

## REVIEWING PTCA MONTHLY FINANCIAL STATEMENTS

Dashboard report: summary of financials & quick overview of YTD and monthly activity.

Delinquencies: Compare March & May dashboard which highlights benefit of 12C sale.

Discussion mainly of expenses: Comparison of actual to budget, although Tim may want to discuss other items. Delinquencies, detailed in ageing report, are reviewed periodically.

Most variances -- explaining difference between amount budgeted and actual expense -- are due to timing differences, eg expense budgeted Sept occurs in Oct.

Variances will automatically adjust in following month, or when activity occurs.

Less common are ...

Expenses not occurring as expected, as when BOD approves an expense not in budget.

Unexpected expenses < \$5000, which are under management discretion.

Explanation of accrual vs cash accounting:

Individuals must use cash accounting for tax purposes.

In cash accounting, one reports money received vs money actually paid.

PTCA, like all corporations, use accrual accounting ... Income statement matches revenue earned against expenses incurred, whether or not received or paid. Reversing journal entries are entered monthly for expenses owed but not yet paid; one month's accruals are automatically reversed the following month when the new accruals are entered. For example,

P/R: checks paid on 25th of month requires accrual of 5 or 6 days owed yet for month.

Others: employee benefits/utilities/regular expenses such as repairs & maintenance.

After the Board accepts the audit, any adjusting entries made by auditor will be incorporated into the present financials. About \$60K of expenses will be adjusted from the present financials, to last fiscal year – that is, expenses for the quarter are overstated by about \$60K.

Balance sheet: What is owned (assets) vs what is owed (liabilities). The difference between assets and liabilities is equity, which when added to liabilities, equals assets; thus the term Balance Sheet.

Budget: Financial plan for one fiscal year in advance (Fiscal Year is March 1 – Feb 28).

Operating Budget prepared in Nov-1st 3 Saturdays-from draft prepared by management.

In 2018-19, we budgeted \$1,640,100 to the Reserve Fund. That is about 27% of revenue due. For resident owners (not landlords), their portion adds to their basis and acts as an additional investment, as would also be the case, for instance, by upgrading a unit with new flooring. (The only time this is important is when a unit is sold; routine maintenance, eg painting, does not add to basis).

## Y-T-D OPERATING ACTUALS VS BUDGET

	Actual	Budget	% Var.
<b>Revenue:</b>			
Total Assessments	\$ 1,272,000	\$ 1,272,000	0%
Total Non Assessments	\$ 254,599	\$ 243,965	4%
<b>Expenses:</b>			
Total Administrative	\$ 114,285	\$ 114,853	0%
Total Payroll	\$ 412,709	\$ 433,149	5%
Total Contract Expenses	\$ 185,149	\$ 190,824	3%
Total Operating Expenses	\$ 37,995	\$ 24,552	-55%
Total Utilities	\$ 253,631	\$ 316,126	20%
Total Maintenance & Repairs	\$ 121,974	\$ 78,447	-55%
Total Recreational Expenses	\$ 17,325	\$ 6,903	-151%
Garage Surplus/(Deficit)	\$ (54,996)	\$ (72,249)	24%
Capital Reserve Provision	\$ 410,025	\$ 410,025	0%
<b>Surplus/(Deficit)</b>	<b>\$ 28,500</b>	<b>\$ 13,335</b>	<b>114%</b>

## Y-T-D PAYROLL ACTUALS VS BUDGET

	Actual	Budget	% Var.
Office Salaries	\$ 56,169	\$ 58,749	4%
Janitor's Payroll	\$ 189,498	\$ 205,449	8%
Recreation Payroll	\$ 13,319	\$ 14,499	8%
Doormen Salaries	\$ 35,170	\$ 44,751	21%
Payroll Taxes	\$ 23,362	\$ 24,951	6%
Janitor's Employee Benefits	\$ 63,391	\$ 54,150	-17%
Doormen Employee Benefits	\$ 11,328	\$ 10,851	-4%
Administrative Employee Benefits	\$ 9,581	\$ 9,024	-6%
Workers' Compensation	\$ 10,893	\$ 10,725	-2%
<b>Total Payroll</b>	<b>\$ 412,709</b>	<b>\$ 433,149</b>	<b>5%</b>

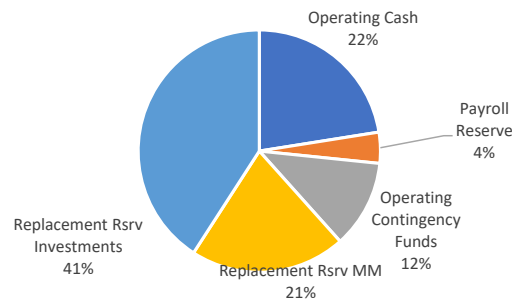
## Y-T-D UTILITIES ACTUALS VS BUDGET

	Actual	Budget	% Var.
Electricity	\$ 74,662	\$ 85,200	12%
Gas	\$ 122,827	\$ 103,600	-19%
Water/Sewer	\$ 56,142	\$ 127,326	56%
<b>Total Utilities</b>	<b>\$ 253,631</b>	<b>\$ 316,126</b>	<b>20%</b>

## ACCOUNT BALANCES

Operating Cash	\$	478,819
Payroll Reserve	\$	88,100
Operating Contingency Funds	\$	250,022
Replacement Rsrv MM	\$	441,818
Replacement Rsrv Investments	\$	869,997
<b>Total Cash &amp; Investments</b>	<b>\$</b>	<b>2,128,757</b>

Account Balances



## COMMENTS

**YTD Overall Budget Variance = \$ 15,165**

No additional comments at this time.

## ATTACHMENTS

Variance Analysis Report  
Capital Improvement Fund Cash Flow Report  
May 2018 Financial Packet

## RESIDENCY TYPES

Owner-Occupied	503
Bank Owned	1
Rentals	237 32%
<b>Total Residences</b>	<b>741</b>

## UNITS FOR SALE (Current)

Units For Sale:	23
Average Sale Price:	\$159,500
Range of Sale Prices:	\$95,000 to \$269,900

## DELINQUENCIES

0 - 30 days	\$ 50,083	29%
31 - 60 days	\$ 18,615	11%
61 - 90 days	\$ 10,191	6%
Over 90 days	\$ 91,965	54%
<b>Total</b>	<b>\$ 170,854</b>	<b>100%</b>
<b>NET DUE</b>	<b>\$ 170,854</b>	

## COLLECTIONS SENT TO ATTORNEY

No. of Units	Amount Owed
0	\$ -