

Millington Annual Financial Report — 2019

Millington at Mill Run Condominium Association

Welcome to My World

- The Board has a duty to keep accurate records of the revenue and expenses of our community and to report them regularly to the owners.
- As Treasurer, it is my responsibility to make sure we do our job.
- I have reviewed the books for 2019 and this is what I found.

We Are In Good Shape

- We started the year with roughly \$541,000.
- We ended the year with roughly \$511,000.

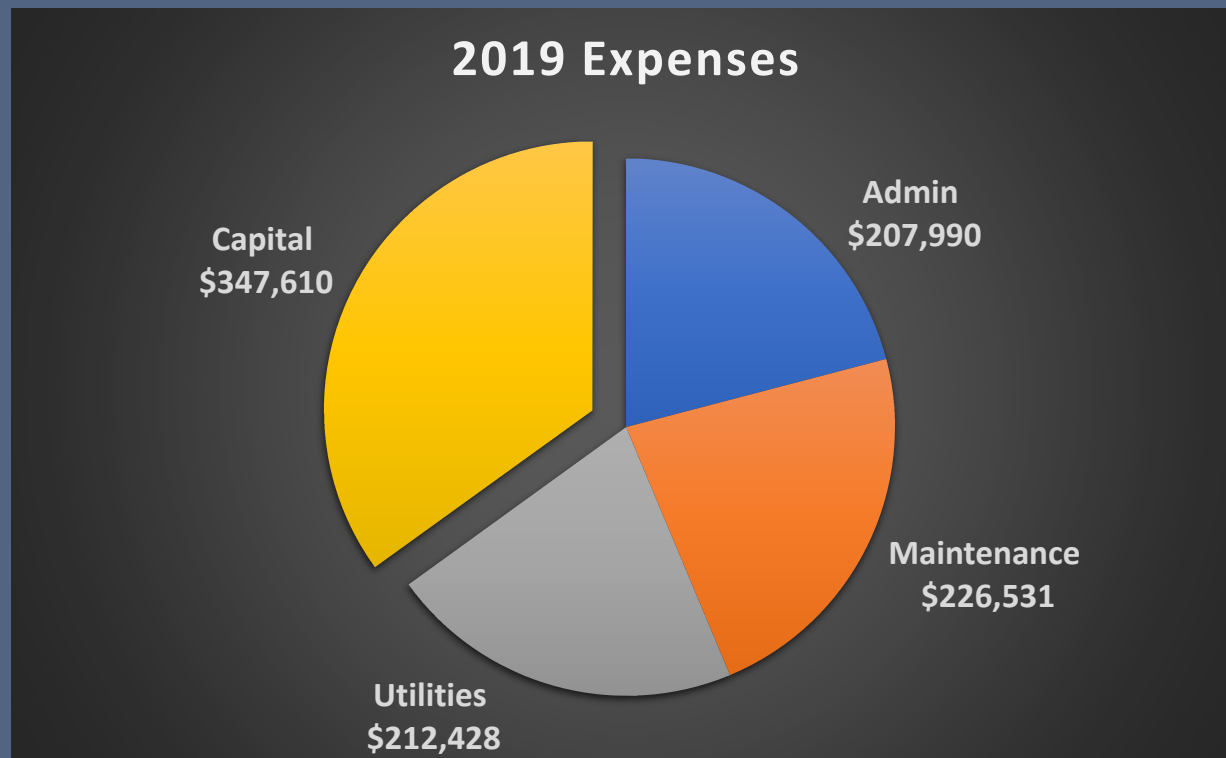
WAIT A MINUTE. DID WE LOSE \$30,000?

No, But Not Everything Went As Planned

- Our revenue forecast was spot on.
- But expenses were higher than we budgeted for.

	Budget	Actual
Revenue	\$ 961,308	\$ 964,426
Expenses	<u>\$ 961,057</u>	<u>\$ 994,560</u>
Increase (Decrease) in Capital	\$ 251	\$ (30,134)

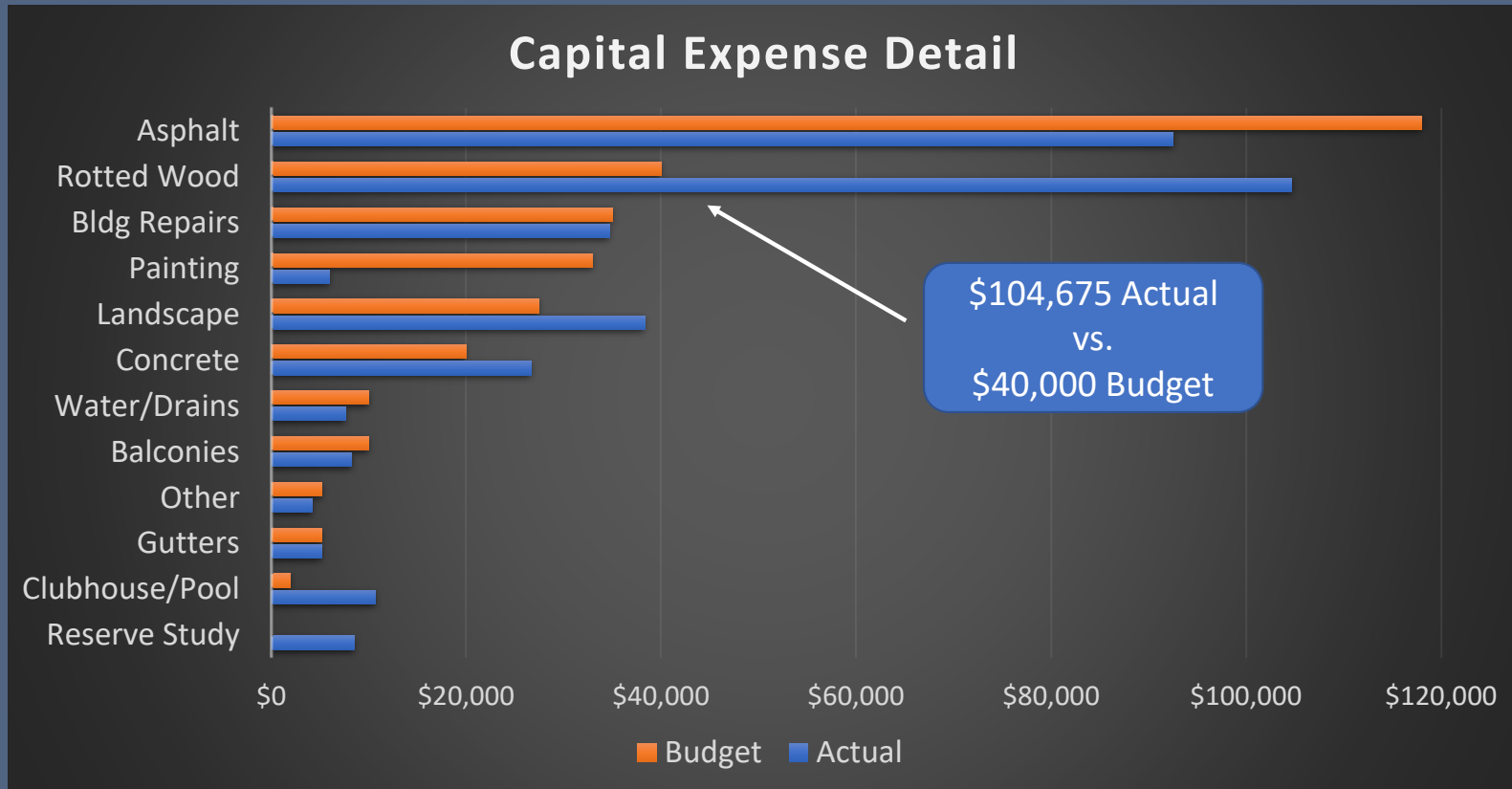
Expenses Fall Into 4 Main Categories



Capital Expenses Were Higher Than Planned

	Budget	Actual	Variance
Revenue	\$ 961,308	\$ 964,426	\$ 3,118
Expenses			
Admin	\$ 209,228	\$ 207,990	\$ 1,238
Maintenance	\$ 225,879	\$ 226,531	\$ (652)
Utilities	\$ 220,000	\$ 212,428	\$ 7,572
Capital	<u>\$ 305,950</u>	<u>\$ 347,610</u>	<u>\$ (33,502)</u>
Total	\$ 961,057	\$ 994,559	
Increase (Decrease) in Capital	\$ 251	\$ (30,153)	

The Major Culprit Was Rotten Wood



Capital Expenses Fall Into 3 Categories

- Critical Problems that need to be dealt with immediately
 - Structural Repairs
 - Rotted Wood
- Important Improvements
 - Landscaping
 - Drainage
- Community Upkeep
 - Asphalt
 - Concrete
 - Gutters
 - Paint

Unfortunately, Repairing Rotted Wood Drained Money From Other Needs

- Based on prior years experience, the Board had budgeted \$40,000 to replace rotted boards
- Instead, inspections revealed both termite and water damaged buildings that required \$104,675 of repairs
- In order to avoid busting the budget, we elected to postpone some less critical items such as painting and asphalt repairs.

Landscaping Problems Were Also A Factor

- A survey of the property revealed
 - Significant drainage problems
 - Dangerous over-mulching of plant beds
 - A large number of dying and encroaching trees
- These issues forced us to make some unpopular, but necessary decisions.
- Although the Board had hoped to replant a larger number of trees and plants last year, our budget constraints limited what we could do.

What Have We Learned

- There is a famous military saying that no plan survives contact with the enemy. The same holds true for budgets and financial plans.
- I review our financials every month and the Board regularly reviews spending decisions and determines where our money can be best spent. But even then, those decisions get regularly overruled by changing circumstances.
- In 2019, we spent more on **critical repairs** than we thought we would. But it was money that had to be spent. We hope you are satisfied that we handled your assets appropriately, carefully, and conscientiously.

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