

Treasurer's Report

Bank Balances as of the end of November 2018:

TOTAL Checking, Savings, Investments and Bond Reserve: \$5,414,838.98

TOTAL Accounts Receivables: \$2,111,654.98.

This account balance represents unpaid road maintenance fees, lien fees, finance charges, legal fees, collection expenses and bounced check charges as well as a few transfer fees that have been billed but not paid. The office appears to be collecting on these past due balances as the balance of the account has decreased from June 30 (\$2,368,357.78) by approximately \$256,000. Some of the decrease can be credited to the unpaid consolidated lot accounts as well as a couple of bankruptcies that were written off (will review in Allowance below), however a large portion is payment receipts.

Allowance for Doubtful Accounts balance is: \$1,165,574.64. The allowance account has decreased since June 30 (\$1,177,399.92) by approximately \$12,000. This decrease relates to bankruptcy and foreclosure accounts that were written off because they are uncollectible, as well as the General Manager waiving some finance charges in order to collect payoff's on accounts. We can expect to see the Allowance for Doubtful Accounts balance decrease significantly once the audit is completed, since this is an estimate and the General Manager has worked with the auditors to come up with a quantifiable estimation method going forward, resulting in a much lower estimate of collectability. (This is a contra-asset account required by Generally Accepted Accounting Principles (GAAP) that records the estimated amount of receivables which may not be collectible.)

The expense account "Board Expense" represents the Road Maintenance Fees and interest refunded to the consolidated lot owners based on the Board vote. The General Manager discussed it with the auditor and because these fees had already been paid and were not part of the Accounts Receivable balance they could not be written against the Allowance for Doubtful Accounts and had to be expensed in the current year. Since the Board approved this action and it is not part of the budgeted line items, it was labeled Board Expense.

There were 56 property transfers completed during the month.

Statement Regarding Unaudited Financial Information

The unaudited financial information set forth above is preliminary and subject to adjustments and modifications. The audited financial statements and related notes are to be included in our annual report for the year ending June 30th, 2018. Adjustments and modifications to the financial statements may be identified during the course of the audit work, which could result in significant differences from this preliminary unaudited financial information.