

## *BOARD OF DIRECTORS MINUTES*

The Villas at the River  
Homeowner's Association, Inc.  
2887 Villa Lane, Benton Harbor, MI 49022

January 20, 2015

The following documents the January 20<sup>th</sup>, 2015 meeting of the 2014-2015 Board. In attendance were Mike Cook, Jean Bloomquist, Tom Johns, Mary Huber and Mark Carlock. The meeting was held in the Villa's Office and started at 7:00 p.m.

President's Report: Tom brought up the following items for discussion. Tree trimming, Maintenance Cart, Storage Building.

Developer's Report: construction continues on Buildings 14 and 21

Vice President's Report: No report

Secretary's Report: The minutes of the November 12<sup>th</sup> meeting were approved by the board on 12/10/2014.

Treasurer's Report: See attached.

The bulk of our meeting was dedicated to budget review and preparation for 2015.

Sprinkler/Pond Committee Report - no report

Unfinished Business: none

New Business: - none

Respectfully submitted,  
Mark Carlock, Secretary

## Treasurer's Report – Year Ended December 31, 2014

### 2014 FINANCIAL RESULTS SUMMARY – GENERAL BUDGET

We had a net loss for 2014 of \$3,412 compared to a net loss of \$2,761 in 2013. The loss for 2014 was after adding in a special assessment of \$10,164 due to extra costs for snow removal & heating costs for the winter of 2013-2014. The snow also required additional costs in repairs of almost \$5,000. In addition, a new furnace was purchased for the club house costing \$2,500 and a used fountain costing \$1,236 was purchased. Also, in 2014, we were forced to discontinue some of the maintenance due to the cash flow issues we experienced. Several items such as flower planting, hanging Christmas lights, etc. continued to be performed by members to reduce costs to the HOA.

In September 2014, the Board agreed to increase dues from \$179 per month to \$194 per month, a \$15 increase. This will lighten budget pressures like those experienced in 2014 and also allow the HOA to pay professionals to complete items previously performed by members.

### DETAILS – GENERAL BUDGET

#### Balance Sheet as of 12/31/2014

Cash – includes \$10,023 in prepaid dues	\$ 24,041
Reserve	<u>16,323</u>
Total	\$ 40,364

#### General Budget Year Ended 12/31/2014

##### Income:

Income received in 2014 was \$2,536 over budget (includes Special Assessment of \$10,164):

Total gross income for 2014	\$183,634
Plus: Prepaid Dues in 2013 for 2014	5,363
Less: Prepaid Dues in 2014 for 2015	<u>(8,161)</u>
Net gross income	\$180,836
Less: Budget income for 2014	<u>(170,997)</u>
2014 Income over budget	\$ 9,839

- Assessment Dues are over budget by \$59 after adjusting for Prepaid Dues.
- Percent of Ownership dues are over budget by \$6,427 due to higher than budgeted expenses.
- Working Capital (New homeowners' deposit of 2 months of dues) over budget by \$1,074.
- Total Clubhouse user fees \$400 over budget.
- Total AT&T Commissions received in 2013 were \$1,375.
- Patio donations of \$475.

##### Expenses:

Expenses paid in 2014 were \$27,971 over budget.

Total expenses for 2014	\$184,248
Less: Budgeted expenses for 2014	<u>(156,277)</u>
2014 expenses over budget	\$ 27,971

- Winter Expenses were over budget by \$9,470.
- Purchased Trane furnace for clubhouse at \$2,500 which was not budgeted. Clubhouse gas expenses were over budget \$1,194. Other clubhouse items were \$566 under budget.
- Insurance for the year was \$835 under budget.
- For the Ponds category, we were over budget \$2,880.
  - We budgeted \$850 for Fountain Removal & Install, but paid \$2,774 in expenses:
    - Previous year's fountain removal of \$617
    - Fountain installation and repair of \$1,180 and
    - This year's fountain removal of \$1,663.
  - Pond Replacement Equipment was \$882 over budget – a used fountain was purchased for \$1,236.
- Pool Expenses were over budget by \$798 (pool labor)
- River Expenses were under budget by \$265 – still need to pay for the boat ramp removal.
- Building Exterior Maintenance is over budget by \$6,474:
  - Labor for Gutters was over budget by \$1,568
  - Exterior Maintenance Labor was \$6,361 with repairs of almost \$5,000 following the harsh winter.
  - Remaining items of Fence Maintenance, Sidewalk/Patio Slab Maintenance and Driveway Maintenance netted \$1,455 under budget.
- Landscaping items were \$6,317 over budget.
  - Irrigation Winterization – Over budget by \$824. \$680 was paid for 2013 costs and current year costs were \$844.
  - Fall Clean Up was over budget by \$979. Paid \$1,085 to remove brush pile on Bldg 13 site.
  - Mulch & Labor was over budget by \$1,415.
  - Landscaping Labor was over budget by \$3,514 – we spent \$2,351 in the two weeks following the June 30, 2014 storm.
  - Landscaping Materials was over budget by \$1,220 – paid \$1,063 for plants & landscape installation on August 31.
  - Tree Trimming was under budget by \$1,162.
  - Other items – Landscaping Electric, Sprinkler & Well Repair, Mowing, Spring Clean Up, Fertilization Program, Flowers, Street Lights - netted \$186 under budget.

**Final Results:** 2014 Net Loss was \$3,412, which is \$18,132 under budget – most was due to the snow removal over budget issue.

	<b>Actual 2014</b>	<b>Budget 2014</b>	<b>Net Difference</b>
Total Income per Financial Statements*	\$ 183,634	\$ 170,997	\$ 12,637
Less: Expenses per Financial Statements	184,248	156,277	27,971
Net Income (Loss) per Financial Statements	\$ (614)	\$ 14,720	\$ (15,334)
Plus: Prepaid Dues in 2013 for 2014	5,363		5,363
Less: Prepaid Dues in 2014 for 2015	(7,072)		(7,072)
Less: Prepaid Cap Reserves in 2014 for 2015	(1,089)		(1,089)
Adjusted Net Income (Loss)	\$ (3,412)	\$ 14,720	\$ (18,132)

\*Total Income – actual & budget includes Special Assessment of \$10,164.

**SEWER, WATER & TRASH BUDGET RESULTS**

For year ended 12/31/2014, net income was \$3,605 which was over budget by \$1,989.

	Actual 2014	Budget 2014	Net Difference
Total Income per Financial Statements	\$ 40,422	\$ 39,396	\$ 1,026
Less: Expenses per Financial Statements	36,425	37,780	1,355
Net Income per Financial Statements	\$ 3,997	\$ 1,616	\$ 2,381
Plus: Prepaid Dues in 2013 for 2014	1,470		1,470
Less: Prepaid Dues in 2014 for 2015	(1,862)		(1,862)
Adjusted Net Income	\$ 3,605	\$ 1,616	\$ 1,989

- Lift Station Repairs is over budget by \$2,828 as \$2,398 was paid following the June 30, 2014 storm for a generator.
- Waste Removal was under budget by \$1,750 with expenses paid through July 2014.
- Water is under budget by \$2,465 for the year – missing the Dec payment of \$1,620 paid on January 2, 2015.

**CAPITAL DEVELOPMENT**

In 2014, after a committee review and much discussion, the board agreed to add dues of \$33 per month effective January 1, 2015 to be used for Capital Development. Thus far, we have received \$1,089 in prepaid dues for Capital Development.