

Report  
Oakland University  
Board of Trustees  
Finance, Audit and Investment Committee  
October 30, 2008

**MEADOW BROOK HALL OPERATING BUDGET FOR  
CALENDAR YEAR ENDING DECEMBER 31, 2009**

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** The calendar 2009 operating budget for Meadow Brook Hall (MBH) is presented to the Board of Trustees (Board) for approval annually. Attached is the projected 2008 year-end budget performance and proposed budget for 2009, along with the budget assumptions. (See Attachments.)

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, and 2007, MBH revenues exceeded expenses. Projections for 2008 suggest that revenues will once again exceed expenses.

Consistent with prior years, the calendar 2009 budget projects a deficit budget for 2009 when Concours activity is excluded and a positive revenue forecast when Concours activity is included.

3. **Previous Board Action:** The Meadow Brook Hall 2008 Calendar Year Budget was approved by the Board on November 7, 2007.
4. **Budget Implications:** For the calendar year 2009 budget, an operating deficit of (\$42,832) is projected, excluding Concours activity. Inclusive of the Concours activity, an operating surplus of \$32,168 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:** It is proposed that a part-time curator be added to the MBH operation.
7. **University Reviews/Approvals:** The Meadow Brook Hall Budget Report was prepared by the Meadow Brook Hall Business Manager and Executive Director and was thoroughly reviewed by the Office of Budget and Financial Planning, the

**Meadow Brook Hall Operating Budget  
for Calendar Year Ending December 31, 2009  
Oakland University  
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Page 2**

Financial Performance Review Committee, and the Vice President for Finance and Administration prior to presentation to the President.

8. **Board Action to be Requested:** At the November 5, 2008 Formal Session the Board will be asked to accept the Meadow Brook Hall Calendar 2009 All Funds Budget.

9. **Attachments:**

- A. Meadow Brook Hall Proposed Budget – All Funds Calendar 2008 & 2009
- B. Meadow Brook Hall Budget Notes and Assumptions
- C. Meadow Brook Hall Student/Faculty Involvement

**Submitted by Executive Director Meadow Brook Hall  
Geoffrey C. Upward:**

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(Please Initial)

**Reviewed by Secretary Victor A. Zambardi:**

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(Please Initial)

**Reviewed by President Gary D. Russi:**

\_\_\_\_\_  
(Please Initial)

## ATTACHMENT A

**Oakland University  
Meadow Brook Hall  
Proposed Budget - All Funds  
Calendar 2008 & 2009**

	2008 BUDGET	2008 PROJECTED	2009 BUDGET
<b>REVENUE:</b>			
Operating Revenue	\$ 2,198,000	\$ 2,385,783	\$ 2,324,500
Allowance for Bad Debts	(10,000)	(10,000)	(10,000)
Sales Tax Liability	-	-	-
Retail Sales	30,000	30,000	30,000
Marketing Support	49,000	49,000	49,000
Student Fees	-	-	-
Gifts and Grants Undesignated	85,000	585,000	100,000
Investment Income	7,000	11,552	5,000
Total Revenue	<u>\$ 2,359,000</u>	<u>\$ 3,051,335</u>	<u>\$ 2,498,500</u>
<b>EXPENDITURES:</b>			
Compensation	\$ 625,292	\$ 625,292	\$ 660,407
Supplies and Services	331,892	331,892	345,000
Food Service Costs	1,230,880	1,336,038	1,280,000
Repairs and Maintenance	40,000	40,000	40,000
Cost of Retail Sales	17,000	19,561	17,000
Equipment	6,000	21,569	15,000
Insurance	56,000	56,000	56,000
Utilities	187,403	187,403	193,000
University Overhead	(112,265)	(112,265)	(65,075)
Total Expenditures	<u>\$ 2,382,202</u>	<u>\$ 2,505,490</u>	<u>\$ 2,541,332</u>
<b>TRANSFERS OUT (IN):</b>			
General Fund Budget Support	\$ -	\$ (16,153)	\$ -
President's Gift Match	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
Major Capital Expenditures	\$ -	\$ -	\$ -
Other Transfers	\$ -	\$ (2,138)	\$ -
Total Transfers	<u>\$ -</u>	<u>\$ (18,291)</u>	<u>\$ -</u>
<b>NET REVENUE BEFORE CONCOURS</b>	<u>\$ (23,202)</u>	<u>\$ 564,136</u>	<u>\$ (42,832)</u>
Concours (Net)	\$ 125,000	\$ 138,632	\$ 75,000
<b>NET REVENUE AFTER CONCOURS</b>	<u>\$ 101,798</u>	<u>\$ 702,768</u>	<u>\$ 32,168</u>
Transfer of Endowment to Reserve	\$ (176,339)	\$ (156,379)	\$ -
Restricted Gifts Received	\$ -	\$ 37,680	\$ 10,000
Restricted Gifts Expended	\$ 20,000	\$ 76,090	\$ 10,000
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 258,137</u>	<u>\$ 820,737</u>	<u>\$ 32,168</u>
Restricted Fund Balance January 1	\$ 51,507	\$ 127,577	\$ 89,167
Unrestricted Fund Balance January 1	\$ (870,576)	\$ (658,529)	\$ 200,618
<b>FUND BALANCES JANUARY 1</b>	<u>\$ (819,069)</u>	<u>\$ (530,952)</u>	<u>\$ 289,785</u>
Restricted Fund Balance December 31	\$ 31,507	\$ 89,167	\$ 89,167
Unrestricted Fund Balance December 31	\$ (592,439)	\$ 200,618	\$ 232,786
<b>FUND BALANCES December 31</b>	<u>\$ (560,932)</u>	<u>\$ 289,785</u>	<u>\$ 321,953</u>

**MEADOW BROOK HALL  
BUDGET NOTES AND ASSUMPTIONS**

**2008 NOTES**

1. 2008 projected operating performance is based on actual revenue and expenses booked through September 30, 2008 and a revenue and expense forecast for October, November and December.
2. \$500,000 pledge received from Roger B. Smith, International Paper Inc. The gift will be paid \$50,000 per year for 10 years. In 2008, Meadow Brook Hall received \$50,000 and shows a pledge receivable of \$450,000.

**2009 Assumptions**

1. Operating revenue for 2009 is expected to show a small increase over the 2008 budget, based on estimates from our catering partner and an assumption of a continued flat or slightly lower economy, along with a decrease of roughly \$60,000 from 2008 actual levels. Wedding guest counts appear to be lower for 2009.
2. University overhead is calculated for 2009 as the net of the University's administrative overhead charges to MBH, and interest charged to MBH on its deficit, less the value of MBH services to the University for a total of \$65,075.
3. The compensation expense is expected to increase to cover part-time curator hours and a cost-of-living increase for all staff.
4. Increase in utilities anticipated due to water charges beginning in 2009.
5. Net revenues from operations will be distributed as follows:

Debt retirement*	50 percent
Operating/Maintenance Reserve	50 percent

\* The debt is technically retired, but only on paper due to the receivable for Roger B. Smith gift pledge.

## ATTACHMENT C

### MEADOW BROOK HALL STUDENT/FACULTY INVOLVEMENT

Internships – 1 intern for Winter 2008  
1 intern for Summer 2008  
1 intern for Fall 2008

Work Study – 5 work study students Winter 2008  
5 work study students Fall 2008

Welcome Week (Free) Tours – more than 300 students

Oakland University (OU) Student Tours – 121 students participated in the free Daily Tour Program at MBH for 2007.

OU use of MBH – More than 200 OU Events with more than 5,500 attendees

OU employees attending OU Night during 2007 Holiday Walk – 119 Faculty/Staff Discounts

Other OU programs – 11 OU Faculty/Staff tours, 42 OU Parent Orientation tours, 10 OU New Employee tours, 20 OU Welcome Pass tours, more than 100 Meadow Brook Theatre tours