

Villas at the River Homeowners Association

Treasurer's Report

May 31, 2020

Summary

Overall, after adjustment for prepaid dues, our General Account had net income of \$42,508 through May 2020 compared to the budget of -\$5,649, over budget \$48,158 chiefly due to lower than expected snow removal & utility costs and delayed costs for financial review, legal, mulch and mowing. Here are a few notes through May:

General Accounts

- **General Dues** after adjustment for Prepaid Dues are \$137,771 and are \$229 under budget through May.
- **Administration Expenses** included the quarterly business owners and umbrella insurance payments of \$14,464. Total Administrative expenses are under budget \$5,084 due to later than expected costs for the Financial Review and Legal Services.
- Under **Clubhouse Expenses** we paid \$642 to Mead & White for electrical repairs to Exit & Emergency Lights, GFCI outside outlet repairs. Legacy Heating has serviced the heating and air conditioning units. Cleaning services were suspended after March 19th due to coronavirus mandates. Total Clubhouse expenses are under budget \$1,265 through May.
- **Pond** expenses show that we paid PLM Lake & Land Management Corp \$200 for the permit fee and prepaid for Weed & Algae treatments - two of each – for an additional \$736.
- For the **Pool**, we have paid Berrien County \$90 for the 2020 pool license in addition to the monthly expense for the phone (required even though the pool is closed). The pool opened on June 8th.
- Total **Snow Removal Services** paid in 2020 are \$15,883 for the period 11/12/2019 – 2/27/2020 which are under budget \$23,467 to date. An additional \$6,000 has been budgeted for December.
- Through May, we have paid VC sales \$9,067 to align gutters for 12 buildings (8-13, 18, 20-24). We also paid Midwest Roofing \$3,111 thus far for roof repairs. Consider It Done has been busy working on downspout issues and has been paid \$2,491 for labor and materials. **Building Exterior Maintenance** expenses are over budget by \$2,040. We had thought that more units would have gutters aligned in the fall of 2019 which will now be done this year. Most likely we will be over budget due to this.
- **Landscaping Expenses** total \$13,381 and are under budget \$18,316 through May. Mulching – budgeted at \$12,000 – will occur in June. Mowing began the first week of May (budget of \$2,000 for May), but we have not received an invoice. We are under budget \$2,351 in utility expenses for landscaping items as we had anticipated increases in 2020.
- **Sewer, Water & Trash** expenses total \$23,505 and are \$400 under budget through May. We paid Beaudoin \$1,448 to reset pumps in March plus another \$1,609 in May to pull and clean the lift station pumps.

Capital Reserve dues after adjustment for Prepaid Dues are \$45,900 and \$100 under budget. We deposited final **2019 Assessments** of \$2,992 in January for a total of \$355,242.

Capital Reserve Expenses net to be \$72,370 In 2020 through May:

Project Summaries:

Vent Cap Project:

Proposed Cost: \$49,600.

Pd: \$43,400 through 12/31/2019

2020 Refund: \$24,600 on 5/9/2020

Net Project Cost to Date: \$18,800

Insulation Project:

Inspections: \$5,520

Insulation Project Total Cost: \$3300 per unit or \$303,600

Pd: \$204,600 through 12/31/2019

2020 Payments: \$92,400

Insulation Project Final Total: \$297,000 + \$5,520 = \$302,520

Mailbox Project:

2020 Payments: \$4,570 for mail box purchase plus reimbursement of supplies.

Balance Sheet

During May, in order to diversify our funds and to increase our yield on our savings, the following items were accomplished:

- 5/7/2020 - Purchased a Certificate of Deposit at Chemical Bank – 11 months at an interest rate of 1% for \$100,000. Interest is credited monthly on the anniversary date – first interest pmt is due 6/7/2020.
- 5/14/2020 – Transferred \$183,584 (the remaining balance of our Money Market Account except for \$1,000) to the United Federal Credit Union’s Liquid Share Certificate – 1-year term, current rate of 0.7%. The interest rate is subject to change. We can make a limited number of transfers in and out of the account each month which will suit our needs. Interest is credited monthly on the anniversary date – first interest pmt is due 6/14/2020.
- Result: Our total Capital Reserve Fund is in three places: Chemical Bank CD, UFCU Liquid Share Certificate and the UFCU Money Market account.

Here is our Balance Sheet Summary as of 5/31/2020:

111 United Federal Credit Union - General Acct	166,219.71
114 UFCU MM (Capital Reserve Acct)	1,020.02
117 UFCU - Liquid Share Certificate - 5/14/2020 - 12 mon term	183,583.53
118 Chemical Bank - 11 mon. CD 5/7/2020 due 4/7/2021	<u>100,000.00</u>
Total Bank Accounts	<u>450,823.26</u>

Fund Balances:	5/31/2020	After transfer*
General Fund	166,219.71	118,473.62
Capital Reserve Fund	284,603.55	332,349.64
	<u>450,823.26</u>	<u>450,823.26</u>

*** Transfer from General Acct to Capital Reserve Fund:**

May Capital Reserve Dues	10,100.00
Mailbox Project - May Expense	(153.55)
ALC reimbursement for over payment rec 5/1	13,200.00
ALC returned funds for vent project 5/29	24,599.64
Total Transfer	<u>47,746.09</u>