

## The Inns of Waterville Valley Association 2022 Budget:

**2022 Budget:** The 2022 budget projects a total income of \$ 411,445 which includes a conservative increase of 4% in base maintenance fees. With total expenses projected at \$503,290 a negative variance of (\$91,845) is expected at year end. This is largely as a result of the increase in the costs for cleaning services and budget projections for 2022 occupancy. We are seeing a trend in increased rental income, if this continues it will help to offset the bottom line at the end of the year. Among our goals for 2022 is to aggressively search for a better cleaning solution to reduce costs and maximize results, take possession of approximately 50 units that are currently in collections, increase sales and maximize rentals.

**2021 Budget:** Per the Profit and Loss Previous Year Comparison from January through June 2021 the overall income for June 2020 is \$ 214,772. This is \$13,921 more than last year during the same reporting period. We are projecting an income of \$406,420 at year end which is \$16,278 higher than the \$390,142 that was budgeted for 2021. Overall expenses for June 2021 are \$248,194. This is \$57,088 higher than last year at this time. Per the 2021 Operating Budget total expenses are projected to come in at \$511,190. This is \$54,239 higher than the \$456,951 that was budgeted for 2021. Variances and explanations are listed below:

**Administrative Expenses** -Overall expenses in this category for June 2021 are \$71,811. This is \$6,033 higher than the same period in June 2020 and is largely as a result of increased legal expenses as well as timing. 2021 year end projections are expected to come in slightly lower than budgeted. This is in part due to the increase in legal expenses that is expected to come in around \$15,000 at year end that is offset by the savings in payroll with the staff changes and the zero budget on bad debts. The 2022 budget is set at \$184,330. While many expenses in this category remain in line with 2021 budget there is a slight increase in insurance costs with the bulk of the increase in legal fees for the labor intensive cost of moving forward on foreclosing on deeds that are in collections.

**Utilities** – Overall utilities as of June 2021 are \$39,662 this is \$4,511 higher than last year during the same time period. 2021 year end projections reflect decreases in electricity and propane and overall utilities as remnant of a first quarter decrease in occupancy and use a result of COVID-19. 2022 projections are closer in line with current usage and projection of slight increases in 2022.

**Operating and Maintenance Expenses** -Overall expenses in this category are \$62,628 for the reporting period of June 2021. This is \$26,959 higher than the same time period in 2020. 2021 year end projections reflects an increase in the Repairs, Materials and Maintenance line item due to significant plumbing and leak repairs and heating issues as well as the purchase of a replacement dishwasher and the Additional Repairs line item that includes the completion of the leak repairs, construction and replacement tubs in the hottub room and costs related to the installation of the video security system. The 2022 is set at \$57,500. There are a number of projects that we foresee coming in the immediate and near future. Management is in the process of getting bids, they include; repairs to the left side egress/entry, siding repairs and replacement, roof replacement, bathroom upgrades and a keyless access system.

**Guest Services** – Overall expenses as of June 2021 are \$59,945 this \$16,323 higher than the same reporting period in 2020. 2021 year end projections are \$133,500, this is \$26,050 higher

than budgeted in 2021. The over budget variance is as direct result of the actual costs for cleaning and laundry service. The 2022 budget is projected at \$151,800. Of this, \$111,000 is in cleaning services line item that includes \$13,000 for laundry service and a projection of \$98,000 for cleaning services. Cleaning Services reflects over 73% of the cost in this category. Due to the location of the property and the limited contractors in the area it can be a challenge to find contractors and vendors to provide bids, proposals and ultimately services for various projects and services at the INNS. COVID-19 has made this process even more challenging. Regardless, management and the board are committed to aggressively finding additional cleaning options and/or companies to provide competitive bids for cleaning services in an effort to reduce the costs for cleaning services.

**Operating Cash** –as of June 2021 Operating Cash is \$183,186. This is \$13,010 lower than the \$196,196 in operating cash during this same reporting period last year.

Bank Balances/Cash Positions through June 2021 and Compared to June 2020.

		JUNE 2021		JUNE 2020	
#1009	Operating Checking	\$ 15,840	\$	23,342	
#1220	Money Market	\$ 158,045	\$	166,292	
#1022	Payroll	\$ 9,301	\$	6,562	
	<b>Operating Total</b>	<b>\$ 183,186</b>	<b>\$</b>	<b>196,196</b>	
#1245	<b>Security Deposit</b>	<b>\$ 2,433</b>	<b>\$</b>	<b>3,232</b>	
#1230	Reserve Money Market	\$ 0	\$	0	
#1210	CD's	\$ 97,944	\$	96,983	
	<b>Total Reserves</b>	<b>\$97,944</b>	<b>\$</b>	<b>96,983</b>	
	<b>Total Cash</b>	<b>\$ 283,563</b>	<b>\$</b>	<b>296,411</b>	
	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  
2022 Operating Budget

GL #		2019 Actual	2020 Actual	2021 Budget	2021 PROJ Full Year	2022 Budget
	<b>INCOME</b>					
3101	Maintenance Fee	395,130	403,255	379,892	377,100	376,395
3260-3230	NET Owner Rental	378	214	2,000	150	800
3275-3278	Sales Income	6,185	1,450	500	3,300	500
3262+3060	IOWVA Units Use Income ( NET)	25,324	11,692	3,000	22,000	30,000
<b>3185 + 3180</b>	Other Income					
<b>+3190+3179+3035+3</b>	(Laundry/Soda/Other/Clean Fee Rental	1,395	1,063	550	450	550
<b>115</b>	Use/Small Claims)	1,053	968	500	960	500
3170	Interest Income					
	<b>Total Income</b>	<b>429,465</b>	<b>418,642</b>	<b>386,442</b>	<b>403,960</b>	<b>408,745</b>
	<b>OTHER INCOME</b>					
3020	Late Fees - Maint Payments	3,600	4,317	1,200	960	1,200
50000	Cost of Good Sold	-	639	2,500	1,500	1,500
	<b>Total - Other Income</b>	<b>3,600</b>	<b>4,956</b>	<b>3,700</b>	<b>2,460</b>	<b>2,700</b>
	<b>TOTAL INCOME</b>	<b>433,065</b>	<b>423,598</b>	<b>390,142</b>	<b>406,420</b>	<b>411,445</b>
	<b>EXPENSES</b>					
	<b>ADMINISTRATIVE</b>					
4005	Accounting	9,000	4,500	4,500	4,500	4,500
4025	Advertising	1,526	2,075	1,500	2,400	3,000
66910 / 4030	Misc Income- bank sv chg	128	-	150	-	-
4032	Credit Card Processing Expense	6,780	7,897	6,400	9,000	9,000
4035	Computer Expense	15,581	11,149	9,200	12,000	12,000
4040	Office Supplies	-	2,395	1,500	2,000	2,000
4042	Booking.com	1,629	474	500	500	500
4080	Bad Debts	37,211	-	-	-	-
4104	Annual Meeting Charges	1,340	1,814	2,000	2,000	2,000
4105	BOD Meetings	2,874	1,876	2,300	2,250	2,300
4200	Property & Liability Ins	15,171	15,401	15,952	15,500	16,430
4210	WC Insurance	1,456	921	1,764	2,000	2,100
4685	Legal	195	8,943	3,000	15,500	30,500

4700	Travel	1,935	835	2,600	800	800
4710	Salaries & Wages	105,000	83,030	108,365	93,000	96,000
4715	Payroll Expenses	793	1,603	3,380	1,600	1,700
4720	Postage	4,477	1,202	2,500	1,500	1,500
	<b>Total Administrative</b>	<b>205,096</b>	<b>144,115</b>	<b>165,611</b>	<b>164,550</b>	<b>184,330</b>

**OPERATING & MAINTENANCE**

5010	Landscaping & Grounds	5,063	4,989	6,500	6,400	6,800
5055 + 5015 + 5040 + 5030	Repairs & Maintenance	13,253	24,963	10,800	22,000	15,000
5020	Pest Control	6,798	6,648	6,948	6,600	7,000
5025	Plowing & Sanding	8,975	8,873	9,800	9,000	9,400
5040	Small Tools & Equipment	-	59	1,000	100	1,000
5045	Hot Tub Testing/Maint	3,946	3,994	4,990	4,200	5,000
5050	Fire Alarm & Safety	1,138	2,554	2,300	2,000	3,300
5070	Additional Repairs	4,237	2,850	30,000	62,000	10,000
	<b>Total Oper &amp; Maintenance</b>	<b>43,410</b>	<b>54,930</b>	<b>72,338</b>	<b>112,300</b>	<b>57,500</b>

**UTILITIES**

6005	Cable TV/Internet	20,918	24,090	24,500	24,140	24,500
6010	Electricity	26,260	22,568	30,000	24,000	27,000
6015	Propane	14,386	11,723	14,000	12,000	14,000
6020	Telephone	6,641	7,046	8,400	7,800	8,200
6025	Water/Sewer-Trash	3,663	3,262	3,900	4,000	4,300
6100	Business Licenses & Permits	-	-	52	60	60
	<b>Total Utilities</b>	<b>71,868</b>	<b>68,689</b>	<b>80,852</b>	<b>71,940</b>	<b>78,060</b>

**GUEST SERVICES**

7005	Room Cleaning & Consumables	3,672	3,912	3,000	3,000	3,000
7006	Cleaning Services	53,275	59,710	65,000	93,700	111,000
7010	Room Inventory	7,528	1,555	12,000	12,000	12,000
7015	Room Decorations	-	6	150	-	-
7020	Carpet Cleaning	1,450	1,800	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	-	60	2,000	500	500
7030	Room Damages	(252)	(1,083)	-	(1,000)	-
7035	Soda Expense	62	53	-	-	-



7200	Misc	89,235	89,513	107,450	133,500	151,800
	<b>Total Guest Services</b>					
	<b>TAXES &amp; INSURANCE</b>					
8005	Payroll Taxes	8,293	6,544	8,000	6,600	7,000
8010	Property Taxes	21,605	21,773	21,700	21,800	23,600
	Income Taxes	530	(197)	1,000	500	1,000
8015 + 3330	<b>Total Taxes &amp; Insurance</b>	<b>30,428</b>	<b>28,120</b>	<b>30,700</b>	<b>28,900</b>	<b>31,600</b>
	<b>TOTAL EXPENSES</b>	<b>440,037</b>	<b>385,367</b>	<b>456,951</b>	<b>511,190</b>	<b>503,290</b>
	<b>TOTAL INCOME</b>	<b>433,065</b>	<b>423,598</b>	<b>390,142</b>	<b>406,420</b>	<b>411,445</b>
	<b>NET CASH FLOW (Surplus/Deficit)</b>	<b>(6,972)</b>	<b>38,231</b>	<b>(66,809)</b>	<b>(104,770)</b>	<b>(91,845)</b>

**Inns of Waterville Valley Association**  
**Balance Sheet**  
 As of June 30, 2021

	Jun 30, 21
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1009 · Northway Bank-Operating #044	15,840.48
1022 · Payroll #894	9,300.52
1210 · CD	97,944.06
1220 · Northway Bank-Money Market #892	158,045.12
1245 · Northway Bank-Security Dep #636	2,433.12
<b>Total Checking/Savings</b>	283,563.30
<b>Accounts Receivable</b>	
1310 · Accounts Receivable	93,614.92
<b>Total Accounts Receivable</b>	93,614.92
<b>Other Current Assets</b>	
1314 · Allowance for Bad Debt	-42,842.02
1375 · Prepaid Taxes	621.00
1381 · Prepaid Maint. Fee 2017	-8,223.00
<b>Total Other Current Assets</b>	-50,444.02
<b>Total Current Assets</b>	326,734.20
<b>Fixed Assets</b>	
1505 · Furniture and Equipment	5,604.00
1510 · A/D Equipment	-5,604.00
<b>Total Fixed Assets</b>	0.00
<b>Other Assets</b>	
1560 · Rental Units	75,112.79
<b>Total Other Assets</b>	75,112.79
<b>TOTAL ASSETS</b>	<b>401,846.99</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2100 · Accounts Payable	28,099.37
<b>Total Accounts Payable</b>	28,099.37
<b>Credit Cards</b>	
2110 · Northway-Visa	939.66
<b>Total Credit Cards</b>	939.66
<b>Other Current Liabilities</b>	
2105 · Accrued Exp.	2,681.33
2203 · Deferred Incm-Winter Surcharge	7,470.00
2204 · Deferred Income- Maintenance/RE	197,067.61
2207 · Deferred Income- Hot Tubs	3,342.10
2208 · Real Estate Tax-New for 2019	9,287.80
2210 · Rooms Tax Payable	339.18
2400 · Payroll Liabilities	39.53
<b>Total Other Current Liabilities</b>	220,227.55
<b>Total Current Liabilities</b>	249,266.58



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Accrual Basis

Inns of Waterville Valley Association  
**Balance Sheet**  
As of June 30, 2021

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	<u>Jun 30, 21</u>
<b>Long Term Liabilities</b>	
2215 · Security Deposits	2,428.26
2630 · Replacement Reserve	<u>94,833.90</u>
<b>Total Long Term Liabilities</b>	<u>97,262.16</u>
<b>Total Liabilities</b>	346,528.74
<b>Equity</b>	
2520 · Retained Earnings	88,742.85
Net Income	<u>-33,424.60</u>
<b>Total Equity</b>	<u>55,318.25</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>401,846.99</u></u>

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Accrual Basis

**Inns of Waterville Valley Association**  
**Profit & Loss YTD Comparison**  
 January through June 2021

	Jan - Jun 21	Jan - Jun 20	\$ Change
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>3000 · INCOME</b>			
3020 · Late fees-maint. pymnts	960.00	1,000.00	-40.00
3101 · Combined Maintenance fee			
3117 · Maintenance Fee w RE	175,747.75	171,866.04	3,881.71
3025 · Hot tub fee	4,200.00	4,140.00	60.00
3102 · R/E Tax Portion	8,417.24	8,480.88	-63.64
3052 · Winter surchg.	8,358.00	8,274.00	84.00
<b>Total 3101 · Combined Maintenance fee</b>	196,722.99	192,760.92	3,962.07
3179 · Clean fee rental use	0.00	305.00	-305.00
3180 · Soda Income	0.00	181.00	-181.00
3185 · Laundry Income	229.50	174.00	55.50
3230 · Owner Payments/Rent Return	-500.99	-2,236.00	1,735.01
3260 · Rental Income- OWNER UNITS	667.99	2,512.50	-1,844.51
3262 · Rental Income-Inns owned-retail	15,083.63	5,262.94	9,820.69
3275 · Sale of Unit	2,095.00	250.00	1,845.00
<b>Total 3000 · INCOME</b>	215,258.12	200,210.36	15,047.76
<b>Total Income</b>	215,258.12	200,210.36	15,047.76
<b>Cost of Goods Sold</b>			
50000 · Cost of Goods Sold	1,238.00	0.00	1,238.00
<b>Total COGS</b>	1,238.00	0.00	1,238.00
<b>Gross Profit</b>	214,020.12	200,210.36	13,809.76
<b>Expense</b>			
<b>4000 · ADMINISTRATIVE</b>			
4005 · Accounting	0.00	0.00	0.00
4025 · Advertising	1,544.73	498.25	1,046.48
4030 · Bank Service Charges	0.00	0.00	0.00
4032 · Credit Card Processing exp.	3,695.07	3,424.93	270.14
4035 · Computer Expense	4,819.24	7,005.12	-2,185.88
4040 · Office Supplies	1,082.47	1,003.84	78.63
4042 · OTA Commissions	86.40	474.45	-388.05
4080 · Bad Debt	0.00	0.00	0.00
4105 · BOD Meetings	1,125.00	751.25	373.75
4200 · Insurance-Property & Liability	10,513.46	9,767.33	746.13
4210 · Insurance-Workers Comp.	1,299.00	829.00	470.00
4685 · Legal	6,602.00	-1,470.33	8,072.33
4700 · Travel	300.00	403.75	-103.75
4710 · Salaries & Wages	39,540.05	41,848.97	-2,308.92
4715 · Payroll Expenses	857.45	827.33	30.12
4720 · Postage	346.20	415.40	-69.20
<b>Total 4000 · ADMINISTRATIVE</b>	71,811.07	65,779.29	6,031.78
<b>5000 · MAINTENANCE</b>			
5070 · Additional Repairs	32,150.98	2,850.00	29,300.98
5010 · Landscaping and Groundskeeping	2,058.70	1,534.26	524.44
5015 · Repairs, Materials, Maintenance	15,411.10	15,197.40	213.70
5020 · Pest Control	3,353.00	3,324.00	29.00
5025 · Plowing & Sanding	5,858.32	5,833.32	25.00
5040 · Small Tools and Equipment	0.00	30.00	-30.00
5045 · Hot Tub testing/maintenance	2,350.95	1,334.94	1,016.01
5050 · Fire alarm agreement	1,444.60	2,265.95	-821.35
<b>Total 5000 · MAINTENANCE</b>	62,627.65	32,369.87	30,257.78



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Accrual Basis

**Inns of Waterville Valley Association**  
**Profit & Loss YTD Comparison**  
**January through June 2021**

	Jan - Jun 21	Jan - Jun 20	\$ Change
<b>6000 · UTILITIES</b>			
6005 · Cable TV & Internet	12,073.44	12,044.50	28.94
6010 · Electricity	14,715.24	12,824.38	1,890.86
6015 · Propane	7,438.24	5,302.04	2,136.20
6020 · Telephone	3,670.19	3,273.96	396.23
6025 · Water/ Sewer/ Trash	1,765.64	1,705.84	59.80
<b>Total 6000 · UTILITIES</b>	39,662.75	35,150.72	4,512.03
<b>7000 · GUEST SERVICES</b>			
7005 · Room Cleaning & Consumables	1,099.46	1,893.59	-794.13
7006 · Cleaning Services	33,600.10	26,710.00	6,890.10
7010 · Room Inventory	10,650.98	1,297.90	9,353.08
7020 · Carpet/Chimney Cleaning	1,800.00	1,800.00	0.00
7025 · Recreation Services	12,700.00	12,700.00	0.00
7027 · Hot Tub not usable	120.00	0.00	120.00
7030 · Room Damages	-25.00	-832.88	807.88
7035 · Soda expense	0.00	53.04	-53.04
<b>Total 7000 · GUEST SERVICES</b>	59,945.54	43,621.65	16,323.89
<b>8000 · TAXES</b>			
8005 · Taxes-Payroll	3,255.24	3,384.40	-129.16
8010 · Taxes-Property	10,893.00	10,802.00	91.00
<b>Total 8000 · TAXES</b>	14,148.24	14,186.40	-38.16
<b>Total Expense</b>	248,195.25	191,107.93	57,087.32
<b>Net Ordinary Income</b>	-34,175.13	9,102.43	-43,277.56
<b>Other Income/Expense</b>			
<b>Other Income</b>			
3170 · Interest Income	723.53	613.74	109.79
3330 · M&R Commission	27.00	26.00	1.00
<b>Total Other Income</b>	750.53	639.74	110.79
<b>Net Other Income</b>	750.53	639.74	110.79
<b>Net Income</b>	-33,424.60	9,742.17	-43,166.77

**Inns of Waterville Valley Association**  
**Profit & Loss YTD Comparison**  
**January through June 2021**

	<u>% Change</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>3000 · INCOME</b>	
3020 · Late fees-maint. pymnts	-4.0%
3101 · Combined Maintenance fee	
3117 · Maintenance Fee w RE	2.3%
3025 · Hot tub fee	1.5%
3102 · R/E Tax Portion	-0.8%
3052 · Winter surchg.	1.0%
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Total 3101 · Combined Maintenance fee	2.1%
3179 · Clean fee rental use	-100.0%
3180 · Soda Income	-100.0%
3185 · Laundry Income	31.9%
3230 · Owner Payments/Rent Return	77.6%
3260 · Rental Income- OWNER UNITS	-73.4%
3262 · Rental Income-Inns owned-retail	186.6%
3275 · Sale of Unit	738.0%
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Total 3000 · INCOME	7.5%
<b>Total Income</b>	7.5%
<b>Cost of Goods Sold</b>	
50000 · Cost of Goods Sold	100.0%
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<b>Total COGS</b>	100.0%
<b>Gross Profit</b>	6.9%
<b>Expense</b>	
<b>4000 · ADMINISTRATIVE</b>	
4005 · Accounting	0.0%
4025 · Advertising	210.0%
4030 · Bank Service Charges	0.0%
4032 · Credit Card Processing exp.	7.9%
4035 · Computer Expense	-31.2%
4040 · Office Supplies	7.8%
4042 · OTA Commissions	-81.8%
4080 · Bad Debt	0.0%
4105 · BOD Meetings	49.8%
4200 · Insurance-Property & Liability	7.6%
4210 · Insurance-Workers Comp.	56.7%
4685 · Legal	549.0%
4700 · Travel	-25.7%
4710 · Salaries & Wages	-5.5%
4715 · Payroll Expenses	3.6%
4720 · Postage	-16.7%
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Total 4000 · ADMINISTRATIVE	9.2%
<b>5000 · MAINTENANCE</b>	
5070 · Additional Repairs	1,028.1%
5010 · Landscaping and Groundskeeping	34.2%
5015 · Repairs, Materials, Maintenance	1.4%
5020 · Pest Control	0.9%
5025 · Plowing & Sanding	0.4%
5040 · Small Tools and Equipment	-100.0%
5045 · Hot Tub testing/maintenance	76.1%
5050 · Fire alarm agreement	-36.3%
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Total 5000 · MAINTENANCE	93.5%



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Accrual Basis

Inns of Waterville Valley Association  
Profit & Loss YTD Comparison  
January through June 2021

	<u>% Change</u>
<b>6000 · UTILITIES</b>	
6005 · Cable TV & Internet	0.2%
6010 · Electricity	14.7%
6015 · Propane	40.3%
6020 · Telephone	12.1%
6025 · Water/ Sewer/ Trash	3.5%
<b>Total 6000 · UTILITIES</b>	<u>12.8%</u>
<b>7000 · GUEST SERVICES</b>	
7005 · Room Cleaning & Consumables	-41.9%
7006 · Cleaning Services	25.8%
7010 · Room Inventory	720.6%
7020 · Carpet/Chimney Cleaning	0.0%
7025 · Recreation Services	0.0%
7027 · Hot Tub not usable	100.0%
7030 · Room Damages	97.0%
7035 · Soda expense	-100.0%
<b>Total 7000 · GUEST SERVICES</b>	<u>37.4%</u>
<b>8000 · TAXES</b>	
8005 · Taxes-Payroll	-3.8%
8010 · Taxes-Property	0.8%
<b>Total 8000 · TAXES</b>	<u>-0.3%</u>
<b>Total Expense</b>	<u>29.9%</u>
<b>Net Ordinary Income</b>	<u>-475.5%</u>
<b>Other Income/Expense</b>	
Other Income	
3170 · Interest Income	17.9%
3330 · M&R Commission	3.9%
<b>Total Other Income</b>	<u>17.3%</u>
<b>Net Other Income</b>	<u>17.3%</u>
<b>Net Income</b>	<u><u>-443.1%</u></u>