

**Country Lane Estates
Operating Budget 2021**

The Board has approved the 2021 operating budget, and recommended an increase to monthly condo fees of \$25 per month. The new rate will be \$410 per month or \$2,460 per year. This represents a 6.5% increase over the 2020 rates. While news of a condo fee increase is never welcome for any of us, the board believes that this increase is necessary in order to ensure the continued good financial health of the park.

The attached document shows the budget for 2021, the forecast for 2020 and the actual for 2019.

Year	Operating Expenses	Per lot per month
2019	\$647,789	\$372.94
2020	\$598,900	\$344.79
2021	\$671,271	\$386.45

The year 2019 could be considered a typical year for our park and no one would argue that the year 2020 was typical for anyone in any way! For this reason, the budget for 2021 more closely approximates 2019 than it does 2020. It should be noted that your entire condo fee is not available to cover these costs. With a \$410 per month condo fee, \$365 is available to cover operating costs since \$45 will go directly to the reserve fund. The \$21 “shortfall” between the \$365 operating portion of the condo fees and the \$386 operating expense as shown above is covered by laundry money collected, winter residency recovery and other income such as key fobs, clubhouse rental, etc.

Because of the seasonal nature of our park and the fact that we don’t begin to collect condo fees until April each year its necessary to end each calendar year with a sufficient cash balance to tide us over. In the past, cash deficits had sometimes been covered through temporary loans from the reserve fund. The budget for 2021 with the accompanying condo fee increase means that this will not be necessary as the money collected will be sufficient to cover the entire year’s expenditures and provide operating funds for the first part of the following year.

In 2020, we actually had a net income vs the 2019 net loss. One very large difference was that the capital replacement reserve fund was not funded to the same extent as in previous years. Notwithstanding this, the recently completed Reserve Fund Study shows that we are in good shape, with over 100% of funding for future needs. This is wonderful news and the Board is committed to returning to the usual funding level of \$45 per lot per month in the 2021 season.

The 2021 budget assumed that an administrator would be hired to man the park office on a part time basis and that an offsite bookkeeper would be hired to look after our accounting functions. The effect of the carbon tax as well as market conditions for insurance were taken into account.

Budgets are tricky things and predicting the future isn’t as simple as looking at the past. I know that you can all relate when I say that the unexpected usually comes in the form of **cost** increases, rather than **income** increases. Our condo association has no ability to borrow money should we run short and no “savings” to fall back on for operating shortfalls so the budget needs to be conservative and realistic.

At this time next year, we will know whether the budget estimates were accurate. Please be assured that the Board is committed to financial responsibility and will strive to reduce costs wherever possible, while still maintaining the great lifestyle at our park.

Chris Knight
Treasurer
Country Lane Estates Board

**COUNTRY LANE ESTATES
BUDGET 2021**

	Budget for 2021	Forecast 2020	Audited 2019	2021 budget per lot per month	Notes
INCOME					
Condo fees	712,170	668,745	668,260	410.00	289.5 lots
To reserve fund	(78,168)	(19,539)	(78,100)	-45.00	Increase over 2020, but return to 2019 levels
Winter Residency	25,000	28,028	20,930	14.39	
Laundry	12,000	11,656	15,973	6.91	
Misc income	7,295	10,180	7,882	4.20	
Total gross income	678,297	699,070	634,945	390.50	
OPERATING EXPENSES					
Bad debt	1,155	4,060	16	0.66	.5 lot
Bank chgs, interest, credit card service chg	3,253	2,703	2,367	1.87	
Insurance (Buildings & vehicle)	30,650	26,146	22,264	17.65	Expected 30% increase due to market conditions
Management fees/onsite administrator	40,200	60,494	51,517	23.14	Professional Fees includes offsite bookkeeper
Office	13,570	14,365	11,049	7.81	
Park Functions	1,950	6	1,716	1.12	
Park Maintenance	58,364	45,557	27,810	33.60	Includes \$20K for tree trimming
Pool maintenance	10,700	6,704	10,785	6.16	
Professional Fees (Legal & Accounting)	26,000	15,288	21,572	14.97	2021 includes off-site contract bookkeeper
Salaries & Wages	91,358	71,864	68,009	52.60	
Utiilities - Natural Gas	8,350	8,591	7,541	4.81	
Utilities - Electricity	181,150	163,013	181,375	104.29	Increase over 2020, but return to 2019 levels
Utilities - Garbage & dump fees	14,000	13,902	12,322	8.06	
Utilities - internet & satellite TV	12,341	12,661	13,390	7.10	
Utilities - Water	22,150	21,801	57,448	12.75	2021 same as 2020; drop in rates since 2019
Utiilities - Sewage Disposal	153,050	128,879	154,992	88.11	Increase over 2020, but return to 2019 levels
Vehicle maintenance & fuel	3,030	2,866	3,616	1.74	
TOTAL OPERATING EXPENSES	671,271	598,900	647,789	386.44	
NET INCOME/(LOSS)	7,026	100,170	(12,844)	4.06	
Operating expenses per lot per month	386.45	344.79	372.94		