

## Fairwood Village Homeowners' Association

### Q4, 2018- 19 and Full Year Financial Report:

#### Q4 Income Statement:

1. Income was above budget (by \$39) due to increased interest income from savings and CDs.
2. Utility expenses were under budget by \$78.
3. Management expenses were on budget.
4. Repairs and Maintenance were over budget by \$3,861 due to increased landscape maintenance costs (which included mowing individual owner lawns in March and April). Assuming owners reimburse FVHOA for these costs, we will end up being over budget by \$1,354.
5. Fixed expenses were on budget.
6. Net Income was \$3,738 under budget due to the above categories.

#### Full Year Income Statement:

1. Income was above budget (by \$155) due to increased interest income from savings and CDs.
2. Utility expenses were under budget by \$119.
3. Management expenses were over budget by \$1,546 due to geological assessment report on Village common areas which was not budgeted for.
4. Repairs and Maintenance were over budget by \$4,026 due to increased landscape maintenance costs (which included mowing individual owner lawns in March and April). Assuming owners reimburse FVHOA for these costs, we will end up being over budget for the year by \$1,519.
  - a. Note that the Association budget must be set in July, whereas the Landscaping contract is signed the following December or January, making it difficult to estimate landscape maintenance costs for the year.
5. Fixed expenses were \$50 under budget.
6. Net Income for the fiscal year was under budget by \$5,485 due to the above reasons. \$2,507 of this will be recaptured when individual lawn mowing expenses are repaid to the Association. This will result in a net loss of \$3,078 for the year.

#### Balance Sheet:

1. Current Assets are \$12,632 including:
  - a. \$103 in our checking account;
  - b. \$12,529 in our savings account (at 0.5% interest).
2. Reserves CDs:
  - a. \$10,569 (maturing in March, 2020 at 2%)
  - b. \$7,300 (now maturing in June, 2021 at 3.0%)
3. Our total Asset value is \$74,038;
4. We have no liabilities (loans, accounts, taxes, notes or bonds outstanding).
5. Our Retained Earnings are equal to our Asset Value at \$74,038.

**Reserves Status:**

I have researched professional Reserves Analysis organizations as authorized by our Board. The Board approved expenditures for a full professional reserves analysis this July, along with follow up analyses for FY 2021 and FY 2022.

Once we receive the analysis, I will prepare a discussion/review for owners at a Q1, FY2020 meeting (August or September, 2019). After that we will start the process of polling members as to what level of dues should be placed into the Reserves Fund moving forward.

Again, thank you Owners for supporting the strong financial position that we hold.

Sincerely,

Rob Hamilton, Treasurer, Fairwood Village Homeowners' Association