

Treasurer's Report  
July 2, 2016

**Preliminary Financial results through June 30, 2016:**

The Balance Sheet, Profit & Loss Statement and Cash Roll Forward have been prepared for the period ending 6/30/16. All bills have been processed and all cash accounts have been reconciled to the most recent bank statement. These statements will be finalized upon receipt of the June bank statements.

Our Profit & Loss Statement shows Revenues of \$77,201 and Expenses of \$136,963; this resulted in a net loss of \$59,762. The current year was budgeted at a loss of \$64,567; as a result, the budget variance is favorable by \$4,805. Revenues are favorable to Budget by \$931. Expenses are favorable to Budget as follows:

Expenses:	Actual	Budget	Variance	% Variance
Business Operations	\$ 13,471	\$ 13,252	\$ (219)	-1.7%
Capital Improvements	96,571	89,000	(7,571)	-8.5%
Environmental	400	1,350	950	70.4%
Recreation	9,328	11,385	2,057	18.1%
Roads	17,193	25,850	8,657	33.5%
Totals	\$ 136,963	\$ 140,837	\$ 3,874	2.8%

The above revenues and expenses are presented on a "cash basis". While revenues are above budget, our Association continues to have problems with several property owners who are not paying dues and assessed interest. The balance of accounts receivable at June 30 is \$15,112. Of this amount, \$13,759 is owed from 5 members who are making no payments. The remaining balance of \$1,824 is owed by 4 members who are making payments towards their balance. In addition, 2 members have credit balances (i.e. overpayments) that total \$471. While steps are made to protect the Association's interest in these properties using liens and collection activities, more costly collection activities have generally been avoided. In the past, many of the collections problems are resolved when the property is sold. The local realtors and real estate attorneys generally request confirmation of dues payment status prior to closing a property sale.

While all combined expense categories are favorable to Budget, the largest unfavorable variance is from the Marina Replacement Project. The majority of the cost variance is due to unbudgeted installation hardware. There is no significant overspending on any other budgeted line item. Within Business Operations, the two largest expenses are insurance (\$7,112) and property taxes (\$4,895).

Our cash position has declined since last year; however, this was anticipated during our budgeting process and communicated at last year's annual meeting. Our total cash balance of \$55,098 includes our reserve account of \$40,024. This account is invested in a 6 month certificate of deposit earning interest at 0.05%. This reserve is intended to cover capital improvements or unbudgeted emergencies that require repairs to our roads and other common

areas. The remaining cash balances are held in an interest bearing money market account and in a non-interest bearing checking account.

**Proposed budget for the year ending June 30, 2017:**

Revenues for the year are budgeted at \$76,280. This amount includes \$76,250 for membership dues and is based on the current mix of improved and unimproved lots. In addition, \$30 has been budgeted for interest to be earned from our Money Market account and Certificate of Deposit. No revenue from finance charges on unpaid dues has been included in this Budget.

Expenses for the year are budgeted at \$96,715. This spending exceeds the budgeted revenue and reflects the second consecutive year in which capital investments will have resulted in spending deficits. The following expense categories have been budgeted for 2016:

<b>Expenses:</b>	<b>Budget</b>	<b>% to Total</b>
Capital Improvements - Roads	-	0.0%
Capital Improvements - First Beach Drainage	\$ 3,600	3.7%
Capital Improvements - Second Beach Renovation	40,000	41.4%
Business Operations	13,530	14.0%
Environmental	1,350	1.4%
Recreation	11,385	11.8%
Roads	26,850	27.8%
<b>Totals</b>	<b>\$ 96,715</b>	<b>100.0%</b>

The above revenues and expense budget will result in a budgeted deficit (or loss) of \$20,435. This deficit will be funded with unspent funds from prior years, as well as from the use of our Reserve Fund (CD). Based on our current cash position, the above budget will result in a total cash balance of approximately \$34,000 at June 30, 2017. The Board has agreed to preserve these funds for future capital investments as well as for emergency reserves.

Please feel free to contact me with any questions you may have regarding our actual or budgeted results. I can be reached at [HVPOA.treasurer@verizon.net](mailto:HVPOA.treasurer@verizon.net).

Respectfully Submitted by David Sharp, Treasurer



Hidden Valley Property Owners Association  
Profit Loss Budget vs. Actual  
July 2015 through June 2016

	Preliminary Y/E 6/30/16	2015 Budget	\$ Over Budget	% of Budget	Proposed 2016 Budget
<b>Ordinary Income/Expense</b>					
Income					
Assessments	76,710	76,250	460	101%	76,250
FINANCE CHARGES	463		463		
Interest Income	28	20	8		30
<b>Total Income</b>	<b>77,201</b>	<b>76,270</b>	<b>931</b>	<b>101%</b>	<b>76,280</b>
<b>Gross Profit</b>	<b>77,201</b>	<b>76,270</b>	<b>931</b>	<b>101%</b>	<b>76,280</b>
<b>Expense</b>					
Business Operations					
Bank Charges and Fees	5	0	5		-
Collection Agency Fees	0	200	-200		200
Computer Equip/Services	1,071	700	371	153%	700
Depreciation Expense	76	77	-1		80
Income Tax	0	25	-25	0%	-
Insurance	7,112	7,300	-188	97%	7,300
Legal	27	0	27	100%	-
Miscellaneous	0	0	0	0%	-
Postage	99	150	-51	66%	150
Property Tax	4,895	4,600	295	106%	4,900
Stationery	184	200	-16	92%	200
<b>Total Business Operations</b>	<b>13,469</b>	<b>13,252</b>	<b>217</b>	<b>102%</b>	<b>13,530</b>
Capital Improvements					
Drainage	0	3,000	-3,000	0%	-
Entrance Sign	0	1,500	-1,500	0%	-
Roads - Ongoing	31,083	9,000	22,083	345%	-
Roads - Valley Road Build out	0	19,000	-19,000	0%	-
Capital Reserve Fund	0	0	0	0%	-
Tennis Court Resurface and Painting	9,600	10,000			-
First Beach	0	0	0	0%	3,600
Second Beach	2,948	0	2,948	100%	40,000
Brown Road Access Control	0	0	0	0%	-
Marina Replacement	41,891	35,000	6,891	120%	-
Marina Access	11,050	11,500	-450	96%	-
<b>Total Capital Improvements</b>	<b>96,572</b>	<b>89,000</b>	<b>7,572</b>	<b>109%</b>	<b>43,600</b>
Environmental					
Environmental Misc.	0	550	-550	0%	550
Lake water testing	400	500	-100	80%	500
Mileage Reimbursement	0	300	-300	0%	300
<b>Total Environmental</b>	<b>400</b>	<b>1,350</b>	<b>-950</b>	<b>30%</b>	<b>1,350</b>
Recreation					
1st Beach Canoe/ Kayak Rack	0	0	0	0%	-
2nd Beach Canoe/Kayak Rack	0	0	0	0%	-
Playground Equipment	75	500	-425	15%	500
Annual Picnic	1,400	1,450	-50	97%	1,450
Beach Raking	0	375	-375	0%	375
Beach Raking & Mowing	0	375	-375	0%	375
Beach Signage/Bulletin Board	0	400	-400	0%	400
Community Improvement	0	1,000	-1,000	0%	1,000
Flowers Bch, Lots& Entr	308	300	8	103%	300
Marina Installation	825	825	0	100%	825
Marina Removal	775	775	0	100%	775
Marina/Raft Repair	605	1,500	-895	40%	1,500
Miscellaneous	404	0	404	100%	-
Mowing @ Beaches&TC	779	700	79	111%	700
Overlook Brush Cutting	0	150	-150	0%	150
Picnic Tables-Reseal	1,303	150	1,153	869%	150
Porta Potties for Beaches	605	500	105	121%	500
Rafts/Dock Install	405	405	0	100%	405
Rafts/Dock Removal	405	405	0	100%	405

Hidden Valley Property Owners Association  
**Profit Loss Budget vs. Actual**  
July 2015 through June 2016

	Preliminary Y/E 6/30/16	2015 Budget	\$ Over Budget	% of Budget	Proposed 2016 Budget
Rubbish Collection	565	550	15	103%	550
Spring Cleanup	650	725	-75	90%	725
Tennis Court Brush Cutting	225	300	-75	75%	300
<b>Total Recreation</b>	<b>9,329</b>	<b>11,385</b>	<b>-2,056</b>	<b>82%</b>	<b>11,385</b>
<b>Roads</b>					
Culvert Cleanout & Maintenance	0	4,000	-4,000	0%	5,000
Entrance Lights	239	200	39	120%	200
Fall Brush Disposal	0	0	0	0%	-
Mowing	750	1,000	-250	75%	1,000
Plowing and sanding	13,200	14,000	-800	94%	14,000
Road Sweeping	750	1,200	-450	63%	1,200
Road tar patching	74	0	74	100%	-
Roadside tree trimming	400	5,000	-4,600	8%	5,000
Signage	1,780	100	1,680	1,780%	100
Mud season emergency grading	0	0	0	0%	-
Speed Bumps	0	350	-350	0%	350
<b>Total Roads</b>	<b>17,193</b>	<b>25,850</b>	<b>-8,657</b>	<b>67%</b>	<b>26,850</b>
<b>Total Expense</b>	<b>136,963</b>	<b>140,837</b>	<b>-3,874</b>	<b>97%</b>	<b>96,715</b>
<b>Net Ordinary Income</b>	<b>-59,762</b>	<b>-64,567</b>	<b>4,805</b>	<b>93%</b>	<b>(20,435)</b>
<b>Net Income</b>	<b>-59,762</b>	<b>-64,567</b>	<b>4,805</b>	<b>93%</b>	<b>(20,435)</b>

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06/30/16  
Cash Basis

# Hidden Valley Property Owners Association Balance Sheet Prev Year Comparison

As of June 30, 2016

	Jun 30, 16	Jun 30, 15	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Checking/Savings				
CHECKING	4,996.78	42,983.75	-37,986.97	-88.4%
Money Market Account	10,077.59	15,074.68	-4,997.09	-33.2%
RESERVE AC CT CD-5/06	40,023.55	75,190.77	-35,167.22	-46.8%
<b>Total Checking/Savings</b>	55,097.92	133,249.20	-78,151.28	-58.7%
Accounts Receivable				
Accounts Receivable	-541.91	-256.95	-284.96	-110.9%
<b>Total Accounts Receivable</b>	-541.91	-256.95	-284.96	-110.9%
Other Current Assets				
Payments received	0.00	-18,750.00	18,750.00	100.0%
<b>Total Other Current Assets</b>	0.00	-18,750.00	18,750.00	100.0%
<b>Total Current Assets</b>	54,556.01	114,242.25	-59,686.24	-52.3%
<b>Fixed Assets</b>				
Office Equipment				
Accum. Depr. - Office Equipm...	-781.95	-705.96	-75.99	-10.8%
Office Equipment - Other	781.95	781.95	0.00	0.0%
<b>Total Office Equipment</b>	0.00	75.99	-75.99	-100.0%
<b>Total Fixed Assets</b>	0.00	75.99	-75.99	-100.0%
<b>TOTAL ASSETS</b>	<b>54,556.01</b>	<b>114,318.24</b>	<b>-59,762.23</b>	<b>-52.3%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Equity</b>				
Opening Bal Equity	62,089.23	62,089.23	0.00	0.0%
Retained Earnings	52,229.01	43,129.96	9,099.05	21.1%
Net Income	-59,762.23	9,099.05	-68,861.28	-756.8%
<b>Total Equity</b>	54,556.01	114,318.24	-59,762.23	-52.3%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>54,556.01</b>	<b>114,318.24</b>	<b>-59,762.23</b>	<b>-52.3%</b>



Hidden Valley Property Owners Association  
Cash Roll Forward - Preliminary Results  
Fiscal Year-to-date June 30, 2016

	<u>Amount</u>
Cash Balance, 06/30/2015	\$133,249
Net income (loss)	(59,762)
Add: Depreciation Expense	76
Check deposit in transit	-
Prior Year Prepayments - Annual Dues (Note 1)	(19,004)
Current Year Prepayments - Annual Dues (Note 1)	539
Rounding	-
Cash Balance, 06/30/2016	<u><u>\$55,098</u></u>

Note 1: Current year dues totalling \$19,004 were collected prior to the start of our fiscal year (July 1). The revenue from these dues is included in current period net income. The cash collected prior to July 1, 2015 must be backed out to accomplish the above reconciliation. Conversely, dues totalling \$539, for the year beginning July 1, 2016, were collected and deposited in June 2016. This amount must be added to net income to reconcile the cash balance.

Hidden Valley Property Owners Association

A/R Aging Summary

As of June 30, 2016

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Redacted	18.68	19.29	0.00	18.68	1,860.65	1,917.30
Redacted	18.50	19.10	0.00	18.50	1,843.53	1,899.63
Redacted	0.00	0.00	0.00	0.00	0.00	0.00
Redacted	12.48	13.27	0.00	13.59	1,038.07	1,077.41
Redacted	0.00	0.00	0.00	0.00	-38.83	-38.83
Redacted	0.00	0.00	0.00	0.00	119.84	119.84
Redacted	0.00	0.00	0.00	0.00	59.90	59.90
Redacted	0.00	0.00	0.00	15.04	508.09	523.13
Redacted	0.00	0.00	0.00	0.00	-0.56	-0.56
Redacted	0.00	0.00	0.00	0.00	0.00	0.00
Redacted	11.10	11.46	0.00	11.10	963.87	997.53
Redacted	0.00	7.64	0.00	7.40	30.07	45.11
Redacted	37.18	38.39	0.00	37.18	3,657.58	3,770.33
Redacted	32.15	33.19	0.00	32.15	3,049.96	3,147.45
Redacted	22.50	23.23	0.00	22.50	1,958.75	2,026.98
Redacted	0.00	0.00	-500.00	7.40	60.15	-432.45
TOTAL	152.59	165.57	-500.00	183.54	15,111.07	15,112.77