

EAST LAKE WOODLANDS COMMUNITY ASSOCIATION, INC.

Treasurer's Report

July 16, 2019

As of June 30, 2019

1. Balance Sheet

- A. Cash – SA (Special Assessment) – This is cash collected from homeowners. Now that all vendors have been paid, all money received is used to pay back the loan for the drainage project. The ending May balance was \$6,565. June income was \$2,536 (\$2,311 in payments, \$180 in pre-lien fees, \$45 homeowner interest, \$1 in interest income). The normal monthly loan payment of \$6,766 was made (\$6,688 to loan principal and \$79 loan interest) and \$400 was transferred to Operating funds resulting in an ending balance of \$1,935.
- B. A/R – Maintenance Fees – The June balance is \$3,335, down from May's \$12,294.
- C. A/R – Special Assessment and A/R ELWMSA – We originally invoiced 2089 homeowners for a total of \$1,671,200. As of the end of June, the receivable balance was \$8,953. The number of homeowners who have not paid anything as of the end of June is down to 6. Of these 6, 4 are being foreclosed and 2 are lienied. 12 additional accounts remain past due on a portion of the Special Assessment. Of these 12, 9 are lienied, 1 is on a payment plan and 2 are small amounts (interest, pre-lien fee) that accounting is attempting to collect.
- D. Note Payable – This is the amount borrowed for the drainage project, less amounts repaid to date. The June balance is \$14,973, down from the May balance of \$21,661.

2. Income/Expenses

June budget variances include the following line items:

- A. Total Revenues – Favorable variances of \$1,068 for the month and \$7,934 year-to-date.
- B. Accounting/Tax Prep/Audit – These expenses are incurred early in the year causing unfavorable variances both monthly, currently \$2,758, and year-to-date, currently \$3,050. Actual charges for the year are \$6,300 vs the budgeted amount of \$6,500 so the unfavorable variance will be cleared by year end.
- C. Admin Expenses-45 Day Pre-Lien – Unfavorable variance of \$2,625 year-to-date. These are fees billed to past due accounts for the administrative costs of extra pre-lien work and mailings. These costs are recouped when the delinquency is paid.

- D. Member Communications – This account shows a \$6,400 charge for the month which is an error. This is a partial charge for the Smartplate cameras, software, storage and training. This item should have been charged to the Retained Earnings account as the item was budgeted in 2018. The accounting correction will be made in July and reflected in the July financials.
- E. Gate Decal Stickers – Gate decal stickers are purchased as needed every few years. This account shows an unfavorable variance of \$4,205 for the month and \$2,753 year-to-date. Most of the year-to-date unfavorable variance will be cleared by year end as actual charges to-date are \$5,253 vs an annual budgeted of \$5,000.
- F. Controlled Access-Gate Telephone – The switch over to Spectrum is complete and the first bill was received in June. This caused an unfavorable variance for the month of \$4,766 and year-to-date of \$4,577. The bill is being disputed at present with Spectrum.
- G. R&M-Grounds/Trees/Shrubs – Unfavorable variance of \$12,131 year-to-date. This is due to the number of projects held over from 2018 and having multiple projects done at the same time by a contractor to minimize costs.

3. **Net Income (Loss):** June shows net income of \$22,552. Year-to-date net income is \$64,792.

4. **Miscellaneous**

It's 2020 Budget Time! Following are the important dates to put on your calendars:

- A. August 30 – 2020 budget numbers are due to Connie from all committee chairmen for accounts in their area of responsibility and Debi for increases for utilities, contracts, etc.
- B. September 24 – Budget Workshop at M&A @ 8AM for approximately 1.5 hours.
- C. October 4 – Connie to send out proposed budget for review based on Budget Workshop input.
- D. October 15 – Board Meeting formal approval of 2020 budget