

**COTTONWOOD HOMEOWNERS
ASSOCIATION, INC.**



BOARD OF DIRECTORS MEETING

LOCATION:

Rosenberg Civic Center

TIME:

6:00 PM

DATE:

February 27, 2019

**COTTONWOOD
HOMEOWNERS ASSOCIATION, INC
BOARD MEETING**

Date & Time: Wednesday, February 27, 2019 at 6:00 PM
Location: Rosenberg Civic Center
3825 HWY 36 South
Rosenberg, Texas 77471

AGENDA

- I. **Call to Order and Adopt Agenda**
- II. **Approval of March Meeting Minutes**
- III. **Financial Report**
- IV. **Ratification of Items approved in Non-Meeting**
- V. **Old/New Business:**
- VI. **Open Forum**
- VII. **Adjournment**

COTTONWOOD HOMEOWNER ASSOCIATION, INC.
Regular Board Meeting Minutes
March 13, 2018 | 6:03 p.m. | Rosenberg Civic Center

1. Call to Order

The meeting was called to order by managing agent Linda Le at 6:03 PM. A quorum of directors was established.

Directors present:

Neptali Sepulveda	Vice President	James Bauernfeind	Director
Kyle MacPherson	Treasurer	Jason McDaniel	Secretary

Community Manager, Linda Le, was also present.

Mayor of City of Rosenberg, William Benton, provided insights on tax related questions and reminded the community to vote at the upcoming elect on May 5th.

2. Homeowner Forum

Homeowner provided their concerns in the following topics: fence, property/mud tax, Bamore road expansion, pool, leash laws and etc.

3. Secretary's Report

Linda Le presented the minutes of June 14, 2017 Board of Director's meeting.

Motion: Neptali Sepulveda motion to approve the minutes of June 14, 2017, seconded by Kyle MacPherson. Motion carried and approved by Board.

4. Treasurer's Report

Linda presented the January 2018 financial with \$143,877.79 total Operating Funds, \$48,795.61 in Reserve, \$104,123.77 in Accounts Receivable. Linda Le explained that \$65,221.13 in A/R is the 2018 assessment. It is common to have a higher A/R at the beginning of the year as Cottonwood's assessment is late after January 10th.

Motion: Jason McDaniel motion to approve the January 2018 financial, seconded by James Bauernfeind. Motion carried and approved.

5. Old Business

Playground Certified Inspection: Linda Le advised that AOC can provide a certified playground inspection for \$220. Board did not approve.

Pool Contract: Linda Le presents Swim Houston pool renewal contract with life guard service for \$37,770.00. Board tabled and agreed to proceed with the life guard service. Kyle MacPherson will

provide the scope of work for the installation of an electric access control system for the pool gate and provide it to PMG. Linda Le to get three bids for various type of access control system/devices for the pool.

Motion: Jason McDaniel motion to approve Swim Houston pool contract for 2018 as presented, seconded by Kyle MacPherson. Motion carried and approved.

Bamore Construction: Neptali Sepulveda advised that he will meet with the Project Engineer to go over the road construction scope, equipment location, future speed limits and the possibility of getting fence for the playground to prevent potential casualties.

6. New Business

Capital Projects: Linda Le advised the Board of the projected expense from the reserve study. In 2018 to spend on small equipment for the pool area. 2019 the reserve study shows to replaster the pools for \$53,182.79. Board noted and wants to proceed with the bids. Board would like to keep the pool expense in 2019. Board approve to replace the benches at the small park at Wild Cotton.

Annual Meeting Date: Board advised to have the Annual Meeting to be held on May 10th.

7. Executive Session

Linda Le presented the updated delinquency report as of March 13, 2018 and the attorney lawsuit inquires for six (6) accounts. Board instruct Linda Le to proceed with the lawsuits. Board request to see which accounts are first time delinquent prior approving any courtesy waives.

8. Next Meeting

The next meeting is the Annual Meeting of Members for Cottonwood HOA to be held on May 10th.

9. Adjourn

Meeting adjourn at 7:30 p.m.

Approved: Jason McDaniel, Secretary
Cottonwood Homeowner Association, Inc.

Balance Sheet Report Cottonwood H.O.A.

As of January 31, 2019

	<u>Balance Jan 31, 2019</u>	<u>Balance Dec 31, 2018</u>	<u>Change</u>
<u>Assets</u>			
Operating Funds			
1000 - Pacific Premier Bank CK - 1655	186,486.87	118,462.96	68,023.91
1100 - Pacific Premier Bank MM - 1555	5,316.86	5,315.73	1.13
Total Operating Funds	191,803.73	123,778.69	68,025.04
Reserve Funds			
1326 - PPB MM- #5937	78,340.70	75,873.15	2,467.55
Total Reserve Funds	78,340.70	75,873.15	2,467.55
Accounts Receivable			
1500 - Residential Assessments Receivable	92,904.72	34,319.16	58,585.56
Total Accounts Receivable	92,904.72	34,319.16	58,585.56
Other Current Assets			
1600 - Prepaid Insurance	4,551.03	5,119.91	(568.88)
1640 - Other Prepaid Expenses	2,561.92	38.42	2,523.50
Total Other Current Assets	7,112.95	5,158.33	1,954.62
Total Assets	370,162.10	239,129.33	131,032.77
<u>Liabilities</u>			
Liabilities			
2000 - Accounts Payable	5,300.18	0.00	5,300.18
2015 - Returned Check Fee Payable	125.00	100.00	25.00
2036 - PMG Collections	10,040.45	6,411.45	3,629.00
2037 - Payment Plan Fees	920.00	980.00	(60.00)
2395 - Other Accrued Expenses	808.35	2,708.33	(1,899.98)
2550 - Prepaid Assessments	2,257.24	48,915.53	(46,658.29)

Balance Sheet Report Cottonwood H.O.A.

As of January 31, 2019

	<u>Balance Jan 31, 2019</u>	<u>Balance Dec 31, 2018</u>	<u>Change</u>
<u>Liabilities</u>			
Liabilities			
2595 - Deferred Revenue	161,465.33	0.00	161,465.33
Total Liabilities	180,916.55	59,115.31	121,801.24
Total Liabilities	180,916.55	59,115.31	121,801.24
<u>Owners' Equity</u>			
Owners Equity - Prior Years			
3000 - Operating Fund - Prior Year	104,140.87	104,140.87	0.00
Total Owners Equity - Prior Years	104,140.87	104,140.87	0.00
Capital Reserves - Prior Years			
3102 - Repair & Replacement Reserve - Prior Yrs	75,873.15	75,873.15	0.00
Total Capital Reserves - Prior Years	75,873.15	75,873.15	0.00
Total Owners' Equity	180,014.02	180,014.02	0.00
Net Income / (Loss)	9,231.53	0.00	9,231.53
Total Liabilities and Equity	370,162.10	239,129.33	131,032.77

Income Statement Report Cottonwood H.O.A. Operating

January 01, 2019 thru January 31, 2019

	Current Period			Year to Date (1 month)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<u>Income</u>								
Income								
4000 - Residential Assessments	14,678.67	14,679.00	(0.33)	14,678.67	14,679.00	(0.33)	176,144.00	161,465.33
4250 - Pool Income	0.00	42.00	(42.00)	0.00	42.00	(42.00)	500.00	500.00
4710 - Late Fees & Interest	1,378.74	417.00	961.74	1,378.74	417.00	961.74	5,000.00	3,621.26
4720 - Legal Reimbursements	88.82	333.00	(244.18)	88.82	333.00	(244.18)	3,998.00	3,909.18
4900 - Interest Earned - Operating Accounts	1.13	1.00	0.13	1.13	1.00	0.13	12.00	10.87
Total Income	16,147.36	15,472.00	675.36	16,147.36	15,472.00	675.36	185,654.00	169,506.64
Total Operating Income	16,147.36	15,472.00	675.36	16,147.36	15,472.00	675.36	185,654.00	169,506.64
<u>Expense</u>								
Administrative								
5000 - General Administrative	0.00	75.00	(75.00)	0.00	75.00	(75.00)	900.00	900.00
5005 - Application/Processing	0.00	29.00	(29.00)	0.00	29.00	(29.00)	350.00	350.00
5010 - Bad Debt	26.06	125.00	(98.94)	26.06	125.00	(98.94)	1,500.00	1,473.94
5015 - Bank Charges	0.00	6.00	(6.00)	0.00	6.00	(6.00)	75.00	75.00
5025 - Billing/Collections	0.00	833.00	(833.00)	0.00	833.00	(833.00)	10,000.00	10,000.00
5030 - Coupon Costs	0.00	21.00	(21.00)	0.00	21.00	(21.00)	250.00	250.00
5075 - Meeting Room Rentals	120.00	0.00	120.00	120.00	0.00	120.00	500.00	380.00
5080 - NSF Charges	0.00	8.00	(8.00)	0.00	8.00	(8.00)	100.00	100.00
5090 - Office Supplies	0.00	25.00	(25.00)	0.00	25.00	(25.00)	300.00	300.00
5100 - Records Storage	0.00	20.00	(20.00)	0.00	20.00	(20.00)	240.00	240.00
5115 - Web Site Maintenance	0.00	8.00	(8.00)	0.00	8.00	(8.00)	100.00	100.00
5200 - Community Events	0.00	42.00	(42.00)	0.00	42.00	(42.00)	500.00	500.00
5210 - Copies	0.00	125.00	(125.00)	0.00	125.00	(125.00)	1,500.00	1,500.00
5215 - Postage	0.00	333.00	(333.00)	0.00	333.00	(333.00)	4,000.00	4,000.00
Total Administrative	146.06	1,650.00	(1,503.94)	146.06	1,650.00	(1,503.94)	20,315.00	20,168.94
Insurance								
5415 - D&O Insurance Premiums	170.96	171.00	(0.04)	170.96	171.00	(0.04)	2,051.55	1,880.59

Income Statement Report Cottonwood H.O.A. Operating

January 01, 2019 thru January 31, 2019

	Current Period			Year to Date (1 month)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<u>Expense</u>								
Insurance								
5460 - Property Insurance Premiums	307.25	307.00	0.25	307.25	307.00	0.25	3,687.00	3,379.75
5470 - Other Insurance Premiums	90.67	91.00	(0.33)	90.67	91.00	(0.33)	1,088.00	997.33
Total Insurance	568.88	569.00	(0.12)	568.88	569.00	(0.12)	6,826.55	6,257.67
Utilities								
6000 - Electric Service	371.63	542.00	(170.37)	371.63	542.00	(170.37)	6,500.00	6,128.37
6025 - Water Service	373.36	833.00	(459.64)	373.36	833.00	(459.64)	10,000.00	9,626.64
6050 - Telephone Service	292.64	100.00	192.64	292.64	100.00	192.64	1,205.00	912.36
Total Utilities	1,037.63	1,475.00	(437.37)	1,037.63	1,475.00	(437.37)	17,705.00	16,667.37
Landscaping								
6100 - Grounds & Landscaping - Contract	2,561.91	2,583.00	(21.09)	2,561.91	2,583.00	(21.09)	31,000.00	28,438.09
6110 - Landscape Replacement & Installation	0.00	83.00	(83.00)	0.00	83.00	(83.00)	1,000.00	1,000.00
6140 - Force Mow	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
6200 - Irrigation Repair & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
Total Landscaping	2,561.91	2,666.00	(104.09)	2,561.91	2,666.00	(104.09)	33,150.00	30,588.09
Contracted Services								
6438 - Pool Management	1,569.62	3,332.00	(1,762.38)	1,569.62	3,332.00	(1,762.38)	40,000.00	38,430.38
Total Contracted Services	1,569.62	3,332.00	(1,762.38)	1,569.62	3,332.00	(1,762.38)	40,000.00	38,430.38
Repair & Maintenance								
6560 - Fences & Gates Repair & Maintenance	0.00	83.00	(83.00)	0.00	83.00	(83.00)	1,000.00	1,000.00
6600 - General Repair & Maintenance	(300.00)	625.00	(925.00)	(300.00)	625.00	(925.00)	7,500.00	7,800.00
6685 - Park Repair & Maintenance	0.00	167.00	(167.00)	0.00	167.00	(167.00)	2,000.00	2,000.00
6700 - Pool Supplies/Repair & Maintenance	0.00	208.00	(208.00)	0.00	208.00	(208.00)	2,500.00	2,500.00
6745 - Signage Repair & Maintenance	0.00	21.00	(21.00)	0.00	21.00	(21.00)	250.00	250.00
Total Repair & Maintenance	(300.00)	1,104.00	(1,404.00)	(300.00)	1,104.00	(1,404.00)	13,250.00	13,550.00
Professional Services								
7000 - Audit & Tax Services	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00

Income Statement Report Cottonwood H.O.A. Operating

January 01, 2019 thru January 31, 2019

	Current Period			Year to Date (1 month)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Expense								
Professional Services								
7020 - Legal Services	0.00	42.00	(42.00)	0.00	42.00	(42.00)	500.00	500.00
7025 - Legal Services - Collections	88.82	417.00	(328.18)	88.82	417.00	(328.18)	5,000.00	4,911.18
7040 - Management Fees	1,265.46	1,308.00	(42.54)	1,265.46	1,308.00	(42.54)	15,700.00	14,434.54
Total Professional Services	1,354.28	1,767.00	(412.72)	1,354.28	1,767.00	(412.72)	21,700.00	20,345.72
Taxes								
9015 - Property/Real Estate Tax	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
Total Taxes	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
Other Expenses								
9105 - Reserve Contribution Expense	2,445.00	2,445.00	0.00	2,445.00	2,445.00	0.00	29,339.00	26,894.00
Total Other Expenses	2,445.00	2,445.00	0.00	2,445.00	2,445.00	0.00	29,339.00	26,894.00
Total Operating Expense	9,383.38	15,008.00	(5,624.62)	9,383.38	15,008.00	(5,624.62)	182,535.55	173,152.17
Total Operating Income / (Loss)	6,763.98	464.00	6,299.98	6,763.98	464.00	6,299.98	3,118.45	(3,645.53)

Income Statement Report Cottonwood H.O.A. Reserves

January 01, 2019 thru January 31, 2019

	Current Period			Year to Date (1 month)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<u>Income</u>								
Income								
4905 - Reserve Contribution Income	2,445.00	2,445.00	0.00	2,445.00	2,445.00	0.00	29,339.00	26,894.00
4910 - Interest Earned - Reserve Accounts	22.55	0.00	22.55	22.55	0.00	22.55	0.00	(22.55)
Total Income	2,467.55	2,445.00	22.55	2,467.55	2,445.00	22.55	29,339.00	26,871.45
Total Reserves Income	2,467.55	2,445.00	22.55	2,467.55	2,445.00	22.55	29,339.00	26,871.45
Total Reserves Income / (Loss)	2,467.55	2,445.00	22.55	2,467.55	2,445.00	22.55	29,339.00	26,871.45
Total Association Net Income / (Loss)	9,231.53	2,909.00	6,322.53	9,231.53	2,909.00	6,322.53	32,457.45	23,225.92