

**ORCHARDS RESIDENTS ASSOCIATION**  
2020 BUDGET

	2020 Budget	2019 Forecast	Variance	2019 Budget	Notes
<b><u>REVENUE</u></b>					
Membership Fees	630,547	546,113	84,433	557,158	A
Rental, Programming, and Lease Revenue	234,354	212,967	21,388	188,771	B
Sponsorship and Grants	17,000	34,966	(17,966)	21,000	C
Contract Revenue	80,221	66,484	13,737	40,000	D
Interest and Other	3,127	2,882	244	3,106	
<b>TOTAL REVENUE</b>	<b>965,248</b>	<b>863,412</b>	<b>101,836</b>	<b>810,035</b>	
<b><u>EXPENSES</u></b>					
Salaries and Benefits	648,177	587,657	60,520	618,133	E
Programs and Events	53,130	74,266	(21,136)	63,139	F
Repairs and Maintenance	80,375	77,833	2,542	81,954	
Administration	74,991	73,990	1,001	75,912	G
Utilities	94,500	90,653	3,847	84,405	
Professional	58,000	45,600	12,400	45,250	H
Advertising and Promotion	4,000	5,642	(1,642)	4,100	
Insurance	15,900	13,867	2,033	8,560	I
Property Tax	10,000	-	10,000	10,000	J
<b>TOTAL OPERATING EXPENSES</b>	<b>1,039,073</b>	<b>969,507</b>	<b>69,566</b>	<b>991,453</b>	
<b>OPERATING REVENUE OVER EXPENSES</b>	<b>(73,825)</b>	<b>(106,095)</b>	<b>32,270</b>	<b>(181,418)</b>	
Interest	(141,783)	(133,601)	(8,182)	(132,957)	K
Amortization of Deferred Capital Contributions	79,518	79,518	-	79,518	L
Amortization of Capital Assets	(195,000)	(192,918)	(2,082)	(192,918)	M
<b>TOTAL REVENUE OVER EXPENSES SURPLUS / (DEFICIT)</b>	<b>(331,090)</b>	<b>(353,096)</b>	<b>22,006</b>	<b>(427,775)</b>	
<b><u>OTHER CASH COLLECTIONS / (EXPENDITURES)</u></b>					
Loan Principal Draws / (Repayments)	204,183	307,833	(103,650)	(22,645)	N
Capital Sales / (Purchases)	(24,500)	(28,587)	4,087	(31,000)	
Change in Working Capital	43,348	-	43,348	-	O
Add Back: Amortization of Capital Assets (Non-Cash)	195,000	192,918	2,082	192,918	
Subtract: Amortization of Deferred Capital Contributions (Non-Cash)	(79,518)	(79,518)	-	(79,518)	
<b>TOTAL CASH SURPLUS / (DEFICIT)</b>	<b>7,423</b>	<b>39,550</b>	<b>(32,127)</b>	<b>(368,020)</b>	

**Notes:**

- A** Annual Membership Fees-Jan 01 (1,522) properties x \$390.47 plus pro-rated fees for 2020 - (211) new properties.
- B** Increase largely due to the addition of a before/after school program lease, as well as an increase in general rental revenue. Slightly offset by reduced programming revenue (low registration).
- C** Reduction largely related to grants received in 2019 that will likely not be received in 2020, including: 1) \$10.5K STEP grant; and 2) \$16.5K CIOG grant. Additional sponsorships were added to help offset the loss of these grants.
- D** Brookfield maintenance contracts. \$37K additional for Show Home Village Ambassadors.
- E** \$31K for Show Home Village Ambassadors. The association began staffing the Orchards Show Home Village with an ambassador in 2019. The revenue from this contract allows the Association to recover all salary expenses related to this team member along with a management fee to be reinvested in the Association's programming and amenities. Inflationary increases on wages and CPP/EI/WCB \$5K. Maintenance Manager absent for part of 2019, GM filled this position. Maintenance Manager in place for 2020.
- F** Instructor costs have been decreased in relation to lower program revenue.
- G** Office supplies, telecommunications charges, website hosting, photocopying, postage, etc. Credit card transaction charges account for \$15K.
- H** Audit, legal, and management fees. One time fee of \$11k for lawyer fees associated with increasing ATB loan.
- I** Insurance rates have increased significantly for two reasons: 1) the insurance industry widely increased rates on recreational facilities such as the Association in 2019, and 2) with revenue generating maintenance contracts, rates have increased for added risk. Some of this increase is recoverable through revenue earned on maintenance contracts.
- J** The association received an exemption from property tax in 2019 and is optimistic that the same exemption will be received in 2020. Included \$10,000 in budget in case we do not receive an exemption and need to appeal our tax assessment.
- K** ATB demand loan interest @ prime + 0.45%
- L** Non-cash revenue included to recognize the value of capital assets gifted to the association. This primarily consists of the land and facility gifted to the association by Brookfield over the expected life of the building.
- M** Non-cash expense to recognize the depreciation of all capital owned by the association. The Association's current capital balance is primarily comprised of the facility and surrounding amenities (ex. Spray park, rink, maintenance building, tennis courts), but also includes vehicles (ex. Zamboni, tractor and bobcat).
- N** Loan payments are a fixed, monthly expense. Therefore, prior year budgets did not include a loan draw assumption and instead showed a \$368K cash deficit. Approach to budget has changed. 2020 Budget includes an estimated \$203K cash deficit, offset by a \$210K loan draw.
- O** New budget item. Assumption added for early collection of 2021 fees (cash only budget item).