

## Treasurer's Report

2006 proved to be a strong financial year for the Hollands Crossing Homeowner's Association (HCHOA). The year ended with a sound cash balance, positive net income and a positive trend in homeowners' assessment collections.

The cash balance of our bank accounts and short term investments at the end of 2006 totaled \$62,657.30. Please note, \$17,564.52 of the cash balance is attributed to 2007 assessments paid in advance.

Net income for 2006 totaled \$31,178.96. Please note, \$17,564.52 is related to 2007 assessments paid in advance. Therefore, our true fiscal performance in 2006 generated net income of \$13,614.44. I like to think of 2006 as a "bounce back" year from a challenged 2005. In 2005 the HCHOA Board of Directors (BOD) was faced with several large repairs that needed addressed including the large soil erosion problems at the community pools. In 2006 we were able to get back into a positive income position after coming off a loss in 2005. The positive net income in 2006 can be attributed to the \$30.00 increase in homeowner's assessments along with some operational savings and a decrease in management company fees as a result of opening our contract to competitive bids. In 2006, \$5,117.00 was placed in reserve and the remaining net income of \$13,614.44 will be placed in reserve in early 2007.

A very positive trend developed in 2006 regarding delinquent assessments. The delinquencies were tracked from November 2005 and throughout 2006. Other than normal increases in months when assessments came due, the delinquency balance decreased consistently throughout the year. December was the most impressive month with a delinquency balance under \$3,000. The positive trend is attributed improved collection efforts, enhanced communication and increased homeowner fiscal responsibility.

The balanced 2007 income statement budget was approved by the BOD in the third quarter of 2006. The budget is fair and attainable with continued fiscal responsibility and control by the BOD. There was no assessment increase in 2007 and the plan is to add an additional \$5,000 into reserves. Please look for the 2007 budget in the near future on the HCHOA website, <http://www.hollandscrossing.org/>.

Thank you for a successful 2006 and a promising outlook in 2007.

Gene Tomczak, Treasurer