



Report of First Budget Committee Meeting Board Meeting of Monday, March 24, 2008

We had the first Budget Committee meeting on February 28. There were six committee members attending.

The purpose of the first meeting was to provide an overview of the accounting system used at Waterside and how it relates to developing the annual budget.

We covered the Condo Law, Section 718, and its accounting requirements. Our budget is approximately \$1.4 million and we discussed why generally accepted accounting principals are used. The law requires an audit for condos with a budget of more than \$400,000.

Then we talked about the fiscal year, which is November 1 through October 31. The role of our outside accountant Barry and Company was discussed as well as the advantages and disadvantages of using an outside accountant.

Our meeting also covered the use of fund accounting. Waterside has six reserve funds. Reserves are required for amount over \$10,000 in addition to the statutory funds required by law.

We briefly discussed the role of our outside auditor, Marc Labossiere, a certified public accountant.

Then we talked about the various steps to develop a budget as well as the goal of achieving a balanced budget with neither a profit nor a loss.

Since our budget is due by the end of the fiscal year most of the budget work is done in October.

If anyone wants a copy of the agenda for the first Budget Committee meeting I have some copies with me. I'll give a copy to the secretary for inclusion in the minutes.

Thank you.