

**Desert Greens 2001 HOA  
JULY 2018 FINANCIAL REPORT  
Submitted to the Board on August 12, 2018  
Treasurer, Patty Maitland**

**Snap Shot of CYTD (through August 8, 2018)**

See last page of report.

**Account Balances a/o August 8, 2018**

	<b>2018</b>					
	January	February	March	April	May	June
Checking	\$100,016.81	\$111,350.56	\$98,878.01	\$55,894.94	\$57,507.82	\$79,625.43
Money Market	\$168,980.68	\$171,514.99	\$175,471.00	\$22,954.50	\$20,990.24	\$13,873.23
CD 18 Month	\$101,875.65	\$101,875.65	\$102,017.25	\$102,017.25	\$102,305.79	\$102,452.73
CD 12 Month				\$200,000.00	\$200,269.76	\$200,548.90
Total	\$370,873.14	\$384,741.20	\$376,366.26	\$380,866.69	\$381,073.61	\$396,500.29
	July	August	September	October	November	December
Checking	\$41,241.10					
Money Market	\$39,342.88					
CD 18 Month	\$102,595.14					
CD 12 Month	\$200,819.41					
Total	<b>\$383,998.53</b>					

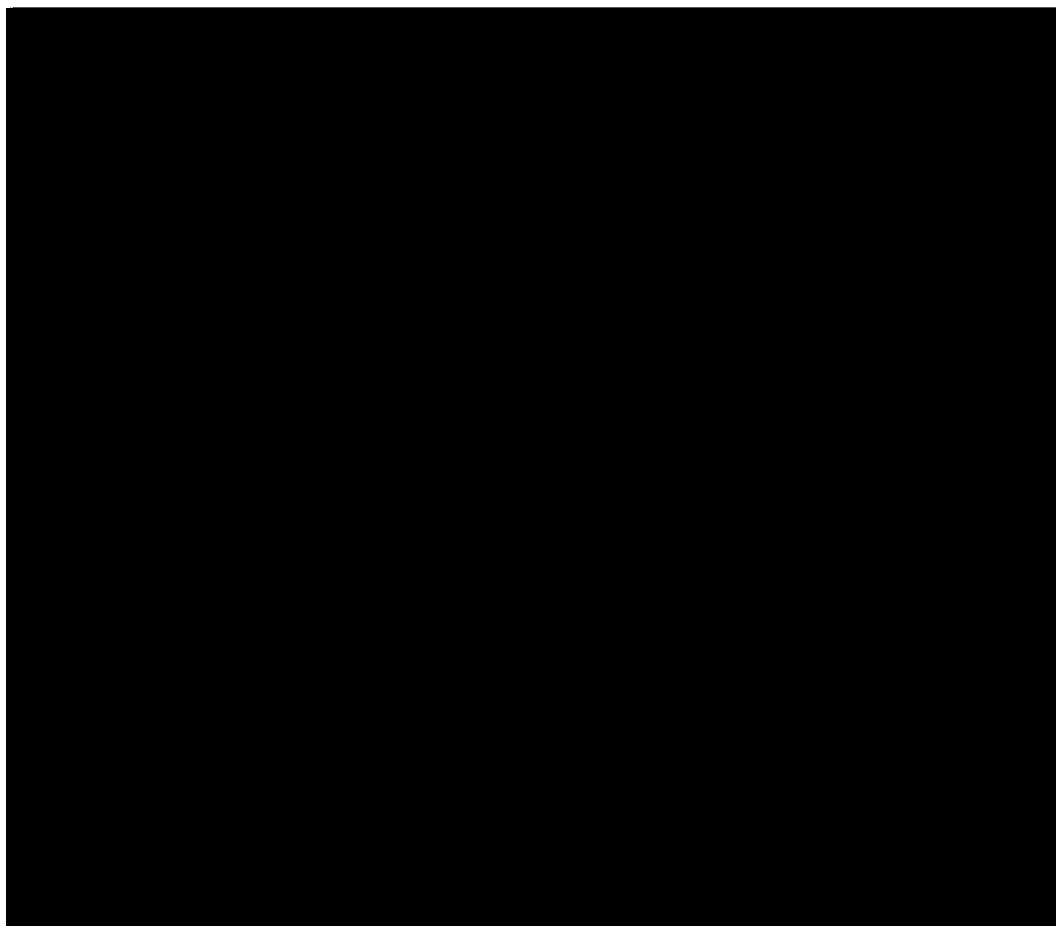
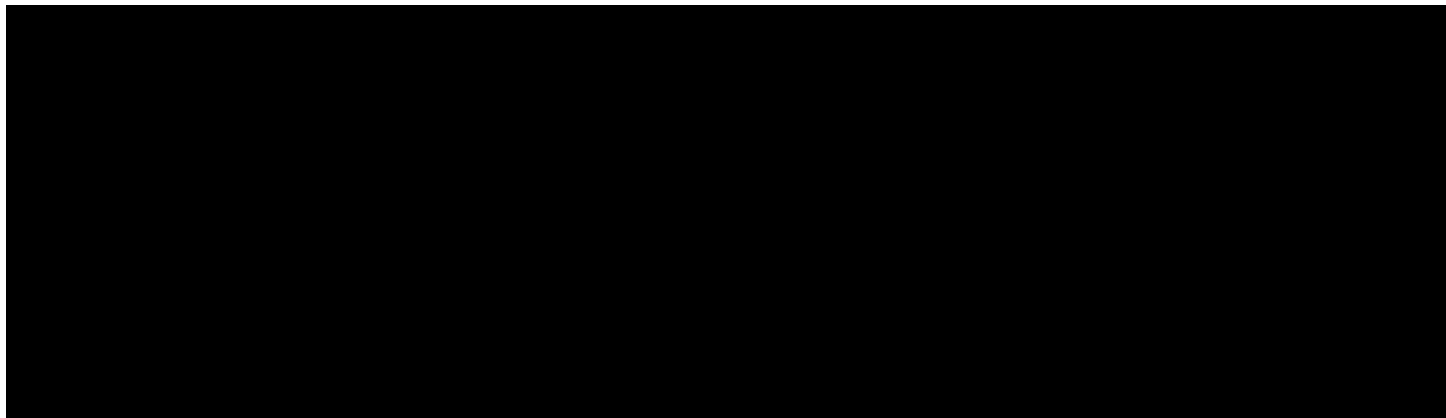
**Note:** Checking and Money Market Accounts have decreased approximately **\$12,500.00** since the prior month.

**Budget to Actual Revenues & Expenditures**

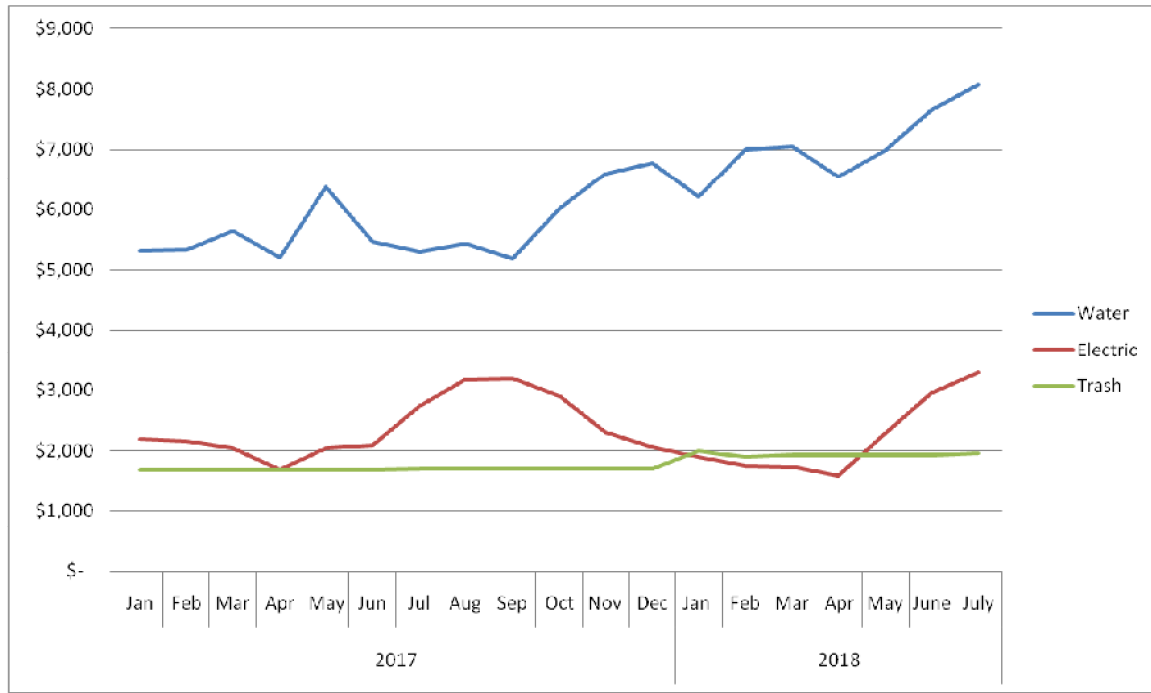
**July 2018 YTD Budget vs. Actual**

	Actual	Budget	over Budget	% of Budget
<b>Total Expenses</b>	\$234,545.85	\$346,500.00	-\$111,954.15	67.69%
<b>Net Operating Income</b>	\$261,896.58	\$390,690.00	-\$128,793.42	67.03%

**Note:** At this point in the fiscal year, the percent of budget should be 58.33%. This means that as of July, the HOA is **9.4% over budget, or \$32,420.00**.



## Utility Trends



Further discussion under new business.

## Updates and New Business:

The Board prioritized the Reserve Items in February (see table below). Report from members on quotes.

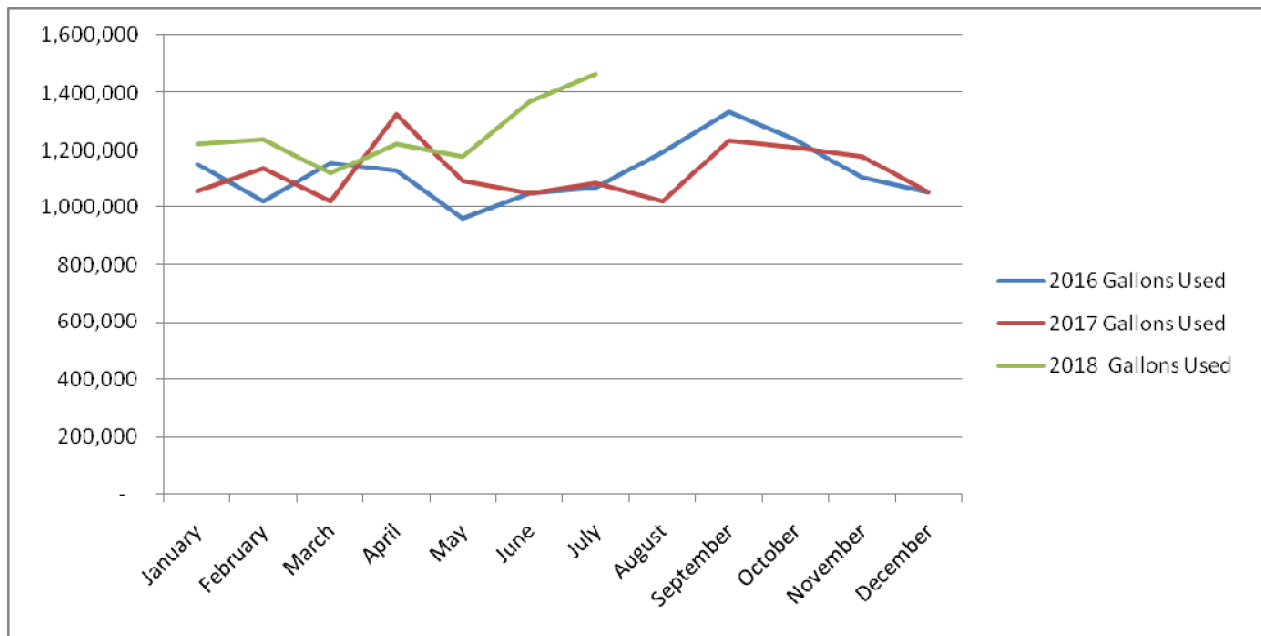
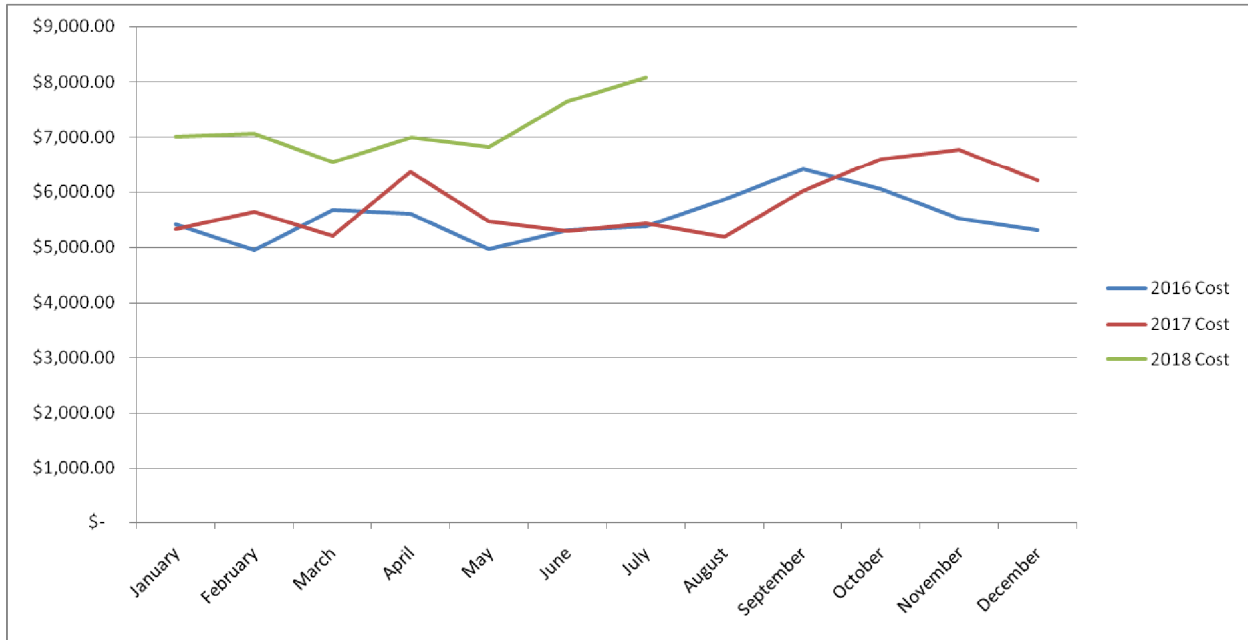
Reserve Expenses				
Given: Any item with a useful life of 2 years or less (based on 2016 Reserve Study for Operating Year 2018)				
Component	RUL	Cost	Priority/Status	
Wrought Iron Fence Repair	0	Unfunded	COMPLETED IN 2018	In progress by A-1 for \$11,850, estimated completion 5/4/18
Stucco Wall Repair/Repaint	0	Unfunded	HIGH	
Phone Entry system Replace	0	\$ 4,500	COMPLETED IN 2018	DNG Quote for Door King System of \$7,625. Existing remotes can be converted.
Vehicle Gate Operators	0	\$ 21,000	COMPLETED IN 2018	
Gym Eqpt. Partial Replace	2	\$ 3,500	LOW	Bob Jacobs recommended \$800 piece of eqpt.
Pool/Spa Pumps Partial Replace	0	\$ 2,000	SPARE PUMP ON HAND AUTHORIZED FEB 2018	
Sewer & Utility	0	Unfunded		
Clubhouse Int/Ext Repaint	0	Unfunded	COMPLETED IN 2017	
Interior Surfaces Repaint	0	Unfunded	COMPLETED IN 2017	
HVAC Partial Replace	2	\$ 4,500	MAINTAINED ANNUALLY	
Asphalt	0		COMPLETED IN 2017	
Furniture Partial Replace	2	\$ 3,250	COMPLETED IN 2017	
Pond & Sprinkler Pumps	1		COMPLETED IN 2017	
Mailboxes Replace	0	Unfunded	AS NEEDED FROM OPS	
Landscaping Renovation	0	Unfunded	AS NEEDED FROM OPS	
Vehicle Gates Repair	0	Unfunded	AS NEEDED FROM OPS	
Pool Furniture Replace	0	Unfunded	AS NEEDED FROM OPS	
		\$ 38,750		

1. In addition to the above scheduled projects, the HOA has had the following additional expenditures that were unanticipated:

Expense	Amount	Notes
Well (estimated cost)	\$ 8,000	
Audits	\$ 5,350	Audits that should have been completed in 2016 (FY 2015) and 2017 (FY 2016), we will have the 2018 (FY 2017) audit to pay for as well, an additional \$2675.00
Spa Solar Panels	\$ 4,215	Includes \$265 to former vendor Celestial
Lien Release on 87 Lots (Pedley)	\$ 3,045	
Pump #4	\$ 3,000	
910 Montecito Water Leak	\$ 2,825	
Riviera Waterleak Aug 10 (est.)	\$ 2,700	
Candlestick Waterleak Aug 10 (est.)	\$ 2,700	
851 Montecito Water Leak	\$ 2,529	
Water Leak January	\$ 2,514	
Steel Shade Cover (Henderson Roofing and Patio)	\$ 2,200	February purchase, separate from 1-Day Shade
Golf Sprinklers (Ewing)	\$ 1,766	Power Module = \$248.95 & 36 sprinklers = \$1517.16
Retaining Wall Pond #7)	\$ 1,573	
Clubhouse AC Repair July	\$ 1,554	
Clubhouse AC Aug 10 (est.)	\$ 1,500	
Water Leak February	\$ 1,451	
1 Day Shade for Equipment	\$ 800	
Ceiling Fan and Light in Card room	\$ 760	Fan =\$63.48, In wall remote \$65.01, Installation \$320.00, Bulb Installation = \$312.00
Street Lights	\$ 628	
Carburetor/Stationary knife & screws/Freight Charge	\$ 603	
Back Flow Testing	\$ 575	
Clubhouse Roof Repair	\$ 450	
Decorative Rocks for in/outside pool fence	\$ 444	
Cement Mixer Purchase	\$ 350	
	\$ 51,533	

The Board should discuss how to proceed from this point forward with regard to expenditures as we are currently over budget. Additionally, the Board should consider the potential for additional, unanticipated expenses in the form of litigation and collection costs.

2. Note the water expenditure compared to June and July of the prior year. I prepared a water study of the past three years.



Not only is the cost of the water higher, but our consumption has increased.

	First 6000 gallons	Next 24,000 gallons	Cost of Remaining gallons
January-16	\$ 1.38	\$ 2.37	\$ 3.59
April-16	\$ 1.48	\$ 2.54	\$ 3.85
November-17	\$ 1.73	\$ 2.97	\$ 4.50

	Usage in Gallons		
	2016	2017	2018
January	1,154,000	1,055,800	1,224,200
February	1,022,700	1,136,600	1,239,000
March	1,155,600	1,019,600	1,121,600
April	1,127,300	1,326,600	1,224,000
May	961,000	1,092,100	1,180,800
June	1,050,300	1,047,800	1,370,600
July	1,068,500	1,081,900	1,465,400
August	1,194,400	1,019,500	
September	1,335,800	1,233,400	
October	1,240,400	1,211,300	
November	1,104,100	1,179,700	
December	1,051,400	1,049,500	

3. Discuss the possibility of increasing assessments. According to the Bureau of Labor Statistics, the CPI inflation adjustment for \$125.00 from 2001 (when the current monthly assessment was set) to June 2018 is \$179.89. This means that our assessments have not kept pace with inflation. Our buying power is significantly lower than it should be. In other words, what would have cost us \$500.00 to buy in 2001, now costs us in 2018 \$720.00 to buy. This is almost a 25% decrease in buying capacity for the HOA.

a. This is the same issue that requires the Reserve Study amounts to increase over time i.e., as inflation rises, so does the cost to make capital repairs. As previously noted, the 2019 Reserve Amount should have a beginning balance of \$313,000 in January 2019 and an ending balance of \$340,000 in December 2019.

4. Miscellaneous Items:

a. US Economic Census for FY 2017 Submitted 8/9/18 - an electronic copy of the submission has been forwarded to the HOA Office for record retention.

b. Why is Kelly Stillwell listed as an employee?

Business Snapshot

