

**MEADOW BROOK HALL OPERATING BUDGET
FOR CALENDAR YEAR ENDING DECEMBER 31, 2010**

A Recommendation

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The calendar 2010 operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2009 year-end budget performance and proposed budget for 2010, along with the budget assumptions. (See Attachments A and B.)

Since Board approval in December 2004, MBH has been operating under a “cultural center” model, providing public museum and educational programming and access for university, social and corporate events and activities.

In 2005, 2006, 2007, and 2008 MBH revenues exceeded expenses. Projections for 2009 suggest that revenues will once again exceed expenses.
3. **Previous Board Action:** The Meadow Brook Hall 2008 Calendar Year Budget was approved by the Board on November 7, 2008.
4. **Budget Implications:** For the calendar year 2010 budget, an operating surplus of \$4,976 is projected.
5. **Educational Implications:** MBH will continue to share its architectural, art, and historical resources with Oakland University’s students and faculty (See Attachment C.)
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** The Meadow Brook Hall Budget Report was prepared by Meadow Brook Hall Business Manager and Executive Director and thoroughly reviewed by the Office of Budget and Financial Planning, the Financial Performance Review Committee, and the Vice-President for Finance and Administration prior to presentation to the President. The Finance, Audit and Investment Committee (Committee) also reviewed the report at its November 4, 2009.

**Meadow Brook Hall Operating Budget
for Calendar Year Ending December 31, 2009
Oakland University
Board of Trustees Formal Session
November 9, 2009
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meeting. The Committee supported the proposed calendar 2010 budget and asked that it be brought forward for Board action at the next Formal Session of the Board.

7. Recommendation:

RESOLVED, that the Board of Trustees approve the Calendar 2010 Budget for Meadow Brook Hall.

8. Attachments:

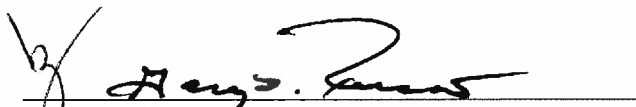
- A. Meadow Brook Hall Proposed Budget – All Funds Calendar 2009 & 2010
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Meadow Brook Hall Student/Faculty Involvement

Submitted to the President
on Oct. 26, 2009 by



Geoffrey C. Upward
Executive Director
Meadow Brook Hall

Recommended on 10/26, 2009
to the Board for approval by



Gary D. Russi
President

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Hall
Proposed Budget - All Funds
Calendar 2010

| | 2009 BUDGET | 2009 ESTIMATED ACTUAL | 2010 PROPOSED BUDGET |
|----------------------------------|---------------------|-----------------------------|----------------------------|
| REVENUE: | | | |
| Operating Revenue | \$ 2,399,500 | \$ 2,577,214 | \$ 2,262,690 |
| Allowance for Bad Debt | (10,000) | - | (10,000) |
| Retail Sales | 30,000 | 30,000 | 35,000 |
| Student Tuition Allocation | - | - | - |
| Marketing Support | 49,000 | 49,000 | 49,000 |
| Gifts and Grants | 100,000 | 100,000 | 110,000 |
| Investment Income | 5,000 | 1,085 | 1,000 |
| General Fund Support | - | 33,902 | - |
| Total Revenue | <u>\$ 2,573,500</u> | <u>\$ 2,791,201</u> | <u>\$ 2,447,690</u> |
| EXPENDITURES: | | | |
| Compensation | \$ 660,407 | \$ 660,407 | \$ 634,838 |
| Supplies and Services | 345,000 | 345,000 | 425,761 |
| Food Service | 1,280,000 | 1,385,485 | 1,182,750 |
| Repairs and Maintenance | 40,000 | 40,000 | 29,000 |
| Cost of Retail Sales | 17,000 | 21,409 | 19,000 |
| Equipment | 15,000 | 15,000 | 15,000 |
| Insurance | 56,000 | 56,000 | 50,000 |
| Utilities | 193,000 | 193,000 | 193,000 |
| Debt Service | - | - | - |
| University Overhead | (65,075) | (65,075) | (106,635) |
| Other Transfers | - | - | - |
| Total Expenditures | <u>\$ 2,541,332</u> | <u>\$ 2,651,226</u> | <u>\$ 2,442,714</u> |
| Net Revenue | <u>\$ 32,168</u> | <u>\$ 139,975</u> | <u>\$ 4,976</u> |
| Restricted Funds Received | | \$ 376,688 | \$ 366,000 |
| Restricted Funds Expensed | | 26,687 | 381,000 |
| Restricted Fund Balance * | \$ 469,629 | \$ 819,630 | \$ 727,830 |
| Unrestricted Fund Balance | 396,141 | 503,948 | 508,924 |
| Less: Major Capital Expenditures | - | 76,800 | 623,200 |
| Total Fund Balance | <u>\$ 865,770</u> | <u>\$ 1,246,778</u> | <u>\$ 613,554</u> |
| Chrysler & Motor Cities Gifts | | \$ 15,112 | |
| Garden Club Fund | | 68,753 | |
| Matilda R Wilson Fund | | 652,898 | |
| Costume Support Fund | | 4,750 | |
| Organ Fund | | 1,317 | |
| Restricted Fund Balance * | | <u>\$ 742,830</u> | |

**MEADOW BROOK HALL
BUDGET NOTES AND ASSUMPTIONS**

2009 NOTES

1. 2009 projected operating performance is based on actual revenue and expenses booked through August 31, 2009 and a revenue and expense forecast for the remainder of the year.
2. December 2008 receipt of the first \$366,000 installment from the Matilda Wilson Fund Challenge Grant is included in the restricted fund balance.
3. 2009 Wilson Fund match of \$366,000 is expected, although timing of the MBH fiscal year close is anticipated to split the total received between Calendar 2009 and Calendar 2010.

2010 Assumptions

1. Operating revenue for 2010 is projected to be \$136,810 less than the 2009 budget, based on estimates from our catering partner and an assumption of a continued flat or slightly lower economy. Weddings sold for 2010 are fewer by 9 than the number of 2009 weddings sold at the same point in time in 2008 (although on pace with 2006 and 2007 sales). Corporate and OU business projections have been reduced also.
2. Estimated Concours revenue and expenses for 2010 are included in Operating Revenue and Expenditures budget projections. Due to declining rental activity surrounding the event, net revenues are estimated at roughly \$50,000.
3. Net revenues from operations will be distributed as follows:

| | |
|-------------------------------|-------------|
| Operating/Maintenance Reserve | 100 percent |
|-------------------------------|-------------|
4. The new preservation work made possible by the Wilson Fund grant is under way. Construction work on the largest project in the program, renovation of the kitchen, begins in January and will run into April. The 2009 Budget reflects \$76,800 of the estimated \$700,000 major capital expenditure for the kitchen renovation and the 2010 Budget reflects the remaining \$623,200.

ATTACHMENT C

MEADOW BROOK HALL STUDENT/FACULTY INVOLVEMENT

Internships – 1 intern for Winter 2009
1 intern for Fall 2009

Student Employment – 14 students employed Winter 2009
11 students employed Summer 2009
12 students employed Fall 2009

Welcome Week (Free) Tours – more than 300 students

Oakland University Student Tours –373 students participated in the free Daily Tour Program at MBH for 2008.

Oakland University use of MBH – More than 170 OU Events with more than 5,600 attendees

Oakland University Attending OU Night during 2008 Holiday Walk – 160 Faculty/Staff Discounts

Other OU Programs – 10 OU Faculty/Staff tours, 59 OU Parent Orientation tours, 33 OU New Employee tours, more than 100 Meadow Brook Theatre tours

Collaboration with OU Writing Department to conduct a summer writing camp at MBH. The project was funded in part by a grant from the Aiken Foundation (social media initiatives).