

# Elk Meadows HOA *Treasurer's Report*

- *2019 Income & Expenses versus Budget*
- *2019 to 2018 Comparison*
- *2020 Expectations*
- *2021 Proposed Budget*

# 2019 versus Budget - significant line items

	<b>Actual</b>	<b>Budget</b>
• <b>Income (Dues, Other)</b>	<b>\$188,197</b>	<b>\$173,137</b>
• Operating Income	\$102,639	\$87,579
• USDA Loan Payment	\$59,847	\$59,847
• Reserves	\$25,711	\$25,711
• USDA Loan Paydown (pass through)	\$14,387	
• <b>Expenses</b>		
• Interest Expense on Loans, etc	\$44,238	\$44,320
• Water system		
• Maintenance, repair, utilities	\$ 9,774	\$ 8,750
• Regulatory (Includes license, insurance, testing, ...)	\$ 11,180	\$ 8,203
• Capital Improvements (water plant fence, power to water tank)	\$ 19,236	\$ -
• Sewer system		
• Maintenance, repair, utilities	\$ 1,391	\$ 1,000
• Regulatory (Includes license, insurance, testing, ...)	\$ 8,506	\$ 8,303
• Road maintenance	\$12,804	\$14,500
• General Operations (significant)		
• Accounting	\$ 10,457	\$ 8,500
• Management/Governing Doc's	\$ 4,558	\$ 6,000
• Insurance	\$ 14,153	\$ 12,683
• Legal & professional	\$ 27,002	\$ 18,500
• Snow Plowing	\$ 18,760	\$ 10,000
• <b>End-of-Year Expenses</b>	<b>\$186,529</b>	<b>\$155,905</b>
unadjusted for debt cost, depreciation		
• <b>Net Income</b>	<b>\$ 1,667</b>	

# 2019 versus 2018 – Comparison

	<b>2019</b>	<b>2018</b>
• <b>Income (Dues, Other)</b>	<b>\$188,197</b>	<b>\$183,409</b>
• Operating Income	\$102,639	\$97,852
• USDA Loan Payment	\$59,847	\$59,847
• Required Reserves (USDA, other)	\$25,711	\$25,710
• <b>Expenses</b>		
• Interest Expense on Loans	\$44,238	\$48,911
• Water system		
• Maintenance, repair, utilities	\$ 9,774	\$15,550
• Regulatory (Includes, license, insurance, testing, ...)	\$ 11,180	\$ 9,458
• Capital Improvements (water plant fence, power to tank)	\$ 19,236	
• Sewer system		
• Maintenance, repair, utilities	\$ 1,391	\$ 4,798
• Regulatory (Includes license, insurance, testing, ...)	\$ 8,506	\$ 8,060
• Road maintenance	\$12,804	\$10,040
• Significant General Operations		
• Accounting	\$10,457	\$ 8,626
• Management/Governing Doc's	\$ 4,558	\$ 12,617
• Insurance	\$14,153	\$ 13,941
• Legal & professional	\$27,002	\$ 30,733
• Snow Plowing	\$18,760	\$ 8,270
• <b>End-of-Year (total) Expenses</b>	<b>\$186,529</b>	<b>\$174,903</b>

unadjusted for debt cost, depreciation

# Expectations for 2020

## Projection

## Budget

• <b>Income</b> (28-L, 58-LW, 41-LWS)		
• Base income	\$ 118,380	\$118,380
• USDA Loan payment, reserves	\$ 85,557	\$ 85,557
• USDA Loan Paydown (pass through)	\$ 15,240	
• <b>Expenses</b>		
• Water system		
• Maintenance, repair, utilities	\$ 16,800	\$ 14,300
• Loan Payment	\$ 59,847	\$ 59,847
• Capital Improvements (power to water tank, security)	\$ 6,000	
• Sewer system		
• Maintenance, repair, utilities	\$ 1,500	\$ 10,300
• Roads		
• General maintenance	\$ 14,500	\$ 20,000
• Capital improvement (access to lot 8, 12)	\$ 6,000	
• General Operations		
• Accounting	\$ 12,000	\$ 12,000
• Insurance	\$ 14,200	\$ 13,000
• Legal & professional	\$ 15,000	\$ 10,000
• Office, technology & Internet	\$ 2,500	\$ 2,500
• Fence repair, weed control tree treatment	\$ 4,500	\$ 6,000
• Snow Plowing	\$ 14,000	\$ 14,000
• <b>Transfer to Reserves</b>		
• General Fund (roads, fences, solar)	\$ -	\$6,096
• Water Fund (regulatory, capital expenses)	\$ 6,466	\$12,466
• Sewer Fund (regulatory, capital expenses)	\$ 7,148	\$7,148
• <b>End-of-Year Expenses</b> (unadjusted for depreciation)	\$173,000	\$167,113

# Proposed 2021 Budget

## Budget

• <b>Income</b> (28-L, 58-LW, 41-LWS)	
• Base income	\$ 118,380
• USDA Loan payment, reserves	\$ 85,557
• USDA Loan Paydown (pass through)	\$ 15,240
• <b>Expenses</b>	
• Water system	
• Maintenance, repair, utilities	\$ 17,000
• Loan Payment	\$ 59,847
• Capital Improvements	No anticipated expenses
• Sewer system	
• Maintenance, repair, utilities	\$ 5,000
• Roads	\$ 20,000
• General Operations	
• Accounting	\$ 12,000
• Insurance	\$ 14,500
• Legal & professional	\$ 15,000
• Office, technology & Internet	\$ 2,500
• Fence repair, weed control tree treatment	\$ 4,500
• Snow Plowing	\$ 14,000
• <b>Transfer to Reserves</b>	
• General Fund (roads, fences, solar)	\$ 6,096
• Water Fund (regulatory, capital expenses)	\$12,466
• Sewer Fund (regulatory, capital expenses)	\$ 7,148
• <b>End-of-Year Expenses</b> (unadjusted for depreciation)	\$174,600

# Water O&M Reserve - Budget

\* - Yearly income from \$6,477 due to redistribution of dues after reaching USDA-required loan reserve

\*\* - Redistribution decision of 2019-2020 enables EMHOA to build its O&M Reserve account in preparation for major replacements anticipated (by Capital Replacement Study, 2018) for 2024

	ACTUAL	PROJECTED	BUDGET		
	2019	2020	2021	2022-2023	2024
Account total (Jan 1)	\$63,871	\$57,100	\$63,566	...	\$95,964(**)
Yearly Income	\$12,466 (*)	\$12,466	\$12,466	...	\$12,466
<b>Expenses</b>					
Plant security fence	\$6,534		No anticipated capital improvements or major repairs		
Power pedestal (water tank electric, security platform)	\$4,683				
Security upgrades (as funds allow)		\$6,000			
System upgrades (meter pits, computer)	\$8,019				
System upgrades (tank, distrib. system, per Cap. Repl. Study)					
Account total (Dec 31); adj for Q4 expense transfers)	\$57,100	\$63,566	\$71,032		

# General Set-Aside (supplemental reserve assessment) - Budget

	ACTUAL	PROJECTED	BUDGET
	2019	2020	2021
Account total (Jan 1)	\$26,263	\$19,131	\$19,227
Yearly Income	\$6,096	\$6,096	\$6,096
<b>Expenses</b>			
Repayment of D&O (Insurance installment)	\$2,672		
Snowplow major expense	\$10,000		No anticipated major repairs or replacements
Lot 12 access	\$556	\$6,000	
Account total (Dec 31)	\$19,131	\$19,227	

# Summary

- Current Financial Status
  - 2019 Actual over Budget due to Legal & Professional; Snow Plowing
    - Capital Improvements: Security: Water plant fence; Electric to water tank
  - 2020 Expectation: Within budget
    - Capital Improvements:
      - Electric to water tank complete; power pedestal for security
      - Access road to lots 8, 12
- USDA Loan Paydown progress since January 2019
  - To reduce 30 remaining years on loan by 10 years, annual payment must be \$15,240
  - Paydown to date: \$20,407; 2019 audit will show loan period reduction
- Reserves at 104.8% of fully-funded amount (\$145,500)
  - Aided by redistribution of Loan Debt Reserve (having met loan reserve requirement)
- 2021 Expense projection at Budget
  - No capital improvements planned
  - Building Reserves towards 2024 anticipated Water System expenses