



FINANCIAL HIGHLIGHTS

**FOR THE MONTH ENDING
December 31, 2021**

COMPARATIVE BALANCE SHEET

- Cash and cash equivalents total \$15.4MM at the end of December, up \$3.16MM from one year ago.

2021 YTD	2020 YTD	CASH	Inc/(Decr)	%Change
\$ 8,575,098	\$ 8,563,220	Cash Available for Operations	\$ 11,878	0.14%
\$ 2,090,668	\$ 1,934,544	Non-Utility Capital Reserves	\$ 156,124	8.07%
\$ 1,597,671	\$ 1,288,727	Public Utility Reserves	\$ 308,944	23.97%
\$ 1,039,540	\$ 517,134	Golf Reserves Fund	\$ 522,406	101.02%
\$ 1,500,000	\$ -	Utility Capital Fund	\$ 1,500,000	100.00%
\$ 666,010	\$ -	General Capital Fund	\$ 666,010	100.00%
\$ 15,468,987	\$ 12,303,625	Total Cash & Cash Equivalents	\$ 3,165,362	25.73%

- Membership assessments receivable less allowance for bad debt balance is \$3MM.

MEMBERSHIP ASSESSMENT RECEIVABLE	2021	2020	VARIANCE
GROSS ASSESSMENTS BILLED	12,918,753	19,981,143	(7,062,390)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(9,910,042)	(16,533,179)	(6,623,137)
NET MEMBERSHIP ASSESSMENT RECEIVABLE	3,008,711	3,447,964	(439,253)



COMPARATIVE BALANCE SHEET

Long term debt has decreased almost \$510k since this time last year. Total Liabilities has decreased \$4.7M from December 2020, this is primarily due to the PPP forgiveness.

LIABILITIES	2021	2020	Variance
ACCOUNTS PAYABLE	\$ 493,871	\$ 40,921	\$ 452,950
ACCRUED EXPENSES	1,906,212	2,533,207	(626,995)
PREPAID ASSESSMENTS AND FEES	2,073,637	2,939,764	(866,127)
SECURITY DEPOSITS & OTHER DEPOSITS	876,602	965,055	(88,453)
ARKANSAS PPE GRANT	-	-	-
ARVEST LOAN - DESOTO	-	27,086	(27,086)
REGIONS LOAN - BACKHOES	149,193	202,102	(52,909)
REGIONS LOAN - FIRE TRUCK	253,775	447,929	(194,154)
SBA - PAYCHECK PROTECTION PROGRAM LOAN	-	3,089,000	(3,089,000)
ARVEST LOAN - SANITATION TRUCKS	47,202	125,477	(78,275)
REGIONS LOAN-SANITATION GRAPPLE TRUCK	132,747	-	132,747
LINE OF CREDIT	-	-	-
BONDS PAYABLE	1,920,000	2,210,000	(290,000)
TOTAL LIABILITIES	7,853,239	12,580,541	(4,727,302)



COMPARATIVE ANNUAL INCOME STATEMENT

- YTD net revenue(1) is \$40,356,721 compared to budget of \$35,854,733. Reflecting a \$4,501,987 increase over budget. Of which \$3.089M is the PPP forgiveness. Without the PPP, YTD net revenue is up \$1,412,987 from budget.
- YTD Operational expense(2) is \$28,084,740 which is \$3,487,856 less than budget.
- Net income before depreciation(3) is \$12,271,981 exceeding budget by \$8MM. And reflects an increase over 2020 actual by almost \$6.5MM.

	2021 Actual	2020 Actual	Over/(Under) Prior Year	2021 YTD Budget	Over/(Under) Budget YTD
Gross Revenue	\$ 43,754,000	\$ 38,539,414	5,214,587	\$ 39,805,133	3,948,867
Bad Debt Expense	(3,397,280)	(4,516,988)	(1,119,709)	(3,950,400)	(553,120)
Net Revenue (1)	40,356,721	34,022,425	6,334,295	35,854,733	4,501,987
Operational Expense (2)	(28,084,740)	(28,183,427)	(98,687)	(31,572,595)	(3,487,856)
Excess (Deficit) Before Depr.(3)	\$ 12,271,981	\$ 5,838,999	\$ 6,432,982	\$ 4,282,138	\$ 7,989,843
Depreciation	\$ (3,261,939)	\$ (3,321,734)	(59,796)		
Net Excess (Deficit)	\$ 9,010,042	\$ 2,517,264	\$ 6,492,778		

STATEMENT OF REVENUE, EXPENSE, & CAPITAL

Revenue

- Assessments, Administration, Public Safety, Public Works, Lakes, Development, Recreation & Golf are all showing an increase in revenue over the prior year. Food & Beverage reflects a decrease over prior year, as to be expected. Total net revenue (1) is 113% of YTD budget and \$6.33M greater than 2020 actual. Without the PPP funds revenue remains \$3.23M greater than 2020 YTD and \$1.4mil greater than YTD budget.

Income Comparison Trending



STATEMENT OF REVENUE, EXPENSE, & CAPITAL CONTINUED....

Revenue continued...

TOP 5 REVENUES OVER BUDGET YTD

TYPE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE
MISCELLANEOUS	\$ 4,639,086	\$ 1,344,730	\$ 3,294,356	-245%
GREENS FEE-NPO	\$ 1,356,904	\$ 838,456	\$ 518,448	-62%
DECAL REVENUE	\$ 407,903	\$ 157,000	\$ 250,903	-160%
CART RENTALS	\$ 1,656,758	\$ 1,453,439	\$ 203,319	-14%
REAL ESTATE SALES	\$ 257,598	\$ 75,000	\$ 182,598	-243%
	\$ 8,318,248	\$ 3,868,625	\$ 4,449,623	

TOP 5 REVENUES UNDER BUDGET YTD

TYPE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE
FOOD SALES	\$ 177,840	\$ 943,870	\$ (766,030)	81%
BEER SALES	\$ 100,764	\$ 263,840	\$ (163,076)	62%
MIXED DRINK SALES	\$ 55,000	\$ 157,000	\$ (102,000)	65%
SEWER SERVICE	\$ 4,155,253	\$ 4,250,853	\$ (95,600)	2%
WINE SALES	\$ 29,496	\$ 100,340	\$ (70,844)	71%
	\$ 4,518,353	\$ 5,715,903	\$ (1,197,550)	

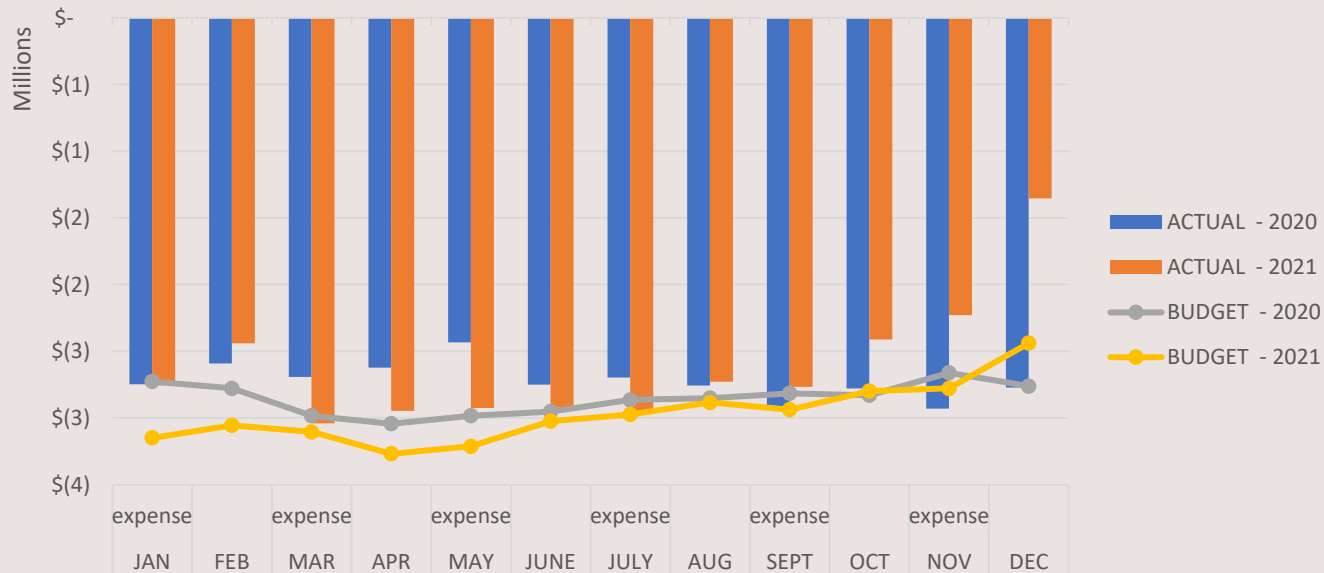


STATEMENT OF REVENUE, EXPENSE, & CAPITAL CONTINUED....

Expense

- Expenses YTD have trended below budget month over month. This is largely due to the decrease in payroll related expenses. December expense is much lower than budget due to the offset of uncollectable assessments with recording the COSL buy backs.

Expense Comparison Trending



STATEMENT OF REVENUE, EXPENSE, & CAPITAL CONTINUED....

Expense

- Assessments, Administration, Public Safety, Public Works, Lakes, & Food & Beverage all show reduced operating expenses from the prior year.
- Development reflects a \$601k increase over 2020 YTD and \$203k less than budget.
- Public Utilities reflects \$326k over 2020 expenses and \$49k more than budget.
- Golf reflects \$512k over 2020 expenses and \$764k less than budget.
- Recreation reflects \$51k over 2020 YTD expenses and \$645k less than budget.
- Total Operational Expense (2) is 89% of YTD budget, \$99k less than 2020 YTD and almost \$3.5M less than budget.



STATEMENT OF REVENUE, EXPENSE, & CAPITAL CONTINUED....

Expense continued...

TOP 5 UNDER BUDGET EXPENSES YTD

TYPE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE
GROUP INSURANCE	\$ (2,192,303)	\$ (3,064,935)	\$ 872,632	28%
WAGES - FULL TIME	\$ (10,087,128)	\$ (10,959,165)	\$ 872,038	8%
UNCOLLECTABLE ASSESSMENTS	\$ (3,344,849)	\$ (3,900,000)	\$ 555,151	14%
WAGES - PART TIME	\$ (1,279,975)	\$ (1,797,574)	\$ 517,599	29%
MAINT OF LAKES & DAMS	\$ (82,052)	\$ (490,000)	\$ 407,948	83%
	\$ (16,986,307)	\$ (20,211,675)	\$ 3,225,368	

TOP 5 OVER BUDGET EXPENSES YTD

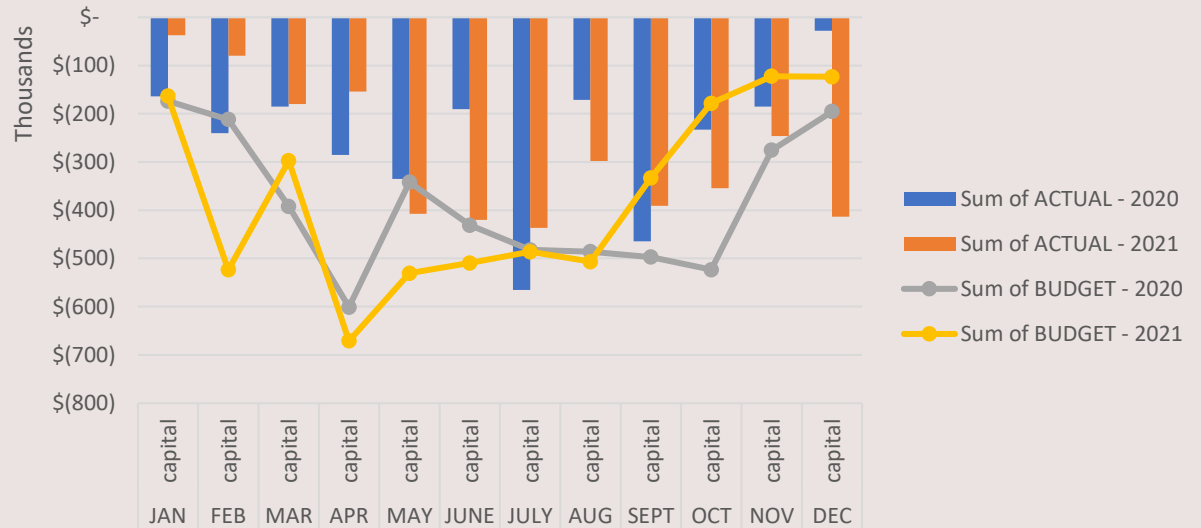
TYPE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% VARIANCE
OTHER ALLOCATIONS	\$ 421,149	\$ 670,521	\$ (249,372)	37%
BANK CHARGES	\$ (444,817)	\$ (325,495)	\$ (119,322)	-37%
WORKMENS COMP	\$ (262,695)	\$ (181,847)	\$ (80,848)	-44%
MAINT OF AUTOS & TRUCKS	\$ (212,738)	\$ (150,975)	\$ (61,763)	-41%
MAINT OF EQUIPMENT	\$ (335,427)	\$ (278,130)	\$ (57,297)	-21%
	\$ (499,101)	\$ 12,204	\$ (511,305)	



STATEMENT OF CAPITAL ADDITIONS

- 2021 capital spending YTD is \$3,378,079 reflecting 59.59% of the budget & carryover funds being spent.
- The 2021 capital spending is \$331k over 2020 YTD.

Capital Comparison Trending



	2021 Spending	2021 Budget	Prior Year Carryover*	Budget Remaining	
Administration	\$ 40,204	\$ 200,000	\$ -	\$ 159,796	
Community Development & Marketing	100,286	-	-	(100,286)	
Public Safety	22,908	123,000	-	100,092	
Public Works	1,517,703	1,223,862	850,000	556,158	
Public Utilities	962,967	2,021,004	99,388	1,157,425	
Lakes Management	-	50,000	-	50,000	
Food & Beverage	12,895	45,000	-	32,105	
Golf	281,348	308,357	291,145	318,154	
Parks and Recreation	439,768	456,800	-	17,032	
Total Year to Date Capital Additions	\$ 3,378,079	\$ 4,428,023	\$ 1,240,533	\$ 2,290,476	Capital Budget Spent
					59.59%



CASH FLOW STATEMENT & NOTES

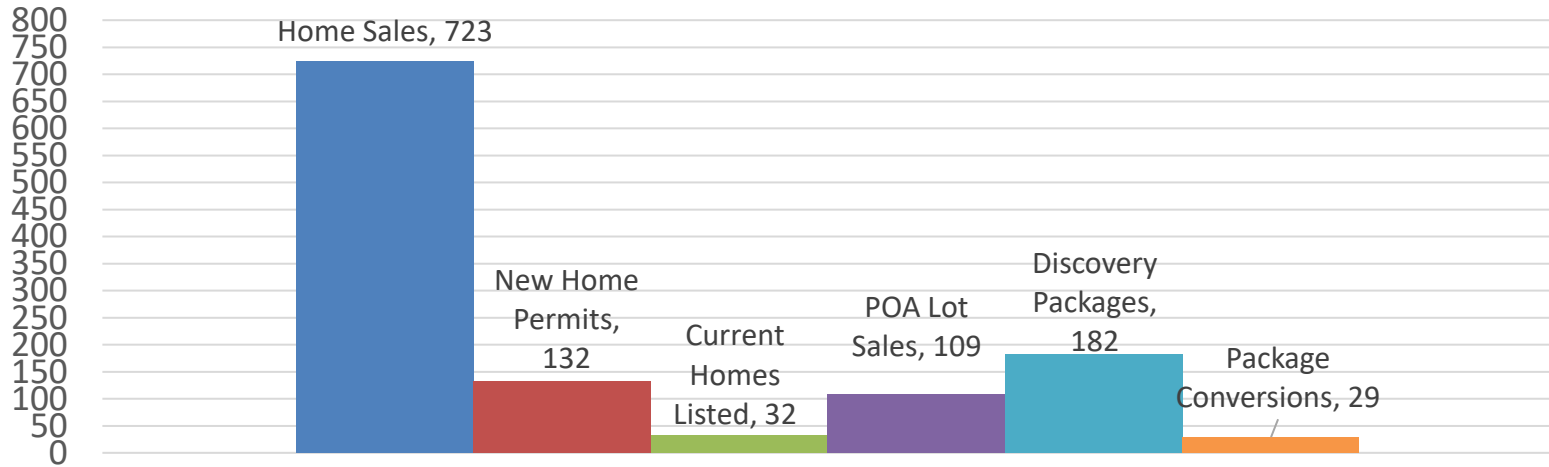
- Beginning cash for December was \$15,164,339
- Net income after depreciation was \$1,905,595
- Net change in Assets and Liabilities was an increase of \$1,404,934 with an overall net cash provided by operating activities of \$766,439
- Net Cash used in investing activities totaled \$413,392 – which are capital purchases.
- Net cash used in Financing activities totaled \$48,398 reflecting current loan payments.
- Resulting in End of month Cash and Cash EQ balance of \$15,468,987.



OTHER FINANCIAL HIGHLIGHTS

Community Development

COMMUNITY DEVELOPMENT 2021 YTD



2021 YTD, there have been 132 New Home Permits. We have completed 182 Discovery Packages year to date with 29 conversion year-to-date. The overall conversion rate for discovery packages is 15.47%. 109 POA Lots have been sold year-to-date and 2134 lots taken back for a net change in POA lots of -2025.

Sales Activity	YTD 2017	YTD 2018	YTD 2019	YTD 2020	YTD 2021
Home Sales	659	635	693	769	723
Lot Sales/Transfers	1063	1087	1018	699	4581
New Home Permits	50	58	60	90	132
Current Homes Listed	195	238	192	83	32
POA Lot Sales	15	28	30	42	109
Discovery Packages		37	81	133	182
Discovery Package Conversions		6	9	23	29

OTHER FINANCIAL HIGHLIGHTS GOLF

- YTD Golf rounds are 7,229 over 2020 YTD.
- The Golf surcharge accumulative revenue as of December 2021 is \$1.06mil.

	Current Month	Last Month	Difference	2021YTD	2020 YTD	Difference
Resident Daily Rounds	6,401	9,585	-3,184	128,503	138,128	-9,625
Annual Play Rounds	4,397	5,906	-1,509	73,804	67,443	6,361
Public	738	1,489	-751	22,931	19,919	3,012
Tournaments & Packages	20	165	-145	15,069	7,588	7,481
	11,556	17,145	-5,589	240,307	233,078	7,229

Year to date we have had 2,443 playable (open) days compared to 2,299 days in 2020. Revenue per day has increased \$134.68 from 2020.

	2021	2020	Variance
YTD Playable Days	2,443	2,299	144
Revenue/Day	\$2,721.16	\$2,586.48	\$134.68
Total Rounds	240,307	233,078	7,229
Revenue Per Round	\$29.99	\$27.55	\$2.44



OTHER FINANCIAL HIGHLIGHTS MONTHLY WRAP UP

- December's revenue for the month is \$3,523,965; reflecting less than the monthly budget by \$169,741.
- The top Revenue categories performing over budget for December:
 - **Contractual Receipts**– Primarily related to the Fire Dept. county funds for 4th quarter received. For Acct 833
 - **Cart Rentals**– better than monthly budget by \$14k.
 - **Membership Transfer Fees**– increase in property transfers, exceeding budget by \$14k
 - **Real Estate Sales**– Increase over budget by \$11k due to increased activity with lot sales program.
- The top categories performing under budget for December:
 - **Residential Water**– Under budget by \$115k due to budgeted accrual spread, ended the year \$75k greater than budget.
 - **Food/Beer/Mixed drink/Wine Sales** – Collectively under budget by \$103k due to *Leasing of operations*.
 - **Assessment Income** -Under budget by \$27k related to lot takebacks
 - **Sewer Service**– Under December budget by \$20k.



OTHER FINANCIAL HIGHLIGHTS MONTHLY WRAP UP CONTINTUED...

December's operational expense is \$1,352,593; coming in under the monthly budget by \$1,085,988

- **The top categories performing over budget for December:**

- **Retirement Fund**– *Increase over December budget by \$20k due police & fire retirement funding, under budget for the year by \$157k.*
- **Maint. of buildings**– *Running approximately \$20k over December budget due to repairing gates and a privacy fence at the fleet maintenance shop.*
- **Fertilizers & Chemicals**– *Increase over December budget by \$20k is due to chemical purchases for the water treatment plants.*

- **The top categories performing under budget for December:**

- **Uncollectable Assessments** – *Under budget by \$912k related to COSL lot takebacks.*
- **Payroll related costs**– *Under monthly budget by \$247k combined.*
- **Cost of Goods Sold - Food**–*Under by \$25k due to less activity.*

December's net income before capital and depreciation is \$2,171,373; greater than budget by \$916,247.



OTHER FINANCIAL HIGHLIGHTS WRAP UP CONTINTUED...

Overall, December revenues reflect \$170k less than budget. This is primarily due to the spread of the utility accrual; it is better than budget for YTD. Other factors are a decrease in restaurant sales and a reduction in assessment income due to the lots brought back into POA inventory.

December expenses are running under budget, primarily due to the decrease in uncollectable assessments related to the COSL lot takebacks and salary related expenses.

Capital purchases are less than budget due to market and labor conditions; the items ordered but not received along with the funds allotted for the street preservation program that was not executed will be carried over to 2022.

YTD the biggest impacts on variances from actual to budget is related to PPP forgiveness of \$3.1M. Next is payroll costs, reflecting \$2.6M under budget. Dredging was postponed till late in the year, so expenses are just now being incurred; therefore, reflecting \$407k under budget. Golf reflects \$1.6Mil better than budget. Without the PPP funds, payroll, and delays in dredging, net operating excess before capital and depreciation is almost \$1.9M better than budget, primarily attributed to Golf reflecting a subsidy of \$200k vs. the \$1.8Mil budgeted.



BEHIND THE SCENES

4TH QUARTER

GOLF

- Stay/Play packages had \$ 174,455 in revenue and 2,662 rounds for \$ 65.53/round. This revenue is 22% of all stay/play packages for 2021.
- Balboa completed 400 linear feet of cart path renovation on # 17.
- The golf department hosted a series of fall beginner ladies' clinics on Sundays starting in November and they are still ongoing with an average of 15 ladies participating each week.
- 2021 golf revenues exceeded entire 2021 revenue budget by November with \$ 6,886,673 for the first 11 months.
- Received new cart fleets at Balboa and DeSoto in December.
- Received all capital maintenance equipment in December for Balboa, Coronado, Ponce, and Isabella.
- The 2021 Member- Guest was held successfully in October after being postponed in 2020 because of Covid.
- Reinstated winter shotgun starts at 3 courses – Balboa, Granada, and Magellan. We were unable to do these in 2020 because of single cart riders policy forced by covid-19.



BEHIND THE SCENES

4TH QUARTER

INFORMATION TECHNOLOGY

- Work continues the new phone system. Project is approximately 90-95% complete.
- Cameras replaced at East Gate, Danville Gate, and Fitness Center
- Improved Balboa Gate camera system (moved license plate camera from the ISN system over to our existing system)
- HR Computers replaced/upgraded
- Completed installation of new POS terminals
- Removed old ISN equipment at all gates
- Implemented card validation system at East and West gate
- Completed prep work/system setup for annual renewals
- Replaced four computers at the Library
- Cleared several backlogged IT Projects



BEHIND THE SCENES

4TH QUARTER

PARKS & RECREATION

- Finished off last quarter with a flurry of events. This included 13 concerts and performances at Woodlands and CCC, concluding with 7 holiday shows in December.
- Additional events for the quarter included the final Rock Porch session at Grove Park, Community Fair at PDL Center, Craft fair at CCC, two trail workdays, two wine tours and Christmas tree lighting at Grove Park.
- Teamed up with Cheryl Bourland of Century 21 to sponsor holiday light show at West Gate. Clara Nicolosi with Re/Max HSV followed by sponsoring the East Gate guard house. These sponsorships provided a great value aesthetically to the village as well as save \$3,000 in budget that was allocated toward this.
- Awarded a \$1,000 grant in conjunction with HSV Arts Council to upgrade audio/video capabilities at PDL Center. These improvements will be located at Casa de Carta and the result will be similar to Ouachita meeting rooms.



BEHIND THE SCENES

4TH QUARTER

PUBLIC SERVICES

- Levantino - Major Culvert Replacement completed by HSV Staff
- Paving Projects Completed
 - Paraiso Lane
 - Levantino
 - Vista Lane
 - Jardin Way and Lane
 - Alteza and Quedo Place
 - Villas Way – Utility Cuts
- Urban Deer Hunt
 - 361 Deer Harvested to Date
 - BROKE A NEW STATE RECORD AT 191 DEER DONATED TO HUNTERS FEED THE HUNGRY
 - Vehicle Accidents due to Wildlife down by 8 from 2020 (Urban Hunt is Working)
- Crack Sealing
 - Cortez Road
 - Minorca Road
 - Camino Road
- Common Property
 - All Lake Dams were mowed
 - Finished all Residential Mowing
 - Tested new Drone Herbicide Application on the side of Cortez Lake Dam



BEHIND THE SCENES

4TH QUARTER

PUBLIC SERVICES CONTINUED...

- HSV Auction – Very Successful \$122,118.78 in sales
- Lakes
 - Mechanical Dredging on Lakes Isabella and Pineda was started by HSV Staff
 - Hydraulic Dredging is continuing on Lake DeSoto
- Sewer Extensions
 - Cima Road
 - Pacifica
 - Gerante
- Water Extensions
 - Hartura
 - Gerante
 - Campo Lane
- Calella Lift Station Rehabbed
- Fleet - Procured new Fleet acquisitions and opportunities through partnership with Enterprise
- First Electric – Connect2Fiber
 - Overall Aerial & Buried – 25% Complete
 - Victoria Lane 50% Complete
 - Algeciras Lane 50% Complete



BEHIND THE SCENES

4TH QUARTER

MARKETING & DEVELOPMENT

- Managed Sells Agency to deliver all work in scope and within budget. Negotiated with Sells to deliver same number of hours at same hourly rate in 2022 (three years of holding fees flat).
- Eliminated inefficient advertising spend by focusing media investment in 6 core states, using digital media. Eliminated magazine advertising by reducing ideal-Living from 4 to 3 print ads in 2021, and to zero ads in 2022.
- Coordinated promotional materials and messages for the Assessment Campaign with Sells Agency, which agreed to bill the board at half its normal rate (its non-profit rate).
- Established strong relationship with HSV Animal Welfare League. We now promote a dog or cat for adoption every week. This has resulted in reduction of pet population at the shelter and many happy new pet owners.
- Initiated work on 2022 Advocate magazine, the first issue to include business advertisers, which is expected to earn more than \$16,000 in revenue for the POA to offset the cost of printing and postage.



BEHIND THE SCENES

4TH QUARTER

MARKETING & DEVELOPMENT CONTINUED...

- Started weekly “POA Pooch” feature in Village Digest to appeal to Villagers’ love of dogs and to support our employees for their service to the POA.
- Renewed advertising contract with Village Voice for 2022, committing to 9 ads at \$325 each (\$2,925 annual spend).
- Initiated plans for first Public Safety Forum, a meeting for all Villagers to provide information from Police, Fire, Ambulance services, and Gate operations. This meeting is scheduled for 2/3/2022.
- Provided communications support to Public Services in preparation for major transition in our trash collection equipment and processes.
- 60 POA lots sold internally
- 35 POA lots sold through the Real Estate Partner Program



BEHIND THE SCENES

4TH QUARTER

CODE ENFORCEMENT

- Analyzed camera deficiencies at all the gates and worked with IT to replace and relocate.
- Worked with IT in adding scanners to both staffed gates. This system scans member, workpass, and renter cards for to see if active.
- Increased 32% greater new home permits over 2020.
- Increased building inspections by 25% over 2020.
- Revamped signage at all gates.
- Activated a new gate visitor log separating visitors and guest in accordance with policy.
- Instituted SOP's for Animal Control.

