

Avocet Financials Summary 2011- Q1

We know that our community has an active interest in keeping up-to-date on how their HOA fees are spent throughout the year. As such, the Avocet Board of Directors has put together the following recap of the financials for Q1 of 2011.

The BOD is on target to hit our 2011 Q1 goals. Our main source of revenue was the property owner HOA fees. To date, we have received slightly more income than what the BOD budgeted. However, we have had an increase in the number of homeowners that have a past due balance, specifically a high past due balance. The BOD is actively working with these homeowners and our legal council to ensure these accounts get up to date. Our net income thus far for 2011 is \$33,282.

We have three major areas of operating expenses: General & Administrative, Recreation Area and Grounds Maintenance. The General & Administrative expenses are slightly above target for Q1, but this can be attributed to some additional legal fees. Our Recreational Area and Grounds Maintenance expenses are well below the targeted amounts. This is normal, as these expenses generally rise during the summer months. For example, our pool costs increase during the summer and are minimal now. To date, we have spent \$10,264 in general expenses, \$8,388 in recreational areas, and \$3,209 in grounds maintenance.

In addition to the regular ongoing operating expenses for the common areas of the community, the BOD also sets aside funds each year to invest in capital improvement projects that help maintain and enhance the common areas of the community. For 2011, the BOD has set aside \$20,000 to completely renovate the clubhouse and improve our entry landscaping. To date, \$13,171 has been spent for capital improvements, with the bulk going towards the clubhouse renovation.

The clubhouse has not had an upgrade for almost the last decade and was needed to enhance our community's amenities. The clubhouse renovations have been segmented into smaller projects, most of which have now been completed. The floors have been upgraded to a nice tile throughout the clubhouse and bathrooms, which was almost \$1,200 under budget (7,218). All of the clubhouse furnishing have been replaced, including new couches, tables, chairs, installation of fans, and new kitchen appliances, which also came under budget (\$4,075), as well as new paint. In Q2, the BOD plans to finish the clubhouse upgrade with a focus on the gutters and cabinet refinishing.

The second project that was completed in Q1 was the pressure wash and painting of the fence that runs along the street to the clubhouse. This is a smaller project, but will enhance the life and visual appeal of the fence. This was completed for slightly more than \$1,000.

The third project is making improvements to the entry landscaping. This was a project from the previous BOD that the current BOD hopes to complete. One of the first impressions of our neighborhood is what people see as they turn into our entry. The BOD has budgeted \$5000 to enhance the landscaping at the entrance, as well as along the front fence and the corner by Lou Ivy. We have had an initial plan drawn and are currently reviewing and finalizing this so that work can begin in the fall.