



HSVPOA Controller Reports Positive April Numbers

Description

Controller shares improved financial numbers with the Board; operational and capital expenses continue to be behind schedule primarily due to staffing issues; golf shows improved revenues

This report contains the figures from the Controller's report to the Board on May 19, 2021.

Coreena Fetterhoff, Controller, and Corporate Secretary said:

- Comparative balance sheet, our cash and cash EQ total 14.3 million [dollars] at the end of April." This is up 4.3 million dollars from a year ago.
- Membership assessment receivables, less allowance for the bad debt balance is 3.4 million dollars.
- Long-term debt has decreased by \$589,000 since this time last year, excluding the PPP loan/grant.
- Total liabilities have decreased \$329,000 from April 2020. Total liability balance is just over 13 million dollars.
- Year-to-date net revenue is \$11,593,799 compared to budget of \$11,034,697, reflecting a \$559,000 increase over budget.
- Year-to-date operational expense is \$9,174,728 which is \$2,086,861 less than budget.
- Net income before depreciation is a little over 2.4 million dollars, exceeding budget by 2.6.

Revenue

- Administration, Public Safety, Public Works, lakes, Food and Beverage, Development, and Golf [Divisions] are all showing an increase in revenue over the prior year.
- Decrease in revenue in Recreation. This “was anticipated as operations have been affected due to closures and reductions in service. Hopefully, we will see a trend up as those restrictions have been lifted.”

Total Revenue is 105% of the year-to-date budget and 1.9 million dollars greater than 2020.

Top Five Revenues Over Budget

- Assessment income,
- Decal revenue,
- Residential water,
- Miscellaneous, and
- Golf surcharge.

Top Five Revenues Under Budget

- Food sales,
- Annual fitness sales,
- Sewer connect fees,
- Fitness Daily Members, and
- Beer sales.

Operating Expenses

The following categories all show reduced operating expenses from the prior year:

- Public Safety,
- Public Utilities,
- Public Works, and
- Recreation.
- Assessment expenses reflect a \$206,000 increase over 2020 and \$205,000 higher than budget.
- Administration expenses reflect a \$33,000 increase over 2020, and is \$78,000 less than budget.
- Development reflects \$191,000 increase over 2020 and is \$144,000 less than budget.
- Lakes reflect \$41,000 over 2020 and \$244,000 less than budget.
- Food and Beverage reflects \$35,000 over 2020 and \$96,000 less than budget.
- Golf reflects \$230,000 over 2020 expenses and \$414,000 less than budget.
- Our total operational expense is 81 percent of the year-to-date budget and \$163,000 less than

the 2020 year-to-date budget.

Expense Highlights

Top five under budget expense categories are:

- Wages,
- Contracts,
- Wages both full and part-time,
- Group insurance, and
- Maintenance of the lakes and dams. This category is under budget because a lot of the dredging hasn't happened, yet.

Top five over budget expense categories are:

- Uncollectible assessments,
- Other allocations (these are internal allocations such as utility billing, etc.)
- Bank charges,
- Electricity, and
- Telephone.

Capital Spending

- The capital spending for 2021 year-to-date is \$450,805 compared to budget of 4.4 million dollars. This reflects 10.18 percent of the annual budget being spent.
- 2021 capital spending is \$424,000 less than 2020 year-to-date.

Cash Flow

- Beginning cash for March was \$14,430,039. Net Income after depreciation was \$1,275,327.
- Net change in assets and liabilities was 1.2 million with overall net cash provided by operating activities of \$63,971.
- Net cash used in investing activities totaled \$154,096 which are capital purchases.
- Net cash used in financing activities totaled \$26,923 reflecting current loan payments.
- End-of-month cash and cash EQ balance of \$14,312,989.

Community Development

- Home sales continue the same trend as the past several months along with new home permits, year-to-date of 49. The current homes listed for sale has dropped to 37.

- The POA lot sales total 40, year-to-date.
- Discovery Packages total 48 with 10 being converted to sales.
- Golf rounds, year-to-date are 15,760 more than 2020 year-to-date.
- Golf surcharge balance, as of April 2021 is \$711,000.

Wrap Up

April's net revenue for the month is greater than budget by \$330,000. April operational expense is less than budget by \$369,000. April net income before capital and depreciation is better than budget by \$699,000. Operational and capital expenses continue to be behind schedule. This is primarily due to compensation because of short staffing, the increased contract costs, and a slow start to dredging. As things begin to normalize, so will the expense and capital costs.

Food and Beverage still reflect higher costs for April due to the transition taking place this month. This includes spoilage, utilities, and other carry-over costs from the prior months. May should show a drastic decrease in expenses.

Director Jones asked, "some of our budgets were \$2 million below actual. I am just curious what were we doing right to get more revenue over budget by such a large extent? And the same for expenses. I am just curious why our budget was so far."

Fetterhoff answered, "well, we had budgeted based on hoping to be able to stay on track with things and with our capital purchases and being slower to start some of our projects, our expenses are lower. A big majority of that is because of the compensation and wages, is why we are under on expense." [lower compensation due to staffing issues] Our revenues are over because we had the added decals, which have generated quite a bit [of revenue], along with some of the expansion of some of the services and investments came in a little bit higher than in the past.

GM Paul added, "and golf revenues are up."

Jones said, "golf is an easy one to notice. Some of the other ones you can't really tell."

[5 April 2021 Financials](#)

Reported by Cheryl Dowden, May 21, 2021 (Numbers provided by HSVPOA Controller, Coreena Fetterhoff.)

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Date Created

05/21/2021

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