University of Toronto TORONTO ONTARIO M5S 1A1

CAPITAL PROJECTS DEPARTMENT

TO: Business Board

SPONSOR: John Bisanti, Chief Capital Projects Officer
CONTACT INFO: 416-978-4322 or email: john.bisanti@utoronto.ca

DATE: June 11th, 2003 for June 19th, 2003

AGENDA ITEM: 6(c)

ITEM IDENTIFICATION:

Capital Project Report - Wellness Centre at the University of Toronto at Mississauga [UTM].

JURISDICTIONAL INFORMATION:

Pursuant to Section 5.2. (b) of its Terms of Reference, the Business Board approves expenditures for, and the execution of, approved Capital Projects.

PREVIOUS ACTION TAKEN:

None. This is the first time that this project is being presented to the Business Board.

HIGHLIGHTS:

The South Building was the first major building on the University of Toronto at Mississauga Campus constructed in the mid-1960s. The athletic and recreation facilities were but a modest part of the campus built to serve a student population of approximately 2,500 students.

Since those early beginnings, UTM has grown and the size of the current facilities severely limits what can be offered to students today. Current utilization levels of existing athletic facilities are very low, with an estimated 20-25 per cent participation rate, reflecting the inadequate quantity and quality of the currently available facilities. The campus will continue to grow and serve the needs of some 10,500 students within the next 10 years, driven initially by the *double cohort* and the long-term impacts of growth in both the Peel and Halton regions and an increasing percentage of the population pursuing a university education.

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In September 2001, a planning committee of student leaders, staff, faculty and alumni at UTM undertook an extensive planning and consultation process regarding the components of physical education, athletic, recreation and wellness facilities appropriate for UTM's expansion population.

The result was a planned facility estimated to cost $35M. Discussions among student groups continued and culminated in the approval of a successful levy in March, 2002 that potentially could support a $14 million mortgage over twenty-five years assuming 30 percent growth in student enrolment. With the commitment of a capped $7M matching contribution from the University of Toronto the project cost was considerably higher than the funds available. Considerable efforts were undertaken to explore private and public partnerships with no firm commitment to date.

The Project Committee reconvened as the $35,000,000 facility was not financially feasible. The Committee was instructed to review the space program and to prioritize the essential components to enable planning to proceed within the budgetary envelope. The new proposed facility is estimated at $24.5 Million.

The proposed space plan has recognized the limitations of available funding; the plan has re-used existing facilities and added the necessary new components with yet other components planned for the future. The site of the project has also been adjusted to accommodate the connection to the existing facilities. The proposed Wellness Centre will be located at the southeast corner of the South Building; the new site is large enough to permit the construction of the new program without disruption to the roadway or requiring the relocation of any parking. The original site identified for the Wellness Centre will be retained for future development on the campus

The new construction will accommodate the Aquatic Centre, comprising a 25m 8-lane pool, Double Gymnasium, with retractable eating for 800 – 1000 and a three lane running track and the Fitness Centre. Renovated areas of the existing athletic facilities will primarily provide an improved gymnasium for visually separated programs, team rooms, the Sports Medicine/Therapy Clinic, and expanded administrative space for the Athletics Department.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The funding centre-piece for this project will be derived from a student levy advanced and conceptually approved by the students at the University of Toronto at Mississauga in March 2002. The student levy, requires an increase in fees of $150 per full-time student and $45.00 per part-time student increasing with inflation at a rate of 3 per cent annually, and would support a $14 million mortgage over twenty-five years. With increased student enrolment the levy will support a $16,000,000 mortgage. This funding is matched, at 50 cents for each student levy dollar raised, by the University of Toronto to a capped maximum contribution of $7,000,000 [based on the original $14,000,000 student levy contribution]. Other contributions to the project are a $1,000,000 contribution from the UTM and a further $500,000 from planned fund-raising at the University of Toronto at

Mississauga. There are presently no negotiated partnerships with the community to secure external capital funds, but such partnerships will continue to be explored.

The initial Student Levy was passed by the University of Toronto at Mississauga's Service QSS committee on March 15, 2002 and subsequently at University Affairs Board [UAB] on April 30, 2002.

The increased Physical Education, Recreation and Athletics fee, paid by all UTM students, commenced in the fall of 2002. The initial amount approved in 2002 is $25 per full time student $7.50 per part-time student]. Students will be charged this amount according to the policy on compulsory non-academic ancillary fees, with these fees increasing annually by 3% for inflation.

For the Wellness Centre project to proceed to design, construction and completion requires that the University of Toronto at Mississauga's QSS committee approve the full fee payment in the amount of $150 per full-time student and $45 per part-time student. This process will be finalized in 2003/4, presumably by the spring of 2004, so that the full fee payment will be initiated or guaranteed for the 2004/5 academic year.

In advance of this approval by the QSS, and the subsequent endorsement by the University Affairs Board, the Wellness Centre project will proceed, with post governance approval, subject to the following conditions. Until such time as the full levy is approved and the payment thereof initiated or guaranteed at the $150 value per full-time student and $45 per part-time student, the maximum expenditures on the project will be capped at $500,000. This condition will however permit the selection and appointment of an architect to be undertaken during the summer and provide the time window for the QSS to approve the full allocation derived from the student levy be directed to this project. The amount of the levy remains unchanged from that identified and approved in principal in April 2002 when the levy was initiated.

The feasibility of the financial model was carefully developed and assessed by the Financial Service Department, to interpret the risk associated with the project. The attached memorandum in Appendix "A" outlines the financial analysis and the risk assessment for the project. UTM will assume responsibility for all cost overruns recognizing that such would have to be at the expense of other plans and or activities. In the unlikely event that such becomes necessary, UTM is prepared to make the necessary adjustments to future operating plans.

The projected cost of utilities and operating costs to service this additional 6,700 gross square metres is estimated at $466,300 in the first year of operation. The increased operating cost is the responsibility of UTM and will be derived from its operating budget including Enrolment Growth Funds within the limits of the existing multi-year expenditure plans. As necessary, reallocations will be undertaken within the existing plan so that this additional (infrastructure) commitment will not change *bottom-line* projections**.** A further commitment from UTM, estimated at $1.5M to improve the electrical infrastructure on campus, will be required to expand the existing power grid. The existing grid will not support the electrical load of additional buildings starting with the Wellness Centre and the planned Student Learning Centre.

The possibility of including the electrical upgrades within respective project costs of Student Learning Centre was considered and rejected by UTM. An independent project to address the electrical infrastructure on the UTM campus will be initiated well in advance of the need for this electrical power to be available.

The Wellness Centre is planned to be completed by September 2006.

RECOMMENDATION:

THAT the Vice-President – Business Affairs be authorized be to expend up to $500,000 for design fees for the Wellness Centre at UTM from funding for the full project, as follows:

(a) A capped contribution of $7,000,000 from the University of Toronto for the 50 cent match on each dollar raised through the student levy support,
(b) A one-time-only contribution of $1,000,000 from the University of Toronto at Mississauga,
(c) A $500,000 contribution to be secured from fund raising at the University of Toronto at Mississauga, and
(d) A mortgage to be amortized over a period of approximately 25 years for $16,000,000, with payments forthcoming from the planned student levy income. Student levy income will continue until such time as the mortgage is fully paid.

Attachment:

- Appendix “A” – Risk Analysis memo dated April 28, 2003 from the Financial Services Department.

Appendix "A"

M E M O R A N D U M

Date: April 28, 2003

To: Sheila Brown, Controller and Director of Financial Services Department

From: Helen Choy, Manager, Accounting Services

Copies: Prof. Ron Venter, Vice-Provost, Space and Facility Planning
John Bisanti, Chief Capital Projects Officer

Subject: Risk analysis of the UTM Wellness Centre Project

Scope of review:

UTM proposes the construction of a Wellness Centre, a source of education and healthy activity for UTM students, faculty, staff and community members, which is to be built adjacent to the existing athletic facility. The existing facility has modest components and was built to serve 2,500 students. UTM has grown significantly, and is expected to have continued growth over the next 10 years. The project will comprise of 4,810 nasm for the new Wellness Centre plus 570 nasm of renovations of existing space. The major components of the project are: an aquatic centre, a double gymnasium, a fitness centre and renovation of existing space. A new revenue stream is also expected from the new facilities such as rental income from gyms and pool to outsiders, new program fees, lockers rental and membership sales of the Wellness Centre. The Centre is scheduled to open on September of 2006.

The financial model submitted includes the following financial parameters and assumptions:

Financial parameters:

1. The projected cost of the Wellness Centre is estimated at $24.5 million.
2. Funding for the project has been identified as follows: Student levies of $16.0 million, matching from the Provost Offices of $7.0 million (UIIF), fundraising of $0.5 million and funding from UTM of $1.0 million.
3. The timing of these funding sources is as follows:
    a. $0.7 million in student levies, $1.0 million from UTM, $0.5 million from fundraising and $7.0 million matching from the Provost Office (UIIF) are expected to be collected by the completion of the construction.

b. The remainder of the student levies will be collected in the years subsequent to construction and will be used towards the payment of the expected mortgage of $15.3 million.

Assumptions:

1. The mortgage will be for 25 years at an annual interest rate of 8%. Mortgage payments are scheduled to begin in 2006-07.
2. The Provost contribution is based on a 50% match of student levies, up to a maximum of $7 million. The entire matching is expected to be made available at the completion of the construction.
3. Annual revenues and general expenses are indexed at 2%, while student levies, fees, compensation costs and space costs are indexed at 3%.
4. A special student levy of $25 per full time student ($7.50 per part-time) begins in 2002-03 and is increased by 3% per year to 2005-06. All these levies will go toward the funding of construction costs. In 2006-07, when the centre opens, the capital levy is increased to $115 per full time student for capital. The student levy is also increased by $35 per FTE for operating costs of the new facility. Both of these levies are inflated at 3% per year. The capital levy is discontinued when the mortgage is fully paid off.
5. Enrolment is expected to increase to 11,028 students (8,161 full time & 2,867 part time) by 2006-07 and remains constant thereafter. This represents an increase of 52.5% from 2002-03.
6. Once the building is opened, the operation ceases to provide for capital reserve. Instead, major maintenance expenditures are planned beginning in 2020. A total of $10 million in major maintenance is planned for the period 2020 to 2032.

Financial Analysis:

A motion to approve a student levy for the new Wellness Centre was passed by the U of T at Mississauga's Quality Service to Students committee on March 15, 2002 and subsequently at the University Affairs Board on April 30, 2002. This motion was for a facility consisting of 3 phases with a total estimated cost of $39.1 million. The current proposal has an estimated cost of only $24.5 million, with slightly fewer facilities. The revision has been approved by the Quality Service to Students committee.

The student levies assumptions used in the model correspond with the levies approved in the motion. According to the approval, "upon the final mortgage payment, the levies will be re-evaluated"; however, in the model, the "operating" levy is a continuous source of revenue throughout the model, even after the full payment of the mortgage. Should the operating levy be discontinued, the NPV would be lower by $253,637.

The student enrolment numbers used in the model are conservative. The figures used in the model were 1.5% to 4% lower in the first 2 years and about 5% lower in the outer years from those used by the Planning and Budget Office. This would represent an additional NPV of approximately $1.8 million.

The new revenue streams included in the model are based on information provided by the Director of the Athletic Centre at UTM. It is based on new space estimates and demand for rentals and membership. The additional revenue reflects the expected increase in volume (membership sales, rentals, etc.) and an increase in price. Current membership fees are low and with the new facility, they are expected to rise. No comparisons were made by UTM with other athletic facilities.

Identified Risk Factors:

1. Enrolment is the largest risk factor. A 1% variance (110 students) results in a variance of \$353 thousands in NPV.
2. Construction cost can exceed estimated costs. A 1% increase in construction cost results in a reduction of \$245 thousands in NPV.
3. Funding to be found by UTM and donations. At the present time, a specific source for the \$1 million has not yet been identified by UTM and only \$25,000 in pledges has been raised.
4. New revenue streams could not materialize at the planned levels.
5. UTM has made a commitment to be the guarantor of the project. UTM is fully responsible for any cost overruns. In the unlikely event that such becomes necessary, UTM is prepared to make the necessary adjustments to future operating plans in order to free up the needed funds.

Sensitivity Analysis:

Since the capital project contains multiple risk factors, a sensitivity analysis was prepared to account for the various possibilities. Medium risk and worst-case scenarios were modelled. The results of the financial analysis are summarized in Appendix 1.

The financial plan submitted will support the current level of construction cost and it results in a positive NPV, even after providing \$10 million for major maintenance in the last ten years of the model. However, this is contingent on the underlying objectives. Risk factors are:

1. Student Levy Revenue Projections: Assumption is that revenue from the student levy materializes. Student levy is a sensitive factor in the model. UTM has used conservative enrolment estimates in the model representing a low risk.
2. Construction Cost Overrun: It is assumed that construction costs do not exceed current capital cost projections. The current project cost has built in a contingency of \$0.69 million, representing 2.8% of the total cost. This risk is evaluated at medium.
3. Funding from UTM of \$1 million and donation of \$0.5 million. The assumption is that UTM will be able to raise \$0.5 million in donations and find another source of \$1 million before the opening of the Wellness Centre in September 2006. UTM has yet to find a funding source for \$1 million, and only \$25,000 in donations pledges has been raised so far. This is considered to be a high risk.

4. Operating revenues: Assumption is that increased revenues from operations materialize. Forecast for additional revenue streams from the new facility are based on space and demand estimates from the Athletic Director at UTM. UTM has not compared these estimates with other existing facilities and therefore, they should be considered of medium risk.
5. UTM is prepared to be the guarantor of the project and be fully responsible for any cost overruns. This lowers the risk of the project by transferring the risk to UTM.

Conclusion:

Based on the analysis of the first four risk factors as presented above, the project's overall rating is determined to be of medium risk. With UTM commitment to be fully responsible for any cost overruns, most of the project risk is now transferred to UTM and hence the project overall rating has been reduced to low risk.

Appendix 1

University of Toronto at Mississauga
Wellness Centre Project - April 2003 Submission
Sensitivity analysis

	Submitted Model (a)	Medium Risk Case (a)	Worst Case (a)
Total Capital Cost	24,500,000	24,500,000	24,500,000
Project cost overrun ($)	-	1,225,000	2,450,000
Project cost overrun (%)		+ 5%	+10%
Donation & UTM funding shortfall ($)	-	150,000	750,000
Donation & UTM funding shortfall (%)		- 10%	- 50%
Student Levy Shortfall ($)	-	353,351	1,766,755
Student Levy Shortfall (%)		- 1 %	- 5 %
(due to enrollment shortfall)			
New revenue stream shortfall ($)	-	316,198	949,491
New revenue stream shortfall (%)		- 5%	- 15%
Breakeven Year			
Annual	1/6 (b)	11	20
Cumulative	1	18	After 30 years
Net Present Value (Rate 8%) (c)	2,561,175	510,669	(3,384,856)
Internal Rate of Return	9.71%	8.32%	5.97%

(a) The model submitted by UTM includes a provision of $10 million to be spent in major maintenance. This provision has been excluded in the sensitivity analysis, since the project is not required to provide for major maintenance.
(b) The first break even happens in year 1 in the model submitted by UTM because the annual levy is collected in full in September while only only 8 mortgage payments occur in the first fiscal year.
(c) UTM is fully responsible for any cost overrun for this project.

Helen Choy
Financial Services Department

University of Toronto at Mississauga
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	Forecast 2002-3	2003-4	2004-5	2005-6	2006-7	2007-8	2008-9	2009-10	2010-1
	1	2	3	4	5	6	7	8	9
REVENUE									
Old and new fixed revenue streams: [A]									
Rental Income	86,000	70,000	70,700	71,400	72,800	74,300	75,800	77,300	78,800
Membership fees	50,000	60,000	60,600	61,200	62,400	63,600	64,900	66,200	67,500
Program fees	284,100	294,000	296,900	299,900	305,900	312,000	318,200	324,600	331,100
Locker and other services and sales	26,000	26,500	26,800	27,100	27,600	28,200	28,800	29,400	30,000
Student fees	884,677	987,138	1,088,028	1,156,891	2,628,627	2,707,486	2,788,710	2,872,372	2,958,543
subtotal fixed revenue streams	1,330,777	1,437,638	1,543,028	1,616,491	3,097,327	3,185,586	3,276,410	3,369,872	3,465,943
New variable revenue streams: [B]									
Rental Income					93,333	142,800	145,700	148,600	151,600
New programs					83,333	127,500	130,100	132,700	135,400
Lockers, etc.					21,667	33,200	33,900	34,600	35,300
Membership Sales					108,667	166,300	169,600	173,000	176,500
subtotal variable revenue streams	-	-	-	-	307,000	469,800	479,300	488,900	498,800
Total Revenue	1,330,777	1,437,638	1,543,028	1,616,491	3,404,327	3,655,386	3,755,710	3,858,772	3,964,743
EXPENSES									
Fixed costs: [C]									
Mortgage payments					942,010	1,413,016	1,413,016	1,413,016	1,413,016
Salaries & Benefits	581,000	762,450	785,300	808,900	1,115,500	1,149,000	1,183,500	1,219,000	1,255,600
Space cost	245,677	295,143	304,000	313,100	627,133	802,800	826,900	851,700	877,300
Supplies (including summer camp supplies)	85,600	85,100	86,800	88,500	90,300	92,100	93,900	95,800	97,700
Equipment, facilities and maintenance	127,900	303,115	212,528	248,590	153,000	156,100	159,200	162,400	165,600
Capital reserve	11,900	12,000	12,200	12,400					
Other	119,100	139,430	142,200	145,000	168,300	171,700	175,100	178,600	182,200
Subtotal Fixed costs	1,171,177	1,597,238	1,543,028	1,616,490	3,096,244	3,784,716	3,851,616	3,920,516	3,991,416
Variable costs:[D] - Major maintenance									
Total Expenses	1,171,177	1,597,238	1,543,028	1,616,490	3,096,244	3,784,716	3,851,616	3,920,516	3,991,416
Surplus (deficit)	**159,600**	**(159,600)**	**-**	**-**	**308,083**	**(129,330)**	**(95,905)**	**(61,744)**	**(26,673)**
Cumulative surplus (deficit)	**159,600**	**-**	**-**	**-**	**308,083**	**178,753**	**82,848**	**21,104**	**(5,569)**

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	2011-2	2012-3	2013-4	2014-5	2015-6	2016-7	2017-8	2018-9	2019-20
	10	11	12	13	14	15	16	17	18
REVENUE									
Old and new fixed revenue streams: [A]									
Rental Income	80,400	82,000	83,600	85,300	87,000	88,700	90,500	92,300	94,100
Membership fees	68,900	70,300	71,700	73,100	74,600	76,100	77,600	79,200	80,800
Program fees	337,700	344,500	351,400	358,400	365,600	372,900	380,400	388,000	395,800
Locker and other services and sales	30,600	31,200	31,800	32,400	33,000	33,700	34,400	35,100	35,800
Student fees	3,047,299	3,138,718	3,232,880	3,329,866	3,429,762	3,532,655	3,638,635	3,747,794	3,860,227
subtotal fixed revenue streams	3,564,899	3,666,718	3,771,380	3,879,066	3,989,962	4,104,055	4,221,535	4,342,394	4,466,727
New variable revenue streams: [B]									
Rental Income	154,600	157,700	160,900	164,100	167,400	170,700	174,100	177,600	181,200
New programs	138,100	140,900	143,700	146,600	149,500	152,500	155,600	158,700	161,900
Lockers, etc.	36,000	36,700	37,400	38,100	38,900	39,700	40,500	41,300	42,100
Membership Sales	180,000	183,600	187,300	191,000	194,800	198,700	202,700	206,800	210,900
subtotal variable revenue streams	508,700	518,900	529,300	539,800	550,600	561,600	572,900	584,400	596,100
Total Revenue	4,073,599	4,185,618	4,300,680	4,418,866	4,540,562	4,665,655	4,794,435	4,926,794	5,062,827
EXPENSES									
Fixed costs: [C]									
Mortgage payments	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016
Salaries & Benefits	1,293,300	1,332,100	1,372,100	1,413,300	1,455,700	1,499,400	1,544,400	1,590,700	1,638,400
Space cost	903,600	930,700	958,600	987,400	1,017,000	1,047,500	1,078,900	1,111,300	1,144,600
Supplies (including summer camp supplies)	99,700	101,700	103,700	105,800	107,900	110,100	112,300	114,500	116,800
Equipment, facilities and maintenance	168,900	172,300	175,700	179,200	182,800	186,500	190,200	194,000	197,900
Capital reserve									
Other	185,800	189,500	193,300	197,200	201,100	205,100	209,200	213,400	217,700
Subtotal Fixed costs	4,064,316	4,139,316	4,216,416	4,295,916	4,377,516	4,461,616	4,548,016	4,636,916	4,728,416
Variable costs:[D] - Major maintenance									
Total Expenses	4,064,316	4,139,316	4,216,416	4,295,916	4,377,516	4,461,616	4,548,016	4,636,916	4,728,416
Surplus (deficit)	**9,283**	**46,302**	**84,264**	**122,950**	**163,046**	**204,039**	**246,419**	**289,878**	**334,412**
Cumulative surplus (deficit)	**3,715**	**50,017**	**134,281**	**257,232**	**420,278**	**624,317**	**870,736**	**1,160,614**	**1,495,026**

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	2020-1	2021-2	2022-3	2023-4	2024-5	2025-6	2026-7	2027-8	2028-9
	19	20	21	22	23	24	25	26	27
REVENUE									
Old and new fixed revenue streams: [A]									
Rental Income	96,000	97,900	99,900	101,900	103,900	106,000	108,100	110,300	112,500
Membership fees	82,400	84,000	85,700	87,400	89,100	90,900	92,700	94,600	96,500
Program fees	403,700	411,800	420,000	428,400	437,000	445,700	454,600	463,700	473,000
Locker and other services and sales	36,500	37,200	37,900	38,700	39,500	40,300	41,100	41,900	42,700
Student fees	3,976,034	4,095,315	4,218,175	4,344,720	4,475,062	4,609,313	4,747,593	4,890,021	5,036,721
subtotal fixed revenue streams	4,594,634	4,726,215	4,861,675	5,001,120	5,144,562	5,292,213	5,444,093	5,600,521	5,761,421
New variable revenue streams: [B]									
Rental Income	184,800	188,500	192,300	196,100	200,000	204,000	208,100	212,300	216,500
New programs	165,100	168,400	171,800	175,200	178,700	182,300	185,900	189,600	193,400
Lockers, etc.	42,900	43,800	44,700	45,600	46,500	47,400	48,300	49,300	50,300
Membership Sales	215,100	219,400	223,800	228,300	232,900	237,600	242,400	247,200	252,100
subtotal variable revenue streams	607,900	620,100	632,600	645,200	658,100	671,300	684,700	698,400	712,300
Total Revenue	5,202,534	5,346,315	5,494,275	5,646,320	5,802,662	5,963,513	6,128,793	6,298,921	6,473,721
EXPENSES									
Fixed costs: [C]									
Mortgage payments	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016	1,413,016
Salaries & Benefits	1,687,600	1,738,200	1,790,300	1,844,000	1,899,300	1,956,300	2,015,000	2,075,500	2,137,800
Space cost	1,178,900	1,214,300	1,250,700	1,288,200	1,326,800	1,366,600	1,407,600	1,449,800	1,493,300
Supplies (including summer camp supplies)	119,100	121,500	123,900	126,400	128,900	131,500	134,100	136,800	139,500
Equipment, facilities and maintenance	201,900	205,900	210,000	214,200	218,500	222,900	227,400	231,900	236,500
Capital reserve									
Other	222,100	226,500	231,000	235,600	240,300	245,100	250,000	255,000	260,100
Subtotal Fixed costs	4,822,616	4,919,416	5,018,916	5,121,416	5,226,816	5,335,416	5,447,116	5,562,016	5,680,216
Variable costs:[D] - Major maintenance	1,000,000		1,000,000		1,000,000		1,000,000		2,000,000
Total Expenses	5,822,616	4,919,416	6,018,916	5,121,416	6,226,816	5,335,416	6,447,116	5,562,016	7,680,216
Surplus (deficit)	**(620,081)**	**426,900**	**(524,641)**	**524,904**	**(424,154)**	**628,098**	**(318,323)**	**736,905**	**(1,206,494)**
Cumulative surplus (deficit)	**874,944**	**1,301,844**	**777,203**	**1,302,107**	**877,953**	**1,506,051**	**1,187,728**	**1,924,633**	**718,139**

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(60% growth by 2006-7)
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	2029-30	2030-1	2031-2	2032-3	2033-4	2034-5
	28	29	30	31	32	33
REVENUE						
Old and new fixed revenue streams: [A]						
Rental Income	114,800	117,100	119,400	121,800	124,200	126,700
Membership fees	98,400	100,400	102,400	104,400	106,500	108,600
Program fees	482,500	492,200	502,000	512,000	522,200	532,600
Locker and other services and sales	43,600	44,500	45,400	46,300	47,200	48,100
Student fees	5,187,823	5,343,458	5,503,761	3,431,638	3,534,587	3,640,625
subtotal fixed revenue streams	5,927,123	6,097,658	6,272,961	4,216,138	4,334,687	4,456,625
New variable revenue streams: [B]						
Rental Income	220,800	225,200	229,700	234,300	239,000	243,800
New programs	197,300	201,200	205,200	209,300	213,500	217,800
Lockers, etc.	51,300	52,300	53,300	54,400	55,500	56,600
Membership Sales	257,100	262,200	267,400	272,700	278,200	283,800
subtotal variable revenue streams	726,500	740,900	755,600	770,700	786,200	802,000
Total Revenue	6,653,623	6,838,558	7,028,561	4,986,838	5,120,887	5,258,625
EXPENSES						
Fixed costs: [C]						
Mortgage payments	1,413,016	1,413,016	471,005			
Salaries & Benefits	2,201,900	2,268,000	2,336,000	2,406,100	2,478,300	2,552,600
Space cost	1,538,100	1,584,200	1,631,700	1,680,700	1,731,100	1,783,000
Supplies (including summer camp supplies)	142,300	145,100	148,000	151,000	154,000	157,100
Equipment, facilities and maintenance	241,200	246,000	250,900	255,900	261,000	266,200
Capital reserve						
Other	265,300	270,600	276,000	281,500	287,100	292,800
Subtotal Fixed costs	5,801,816	5,926,916	5,113,605	4,775,200	4,911,500	5,051,700
Variable costs:[D] - Major maintenance			4,000,000			
Total Expenses	5,801,816	5,926,916	9,113,605	4,775,200	4,911,500	5,051,700
Surplus (deficit)	**851,807**	**911,642**	**(2,085,044)**	**211,638**	**209,387**	**206,925**
Cumulative surplus (deficit)	**1,569,946**	**2,481,588**	**396,544**	**608,182**	**817,569**	**1,024,494**