

White Horse Park CA

Financial Report- Month of March 2020

Summary and Commentary

The financial impact of Covid-19 cannot be judged, but certain actions have and will continue to take place to augment the issues that could occur.

March results provide a \$\$30,000 Loss including Year End Adjustments plus added cost for Annual Depreciation.

*** WHP Monthly Reporting uses Cash Basis Accounting with a Year End Catch Up for Accrual Basis Accounting causing some issues for rendering a clean picture.

Source of Capital/ Income

Fee –Bank of America Credit Card Rewards- The use of these rewards for spending on items noted below such as supplies. The Rewards and Credit Card were terminated in May 2020.

Expenses/ Spending

Equipment Expense- Adjustment for expense that should have been used in April 2019 expense belonging to 2018-2019 year. But was not adjusted by prior accounting person

Printing- Toner and labels for mailings.

Dues- Web Domain Name and Hosting.

***Bad Debt-** \$20,000. Accounts Receivables in “Collections” of significant nature from prior period’s insufficient managing actions. At year-End an Allowance or Reserve is setup for the potentially Uncollectible. Any collections against these in future period will be applied to the Allowance and reduce the expense for that period.

***Professional legal-** Accrual for expenses not billed as yet.

Repairs Grounds- Tree removal and trimming.

***Utilities Electric-** Less use resulted and 2028-2019 reversal of audit adjustment \$10,000 credit

Contracts

***Insurance-** 2018-2019 Audit Adjustment for charges belonging to prior period reversed.

Pool- Adjustment from 2018-2019 Pool management that should have been used in April 2019 but was not adjusted by prior accounting person.

Security- Added guard service BOD approved to handle the reduced office personnel, Covid-19 issues and volatile membership actions.

Trash- With the slow visits from members via Covid-19 the need, as was estimated, No collection was needed. With the release of Covid-19 rules visits will increase and these savings will dissipate due to member clean-up activities normally happening in April and May.

Payroll and Professional fees other

These two categories should be added and netted for correct viewing. The part time nature of the administrative assistant through a service should be accounted explained with the payroll savings. The net result \$0 against budget. The reporting is correct while use is for office help.

Reserves

Funding was Zero as funds were diverted for operating expense throughout the year due to Dues underfunding contributing to further detiriation of the Reserve Funds preparedness for future events.

- *Depreciation-** \$58,000. Year End Adjustments plus added cost for Annual Depreciation.
- Compared with the initial Budgeted Depreciation indicates a Significant Aging of assets (\$72,000 budget versus \$58,000). Are Reserve Funds adequate for this asset aging condition issue too?

Accounts Receivable and Collections

These are being addressed. Other than this there are a few members having programs to catch-up and become current. In general the Account receivable is now in significantly improved, not just in total but in aging. This effort will produce future benefits in a significant reduction in collections and bad debt write offs as we experienced from past unfortunate lack of attention. Clean-Up of the receivable began from the December and prior appearance of the misuse of the recordkeeping for peoples accounts for the QuickBooks System. The Ledger and Sub Accounting systems were handled separately when in fact they Ledger depended on the Sub-Account Postings this leads to error on statements and accounts. These were the issues with Account Statements and why statements were recreated in the past.

Trying to give a summary is subject to certain assumptions (for example, how are credits balances accounted for, both in total and embedded in owners accounts). This was a struggle trying to figure out how it was done before. That is why we have changed to something more appropriate and logical (Amount with owners in collections and owners with total balance >\$350).

Capital Asset Spending (Not part of P/L) for full year 2019-2020

Pool Resurfacing	\$24,000
Deck Boxes	\$ 4,420
Boatyard Cameras	<u>\$ 3,534</u>
Total	<u>\$31,954</u>

With Governor Hogan's Orders and the awaited adjustments certain spending moving forward will increase that may have been in normal times assignable to May. BUT expect these cost actions to be selective and with *possible future intervention of Covid-19 in mind (?)*.

Treasurer
Ed Scheiner