



Maple Leaf Golf & Country Club
Board of Directors Meeting
December 16, 2015

2016 Budget and
Long Term Financial Plan



Maple Leaf 2016 Operating Budget

REVENUE:

- LOT RENTS	3,111,394
- GOLF / PRO SHOP	750,627
- SB / CC	362,130
- REAL ESTATE COMMISSIONS	52,380
- OTHER	80,515
TOTAL REVENUE	<u><u>\$4,357,046</u></u>

OPERATING EXPENSES:

- WAGES & BENEFITS	1,864,830
- CONTRACT SERVICES	469,020
- INTEREST, INSURANCE, TAXES	507,259
- ADMINISTRATIVE & LEGAL	448,701
- SUPPLIES & SMALL TOOLS	582,434
- DEPRECIATION & AMORTIZATION	253,950
- CAPITAL UNDER \$1,000	17,675
TOTAL EXPENSE	<u><u>\$4,143,869</u></u>

REVENUE TO EXPENSE **213,177**



Maple Leaf 2016 Capital Budget

LAND RESTORATION - PARK	
- Drainage	50,000
- Erosion Control	104,000
- Roads	44,000
- Park Irrigation	1,200,000
- Other	77,500
TOTAL LAND RESTORATION - PARK	1,475,500
BUILDINGS RESTORATION - PARK	57,500
FURNITURE & FIXTURES - PARK	7,420
EQUIPMENT & VEHICLES - PARK	37,225
LAND RESTORATION - GOLF	20,400
BUILDING RESTORATION - GOLF	5,700
EQUIPMENT - GOLF	15,000
TOTAL CAPITAL EXPENDITURES	1,618,745



Maple Leaf 2016 Cash Requirement

REVENUE TO EXPENSE	213,177
Add Back - DEPRECIATION & AMORTIZATION	253,950
PROJECTED CERTIFICATE SALE	40,000
OPERATIONAL CASH SURPLUS	507,127
Deduct - MORTGAGE PRINCIPAL PAYMENT	(266,354)
PROPOSED CAPITAL BUDGET COST	(1,618,745)
CASH SHORTAGE FROM 2016 OPERATIONS	<u>\$(1,377,972)</u>
ESTIMATED Y/E CASH BALANCE	2,372,656
MINIMUM Y/E RESERVE CASH BALANCE (By-Law 12.12)	1,800,000
CASH AVAILABLE	572,656
SHORTAGE TO BE COVERED BY EXTENDED MORTGAGE	<u>\$(805,316)</u>



Long Term Financial Plan

OBJECTIVES:

1. Develop realistic estimates of revenues and expenses for the next ten years.
2. Develop a realistic and achievable financial planning model that can be used to test alternative planning scenarios and that can be updated annually.

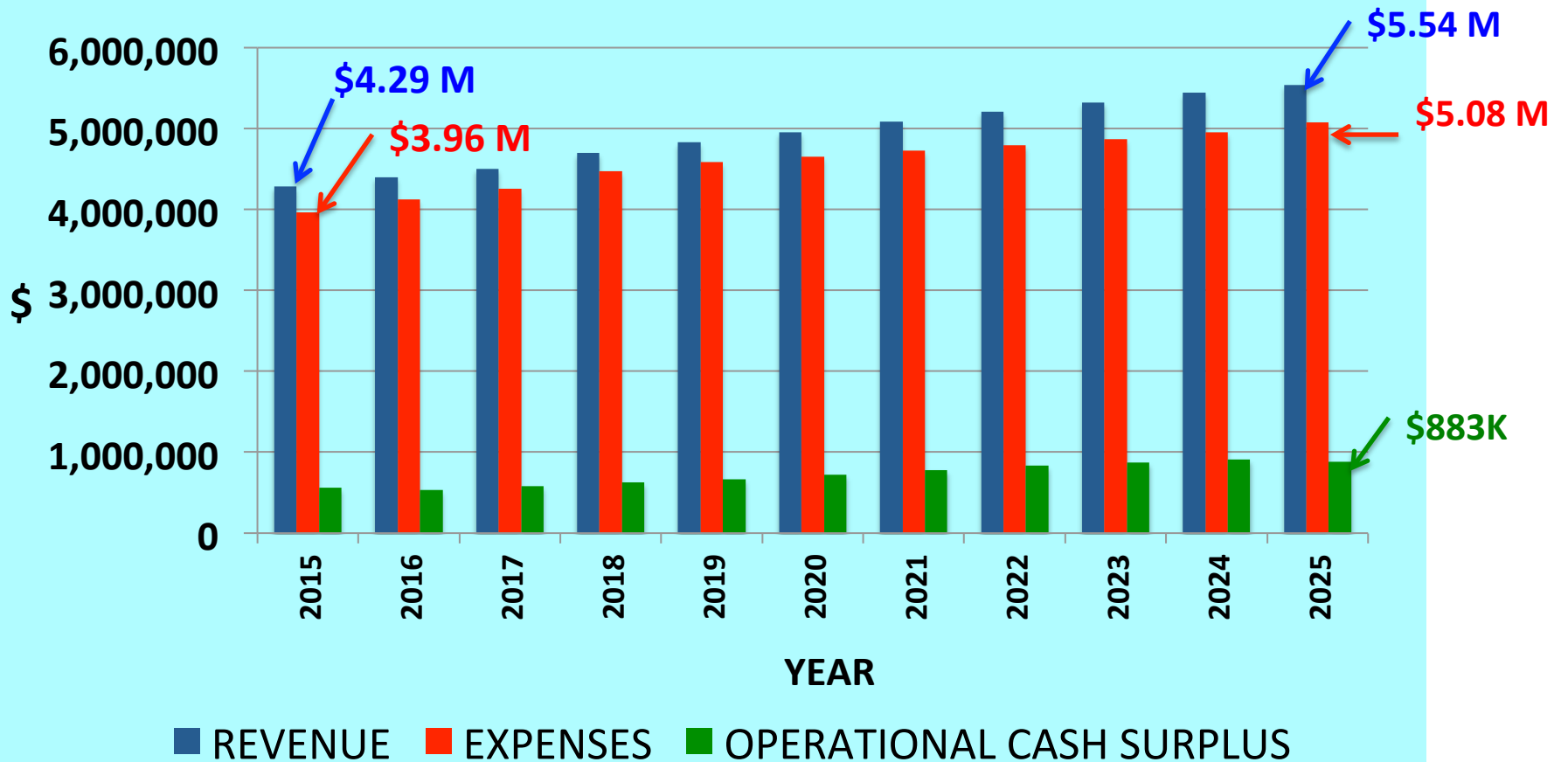
GOALS:

1. Lot rents must be kept orderly and annual increases of not more than \$12 / month.
2. Cash reserves at year end will be maintained at or above \$1.8M in order to maintain the (By-Law 12.12) requirement of \$1.5M throughout the year.
3. Expense budgets will increase at no more than an inflation rate of approximately 2.25% per year.
4. Golf and Restaurant revenues will increase at no more than 2% per year.
5. Net debt at the end of the 10 year planning period will be no more than \$5M.
6. At Y/E 2025 cash flow from operations will be at least \$650K to ensure that we can fund most of our Capital Expenditures from operations rather than debt.



Long Term Financial Plan

Maple Leaf – Projection of Revenue to Expenses





Long Term Financial Plan

WHAT ARE OUR PRIMARY SOURCES OF REVENUE?

1. LOT RENT – 71.1%
2. GOLF FEES / PRO SHOP – 17.5% (88.6%)
3. SAND BAR / COUNTRY CLUB – 8.2% (96.8%)
4. REAL ESTATE COMMISSIONS – 1.1% (97.9%)
5. OTHER – 2.1% (100%)



Long Term Financial Plan

WHAT OTHER SOURCE OF REVENUE MIGHT BE AVAILABLE?

1. SOME PARKS ARE CHARGING A REAL ESTATE FEE FOR HOME PURCHASES IN THEIR PARKS.
2. A REAL ESTATE TRANSACTION FEE OF \$1,000 PER HOME SALE COULD ADD SIGNIFICANTLY TO OUR ANNUAL REVENUE.
3. OUR LONG TERM FINANCIAL PLAN INCORPORATES AN AVERAGE OF \$70K PER YEAR (\$1,000 X 70 HOME SALES ON AVERAGE) FROM THIS SOURCE.
4. SOME CAVEATS:
 - THIS FEE WOULD NOT APPLY TO FAMILY TRANSACTIONS.
 - THIS FEE WOULD NOT APPLY TO HOME PURCHASES WITHIN THE PARK BY EXISTING CERTIFICATE HOLDERS.
 - THE APPLICATION OF THIS FEE WILL REQUIRE APPROVAL FROM THE CERTIFICATE HOLDERS FOR A BY-LAW CHANGE.



Long Term Financial Plan

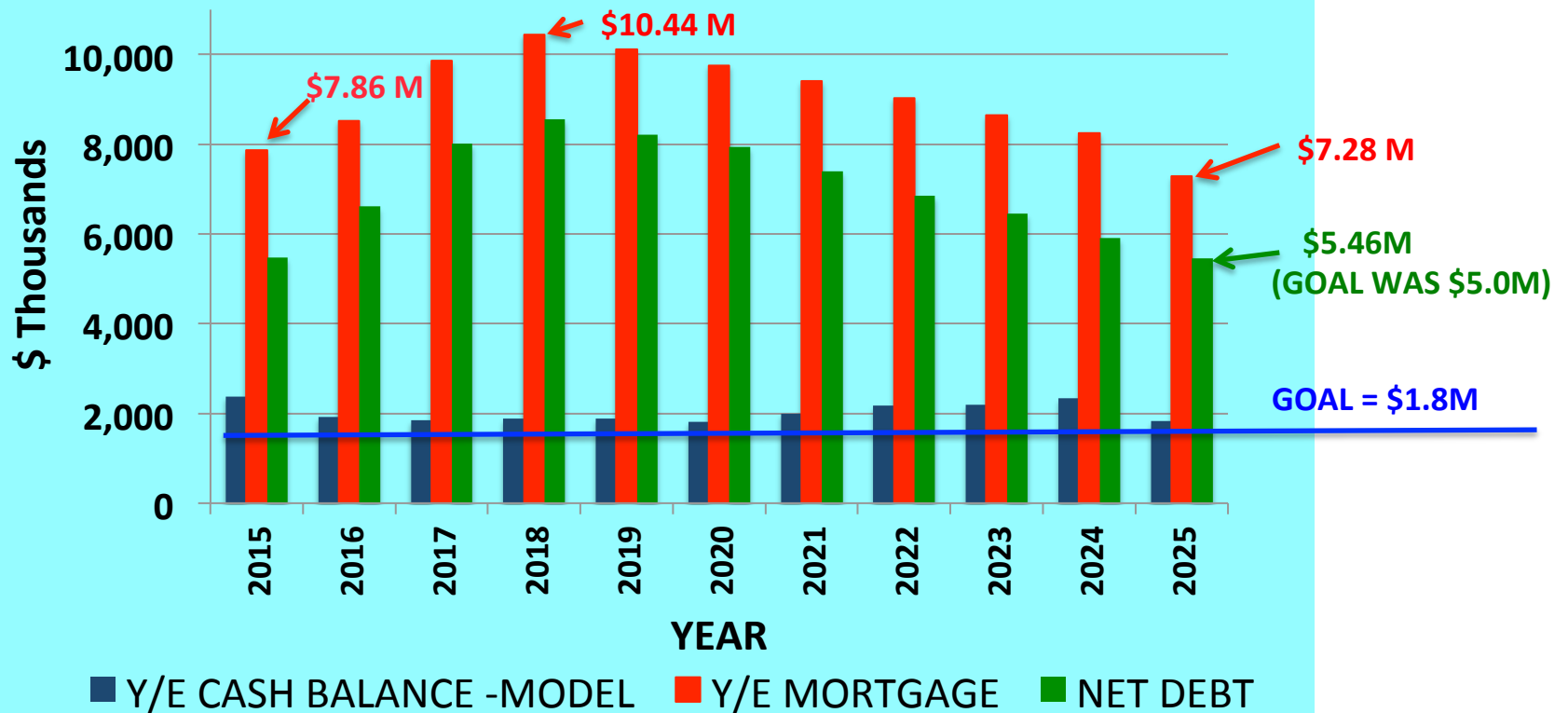
Capital Expenditures





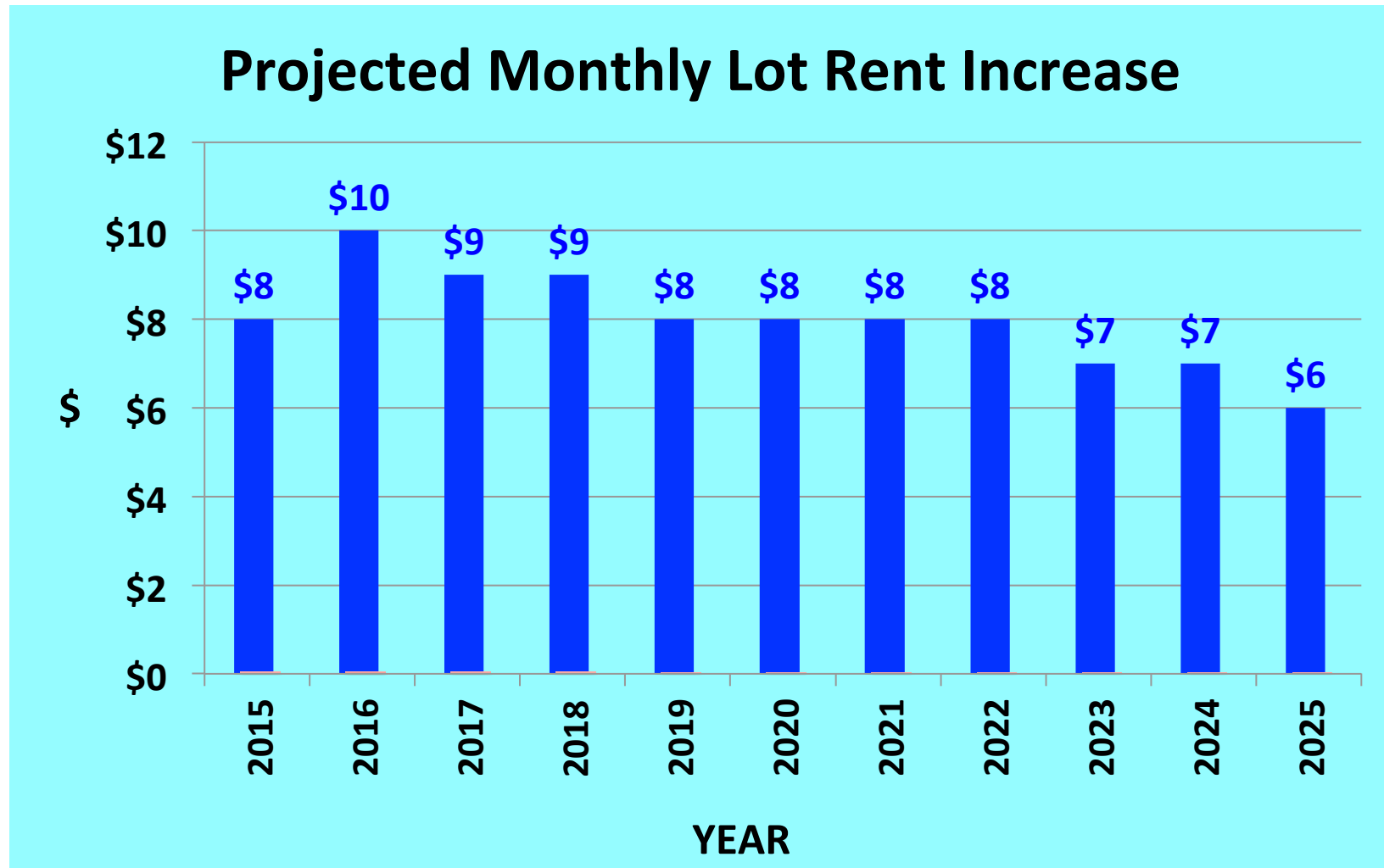
Long Term Financial Plan

Comparison of Y/E Cash Balance, Mortgage, and Net Debt



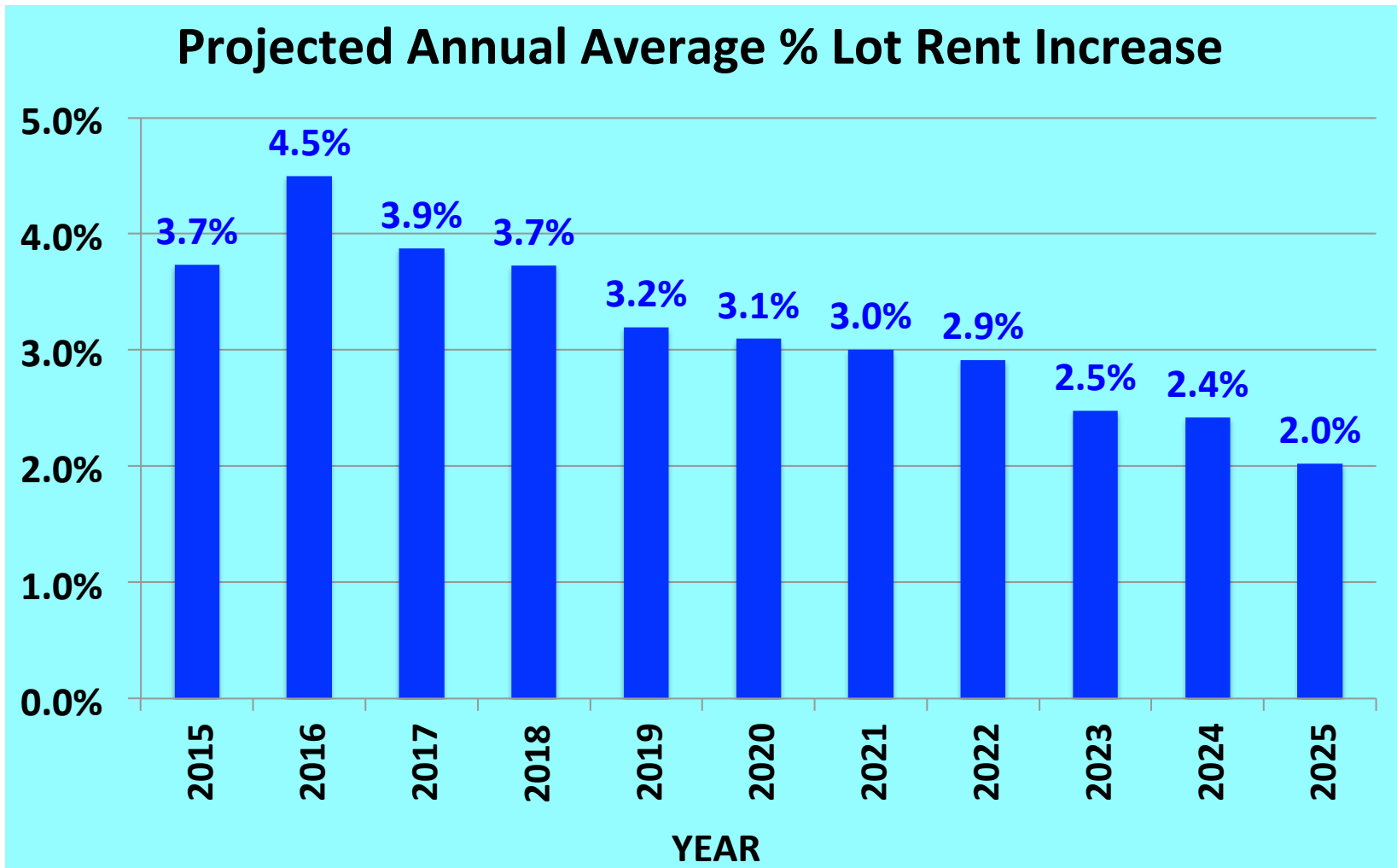


Long Term Financial Plan





Long Term Financial Plan





Long Term Financial Plan

In Summary:

- 1. THE 30 YEAR CAPITAL FORECAST PREPARED AND PRESENTED BY THE PREVIOUS BOARD HAS IDENTIFIED A NUMBER OF CRITICAL NEEDS WITHIN THE NEXT THREE YEARS.**
- 2. WE HAVE DEVELOPED A LONG TERM (10 YEAR) PLAN THAT ADDRESSES THESE NEEDS AND A FINANCIAL PLAN TO PROVIDE THE NECESSARY FUNDING FOR THE WORK.**
- 3. THE PLAN HAS INCORPORATED AN ADDITIONAL REVENUE SOURCE IN THE FORM OF A “REAL ESTATE TRANSACTION FEE” THAT WILL ASSIST WITH FUNDING THE WORK.**
- 4. THE IMPACT ON HOMEOWNERS’ LOT RENT FEES IS REASONABLE AND ANNUAL INCREASES ARE PROJECTED TO GRADUALLY DECLINE OVER THE NEXT TEN YEARS.**



Questions / Discussion

