

WAVECREST AOA Board Of Director's Meeting  
September 13, 2011  
Treasurer's Report

Budget & Expenditures	Through July			January through December		
	YTD Budget	YTD Revenue-Expense	Variance	Annual Budget	Estimated Revenue-Expense	Variance
Total Revenue	\$ 489,503	\$ 500,633	\$ 11,130	\$ 839,145	\$ 884,670	\$ 45,525
Less: Operating Expense	473,871	495,160	\$ (21,289)	817,633	839,445	\$ (21,812)
Operating Surplus	\$ 15,632	\$ 5,473	\$ (10,159)	\$ 21,512	\$ 45,225	\$ 23,713
Capital Expenditures		\$ 83,761			\$ 98,218	
Net Increase (Cash & Reserve Funds)		<u>\$ (78,288)</u>			<u>\$ (52,993)</u>	

**Revenue:**

Current revenues are greater than budgeted due to the receipt of \$6,630 in back payments from two units that were sold earlier this year, and \$5,000 from other units that were in arrears. The annual projection also includes \$26,000 received in September from delinquent accounts, and \$10,000 from the sale of another unit that I anticipate will close this year.

**Operating Expenses:**

I'm projecting operating expenses to exceed the budget by \$21,812. This a combination of an \$8,755 insurance bill carried over from 2010 and \$13,000 in increased expenses this year.

**Utilities: ( -\$6,425 )**

**Electricity** - Our budget was based on an average cost of 41.8 cents/KWH. Our latest bill was over 49 cents and I expect an average for the year of 45.8 cents. Our usage is approximately 272,000 KWHs and this 4 cent increases equates to a deficit of \$11,000 based on price and the balance a slight increase in usage. A total estimated deficit of \$12,585.

**WWTP** - The use of a consultant for staff training in plant operations, and the purchase and installation of a new lift station pump have created a shortfall of approximately \$5,000.

**Internet** - General internet maintenance and the installation of a new Wi-Fi system in the cabana have exceeded our budget this year by over \$4,000.

**Water** - Water levels continue to be below prior year levels. I'm projecting a savings of 2 million gallons from our budgeted level with a dollar savings of \$9,000. This reduction has been consistent throughout the year.

**Gas**. I'm projecting a savings of over 2,000 gallons of propane with a value of \$7,000. This reduction has been consistent the last 12 months.

**Building Maintenance ( -\$6,242 )**

I'm expecting that we will exceed the budget for this category by \$6,242. An arborist's evaluation of our grounds, removal and stump grinding of trees and an upgrade of the electrical system in the lift station exceeded amounts budgeted for this category.

**Professional Services: ( + \$9,527 )**

I'm projecting a savings of \$9,500 this year as the Wavecrest's administrative costs for supplies, office equipment, computer services, etc. are below prior year levels.

**Payroll: ( - \$2,333 )**

I'm expecting a deficit of \$7,000 in salaries and payroll taxes as a result of increasing security hours. This is partial offset by savings in Health Care premium costs and Worker's Compensation Insurance costs. The net effect is a shortfall of \$2,333.

**Insurance ( - \$16,339 )**

Insurance costs this year are expected to be \$8,300 over our allotment due to higher renewal rates (14%) than anticipated (8%), and increases in coverage for homeowner policies for units owned by Wavecrest. An \$8,755 bill carried over from 2010 brings our total deficit to \$16,339,

**Capital Expenditures**

Capital expenditures totaling \$98,128 include the final payments for the stairway and carpeting projects initiated last year along with the new pool decking, Office Roof, BBQ grills and repairs to the Manager's unit.

**Overall**

Although the annual budget projects a deficit, the beginning fund balances were sufficient that we will still end the year with an Operating Fund balance of \$41,220, and \$305,000 in Reserve Funds.

**Cash & Investment Balances**

	Total	This Period Operating Fund	Reserve Fund (Invest)	Total	Full Year Operating Fund	Reserve Fund (Invest)
Dec. 31, 2010 Cash & Investment Balance	\$ 428,435	\$ 79,332	\$ 349,103	\$ 428,435	\$ 79,332	\$ 349,103
Net Increase (Decrease) in 2011	\$ (78,288)	\$ (34,032)	\$ (44,256)	\$ (52,993)	\$ (8,890)	\$ (44,103)
Cash & Investment Balance	\$ 350,147	\$ 45,300	\$ 304,847	\$ 375,442	\$ 70,442	\$ 305,000

**Delinquencies**

	June Total	July Total	Change
Total	\$ 184,315	\$ 186,241	\$ 1,926
Current Owners	101,228	102,693	1,465
Previous Owners	83,137	83,548	411