



Operational Budgets

Community Facility Enhancement Program (CFEP) Large Five-year Operational Budget

Information to include in the five-year budget template:

Information in the Five-year Operational Budget will be separated into five distinct sections.

The Existing Revenue column will include revenue streams that are expected/budgeted on an annual basis with the current operations of the organization. This may include fundraising/donations, memberships, grants and earned revenue. This amount should be comparable to those seen in recent financial statements.

The Existing Expenses column will include expenses that are incurred on an annual basis with current operations. This may include current wages/salaries, administration costs, lease/mortgage and program activity costs. This amount should be comparable to those seen in recent financial statements.

The Additional Revenue column will include revenue that is created as a result of the project moving forward. For example, if the project creates additional space for programming where fees are collected, the expected revenue for the rental of this new space will be included in this column.

The Additional Expenses column will include expenses that are additionally incurred as a result of the project moving forward. For example, if the project is to expand a facility, additional expenses may include increased utility consumption such as electricity, gas or water.

The Surplus/Deficit column will take the Existing Revenue and Additional Revenue anticipated and minus the Existing Expenses and Additional Expenses. This will determine the balance for each year and if the organization would anticipate a surplus or deficit for the five years following the capital project completion.

Example of the Five-Year Operational Budget template:

Year	Existing Revenue	Existing Expenses	Additional Revenue (as a result of the project)	Additional Expenses (as a result of the project)	Surplus/Deficit
Year 1	\$	\$	\$	\$	\$
Year 2	\$	\$	\$	\$	\$
Year 3	\$	\$	\$	\$	\$
Year 4	\$	\$	\$	\$	\$
Year 5	\$	\$	\$	\$	\$

Five-Year Operational Budget information and evaluation.

Five years provides a snapshot of the projected revenue and expenses of the new or upgraded facility, taking into consideration the time it may take additional programs or services to gain traction within the community. Five years also aligns with the grant agreement requirements for the facility to remain open and accessible to the public after project completion.

The Five-Year Operational Budget is used to determine the financial stability of future operations of both the organization and the project. The budget forecasts additional operating expenses as a result of the capital project as well as anticipated revenue to cover these costs. This ensures that the applicant has determined any additional costs that may arise from the project, that the project is financially feasible and future overhead and operational costs resulting from the project will not financially burden the organization risking future stability and sustainability.

Section 4.2.2 of the CFEP Large Guidelines indicates that the application, including the budget will be used to evaluate long-term financial viability and self-sufficiency, including the ability to meet long-term, ongoing operational needs.

Information to include in the additional information section.

In the expression of interest there is an opportunity to provide a brief explanation of how the additional revenue and expenses were determined for the project. This is where you will want to provide information on what steps your organization took to determine these numbers. Please provide information on what type of research or formulas were used and who may have provided these calculations (expertise: board treasurer, accountant, business evaluator, etc.).