

MBR Treasurer's Report

Annual General Meeting – June 26, 2021

INTRODUCTION

- Treasurer – Chris Park (ceased to be a member on May 17, 2021)
- Bookkeeper – Laura Meyer
- External Accounting Firm – Larson Gross
- Summary of the Following AGM Materials and Discussion Points:
 - Financial Summary 2020
 - Operating Budget 2022
 - Reserve Budget (July 2021 – June 2022)
 - Reserve Funding

FINANCIAL SUMMARY 2020

- Cash: \$475,912
 - Operating Fund: \$170,870
 - Reserve Fund: \$305,042
- Accounts Receivable: \$7,022
- Total Surplus Without Depreciation and Capital: \$93,120
- Capital Projects Completed: \$5,517
- Total Surplus Without Depreciation: \$87,603
- Total Surplus Without Depreciation and Capital Budgeted: \$36,370
- Key areas which contributed to the additional surplus: rental and violations income were higher, 2020 paving skipped to later date, less wages due to unfilled Office Manager position for a portion of the year and no seasonal help due to COVID

FINANCIAL SUMMARY 2020 (Continued)

- Savings on pool supplies and, other common areas affected by COVID, was minimal as pool still needed chemicals and clubhouse still needed some heat
- Savings realized on pool chemicals and clubhouse heat were offset by higher than expected recycling costs
- Subsequent to December 31, 2020, \$61,422 was transferred from the Operating Fund to the Reserve Fund and represents Total Operating Surplus Without Depreciation with an additional holdback for the 2020 unspent road paving budget

FINANCIAL ITEMS MAY 2021

- Cash: \$612,190
 - Operating Fund: \$219,052
 - Reserve Fund: \$367,134.64
- Accounts Receivable: \$7,046
- Current Expenditures to Date Including Capital: \$94,569
- No Significant Capital Expenditures to Date

OPERATING BUDGET 2022

- Presented 2020 and 2021 budget as comparatives to 2022 draft budget
- Budget required more judgement this year due to uncertainty relating to staffing structure and the impacts of COVID (from a cost perspective) which will extent into 2022
- Member's Dues Assessed:
 - Operating: \$309,050
 - Reserve: \$11,037
 - Represents an increase of \$25 per assessable lot
 - Last increase was 2019
- Increase in dues relates to the following while maintaining a minimum reserve fund transfer of approx. \$36.5k:
 - Increase in utilities including recycling
 - Increase in tree removal
 - Higher administration including legal and expected bad debts

OPERATING BUDGET 2022 (Continued)

- Inclusion of a “contingency” to account for unforeseen increase in costs
- Although a credit card recovery fee and higher rental income was budgeted for it was not enough to offset the above
- Additional notes:
 - Salaries represent approx. 44% of the budget
 - Surplus transfer represents approx. 10% of the budget
 - Very little opportunity for cost savings – cost structure of the MBR is near certain
 - Potential exists for increase costs in pool chemicals, recycling, legal and other materials in the next 18 months
 - Staff members wages should be reviewed annually with a focus on retention

RESERVE BUDGET 2021/2022 and RESERVE FUNDING

- New approach to reserve budget
 - Historically presented on a 5 year basis
 - Current budget only presented for the next 12 months
- Reserve Study
 - Board initiated an independent consultant to review and assess MBR's reserve funding
 - Previous reserve plan was prepared "in-house"
 - Draft report, which was delivered in May, indicates MBR's capital needs for the future are not currently funded
 - Reason only one year of a capital budget was prepared was to allow time for the board and Community Manager to assess the report and develop a long term strategy which includes refining capital needs

THANK-YOU