

State of budget to-date FY 2021:

The state of WAI is healthy and under budget overall. Our expenses overall came in under budget and our revenue exceeded expectations so 2021 was a great year financially for WAI. That is not to say that every line item was strictly adhered to and our new budget process approval process requires that the membership re-approve the budget if any line item changes by 10% or more (more on this below).

A YTD income and expense statement has been provided. Here is a highlight of the top items that were well above or below budget YTD for Fiscal Year 2021:

| Budgeted Item | FY 2021 Budgeted amount | YTD | Variance | Notations |
|--------------------------------|--------------------------------|-------------|-----------------|---|
| Extra Badge Income (Income) | \$11,000 | \$16,495 | \$5,495 | Result of below. |
| New Member Fee Income (Income) | \$9,500 | \$31,550 | \$22,050 | Unexpected new member fees due to requiring all wait-listed applicants to be allowed membership per by-laws |
| Capital Expenditures (Expense) | \$25,567 | \$11,305.20 | (\$15,261.80) | Engineering expense for phase one and two of bridge assessment under budget by \$2k. Approved budget items such as trenching for electrical and purchase/installation of new gate have hit delays with state approvals. |
| Payroll and Taxes | \$25,500 | \$18,763.49 | (\$6,736.51) | The absence of a beach manager left us well under budget. |

Amended Budget Proposal:

The finance committee along with the treasurer and financial secretary propose the budgeted amount allocated toward legal be increased from \$9,000 to \$19,500 for FY2021. We also recommend removing dollar specifics to individual items and make it a catch-all for all things legal. (currently the budget breaks it into three items - \$6k toward by-laws, \$1,500 for negotiation of a Revocable License Agreement and \$1,500 for 'Other Legal/Contingency')

Background:

When officers turned over it was realized that Attorney Catherine Marrion's invoices dating from February 2021 to date had been left unpaid. Keeping to the three above allocations of **Bylaws**, **License** and **Other** the board went through each invoice and broke out which fell in which column. It was identified that as of 09-22-2021 \$3,840 was invoiced toward **Bylaws** billable hours, \$0 was invoiced

toward **License** billable hours and \$3,420 was invoiced toward **Other** billable hours. The board voted to immediately pay Waller, Smith & Palmer (Attorney Marrion's lawfirm) \$5,340 – The full amount allocated toward **Bylaws** billable hours and up to the approved budgeted amount for **Other**.

In addition to overages in Other, additional legal hours have been incurred since this date covering **Bylaws** and **Other** that need to be paid.

- **Other** includes :
 - o in-season governance inclusive of seeking legal opinion on board member disagreements.
 - o post-season legal guidance regarding an incomplete transition of board members.
 - o desired engagement in consultation with a property law attorney to investigate the liability of the State of CT for repair and replacement expenses of the bridge due to their right of way access per discussion at the July '21 association meeting following presentation by member Ned Hickey.
- We currently are in receipt of an invoice totaling \$6,321.99. Of that, \$1,060 is for **Bylaws** matters and for which payment has been mailed out and is accounted for in the attached Balance Sheet and Income Statement. The remaining outstanding balance is for matters outside of what was broken out in the approved budget. Even if the specificity of **Bylaws, License and Other** are removed we would remain \$3,521.99 over budget with a total legal expense (paid and unpaid) YTD currently at \$12,521.99 with the above **Other** that continues.

The board will host an informational session on _____ to answer any questions and allow for discussion.

Please do not hesitate to submit any questions or comments to myself at treasurer@pleasurebeachct.org We will prepare an FAQ document with answers to common questions and put out to membership for review.

Respectfully submitted,

Daniel Tarbell, Treasurer
David Cavasino, Financial Secretary
Ed Luukko, Finance Committee Chairperson
Donna Calabro, Finance Committee member

WATERFORD ASSOCIATION INCORPORATED

FISCAL YEAR 2021 INCOME & EXPENSE STATEMENT

January 1 through December 31, 2021

| | ACTUAL FYE 12/31/2020 | FINAL-04/24/21 FY 2021 Budget | AMENDED-06/26/21 FY 2021 Budget | AS OF 09/06/2021 YEAR-TO-DATE | VARIANCE |
|---|--------------------------|----------------------------------|------------------------------------|----------------------------------|-----------------------|
| INCOME SUMMARY | | | | | |
| Assessments, Associate Member, PB Stickers, etc | \$ 69,900.00 | \$ 84,250.00 | \$ 84,250.00 | \$ 84,620.00 | \$ 370.00 |
| Extra Badge Income | 14,350.00 | 11,000.00 | 11,000.00 | 16,495.00 | 5,495.00 |
| New Member Fee Income | 21,500.00 | 9,500.00 | 9,500.00 | 31,550.00 | 22,050.00 |
| Parking Tag Income | - | - | - | - | - |
| Interest Income | 874.72 | 25.00 | 25.00 | 35.19 | 10.19 |
| Event Reimbursement Income | 1,252.00 | 3,600.00 | 3,600.00 | 5,201.00 | 1,601.00 |
| Merchandise Sale Income | - | 1,390.00 | 1,390.00 | 1,548.67 | 158.67 |
| Other Income & Transfer From Reserve (See Note #1) | - | 12,011.00 | 17,128.00 | 415.00 | (16,713.00) |
| TOTAL INCOME | \$ 107,876.72 | \$ 121,776.00 | \$ 126,893.00 | \$ 139,864.86 | \$ 12,971.86 |
| EXPENSE SUMMARY | | | | | |
| Administrative Expenses | | | | | |
| General & Administrative | \$ 1,635.75 | \$ 1,800.00 | \$ 1,800.00 | \$ 1,769.23 | \$ (30.77) |
| Legal Expense | 8,860.00 | 9,000.00 | 9,000.00 | 7,260.00 | (1,740.00) |
| Postage, etc. | 493.85 | 1,000.00 | 1,000.00 | 434.14 | (565.86) |
| Website & IT Expenses | 3,775.67 | 5,130.00 | 5,130.00 | 1,409.56 | (3,720.44) |
| Total Administrative Expenses | \$ 14,765.27 | \$ 16,930.00 | \$ 16,930.00 | \$ 10,872.93 | \$ (6,057.07) |
| Badges, Parking Tags & PB Euro Decals | \$ 1,430.86 | \$ 1,565.00 | \$ 1,565.00 | \$ 1,682.22 | \$ 117.22 |
| Bank Service Fees | \$ 2.60 | \$ - | \$ - | \$ - | \$ - |
| Beach Maintenance | | | | | |
| General Maintenance | \$ 24,798.48 | \$ 10,945.00 | \$ 10,945.00 | \$ 4,728.42 | \$ (6,216.58) |
| Latrine Rental | 808.26 | 1,000.00 | 1,000.00 | 797.64 | (202.36) |
| Raft & Buoys | 1,141.86 | 2,740.00 | 2,740.00 | 2,825.66 | 85.66 |
| Total Beach Maintenance | \$ 26,748.60 | \$ 14,685.00 | \$ 14,685.00 | \$ 8,351.72 | \$ (6,333.28) |
| Beach Rental | \$ 10.00 | \$ 10.00 | \$ 10.00 | \$ 10.00 | \$ - |
| Capital Expenditures (Per Budget Narrative) | \$ - | \$ 21,450.00 | \$ 26,567.00 | \$ 11,305.20 | \$ (15,261.80) |
| Donations | \$ 300.00 | \$ 440.00 | \$ 440.00 | \$ 440.00 | \$ - |
| General Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - |
| INSURANCE | | | | | |
| Director & Officers | \$ 793.00 | \$ 880.00 | \$ 880.00 | \$ 695.00 | \$ (185.00) |
| General Liability & Umbrella | 6,665.12 | 9,011.00 | 9,011.00 | 10,192.56 | 1,181.56 |
| Workers Compensation | 824.00 | 910.00 | 910.00 | 792.00 | (118.00) |
| Total Insurance | \$ 8,282.12 | \$ 10,801.00 | \$ 10,801.00 | \$ 11,679.56 | \$ 878.56 |
| Lifeguard/Security Supplies | \$ 566.49 | \$ 950.00 | \$ 950.00 | \$ 813.22 | \$ (136.78) |
| On-line Registration Fees | \$ 3,095.19 | \$ 3,200.00 | \$ 3,200.00 | \$ 3,765.42 | \$ 565.42 |
| Payroll & Taxes (Lifeguards/Social Chairs) | \$ 25,028.97 | \$ 25,500.00 | \$ 25,500.00 | \$ 18,763.49 | \$ (6,736.51) |
| Payroll Processing | \$ 1,576.40 | \$ 1,650.00 | \$ 1,650.00 | \$ 1,260.03 | \$ (389.97) |
| Real Estate Taxes | \$ 8,724.44 | \$ 9,160.00 | \$ 9,160.00 | \$ 8,652.44 | \$ (507.56) |
| Reconciliation Discrepancies/Reimbursements | \$ - | \$ - | \$ - | \$ 781.00 | \$ 781.00 |
| Security Guards | \$ - | \$ - | \$ - | \$ - | \$ - |
| SOCIAL EVENTS | | | | | |
| Beach Picnic - See Note #2 | \$ 5,316.24 | \$ 5,300.00 | \$ 5,300.00 | \$ 660.96 | \$ (4,639.04) |
| Cocktail Party - See Note #3 | 240.00 | 3,500.00 | 3,500.00 | 2,953.24 | (546.76) |
| Hot Dog Roasts | 561.85 | 500.00 | 500.00 | 123.28 | (376.72) |
| Ice Cream Social | 432.23 | 450.00 | 450.00 | 489.40 | 39.40 |
| Lights Out | - | 800.00 | 800.00 | - | (800.00) |
| PBO | - | - | - | - | - |
| Other: 75th Anniversary Children & Movie Activities (Note #4) | 204.32 | 4,885.00 | 4,885.00 | 10,811.19 | 5,926.19 |
| Total Social Events | \$ 6,754.64 | \$ 15,435.00 | \$ 15,435.00 | \$ 15,038.07 | \$ (396.93) |
| TOTAL EXPENSES | \$ 97,285.58 | \$ 121,776.00 | \$ 126,893.00 | \$ 93,415.30 | \$ (33,477.70) |
| NET PROFIT / (LOSS) | \$ 10,591.14 | \$ - | \$ - | \$ 46,449.56 | \$ 46,449.56 |

Transfer of New Member Fees To Reserve

(31,550.00)

Net Profit/(Loss) After Transfer to Reserve

\$ 14,899.56

NOTE #1: Using the concept of Zero-based Budgeting, the figure represents a theoretical withdrawal from Reserves in order to balance the budget to \$0.00.

NOTE #2: The Beach Picnic expense will be offset by ticket sales, less processing fees; which will be set closer to the event.

NOTE #3: The Cocktail Party expense will be offset by ticket sales, less processing fees; which will be set closer to the event.

NOTE #4: The 75th Anniversary Party expense will be offset by ticket sales, less processing fees; which will be set closer to the event.

Other Entertainment Categories includes expenses associated with Children's Activities, Movie Nights, and Board Meetings & Meet & Greets.