

Villas at the River Homeowners Association

Treasurer's Report

February 28, 2018

Highlights as of February 28, 2018

Summary

It has been an interesting year for us thus far from a financial perspective.

- The Board approved a budget for 2018 that required a **\$15 per month increase** in dues per unit and with that **generated a deficit of \$12,285**, the main cause being sealing and crack filling East Villa Ln and Riverview Ln driveways which will cost \$20,000. We were able to do this because we had approximately \$60,364 in cash reserves in our general account as of December 31, 2017.
- So far, we have had **record snow removal costs** - \$33,670 through February in total Winter Expenses with an estimated \$12,500 or more paid in March for a total of \$46,170. We had budgeted \$34,450 for the year and **now estimate that Winter Expenses will be overbudget by approximately \$11,720.**
- Then we had a **flood on Riverview Lane** which fortunately did not damage any of our units, but did require the services from Beaudoin of a generator to keep our **lift station** going. The cost for this was \$8,269 which will be paid in March. We budgeted \$3,000 for lift station repairs so we will be **over budget by \$5,269** in this account. It could have been much worse, though!

The **bottom line** is that the cash at the end of the year 2017 of \$60,364 needs to cover these over budget amounts. **The result is \$31,090 of "free cash"** (\$60,364 - \$12,285 planned budget deficit, \$11,170 estimated Winter Expenses over budget amount through March and \$5,269 for the Lift Station paid in March.) During the year, there may be savings in other accounts to offset this.

General Accounts – in addition to above:

After adjusting for Prepaid Dues, **General Dues** are \$47,738 and \$102 under budget for the year.

Adjusted Net Income is a loss of \$9,246 and is \$6,602 under budget. Most of the under budget difference is due to higher than expected Winter Expenses.

Capital Reserve Accounts

After adjusting for Prepaid Dues, **Capital Reserve** dues received through February 2018 total \$18,400 and are right on budget. We have no Capital Reserve expenses yet this year. Here is what is planned:

1. Repl E Villa Lane Roadway	60,000
4. Drainage Improvement - E & W Villa Ln	6,000
5. Paint Bldg # 3	9,000
6. HVAC Replacement - Clubhouse	20,000
7. Large Pond Sprinkling Vault Upgrade	4,500
8. LED Lighting - South Aerator, Large Pond	3,000
10 Roof Ventilation Turbines	10,000
Total	112,500

As of the end of the year, our **Balance Sheet** shows:

- General Cash Account: \$ 65,879
- Capital Reserve Account: \$ 84,898

Note: Capital Reserve dues of \$8,000 received in February 2018 will be transferred from the General Account to the Capital Reserve account on March 12, 2018.