

# ***Rock Creek Property Owners Association***

## **Financial Report**

### **Year 2003**

First let me explain the past year financial results.

Total revenue for the year was \$162,827 versus a budget of \$155,425 or a difference of \$7,402. Actual revenue exceeded budget because:

- (1) Recorded \$5,700 in revenue for lien, fines and late payment fees that are not budgeted and,
- (2) Received \$1,800 more revenue than budgeted from the transfer of developer to property owner lots (5 lots).

With regard to liens, there is a property lien on any lot that is past due on the payment of the homeowner annual dues. This means the property cannot be sold with out the Rock Creek Property Owners Association being paid for homeowner dues plus lien and late payment fees owed.

Total expenses for the year were \$163,739 versus a budget of \$157,380 or a difference of \$6,359. Actual expenses exceeded budget because:

- (1) \$8,400 was spent for Fitness Center's legal fees and other due diligence in regard to a possible acquisition and review of all available options and;
- (2) Environmental exceeded its budget by \$2,000, resulting from a 5-year ADEM permit that came due in 2003, which was not budgeted (\$1K) and another \$1,000 that was required for developing a Pond study for the Association's longer term plans and consideration.

Net income for the year was a loss of \$912 versus a budgeted loss of \$1,955.

For the 2003 Capital Budget, \$5,000 was not spent for the Entrance Bridge, as the board decided to not undertake the bridge stonework project.

During the year we continued to collect past due receivables. At the end of the year there were 10 lots which were not current with payment of homeowner dues – this is down from 13 at this time last year!

We ended the year with \$108,000 in the bank that includes \$44,000 of 2004 homeowner dues collected in 2003. Excluding the \$44,000 and accrued \$5,300 for expenses to be completed in 2003, the year-end bank balance is \$59,000. This is down from 2002, by roughly \$7,000, due largely to the \$6,000 capital expense (Association's portion) for the entrance stop-light. The board believes it is important to maintain an adequate cash balance at all times to cover any major unexpected capital expenditures versus levying a special assessment on members for such events.

### **2004 Budget**

- (1) Revenue is budgeted to be \$159,000 or \$3,800 less than last year, as we do not expect to receive any significant other income.
- (2) Expenses are budgeted to be \$158,000 or \$6,000 less than last year, as 2003 expenses were impacted due to the Fitness Center Project Review, and no similar projects are anticipated in 2004.

The property owner dues will continue to be \$400, which has been in effect since 2001, as well as 1998 & 1999 (\$375 in 2000).

For 2004 Capital Budget, the Board has allocated \$10,000 for converting Mockingbird Pond to a dry pond and will address the other ponds in the following years.