



The Osborn

A tradition of gracious retirement living

2018 Budget

Approved by the Board of Trustees

December 12, 2017

OSBORN RETIREMENT COMMUNITY CONSOLIDATED REVENUES AND EXPENSES						
SUMMARY	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 PROJ vs 2017 BUDGET INC / -DEC	2018 BUDGET vs 2017 PROJ INC / -DEC	2018 BUDGET vs 2017 BUDGET INC / -DEC
				%	%	%
TOTAL REVENUES (W/O CHARITY CARE)	\$61,757,698	\$61,571,679	\$63,336,978	-0.30%	2.87%	2.56%
LESS OPERATING EXPENSES:						
SALARIES	\$31,405,349	\$31,396,739	\$33,403,245	-0.03%	6.39%	6.36%
BENEFITS	12,082,260	12,041,865	11,971,742	-0.33%	-0.58%	-0.91%
OTHER EXPENSES	11,571,977	11,401,808	11,644,449	-1.47%	2.13%	0.63%
REAL ESTATE TAXES	2,190,933	2,182,080	2,257,029	-0.40%	3.43%	3.02%
TOTAL OPERATING EXPENSE	\$57,250,519	\$57,022,492	\$59,276,465	-0.40%	3.95%	3.54%
OPERATING SURPLUS/(DEF) BEFORE DEBT SVC AND CHARITY CARE	\$4,507,179	\$4,549,187	\$4,060,513	0.93%	-10.74%	-9.91%
DEBT SERVICE	\$3,504,457	\$3,504,457	\$3,505,075	0.00%	0.02%	0.02%
OPERATING SURPLUS/(DEF)	\$1,002,722	\$1,044,730	\$555,438	4.19%	-46.83%	-44.61%
INTEREST AND DIVIDEND INCOME	\$525,000	\$525,000	\$551,250	0.00%	5.00%	5.00%
TOTAL OPERATING SURPLUS (DEF)	\$1,527,722	\$1,569,730	\$1,106,688	2.75%	-29.50%	-27.56%
CHARITY CARE SUBSIDY INVESTMENT CAP	\$2,375,032	\$2,317,163	\$2,775,781	-2.44%	19.79%	16.87%
TOTAL CHARITY CARE SUBSIDY (INVESTMENT CAP AND OPERATIONS)	\$2,513,524	\$2,317,163	\$3,324,727	-7.81%	43.48%	32.27%
TOTAL SURPLUS (DEF) [with Charity Cap]	\$3,902,754	\$3,886,892	\$3,882,469	-0.41%	-0.11%	-0.52%
TOTAL SURPLUS (DEF) [with Total Charity Care]	\$4,041,246	\$3,886,892	\$4,431,415	-3.82%	14.01%	9.65%
Adjusted Net Operating Margin	5.86%	5.86%	5.62%			
Net Operating Margin Per CARF Calculation	7.34%	7.77%	6.65%			
Net Operating Margin Per Fitch Calculation	7.67%	8.09%	6.97%			

**THE OSBORN RETIREMENT COMMUNITY
2018 CAPITAL EXPENDITURE SUMMARY**

DEPARTMENT	2017 Budget	2017 Projected	2018 Budget
Facilities & Property	\$ 4,121,167	\$ 4,609,955	\$ 3,822,136
Environmental Services	99,380	111,660	125,255
Dining	230,050	119,478	129,333
Nursing	21,700	20,089	74,216
Life Enrichment	2,959	680	4,000
Rehab	14,500	11,621	30,500
Assisted Living	0	0	54,370
IT	589,095	285,418	413,000
Finance & Sales	2,500	0	5,000
New Development	275,000	100,000	100,000
Sterling Park Operations	68,950	59,531	151,450
COO	75,000	75,000	147,650
Employee Benefits	0	0	55,000
Total	\$5,500,301	\$5,393,432	\$5,111,910

Major Projects (\$75k+)

Description

1503 leak and repair of surrounding roof	0	90,000	0
Dryvit Refurbishment (2K West Elevation)	150,000	336,000	202,764
Dryvit Refurbishment (3K North Elevation)	0	20,000	87,400
SOS Façade Restoration	0	0	400,000
Construction Oversight	175,430	165,000	175,430
Replace Strathcona ATS + Add Osborn/Strathcona Apts to Gen	100,000	122,348	36,000
Contingency	150,000	0	100,000
Osborn Chiller (80K to rebuild existing) new chiller barrel \$25K, new condensor \$15k, replace 2nd comp \$20K, replace existing comp \$20K, \$22K to get unit running as is, upgrade 1 circuit to 407C	115,000	113,160	0
IL and SOS	2,120,000	2,100,000	2,037,000
Pavilion Resident Room Upgrade	200,000	150,224	120,000
3K&4K Corridors Paint & Wallpaper	300,000	199,130	0
Osborn 2 Parlors, Adams & Dalphin, Club Room, includes furniture	73,557	73,557	100,000
Dining Room Chairs	148,000	148,000	0
Resident Carpet Replacement	75,000	90,000	85,000
Bistro Kitchen	150,000	90,000	0
Infrastructure Upgrades	90,000	90,000	0
Data Classification and Alerting	108,000	18,650	0
HP Switch Upgrades	0	0	100,000
Expansion Osborn Campus	150,000	70,000	75,000
Two new transportation vans	60,000	55,073	135,000
Signage	75,000	75,000	75,000
Total of all major capital projects	\$4,239,987	\$4,006,142	\$3,728,594

Osborn Retirement Community Projected Cash Flow	Budgeted 2018
Consolidated Income Statement	
Revenues	63,337
Interest and Dividend Income	551
Charity subsidy	3,325
Operating expenses	59,276
Debt service	3,505
Operating Surplus (Deficit)	4,432
Charity subsidy cap excess covered by operations	549
Total Surplus (Deficit)	3,883
Net Surplus without charity subsidy	1,107
Cash and Investments	
Opening cash balance	3,466
Cash activity - Includes Charity subsidy transfers	3,883
Capital Expenditures	(5,112)
Entrance fees (net)	5,640
Interest and Dividend Income	(551)
Other transfers	(3,000)
Funded Depreciation/	(528)
Pension (Contribution) / Pension non-cash adj.	(485)
Ending cash balance	3,313
Opening investment balance	55,516
Other transfers	3,000
Investment growth	2,795
Funded Depreciation Reserve	528
Charity subsidy transfers to operations	(3,325)
Charity subsidy covered by operations	549
Ending investment balance	59,063
Total cash and investments	62,376