

Monthly Financial Narrative Report

June 2016

Rio Crossing Homeowners Association

Section I: General overall financial condition of the Association

1. The month ended with \$0.00 in open payables against a checking account balance of \$227,667.46 (up from \$225,573.76 last month).
2. The current checking account balance includes \$42,330.20 in prepaid (not yet earned or due) assessments.
3. The member assessments receivables (delinquencies) are at \$37,778.97 (Down from \$41,975.74 last month). Total delinquencies of less than 5% of the annual budget are one of the indicators of a financially healthy association. Currently Rio Crossing stands at 12.71%.
4. The Regular Reserve account contains \$153,638.87 and monthly budgeted contributions of \$2,685.42 to the Replacement Fund are current and in accordance with the current year's budget.
5. The Retention Wall Settlement Reserve contains \$70,188.17.

Section II: Specific statements or observations regarding the current financials

1. Expense account #50000 "Electricity" in the amount of \$310.39 accounts for payment made to APS for service 4/26/16 through 5/25/16 common area electricity and is under budget for the month by \$17.61 and is \$156.08 under budget for the year.
 2. Expense account #50110 "Water-Irrigation" in the amount of \$6,708.46 is over budget by \$208.46 for the month and yearly \$12,552.75 under budget.
 3. Expense account #51000 "Repair & Maintenance Services" in the amount of \$100.00 under budget for the month \$655.00 and is \$660.18 under budget for the year. This amount is for removal of graffiti at four separate locations around the property using Dunn Edwards paint.
 4. Expense account #51120 "Landscape – Irrigation Repair" in the amount of \$420.00 is under budget by \$80.00 for the month and \$11.00 under budget for the year. The repairs made were for SE corner of Roma and 124th Ave replaced 7 PGP rotor sprinklers and fixed water leaks at El Mirage Road and N of Heatherbrae \$300.00, fixed two water leaks located to the backflow in the big park \$60.00, fixed a water leak in the planters NW corner of El Mirage Rd and Campbell Ave another leak located in the granite at the SW corner of El Mirage Road and Campbell .
 5. Expense account #51100 "Landscape - Maintenance" in the amount of \$8,680.00 is over budget for the month by \$2,230.00 and the year under budget \$8,440.00.
 6. Expense account #52200 "Pest Control Services" in the amount of \$75.00 is under budget for the month by \$100.00 and yearly \$210.00 under budget. The previous vendor continues to send invoices and the manager continues to reject them.
 7. Expense account #53900 "Playground Maintenance" is the amount of \$374.00 is over budget for the month by \$374.00 and yearly \$314.00 over budget. The repairs were specialty hardware 4 bolts for climb hop pad \$40.00 and Tot Lot Maintenance quarterly of \$334.00.
 8. Expense accounts #57300 – "Meeting Hall Rental" in the amount of \$44.55 is under budget for the month by \$100.00 and yearly \$350.85 under budget.
 9. Expense accounts #56100 "Postage" for \$44.09, #56200 "Printing and Copies" for \$72.30, for copies and postage used during the normal course of business in the month of May.
 10. Expense account #56700 "Administrative Fees" in the amount of \$477.00 payable to Trestle Management Group for 126 compliance letters and 33 late letters processed in the month of May.
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11. Expense account #57900 – “Collections” in the amount of \$0 under budget for the month by \$875.00 and yearly \$4,872.10 under budget. Management continues to work with owners for payments and set up payment plans.

Section III: Anticipated upcoming seasonal or non-routine financial events

1. Tree trimming into homeowner’s backyards
2. Publication of updated Rules and Regulations

Rio Crossing Homeowners Association

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Balance Sheet
As of 06/30/16

ASSETS

MOH Operating	\$	227,667.46	
Reserve Money Market Account		18,406.57	
Reserve Rentention Wall Stlmnt		70,188.17	
ICS Reserve Acct-MOH		135,232.30	
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TOTAL ASSETS			\$ 451,494.50
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LIABILITIES & EQUITY

CURRENT LIABILITIES:

Subtotal Current Liab.	\$.00
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RESERVES:

General Reserve Funds	\$	151,458.05
Gen Res Interest Equity		168.99
Reserve-Construction Defects		70,000.00
Reserve Contingency- Drywell		2,200.00
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Subtotal Reserves	\$	223,827.04

EQUITY:

Retained Earnings - Operating	\$	184,159.72
Current Year Net Income/(Loss)		43,507.74
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Subtotal Equity	\$	227,667.46

TOTAL LIABILITIES & EQUITY			\$ 451,494.50
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Income/Expense Statement
Period: 06/01/16 to 06/30/16

		Current Period			Year-To-Date			Yearly
Account	Description	Actual	Budget	Variance	Actual	Budget	Variance	Budget
INCOME:								
40000	Regular Assessment Income	23,451.61	.00	23,451.61	146,017.15	148,350.00	(2,332.85)	296,700.00
43000	Late Fees	120.00	.00	120.00	1,445.00	.00	1,445.00	.00
43100	NSF Fees	.00	.00	.00	25.00	.00	25.00	.00
43300	Collection Charges	.00	.00	.00	691.75	.00	691.75	.00
43500	Fines & Violations	525.00	.00	525.00	2,175.00	.00	2,175.00	.00
47100	Interest Income - Reserves	24.86	29.00	(4.14)	168.99	172.00	(3.01)	346.00
	Subtotal Income	24,121.47	29.00	24,092.47	150,522.89	148,522.00	2,000.89	297,046.00
EXPENSES								
Utilities								
50000	Electricity	310.39	328.00	17.61	1,808.92	1,965.00	156.08	3,933.00
50110	Water - Irrigation	6,708.46	6,500.00	(208.46)	22,447.25	35,000.00	12,552.75	78,000.00
	Utilities	7,018.85	6,828.00	(190.85)	24,256.17	36,965.00	12,708.83	81,933.00
Maintenance								
51000	Repair & Maintenance Services	100.00	755.00	655.00	3,869.82	4,530.00	660.18	9,056.00
51100	Landscape - Maintenance	8,680.00	6,450.00	(2,230.00)	30,260.00	38,700.00	8,440.00	77,400.00
51120	Landscape - Irrigation Repair	420.00	500.00	80.00	2,989.00	3,000.00	11.00	6,000.00
51140	Landscape - Improvements	.00	750.00	750.00	.00	4,500.00	4,500.00	9,000.00
51150	Landscape - Other	.00	.00	.00	.00	1,750.00	1,750.00	3,500.00
51200	Tree Trimming	.00	.00	.00	.00	7,000.00	7,000.00	7,000.00
51300	Storm Damage	.00	.00	.00	.00	.00	.00	2,000.00
51400	Drywell Maintenance	.00	.00	.00	3,608.00	4,000.00	392.00	8,000.00
51500	Backflow Certification	.00	.00	.00	73.00	.00	(73.00)	320.00
52200	Pest Control Services	75.00	175.00	100.00	510.00	720.00	210.00	1,220.00
52600	Key & Lock Services	.00	.00	.00	.00	.00	.00	25.00
53900	Playground Maintenance	374.00	.00	(374.00)	708.00	394.00	(314.00)	788.00
54100	Walls & Fences	.00	.00	.00	.00	500.00	500.00	500.00
	Maintenance	9,649.00	8,630.00	(1,019.00)	42,017.82	65,094.00	23,076.18	124,809.00
Administration								
56000	Office Supplies	21.70	50.00	28.30	282.70	310.00	27.30	650.00
56100	Postage	44.09	185.00	140.91	847.11	1,120.00	272.89	2,300.00
56200	Printing / Copying	72.30	165.00	92.70	1,243.89	1,015.00	(228.89)	2,100.00
56400	Statements	.00	.00	.00	340.00	345.00	5.00	1,380.00
56600	Website	.00	.00	.00	219.00	.00	(219.00)	.00
56700	Administrative Fees	477.00	525.00	48.00	3,132.00	3,150.00	18.00	6,300.00
57100	Permits & Licenses	.00	.00	.00	10.00	10.00	.00	10.00
57300	Meeting Hall Rental	44.55	100.00	55.45	249.15	600.00	350.85	1,200.00

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Income/Expense Statement
Period: 06/01/16 to 06/30/16

		Current Period			Year-To-Date			Yearly
Account	Description	Actual	Budget	Variance	Actual	Budget	Variance	Budget
57500	Social Events	.00	.00	.00	704.90	1,300.00	595.10	2,562.00
57700	Management Fees	1,990.00	1,990.00	.00	11,940.00	11,940.00	.00	23,880.00
57800	Legal Fees	.00	.00	.00	.00	500.00	500.00	1,000.00
57900	Collections	.00	875.00	875.00	377.90	5,250.00	4,872.10	10,500.00
58000	Accounting / Audit Services	.00	.00	.00	750.00	750.00	.00	750.00
58100	Reserve Study / Update	.00	.00	.00	.00	405.00	405.00	405.00
58400	Insurance	.00	.00	.00	4,313.00	.00	(4,313.00)	.00
58410	Insurance - Liability	.00	.00	.00	.00	4,631.00	4,631.00	4,631.00
58600	Taxes - Income State	.00	.00	.00	50.00	50.00	.00	50.00
58700	Taxes - Real Estate	.00	.00	.00	.00	.00	.00	15.00
	Administration	2,649.64	3,890.00	1,240.36	24,459.65	31,376.00	6,916.35	57,733.00
Reserves								
60000	Reserve Fund Contribution	2,685.42	2,685.42	.00	16,112.52	16,112.52	.00	32,225.00
61100	Cptl - Benches/Tables/Cans	6,355.46	.00	(6,355.46)	12,710.93	.00	(12,710.93)	.00
61210	Cptl - Concrete Improvements	.00	.00	.00	.00	.00	.00	5,000.00
61220	Cptl - Irrigation System Impr	.00	.00	.00	.00	.00	.00	25,000.00
64000	Reserve Interest	24.86	29.00	4.14	168.99	172.00	3.01	346.00
69999	Reserve - Interfund Transfer	(6,355.46)	.00	6,355.46	(12,710.93)	.00	12,710.93	(30,000.00)
	Reserves	2,710.28	2,714.42	4.14	16,281.51	16,284.52	3.01	32,571.00
	TOTAL EXPENSES	22,027.77	22,062.42	34.65	107,015.15	149,719.52	42,704.37	297,046.00
	Current Year Net Income/(loss)	2,093.70	(22,033.42)	24,127.12	43,507.74	(1,197.52)	44,705.26	.00

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Actual spreadsheet Start date: 01/01/16 Cutoff date: 06/30/16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
INCOME:													
Regular Assessment Income	36546	14697	16613	45157	9553	23452	0	0	0	0	0	0	146017
Late Fees	135	570	245	90	285	120	0	0	0	0	0	0	1445
NSF Fees	25	0	50	0	0	0	0	0	0	0	0	0	25
Collection Charges	0	0	0	0	692	0	0	0	0	0	0	0	692
Fines & Violations	600	150	225	525	150	525	0	0	0	0	0	0	2175
Interest Income - Reserve	31	30	32	25	26	25	0	0	0	0	0	0	169
Subtotal Income	37288	15447	17164	45797	10705	24121	0	0	0	0	0	0	150523

EXPENSES

Utilities

Electricity	358	244	310	286	301	310	0	0	0	0	0	0	1809
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Water - Irrigation	2778	1608	2129	2609	6615	6708	0	0	0	0	0	0	22447
Utilities	3136	1852	2438	2895	6916	7019	0	0	0	0	0	0	24256

Maintenance

Repair & Maintenance Serv	0	0	350	2549	871	100	0	0	0	0	0	0	3870
Landscape - Maintenance	6450	6450	0	4340	4340	8680	0	0	0	0	0	0	30260
Landscape - Overseeding	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscape - Irrigation Re	0	373	1625	250	322	420	0	0	0	0	0	0	2989
Drywell Maintenance	3608	0	0	0	0	0	0	0	0	0	0	0	3608
Backflow Certification	0	0	0	0	73	0	0	0	0	0	0	0	73
Pest Control Services	65	0	95	200	75	75	0	0	0	0	0	0	510
Playground Maintenance	0	0	334	334-	334	374	0	0	0	0	0	0	708
Maintenance	10123	6823	2404	7005	6015	9649	0	0	0	0	0	0	42018

Administration

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Actual spreadsheet Start date: 01/01/16 Cutoff date: 06/30/16

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Office Supplies	16	23	20	178	24	22	0	0	0	0	0	0	283
Postage	81	67	100	443	112	44	0	0	0	0	0	0	847
Printing / Copying	105	126	363	477	100	72	0	0	0	0	0	0	1244
Statements	0	0	0	340	0	0	0	0	0	0	0	0	340
Website	219	0	0	0	0	0	0	0	0	0	0	0	219
Administrative Fees	411	660	555	519	510	477	0	0	0	0	0	0	3132
Permits & Licenses	0	0	0	10	0	0	0	0	0	0	0	0	10
Meeting Hall Rental	0	53	93	0	58	45	0	0	0	0	0	0	249
Social Events	352	0	0	300	53	0	0	0	0	0	0	0	705
Management Fees	1990	1990	1990	1990	1990	1990	0	0	0	0	0	0	11940
Collections	10	368	0	0	0	0	0	0	0	0	0	0	378
Accounting / Audit Servic	0	750	0	0	0	0	0	0	0	0	0	0	750
Insurance	0	0	0	4313	0	0	0	0	0	0	0	0	4313
Taxes - Income State	0	0	50	0	0	0	0	0	0	0	0	0	50
Administration	3184	4037	3171	8570	2847	2650	0	0	0	0	0	0	24460
Reserves													
Reserve Fund Contribution	2685	2685	2685	2685	2685	2685	0	0	0	0	0	0	16113
Reserve Contingency-Irrig	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Contingency-Concr	0	0	0	0	0	0	0	0	0	0	0	0	0
Cptl - Benches/Tables/Can	0	0	0	6355	0	6355	0	0	0	0	0	0	12711
Reserve Interest	31	30	32	25	26	25	0	0	0	0	0	0	169
Reserve - Interfund Trans	0	0	0	6355-	0	6355-	0	0	0	0	0	0	12711-
Reserves	2717	2715	2717	2711	2711	2710	0	0	0	0	0	0	16282
TOTAL EXPENSES	19160	15427	10730	21182	18490	22028	0	0	0	0	0	0	107015
CURRENT YEAR NET INCOME/(18128	20	6434	24616	7784-	2094	0	0	0	0	0	0	43508