

Wavecrest AOA
Treasurer's Report
Board Of Director's Meeting June 20, 2013

	Financial Statement April 30, 2013			Annual Budget
	Budget	Actual	Difference	
Revenue	\$ 287,528	\$ 298,544	\$ 11,016	\$ 862,600
Operating Expenses	313,222	282,787	(30,435)	849,410
Total	<u>\$ (25,694)</u>	<u>\$ 15,757</u>	<u>\$ 41,451</u>	<u>\$ 13,190</u>
Capital Expenses		5,355		13,190
Net Change		\$ 10,402		\$ -

Revenue

Advance payments of HOA fees by a few homeowners have given us a temporary surplus in revenue of \$11,000. This will be offset by loss of revenue from these units in future months receipts. I am expecting payments from two delinquent units that will help us meet our revenue goals for the year.

Three of the five association owned apartments are vacant, including the unit previously occupied by the resident manager. As we normally incur turnover in renters and lost revenue during the vacancy periods, the rental budget was set at the equivalency of 3 units being rented full time. We have established more restrictive tenant requirements that may take longer to fill the vacancies. With the additional manager's unit in the mix, we should meet our target.

Operating Expenses

The April Financial Report indicates a savings of over \$30,000. Half of this is created by the difference of when an item is expected to be paid and when it is. When these items are paid the savings will disappear. The remaining savings are from areas such as WWTP operations, building maintenance and legal expenses where expenses vary throughout the year and cannot be scheduled accurately by month. One area where I expect a deficit is the Flood Insurance budget. We need to allow for an additional \$5,000 over the current allotment as this expense typically increases 8 to 10% a year and our allotment is the same as last years expense. This policy is paid in October.

Electrical expenses. Anticipating a savings from the solar panels, the budget for this item was established at 20% below expenses for FY 2012. At the moment we are right on target with that assumption. We may realize more than 20% when the installation deficiencies are corrected and the system is approved by the county. At such time MECO will install new meters which will credit us for energy generated that is now being sent to the grid. But with county approval we will have to start paying the system owners for the electricity they generate. There should still be additional savings.

Overall

It is too early to project year-end results, but there are no major deficits that I can foresee.

Cash Balances	Total	Operating Funds	Reserve Funds
Beginning of Year	\$ 409,990	\$ 74,184	\$ 335,806
Change	10,402	5,784	4,618
Current Balance	<u>\$ 420,392</u>	<u>\$ 79,968</u>	<u>\$ 340,424</u>