

The Inns of Waterville Valley Association **2021 Budget:**

2021 Budget: The 2021 budget projects a total income of \$390,142 which includes a conservative increase of 3% in base maintenance fees. With total expenses at \$456,951 a negative variance of (\$66,809) is expected at year end. However if we continue to improve on collections and continue to work in concert with the COVID-19 state government imposed regulations to safely increase sales income, we may be able to make up some of the difference.

2020 Budget: The Profit and Loss Previous Year Comparison from January through June 2020 reflects the overall income for June 2020 at \$196,730. This is \$5,966 less than last year during the same time period. We anticipate an actual income of \$392,905 at year end, this is \$5,371 less than budgeted for 2020. Expenses as of June 2020 are \$189,139 which is \$27,230 less than last year during the same period. The annual budget spread projects 2020 income at year end at \$392,905 and expenses at \$431,521 resulting in a projected negative (\$38,616) variance at year end. Variances and explanations on profit and loss vs actual prior year from January through June 2020 and 2021 Annual Budget are listed below:

Administrative Expenses -Overall expenses in this category for June 2020 are \$65,178. This is \$22,680 lower than the same period in June 2019 and is largely as a result of timing. 2020 year end projections are expected to come in lower than budgeted. This is in part due to the savings in payroll with the staff changes and the offset of the zero budget on bad debts that that is expected to come around \$15,000 at year end. The 2021 budget is set at \$165,611, this is in line with the expected projections at year end 2020 and accounts for a decrease in travel expenses due to COVID-19 and postage through the move toward moer exclusive usage of email and website to communicate with owners.

Utilities – Overall utilities as of June 2020 are \$35,151 this is \$2,775 lower than last year during the same time period. 2020 year end projections reflect slight increases over the 2020 budget in cable and propane and a projected decrease in electricity. Overall the projected year end decrease over the 2020 budget is in part due to the mandated government close down of the Inns due to COVID-19. The 2021 budget reflects an slight increase over the 2020 budget. This is in part due to unanticipated increases in utility rates as well as the current higher than usual telephone usage that is necessary to communicate with owners during COVID-19.

Operating and Maintenance Expenses -Overall expenses in this category are \$31,022 for the reporting period of June 2020. This is \$2,383 higher than the same time period in 2019. The increase in the Repairs, Materials and Maintenance line item is a direct result of significant plumbing issues and leak repairs that were necessary in three units as well as the purchase of a replacement dishwasher. Additional expenses that are planned prior to the end of the year is the replacement of the dishes as well as

increased security with a change to a keyless passcard system. Even with these pending expenditure, the 2020 budget projections at year end are expected to come in \$3,344 less than the 2020 budget. The 2021 budget anticipates increase in plowing and sanding, Landscaping and grounds and fire alarm safety contracts.

Guest Services – Overall expenses as of June 2020 are \$43,622 this is slightly lower than the same reporting period in 2019. 2021 year end projections are \$98,317 this is \$917 more than budgeted in 2020. The savings in room inventory is offset by the increase in cleaning service to include laundry. As noted in prior years, the savings in housekeeping and maintenance in the administrative category is offset by the cleaning services in guest services. The 2021 budget reflects a \$9,133 over 2020 budgeted projections at year end. This is in large part due to the addition of the laundry contract as well as an anticipated increase in cleaning services.

Operating Cash – as of June 2020 Operating Cash is \$196,196. This is \$17,149 higher than the \$179,047 in operating cash during this same reporting period last year.

Bank Balances/Cash Positions through June 2020 and Compared to June 2019.

		JUNE -20		JUNE -19	
#1009	Operating Checking	\$	23,342	\$	32,117
#1220	Money Market	\$	166,292	\$	131,928
#1022	Payroll	\$	6,562	\$	15,002
	Operating Total	\$	196,196	\$	179,047
#1245	Security Deposit	\$	3,232	\$	2,831
#1230	Reserve Money Market	\$	0	\$	0
#1210	CD's	\$	96,983	\$	96,236
	Total Reserves		\$96,983	\$	96,236
	Total Cash	\$	296,411	\$	278,114
	Excluding Special Assessments		\$ NA	\$	N/A

The financial records of the Inns of Waterville Valley Association are reviewed by the accounting firm of Diane B. Rhodes, CPA of Plymouth, NH. In addition, this firm prepares our annual tax filings with the IRS and the State of New Hampshire.

Your Board of Directors and the Inns of Waterville Valley Association Staff make every effort to control costs while maintaining a high standard for operations. Owners can help by referring prospective owners (and renters). We have some excellent interval units now available for sale (and lease) at reasonable prices.

Linda Sousa
Member – Board of Directors and Treasurer

Inns of Waterville Valley Association
2021 Operating Budget

GL #	2018 Actual	2019 Actual	2020 Budget	2020 PROJ Full Year	2021 Budget
INCOME					
Maintenance Fee	395,814	395,130	375,176	379,608	379,892
NET Owner Rental	2,400	378	2,000	674	2,000
Sales Income	9,736	6,185	5,000	250	500
IOWVA Units Use Income (NET)	12,187	25,324	13,000	6,000	3,000
Other Income		1,395	1,000		
+3190+3179+3035+3	1,907			980	550
Use/Small Claims)	502	1,053	500	943	500
Interest Income					
Total Income	422,546	429,465	396,676	388,455	386,442
OTHER INCOME					
Late Fees - Maint Payments	5,360	3,600	1,600	1,200	1,200
Cost of Good Sold	-	-	-	3,250	2,500
Total - Other Income	5,360	3,600	1,600	4,450	3,700
TOTAL INCOME					
	427,906	433,065	398,276	392,905	390,142
EXPENSES					
ADMINISTRATIVE					
Accounting	4,500	9,000	4,500	4,500	4,500
Advertising	666	1,526	2,500	1,250	1,500
Misc Income- bank sv chg	104	128	150	-	150
Credit Card Processing Expense	5,300	6,780	5,300	6,400	6,400
Computer Expense	1,177	15,581	8,920	14,200	9,200
Office Supplies	-	-	-	2,000	1,500
Booking.com	-	1,629	1,000	600	500
Bad Debts	100	37,211	-	15,000	-
Annual Meeting Charges	2,645	1,340	3,000	3,000	2,000
BOD Meetings	1,826	2,874	3,150	2,000	2,300
Property & Liability Ins	15,027	15,171	15,500	15,488	15,952
WC Insurance	(68)	1,456	1,764	1,554	1,764
Legal	(2,239)	195	(3,800)	3,800	3,000

**Inns of Waterville Valley Association
2021 Operating Budget**

	2018 Actual	2019 Actual	2020 Budget	2020 PROJ Full Year	2021 Budget
4700 Travel	1,556	1,935	5,600	1,200	2,600
4710 Salaries & Wages	104,304	105,000	126,000	94,000	108,365
4715 Payroll Expenses	1,151	793	1,360	1,500	3,380
4720 Postage	3,873	4,477	6,800	1,000	2,500
Total Administrative	139,922	205,096	181,744	167,492	165,611
OPERATING & MAINTENANCE					
5010 Landscaping & Grounds	8,987	5,063	4,749	4,750	6,500
5055 + 5015 + 5040 + 5030 Repairs & Maintenance	19,712	13,253	10,400	17,000	10,800
5020 Pest Control	4,501	6,798	6,948	6,648	6,948
5025 Plowing & Sanding	3,732	8,975	8,750	8,975	9,800
5040 Small Tools & Equipment	-	-	-	2,000	1,000
5045 Hot Tub Testing/Maint	4,745	3,946	4,990	3,900	4,990
5050 Fire Alarm & Safety	788	1,138	1,430	800	2,300
5070 Additional Repairs	28,190	4,237	30,000	19,850	30,000
Total Oper & Maintenance	70,655	43,410	67,267	63,923	72,338
UTILITIES					
6005 Cable TV/Internet	21,120	20,918	22,380	24,132	24,500
6010 Electricity	29,256	26,260	30,000	24,000	30,000
6015 Propane	12,789	14,386	13,000	14,000	14,000
6020 Telephone	6,287	6,641	6,800	6,600	8,400
6025 Water/Sewer-Trash	3,558	3,663	3,900	3,600	3,900
6100 Business Licenses & Permits	-	-	-	52	52
Total Utilities	73,010	71,868	76,080	72,384	80,852
GUEST SERVICES					
7005 Room Cleaning & Consumables	3,528	3,672	4,000	3,000	3,000
7006 Cleaning Services	52,748	53,275	52,000	65,000	65,000
7010 Room Inventory	3,001	7,528	15,000	5,300	12,000
7015 Room Decorations	-	-	-	75	150

Inns of Waterville Valley Association		2018	2019	2020	2020 PROJ	2021
2021 Operating Budget		Actual	Actual	Budget	Full Year	Budget
7020	Carpet Cleaning	1,800	1,450	1,800	1,800	1,800
7025	Recreation Svc - Sports Ctr & Golf	23,500	23,500	23,500	23,500	23,500
7027	Hot Tub Not Usable - REFUNDS	54	-	-	400	2,000
7030	Room Damages	(300)	(252)	-	(833)	-
7035	Soda Expense	187	62	1,100	75	-
7200	Misc	-	-	-	-	-
	Total Guest Services	84,518	89,235	97,400	98,317	107,450
	TAXES & INSURANCE					
8005	Payroll Taxes	8,061	8,293	8,000	7,000	8,000
8010	Property Taxes	21,605	21,605	21,700	21,605	21,700
8015 + 3330	Income Taxes	1,020	530	1,000	800	1,000
	Total Taxes & Insurance	30,686	30,428	30,700	29,405	30,700
	TOTAL EXPENSES	398,791	440,037	453,191	431,521	456,951
	TOTAL INCOME	427,906	433,065	398,276	392,905	390,142
	NET CASH FLOW (Surplus/Deficit)	29,115	(6,972)	(54,915)	(38,616)	(66,809)

Inns of Waterville Valley Association
Balance Sheet
As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
1009 · Northway Bank-Operating #044	23,342.23
1022 · Payroll #894	6,561.92
1210 · CD	96,983.37
1220 · Northway Bank-Money Market #892	166,292.48
1245 · Northway Bank-Security Dep #636	3,232.30
Total Checking/Savings	296,412.30
Accounts Receivable	
1310 · Accounts Receivable	68,626.60
Total Accounts Receivable	68,626.60
Other Current Assets	
1314 · Allowance for Bad Debt	-65,902.95
1375 · Prepaid Taxes	721.00
1381 · Prepaid Maint. Fee 2017	-8,223.00
Total Other Current Assets	-73,404.95
Total Current Assets	291,633.95
Fixed Assets	
1505 · Furniture and Equipment	5,604.00
1510 · A/D Equipment	-5,604.00
Total Fixed Assets	0.00
Other Assets	
1560 · Rental Units	66,930.74
Total Other Assets	66,930.74
TOTAL ASSETS	358,564.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	13,425.67
Total Accounts Payable	13,425.67
Credit Cards	
2110 · Northway-Visa	1,536.41
Total Credit Cards	1,536.41
Other Current Liabilities	
2105 · Accrued Exp.	2,681.33
2203 · Deferred Incm-Winter Surcharge	7,428.00
2204 · Deferred Income- Maintenance/RE	193,971.06
2207 · Deferred Income- Hot Tubs	3,402.00
2208 · Real Estate Tax-New for 2019	9,393.12
2210 · Rooms Tax Payable	-274.74
2400 · Payroll Liabilities	5.16
Total Other Current Liabilities	216,605.93
Total Current Liabilities	231,568.01

10:21 AM

07/15/20

Accrual Basis

Inns of Waterville Valley Association

Balance Sheet

As of June 30, 2020

	<u>Jun 30, 20</u>
Long Term Liabilities	
2215 · Security Deposits	3,228.26
2630 · Replacement Reserve	<u>94,833.90</u>
Total Long Term Liabilities	<u>98,062.16</u>
Total Liabilities	329,630.17
Equity	
2520 · Retained Earnings	20,840.53
Net Income	<u>8,093.99</u>
Total Equity	<u>28,934.52</u>
TOTAL LIABILITIES & EQUITY	<u><u>358,564.69</u></u>

10:29 AM

07/15/20

Accrual Basis

Inns of Waterville Valley Association
Profit & Loss Prev Year Comparison
January through June 2020

	Jan - Jun 20	Jan - Jun 19
Ordinary Income/Expense		
Income		
3000 · INCOME		
3020 · Late fees-maint. pymnts	1,040.00	1,440.00
3060 · Rental-Maint. fee Inns owned	0.00	902.01
3101 · Combined Maintenance fee		
3117 · Maintenance Fee w RE	171,866.04	170,873.00
3025 · Hot tub fee	4,140.00	3,780.00
3102 · R/E Tax Portion	8,480.88	8,667.00
3052 · Winter surchg.	8,274.00	6,368.00
Total 3101 · Combined Maintenance fee	192,760.92	189,688.00
3179 · Clean fee rental use	305.00	150.00
3180 · Soda Income	181.00	221.00
3185 · Laundry Income	174.00	348.00
3230 · Owner Payments/Rent Return	-2,236.00	-1,947.00
3260 · Rental Income- OWNER UNITS	2,512.50	1,423.60
3262 · Rental Income-Inns owned-retail	5,068.44	9,202.45
3275 · Sale of Unit	250.00	1,248.00
Total 3000 · INCOME	200,055.86	202,676.06
49910 · Returned Check Charges	0.00	20.00
Total Income	200,055.86	202,696.06
Cost of Goods Sold		
50000 · Cost of Goods Sold	3,326.00	0.00
Total COGS	3,326.00	0.00
Gross Profit	196,729.86	202,696.06
Expense		
66910 · Bank Service Charges	0.00	20.00
4000 · ADMINISTRATIVE		
4005 · Accounting	0.00	4,500.00
4025 · Advertising	498.25	201.75
4030 · Bank Service Charges	0.00	56.00
4032 · Credit Card Processing exp.	3,424.93	2,824.32
4035 · Computer Expense	7,005.12	11,606.88
4040 · Office Supplies	1,003.84	2,064.50
4042 · Employee Commissions	474.45	496.20
4080 · Bad Debt	-547.23	0.00
4105 · BOD Meetings	751.25	1,782.00
4200 · Insurance-Property & Liability	9,767.33	9,712.47
4210 · Insurance-Workers Comp.	829.00	598.00
4685 · Legal	-1,645.33	-2,812.51
4700 · Travel	553.75	1,098.08
4710 · Salaries & Wages	41,848.97	54,806.57
4715 · Payroll Expenses	800.35	420.64
4720 · Postage	413.05	503.40
Total 4000 · ADMINISTRATIVE	65,177.73	87,858.30
5000 · MAINTENANCE		
5070 · Additional Repairs	2,850.00	3,601.30
5010 · Landscaping and Groundskeeping	1,534.26	1,697.46
5015 · Repairs, Materials, Maintenance	13,829.90	9,576.42
5020 · Pest Control	3,324.00	3,474.00
5025 · Plowing & Sanding	5,833.32	5,953.32
5040 · Small Tools and Equipment	30.00	1,587.70
5045 · Hot Tub testing/maintenance	1,334.94	1,878.93
5050 · Fire alarm agreement	2,265.95	849.98
Total 5000 · MAINTENANCE	31,002.37	28,619.11

10:29 AM

07/15/20

Accrual Basis

Inns of Waterville Valley Association
Profit & Loss Prev Year Comparison
January through June 2020

	Jan - Jun 20	Jan - Jun 19
6000 · UTILITIES		
6005 · Cable TV & Internet	12,044.50	9,290.47
6010 · Electricity	12,824.38	16,020.92
6015 · Propane	5,302.04	7,346.38
6020 · Telephone	3,273.96	3,312.36
6025 · Water/ Sewer/ Trash	1,705.84	1,955.98
Total 6000 · UTILITIES	35,150.72	37,926.11
7000 · GUEST SERVICES		
7005 · Room Cleaning & Consumables	1,893.59	1,834.41
7006 · Cleaning Services	26,710.00	26,225.00
7010 · Room Inventory	1,297.90	4,705.71
7020 · Carpet/Chimney Cleaning	1,800.00	1,450.00
7025 · Recreation Services	12,700.00	12,700.00
7030 · Room Damages	-832.88	-200.00
7035 · Soda expense	53.04	37.01
Total 7000 · GUEST SERVICES	43,621.65	46,752.13
8000 · TAXES		
8005 · Taxes-Payroll	3,384.40	4,391.76
8010 · Taxes-Property	10,802.00	10,802.00
Total 8000 · TAXES	14,186.40	15,193.76
Total Expense	189,138.87	216,369.41
Net Ordinary Income	7,590.99	-13,673.35
Other Income/Expense		
Other Income		
3170 · Interest Income	477.00	443.07
3330 · M&R Commission	26.00	45.00
Total Other Income	503.00	488.07
Net Other Income	503.00	488.07
Net Income	8,093.99	-13,185.28

10:29 AM

07/15/20

Accrual Basis

Inns of Waterville Valley Association
Profit & Loss Prev Year Comparison
January through June 2020

	\$ Change	% Change
Ordinary Income/Expense		
Income		
3000 · INCOME		
3020 · Late fees-maint. pymnts	-400.00	-27.8%
3060 · Rental-Maint. fee Inns owned	-902.01	-100.0%
3101 · Combined Maintenance fee		
3117 · Maintenance Fee w RE	993.04	0.6%
3025 · Hot tub fee	360.00	9.5%
3102 · R/E Tax Portion	-186.12	-2.2%
3052 · Winter surchg.	1,906.00	29.9%
Total 3101 · Combined Maintenance fee	3,072.92	1.6%
3179 · Clean fee rental use	155.00	103.3%
3180 · Soda Income	-40.00	-18.1%
3185 · Laundry Income	-174.00	-50.0%
3230 · Owner Payments/Rent Return	-289.00	-14.8%
3260 · Rental Income- OWNER UNITS	1,088.90	76.5%
3262 · Rental Income-Inns owned-retail	-4,134.01	-44.9%
3275 · Sale of Unit	-998.00	-80.0%
Total 3000 · INCOME	-2,620.20	-1.3%
49910 · Returned Check Charges	-20.00	-100.0%
Total Income	-2,640.20	-1.3%
Cost of Goods Sold		
50000 · Cost of Goods Sold	3,326.00	100.0%
Total COGS	3,326.00	100.0%
Gross Profit	-5,966.20	-2.9%
Expense		
66910 · Bank Service Charges	-20.00	-100.0%
4000 · ADMINISTRATIVE		
4005 · Accounting	-4,500.00	-100.0%
4025 · Advertising	296.50	147.0%
4030 · Bank Service Charges	-56.00	-100.0%
4032 · Credit Card Processing exp.	600.61	21.3%
4035 · Computer Expense	-4,601.76	-39.7%
4040 · Office Supplies	-1,060.66	-51.4%
4042 · Employee Commissions	-21.75	-4.4%
4080 · Bad Debt	-547.23	-100.0%
4105 · BOD Meetings	-1,030.75	-57.8%
4200 · Insurance-Property & Liability	54.86	0.6%
4210 · Insurance-Workers Comp.	231.00	38.6%
4685 · Legal	1,167.18	41.5%
4700 · Travel	-544.33	-49.6%
4710 · Salaries & Wages	-12,957.60	-23.6%
4715 · Payroll Expenses	379.71	90.3%
4720 · Postage	-90.35	-18.0%
Total 4000 · ADMINISTRATIVE	-22,680.57	-25.8%
5000 · MAINTENANCE		
5070 · Additional Repairs	-751.30	-20.9%
5010 · Landscaping and Groundskeeping	-163.20	-9.6%
5015 · Repairs, Materials, Maintenance	4,253.48	44.4%
5020 · Pest Control	-150.00	-4.3%
5025 · Plowing & Sanding	-120.00	-2.0%
5040 · Small Tools and Equipment	-1,557.70	-98.1%
5045 · Hot Tub testing/maintenance	-543.99	-29.0%
5050 · Fire alarm agreement	1,415.97	166.6%
Total 5000 · MAINTENANCE	2,383.26	8.3%

10:29 AM

07/15/20

Accrual Basis

Inns of Waterville Valley Association
Profit & Loss Prev Year Comparison
 January through June 2020

	\$ Change	% Change
6000 · UTILITIES		
6005 · Cable TV & Internet	2,754.03	29.6%
6010 · Electricity	-3,196.54	-20.0%
6015 · Propane	-2,044.34	-27.8%
6020 · Telephone	-38.40	-1.2%
6025 · Water/ Sewer/ Trash	-250.14	-12.8%
Total 6000 · UTILITIES	-2,775.39	-7.3%
7000 · GUEST SERVICES		
7005 · Room Cleaning & Consumables	59.18	3.2%
7006 · Cleaning Services	485.00	1.9%
7010 · Room Inventory	-3,407.81	-72.4%
7020 · Carpet/Chimney Cleaning	350.00	24.1%
7025 · Recreation Services	0.00	0.0%
7030 · Room Damages	-632.88	-316.4%
7035 · Soda expense	16.03	43.3%
Total 7000 · GUEST SERVICES	-3,130.48	-6.7%
8000 · TAXES		
8005 · Taxes-Payroll	-1,007.36	-22.9%
8010 · Taxes-Property	0.00	0.0%
Total 8000 · TAXES	-1,007.36	-6.6%
Total Expense	-27,230.54	-12.6%
Net Ordinary Income	21,264.34	155.5%
Other Income/Expense		
Other Income		
3170 · Interest Income	33.93	7.7%
3330 · M&R Commission	-19.00	-42.2%
Total Other Income	14.93	3.1%
Net Other Income	14.93	3.1%
Net Income	21,279.27	161.4%