

## Treasurer's Report August 29, 2015

### Final Financial results through June 30, 2015:

The Balance Sheet, Profit & Loss Statement and Cash Roll Forward have been prepared for the period ending 6/30/15. All bills have been processed and all cash accounts have been reconciled to the most recent bank statement.

Our Profit & Loss Statement shows Revenues of \$74,294 and Expenses of \$65,195; this resulted in a net profit of \$9,099. The current year was budgeted at a loss \$43,390; as a result, the budget variance is favorable by \$52,489. Revenues are unfavorable to Budget by \$2,236. Expenses are favorable to Budget as follows:

Expenses:	Actual	Budget	Variance	% Variance
Business Operations	\$ 12,807	\$ 6,660	\$ (6,147)	-92.3%
Capital Improvements	24,830	75,000	50,170	66.9%
Environmental	470	1,350	880	65.2%
Recreation	6,793	11,010	4,217	38.3%
Roads	20,295	25,900	5,605	21.6%
Totals	\$ 65,195	\$ 119,920	\$ 54,725	45.6%

The above revenues and expenses are presented on a "cash basis". The revenue shortfall represents uncollected dues after the completion of 12 months of our fiscal year. The status of uncollected dues has deteriorated in the past year. We have 9 members who have yet to pay current year assessments of \$4,250. These members owe an additional \$11,491 for prior year dues and interest. This total balance due of \$15,741 compares to the previous year balance of \$11,213 (from 13 members).

Total expense categories are favorable to Budget. The largest favorable variance is from \$42,000 budgeted for the Marina Replacement and Access Improvement Project. No funds have been spent on this project during the year. This project has been re-budgeted in the next fiscal year. Business Operation expenses are unfavorable to Budget by \$6,147. This variance is caused by a significant increase in liability insurance premiums and from an increase in property taxes. Liability insurance costs are unfavorable to Budget by \$2,613 and are the result of the increased cost of coverage for the swim rafts at First and Second Beaches. Property taxes are over Budget by \$3,884, Tuftonboro is now directly assessing taxes on property owned by the Association. Previously, the town apportioned the value of Association property to each homeowner in Tuftonboro.

Our cash position remains strong. Our total cash balance of \$133,249 includes our reserve account of \$75,169. This account is invested in a 6 month certificate of deposit earning interest at 0.15%. This reserve is intended to cover capital improvements or unbudgeted emergencies that require repairs to our roads and other common areas. The remaining cash balances are held in an interest bearing money market account and in a non-interest bearing checking account.

Please note that the reserve account certificate of deposit was reduced by \$35,000 in July 2015; the resulting proceeds were then transferred to the checking account. This Transfer of cash between accounts was made in anticipation of funding the Marina Replacement Project.

**Proposed Budget for the Year ending June 30, 2016:**

Revenues for the year are budgeted at \$76,270. This amount includes \$76,250 for membership dues and is based on the current mix of improved and unimproved lots. In addition, \$20 has been budgeted for interest to be earned from our Money Market account and Certificate of Deposit. No revenue from Finance Charges on unpaid dues has been included in this budget.

Expenses for the year have been budgeted at \$140,837. This spending exceeds the budgeted revenue and is higher than previous years' spending. The following expense categories have been budgeted for 2015:

Expenses:		
Capital Improvements - Road Paving and Drainage	\$ 32,500	23.1%
Capital Improvements - Marina Access & Replacement	46,500	33.0%
Capital Improvements - Tennis Court Improvements	10,000	7.1%
Road Maintenance	25,850	18.4%
Recreation	11,385	8.1%
Business Operations	13,252	9.4%
Environmental	1,350	1.0%
Total	\$ 140,837	100.0%

The above Revenue and Expense budgets will result in a budgeted deficit (or loss) of \$64,567. This deficit will be funded with unspent funds from prior years as well as from the use of approximately \$35,000 from the Reserve Fund (CD). The Board has agreed to restore the reserve fund to its current balance of \$75,000 in future fiscal years.

Please feel free to contact me with any questions you may have regarding our actual results or the budget for next year. I can best be reached at [HVPOA.treasurer@verizon.net](mailto:HVPOA.treasurer@verizon.net).

Respectfully Submitted by David Sharp, Treasurer