

Statement of Operations for the year ended December 31, 2020, explained

This document presents the “Statement of Operations” from the financial statement for OGHC prepared by our auditor, MNP, for 2020. The audited statement can be found on the “Budget and financial information” page on the OGHC website. You can link to this page from the Members Only page.

A “Statement of Operations,” also known as an “Income statement,” records the operating income and the operating expenses of an organization for a particular period of time. (It does not normally show

capital expenses.)

OGHC’s Statement of Operations consists of three major items:

1. Revenue (the amount OGHC received through its operations in a single year): \$972,992
2. Expenses (the amount OGHC spent on its operations in a single year): \$923,751
3. Excess of revenue over expenses before other items of \$5,321

Category	Explanation	2020 Budget	2020 Actual	2019 Actual
Revenue				
Member fees	“Member fees” is the total amount OGHC receives from its members through the “Occupancy charge.”	930,183	921,610	912,623
Parking rent	“Parking rent” is the amount OGHC receives from renting parking spots to members and non-members.	39,360	40,317	39,105
Donations	“Donations” are money that individuals and organizations have donated to OGHC. (This includes, for example, the yoga and tai chi groups and the end of the year funding raising campaign.)	-	4,296	830
Other	“Other” includes money received for such things as guest and common-room rentals.	2,200	4,248	6,239
Interest	“Interest” is revenue from money OGHC has in its accounts and holdings with Assiniboine Credit Union.	1,487	2,521	1,395
Total revenue		973,230	972,992	960,192

Category	Explanation	2020 Budget	2020 Actual	2019 Actual
Expenses				
Administration and management	“Administration and management expenses” include the mortgage, taxes, professional fees. (For details, see Appendix A.)	685,404	702,784	705,466
Operations and maintenance	“Operations and maintenance” expenses include utilities, cleaning, and security. (For details, see Appendix B.)	225,829	220,967	200,016
Total expenses		911,233	923,751	905,482
Net operating income before reserve transfers and other items	Total revenue minus total expenses. (Sometimes referred to as ‘Net Income.’)	61,997	49,241	54,710
Reserve transfers	“Reserve transfers” are money that is put into funds that will be used to handle expected costs.			
Capital replacement reserve allocation	The “capital replacement reserve” is a fund for replacing or repairing buildings, parking lots, furniture, equipment, and appliances. This is the amount put into the fund annually. The amount is based on a study prepared for OGHC in 2017. OGHC will be reviewing the amount as part of a larger study in 2021.	43,520	43,920	35,400
Share redemption reserve allocation	The “share redemption reserve” is a fund for purchasing shares from members when they leave. The Board decided that a Share Redemption Reserve fund amount of \$134,000 (\$119,000 +\$15,000) is now sufficiently funded to cover possible share redemption requirements given the size of our waiting list.	-	-	15,000
Total Reserve transfers	The total amount of money put into reserve funds in any one year.	43,520	43,920	50,400
Excess (deficiency) of revenue over expenses before other items	The difference between net operating income (\$49,241) and reserve transfers (\$43,920).	18,477	5,321	4,310

Category	Explanation	2020 Budget	2020 Actual	2019 Actual
Other items				
MHRC mortgage forgiveness	The Manitoba Housing and Renewal Corporation (a Manitoba government crown corporation) has made two forgivable loans to OGHC for a total of \$2.8 million. If OGHC ensures that 34 of its units are reserved for people who met provincial income requirements OGHC does not have to repay the loan. In 2020 MHRC forgave \$135,972 of this loan. The annual forgiveness and reduction of the loan (itself a liability) results in capital income. While this forgiveness increases our equity in our building, it is not cash revenue to OGHC.	-	135,972	67,986
Unbudgeted purchases of equipment	Purchases made through the Small Capital Projects program. This includes the setting up of the project room in the basement.	-	(5,967)	-
Initial contribution to share redemption reserve	This is the initial contribution to the “share redemption reserve” described above. The Board decided that a Share Redemption Reserve fund amount of \$134,000 (\$119,000 +\$15,000) was sufficient to cover possible share redemption requirements given our waiting list of over 360.	-	-	(119,000)
Total reserve transfers and other items		-	130,005	(51,014)
Excess (deficiency) of revenue over expenses		18,477	135,326	(46,704)

Appendix A: Administration and management

Expense	Explanation	2020	2019
Amortization	"Amortization" is the payment of construction loan principal.	162,061	155,887
Bank charges	"Bank charges" are charges OGHC pays for financial transactions.	2,471	1,218
General	Items that do not fit into other categories.	21,507	18,627
Insurance	"Insurance" is the cost of insuring our assets (buildings, parking lots, and equipment).	25,736	21,379
Interest on long-term debt	"Interest" is the amount of interest OGHC paid on its mortgage.	327,524	333,861
Office	This includes such expenses such as office equipment, supplies, telephone, postage and delivery.	11,410	14,899
Property taxes	"Property taxes" is the tax OGHC pays to the City of Winnipeg.	107,053	116,797
Professional fees	"Professional fees" are fees OGHC pays to legal and auditing professionals.	10,750	8,057
Management fees	"Management fees" include fees paid to our property manager.	34,272	34,741
Total		702,784	705,466

Appendix B: Operations and maintenance

Expenses		2020	2019
Cleaning	Cleaning and janitorial services.	17,495	18,210
Common area costs	Equipment for OGHC common areas	27,676	30,040
Repairs and maintenance	"Repair and maintenance" is the cost of repairing and maintaining OGHC's assets.	73,935	37,062
Security	"Security" is the cost of providing security for OGHC.	682	13,544
Utilities	"Utilities" is the amount that OGHC pays for utilities such as electricity and water.	101,179	100,067
Internet	Expenses for one-time compensation to Evanson properties for not being able to include them in our internet project.	-	1,093
Total		220,967	200,016