

FINANCIAL QUESTIONS – Diane Henri – Oct 18.2022

I asked some of these questions in a previous e-mail, but the explanation given by M. Bedard over the phone was not clear to me. I was told more explanations were to be provided at the meeting, but financial aspects were addressed quickly compared to the physical details of the plan and my concerns were not addressed (no time!). So, I apologize to ask again. Please clarify by writing.

1. Per booklet

Cost	11 700 000
Reserve	<u>3 275 000</u> (includes \$1,500 /year contribution for 2023-24-25 *313 members)
To fund	8 425 000
Loan	<u>7 600 000</u>
Difference	<u>825 000</u>

- a) The 1,500 contribution is for 3 years or 4 years? 2023, 2024, 2025, 2026?
- b) How will this 825 000 be funded?

2. In booklet, the amounts provided in the Capital Contributions Per Member schedule (\$1,802, \$1,943, etc....). can you provide the assumptions behind please? i.e., Present value and number of payments and number of members and payment at begin or end of period?)

3. Some estimates to guide us... to verify...

If Cost of project at \$11. 7 M = \$ 27, 179 (22,679+4,500) per senior and spouse + tax = \$ **31, 250**

(Per couple= \$ 62,500)

Paid \$1,500 + tax = \$1,725 /y for 3 years
 and approx. \$2,000 + tax = \$ 2,300/y for next 20 years (at 6.5% int)

Total annual cost after 2026 including tax (based on actual annual dues+ estimate INFLATION of 4% /y)

	No attrition	10% attrition	20% attrition
Senior: \$13,900	15,400	17,375	
Spouse: \$10,200 *	11,300	12,750	
Couple: \$ 24,100	26,700	30,125	

To be conservative assume cost of project at \$14M (as contingency was set low)

If Cost of project at \$14 M = \$ 33, 370 (28,870+4,500) per senior and spouse + tax = \$ **38, 308**

(Per couple= \$ 76,615)

Paid \$1,500 + tax = \$1,725/ y for 3 years
 and approx. \$2,600 + tax = \$ 3,000/y for next 20 years (at 6.5%int)

Total annual cost after 2026 including tax (based on actual annual dues+ estimate INFLATION of 4% /y)

	No attrition	10% attrition	20% attrition
Senior: \$14,600	16, 200	18,250	
Spouse: \$ 10,900 *	12,100	13,625	
Couple: \$ 25,500	28,300	31,875	

* Spouse at 68% of annual and capital contributions (? to verify) of senior and 100% of master plan project contribution.

NB. If interest rate increases **at 7.5%**; increase annual masterplan project contribution **by approx. 170\$/y**

4. If some members decide to pay their contribution up-front: please confirm what happens if they leave? as answer to that question was not available at the meeting. But usually, the member loses amount. On the other hand, if member finances over 20 years and leaves at any time, he is not responsible for the balance owed?