

2019 AOA Financial Highlights

January through December, 2019

Key Financial Data

Operating Fund Balance	\$189,726.61
Regular Reserve Account Balance	\$1,455,751.25
Special Reserve-ADA Compliance	\$58,456.22
YTD Operating Fund Surplus	-\$97,441.57
Other Income (including late fees, Interest, gate fees)	\$1,888.54
Reserve Account Interest	\$6,527.04
Income from Castle Rental Program	\$9,225.00
General Assessment to Operating	\$421,414.38
General Assessment to Reserves	\$77,197.89

Favorable Variances

Other Income

This was an unbudgeted item, resulting from a rebate from Spectrum which was amortized over the length of the contract amounting to \$4,830 for the year.

Telephone Expense

Termination of Hawaiian Tel contract and going to Sprint VOIP resulted in a 65% savings of \$6,396.

Grounds and Grounds Supply

We were 8% under budget, saving \$2,698 due to needing fewer supplies than anticipated. Items are bought on an as-needed basis.

Uniforms

All staff have new uniforms costing 13% less than budgeted, \$665 savings.

Watchmen

We budgeted \$2,088 for the year, but did not need outside security due to full staffing in our security department.

Salaries-Manager

There was a 15% savings (\$7,823) because of a period where no GM was on site and reduced salary.

Salaries-Grounds

We had a 6% savings of \$12,222 due to a vacant position in January and February, November and December.

Vacation

Termination of three employees and an adjustment of vacation accruals led to a savings of \$17,100 (67%) for the year.

Insurance - Property

We had a 5% saving amounting to \$17,245 due to lower premiums than anticipated.

Legal Fees

We were \$7,179 under budget for the year, 80%.

Contract Services

We were \$30,757 under budget (55%) for the year for coconut trimming, which was only needed once, but budgeted for three times.

Board of Directors Travel

We were 17% under budget (\$4,677) as not all board members used their full allowance.

Unfavorable Variances**Maintenance Fees**

We are negative by \$76,181 for 2019, but this is due to a carry-over from 2018. We had a large year-end surplus. We lowered the monthly assessments for 2019 to match the amount carried over from 2018.

Activity Desk Revenue

We had a total loss of Activity Desk Revenue because of the cancellation of our contract. This was a loss of \$36,000 for the year.

Water

We were over budget by \$30,892 in 2019 (27%), due to an increase in our rates, and several leaks.

Cable

We were over budget by \$3,072 for the year (3%) due to an increase in monthly billings from Jan to June, and a slight decrease in billings July to December.

Building

We were over budget due to building repairs and supplies. Most of the \$9,226 (37% over budget) was for the carport project, which will be expensed in capital reserves.

Repairs and Purchases

We were \$18,601 (47%) over budget, but most of this amount will be billed back to owners having work done on their units. Some \$8,000 of this was due to a reclassification of golf cart parts that were miscoded to Reserves in prior months

Salaries – Maintenance

We were 11% over budget, amounting to \$33,037 due the carport project labor hours that are charged to Capital Reserves and offset in the Recovery-Reserve account.

Salaries – Security

We were 15% over budget (\$17,311), mostly due to an additional position for security coverage during the day from June to December.

Payroll Taxes and Benefits

We were 15% over budget (\$19,969) due to more employees opting for insurance rather than taking the incentive. We budgeted for six, but nine are taking medical coverage.

Recover – Work Orders

We were 15% under budget for what we expected from work orders and owner project work, amounting to a loss of \$13,561.

Delinquencies as of 12/31/19

2	units 30 days late	\$	1,666.42
1	units 60 days late	\$	1,126.58
1	units 90 days late	\$	16.12
2	units more than 90 days late	\$	<u>2,382.25</u>
	Total Delinquency	\$	5,191.37
	Doubtful Account Balance	\$	2,092.00
	Difference	\$	3,099.37