	600,000
	<u>\$ 1,300,000</u>	<u>888,500</u>	<u>1,795,000</u>

**Funding**

Donations and Grants	540,000
Unrestricted net assets	420,000
Art Gallery Internally Restricted Funds	60,000
Deferred and Major Maintenance Fund	775,000
	<u><u>1,795,000</u></u>

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

2008-09 budgeted salary expenditure base (previous year)			
Budgeted full-time salaries excluding benefits, before increase		\$ 2,861,900	
Average ATB increase/decrease for staff members			
OR rate stipulated in long-term budget assumption			
for 2009-10 (3% + 2% Jan 09) - full-time salaries		5.00%	
Average benefit cost rate, full time salaries		<u>22.50%</u>	
SUB-TOTAL, INDEXED SALARY AND BENEFIT COSTS FULL-TIME STAFF		\$ 3,681,100	
2008-09 budgeted salary expenditure base (previous year)			
Part-time wages excluding benefits, before increase		987,300	
Average ATB increase/decrease for staff members			
OR rate stipulated in long-term budget assumption			
for 2008-09 (3%) - full-time salaries		3.00%	
Average benefit cost rate, part-time wages		<u>11.00%</u>	
SUB-TOTAL, INDEXED WAGES AND BENEFIT COSTS PART-TIME STAFF		\$ 1,128,800	
Indexed salary and benefits expenditure costs		\$ 4,809,900	
Add an estimate of severance costs current year (2009-10)		\$ -	
Subtract the amount of net revenue from other sources of revenue			
2008-09 budget previous year (i.e. non-student fee revenue)			
Total revenue		10,487,400	
Less student fees - base		(6,529,000)	
Less student fees - clubs & committees		<u>(25,000)</u>	
		\$ (3,933,400)	
Add the non-salary expenditure base (2008-09 budget)			
Total budgeted expenses		10,286,400	
Less: budgeted salaries, wages and benefits		<u>(4,655,000)</u>	
		\$ 5,631,400	
Add occupancy costs (2008-09 budget)		-	
Reduce the amount by the proportion of non-student use, where no user fees (current year)		-	
Reduce by amount by the proportion attributed to Erindale and Scarborough,			
OR fees expected to be paid by Erindale and Scarborough students (current year)		<u>(90,200)</u>	
Difference		\$ 6,417,700	
Divide difference by the 2009-10 projected enrollment, giving part-time enrollment the "established weight"		<u>49,029</u>	
Result = indexed fee (with UTI increase)		<u>\$ 65.45</u>	100.107%
2008-09-fee augmented by the CPI increase (2%)	65.38	<u>\$ 65.45</u>	
Proposed 2009/10 fee increase		<u>\$ 66.76</u>	
Proposed 2009-10 fee increase: (Refer to Schedule 4)			
Base fees		\$ 66.30	
2006-07 fee reduction -1.5%		\$ (0.92)	
UTI increase 0.0%		0.07	
CPI Proposed increase 2.0%		<u>1.31</u>	
		<u>\$ 66.76</u>	