

2020 AOA Financial Highlights

January through December, 2020

Key Financial Data

Operating Fund Balance	\$482,506.80
Regular Reserve Account Balance	\$1,554,023.41
Special Reserve-ADA Compliance	\$68,456.18
YTD Operating Fund Surplus	\$244,631.40
Other Income (including late fees, Interest, gate fees)	\$6,824.69
Reserve Account Interest	\$18,517.43
Income from Castle Rental Program	\$24,724.00
General Assessment to Operating	\$1,893,065.05
General Assessment to Reserves	\$329,205.36

Favorable Variances for 2020

Electric

Savings of \$18,632 due to all three pools closed during renovation and two pools closed for COVID-19. (23% savings).

Water

We had a savings of \$30,614 (25%) from a budget based on last years' usage which included several leaks and less use during pandemic.

Building

\$11,098 was saved for a 72% savings due to supplies such as lumber and paint ordered ahead of time and used when needed, less work done on owners' units, and an overall effort to cut expenses.

Grounds and Grounds Supply

We had a savings of \$19,444 (19%) due to fewer supplies needed, limited new plantings, and an effort to cut expenses.

Refuse

\$23,642 under budget for a savings of 39% due to successful negotiations with the vendor to reduce fees due to COVID-19 and reducing the number of bins, while increasing pickups.

Repairs and Purchases

\$10,885 under budget for a savings of 27% due to a decrease in repairs and billings and a general cost-cutting effort.

Salaries – Maintenance

\$79,222 was saved, (22%), due to under-staffing and one position being moved to management plus lower rates of pay for new employees.

Salaries – Grounds

\$24,383 was saved for a savings of 13% due to multiple employees on leave without pay and a resignation of lead employee.

Payroll Taxes and Benefits

Variance due to lower salaries and wages resulted in a \$16,677 savings, 17%.

Contract Services

Variance due to fewer contract services needed, \$2,291 savings, 5%.

Board of Directors Travel

We had a savings of \$21,838 (78%) due Board members being unable to travel to meetings because of the Covid-19 outbreak, and one Board member living on property.

Unfavorable Variances**Rental Income**

Rental income was reduced by \$12,548 because Castle was unable to make rental payments for the months of July through October and exercised the Force Majeure provision of our contract. (34%)

Cable

We're over budget \$4,663 in 2020 due to an increase in cable fees to offset local stations charging more to Spectrum. (5%)

Contract Plumbing

This was not a budgeted category, but we spent \$4,868 this year on snaking the clogs in the pool, and replacing a pressure regulator and backflow preventer.

Life Safety

We were \$1,095 over budget (22%). Our contractor inspected 186 fire extinguishers, refilled 10, and replaced 20. Items were also purchased for Covid-19 conditions, including a Ryobi sprayer for decontamination.

Watchmen

This is an un-budgeted item, but we had to hire outside security because our employees were in quarantine for a time due to positive Covid tests. The amount was \$2,571.

Salaries – Manager & Admin

Variance of \$25,887 or 51%, was due to a new AOA Manager allocation effective 3/1/20. The budget was set up for a single General Manager with a salary split between the AOA and Castle, now paid solely by AOA.

Recovery-Work Orders

We were 30% over budget, due to fewer work orders from owners resulting in less revenue and owners selling their units with outstanding work orders from last year. Loss of \$20,896.

Legal Fees

We were 359% over budget, amounting to \$8,613 due to legal issues and arbitration regarding payment for lanais and railings damage.

Delinquencies as of 12/31/20

2	units 30 days late	\$ 1,170.87
1	units 60 days late	\$ 1,170.87
1	units 90 days late	\$ 1,160.82
2	units more than 90 days late	<u>\$ 4,241.07</u>
Total		\$ 7,743.63

Doubtful Account Balance	\$ 5,965.74
Difference	\$ 1,777.89