

Treasurer's Report
Knoll's/Ravenna Hills HOA
Month Ending: April 30, 2020

To Board Members, Knolls and Ravenna Hills Homeowners,

This report will outline the activities conducted by the Treasurer in regards to the financial documents and banking transactions with Home Loan State Bank (Stephanie Bear) and Accounting CPA firm Les McPherson Consulting and Professional Accounting (Les McPherson) and Bookkeeper Representative (Shannon Padilla).

Banking

Home Loan State Bank:

Bank account statements for month ending April 30, 2020 for both HOA's were obtained for accounts 8301, 8302, 8401, 8402, 9901, 9902 and 10001. Accounts 9902 and 10001 are interest only accounts and are updated quarterly, however are updated manually for cash management purposes throughout the year on a monthly basis.

The electronic bank transfers to Capital Reserves, Street Funds and RH dues to KN's were transacted and confirmed for the month of April 2020.

Each account was reviewed and all activity was updated to the cash analysis spreadsheet.

Financial Document Review
(Knolls & Ravenna Hills)
April 30, 2020

The following reports were received from McPherson Consulting and Professional Accounting via email from Les McPherson, CPA, CGMA for month ending April 30, 2020 for both HOA's.

Trial Balance
Balance Sheet
General Ledger
Statement of Income A
Statement of Income B
Schedule 1 – Multi-period Statement of Income
Schedule 2 – Statement of Income Budget vs. Actual
Bank Rec Reconciliation Summary a/c 8401 8402, 8301, & 8302
Accountant's Compilation Report
A/R Aging Summary
A/P Aging Report
Deposits Knolls/RH
Check Register Knolls/RH
Chart of Accounts Knolls/RH

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Balance Sheet

Final Balance Sheets for both HOA's were reviewed against the Trial Balance and found to be reported and supported by the General Ledger activity analysis for this reporting period ending April 30, 2020.

Statement of Income –Knolls

The net profit of \$1,101 was less than budget of \$1,606, by \$505 in April. The combined actual expenses of for office supplies, postage, and electricity contributed to higher expenses than budgeted and thus the shortfall against April's budget profit overall.

Year to-date profit of \$3,411 over budget was primarily due to expenses for fences, grounds maintenance- incidental, snow removal, and irrigation coming in lower than budgeted for the Jan-Apr timeframe. Grounds maintenance incidental work has picked up and upcoming legal expenses will be forthcoming next month that will have an impact on the year to date profit next month.

The outstanding dues outstanding as of the end of April is \$2,100, down by 46% from last month's dues outstanding. Three homeowners at \$600 and one at \$300 remains outstanding. Past due notices has been stamped on subsequent invoices each month to those homeowners by Les McPherson's staff. A memo is being developed and prepared to inform the homeowners now that the policy has been in their possession for 30 days, the potential for interest charges may be assessed and to coordinate payment with Les McPherson's office immediately to avoid such charges allowed under our covenants.

Cash projected revenue is anticipated to be sufficient of covering all budgeted expenses for 2020 with the understanding that all past dues are to be received. The cash reserves may have to be used if unsuccessful in receiving these past dues.

Other

The proposal of becoming aware of the future reduced revenue for the remainder of this year and the possibility of 2021 due to the impact of the corona virus was discussed at the last board meeting. It has acknowledged and a high priority has be given to reducing expenses to cover a shortfall. A cash Management review is underway to minimize this situation for the remainder of this year and the planning process for 2021.

Statement of Income – Ravenna Hills

The net loss of <\$1,294> came in about what was budgeted at <\$1,438>. Fence repairs, irrigation expenses contributed to lower than budgeted expenses in April even with the charge of \$115 for wildlife expense of the capture and removal on one raccoon in the nature area.

Year to-date profit of \$3,036 over budget is primarily due to snow removal, fence repairs, irrigations system and legal expenses under budget for the Jan-Apr timeframe. Upcoming legal and maintenance – incidental expenses will be forthcoming that will impact the year to-date profit next month.

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Cash projected revenue is anticipated to be sufficient of covering the 2019 budgeted expenses from the initial review of expected cash revenues against budgeted revenues.

Cash funds have been accrued and allocated for legal expenses covering CCR updates in the amount of \$13,100 as of December 2019 to cover anticipated expenses forthcoming later this year.

Other

The proposal of becoming aware of the future reduced revenue for the remainder of this year and the possibility of 2021 due to the impact of the corona virus was discussed at the last board meeting. It has acknowledged and a high priority has be given to reducing expenses to cover a shortfall. A cash Management review is underway to minimize this situation for the remainder of this year and the planning process for 2021.

No impact as yet from accounts receivable dues in Ravenna Hills connected to the covid-19 virus, stay at home order and job loss at this time.

The website developed by Melinda McCaw Media for Knolls and Ravenna Hills HOA is available with announcements, meeting minutes and financial reports.

You can log on to www.knollsandravennahillshoa.com.

Respectfully submitted

Bob Bishop
Treasurer
05-14-2020