

Finance Report

2024 Annual Meeting

Anchor Cove Marina Condominium Association

David Hansen - Treasurer

Operating Income High Level View

Anchor Cove Marina Condominium Association

	2025 Budget	2024 Budget	2025-2024 Budget Diff		Reference Information		
					2022 Actual	2023 Actual	2024 Forecast
Revenue	671,954	667,816	4,137	1%	563,931	655,257	672,513
Expense	654,903	631,054	23,849	4%	560,133	516,927	618,289
Net Operating Income	17,051	36,762	(19,712)	-54%	3,798	138,330	54,224

Board's budgeting approach

- 1) Establish overall goal for **net operating income**: gradually build toward long-term target level of deferred maintenance reserve balance.

- 2) Evaluate inflation and other likely **expense changes**. overall expenses to increase by 4% from 2024 budget.

- 3) Determine whether the **monthly assessment** needs to change. Monthly assessments can remain unchanged in 2025.

Expense

Anchor Cove Marina Condominium Association

	2025 Budget	2024 Budget	2025-2024 Budget Diff		Reference Information		
					2022 Actual	2023 Actual	2024 Forecast
Labor	214,132	206,199	7,933	4%	163,733	185,800	199,750
Utilities	123,746	119,225	4,521	4%	97,468	113,698	117,225
DNR Lease	39,629	43,275	(3,646)	-8%	35,236	41,604	40,086
Repairs / Maintenance	102,100	102,100	0	0%	145,291	48,776	100,062
Professional Services	41,075	35,675	5,399	15%	33,538	25,190	35,825
Insurance	128,090	118,469	9,621	8%	81,739	98,212	119,230
Other General Expense	6,132	6,111	21	0%	3,129	3,647	6,111
Total Expense	654,903	631,054	23,849	4%	560,133	516,927	618,289

Key expense budget increases

- > **Labor**: additional maintenance hours and wage increases.
- > **Utilities**: moderate increase is expected, consistent with past trends.
- > **DNR Lease**: rate is updated by the DNR each August; after increasing 70% from 2019 to 2023, the rate decreased somewhat in 2024.
- > **Professional Services**: some extra cost planned to evaluate North Breakwater steel sheet corrosion and life-span status.
- > **Insurance**: general industry trends and higher coverage limits.

Revenue

Anchor Cove Marina Condominium Association

	2025 Budget	2024 Budget	2025-2024 Budget Diff		Reference Information		
					2022 Actual	2023 Actual	2024 Forecast
Slip Owner - Monthly Assessment	591,816	591,816	0	0%	513,311	587,643	591,816
Slip Owner - Electric	57,750	58,500	(750)	-1%	44,864	53,831	53,599
Interest Income	14,294	11,000	3,294	30%	842	4,364	19,005
Other Revenue	8,093	6,500	1,593	25%	4,913	9,419	8,093
Total Revenue	671,954	667,816	4,137	1%	563,931	655,257	672,513

Key revenue budget increases

- > Slip Owner - Monthly Assessment: will remain unchanged in 2025.
- > Interest Income: interest rate earned on deferred maintenance reserve balances is budgeted to decrease in 2024.
- > Other revenue: shower, laundry and parking usage in particular has increased.

Capital Replacement Estimates

Anchor Cove Marina Condominium Association

Amounts in \$ thousands, based on 2024 costs without inflation	Actual	Forecast	Budget	Very preliminary longer term estimates				
	2023	2024	2025	2026	2027	2028-2030	2031-2040	2041-2050
Dock Piling	292	300	0	0	0	0	650	1,648
West Breakwater	54	261	500	3,400	3,000	0	0	0
North Breakwater	0	0	0	0	0	0	300	0
Marina Docks	19	0	0	0	1,400	1,180	1,550	0
Dock Roofs and Support	0	0	0	0	0	0	4,000	0
Bulkhead and Gangways	0	0	0	0	0	0	1,150	750
On-Shore Assets	0	0	0	0	0	0	0	200
Dredging	37	133	16	800	300	0	900	900
Total Expenditure	402	694	516	4,200	4,700	1,180	8,550	3,498
Preliminary assessment plan	1,998	1,998	2,000	3,000	2,000	500	8,550	3,300
Interest income	43	119	0	0	0	0	0	0
Available funds at end of year	2,371	3,793	5,277	4,077	1,377	697	697	499

Important Financial Management Points

1) Timing and amounts represent best estimates.

- => Estimate = subject to change as more information is available
- => Best estimate = strive for equal chance higher/lower and sooner/later

2) Capital expenditures are accounted for and funded separately from operating expense

- => Special capital assessment payments may be added to the tax basis of slips

Cash Balance
Anchor Cove Marina Condominium Association

	Year-End 2023 Actual	Forecast change in 2024	Year-End 2024 Forecast	Budget change in 2025	Year-End 2025 Budget	Target balance
Operating cash	64,138	(4,138)	60,000	0	60,000	\$60,000 target
Deferred maintenance reserve	352,131	5,224	357,355	17,051	374,406	\$400,000 target
Capital replacement reserve	2,370,700	1,422,535	3,793,235	1,484,000	5,277,235	Target will vary based on capital replacement needs
DNR lease security deposit	26,000	49,000	75,000	0	75,000	\$75,000 required in DNR agreement (increased from \$26,000 Aug 2024)
Total cash	2,812,969	1,472,621	4,285,590	1,501,051	5,786,641	