



# Treasurer's Report

Presented by:

**Dave Taylor, Treasurer**

For the:

**SaddleBrooke HOA #1 Board of Director's  
Regular Meeting**

January 31, 2012

## TOTAL YEAR NET REVENUE

\$ 000's

	2010	2011		2012
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Revenues	4,629.5	4,904.5	4,994.2	5,107.7
Operating Expenses	(3,473.4)	(3,616.8)	(3,524.6)	(3,935.8)
Golf Course				
Revenues	1,926.1	1,958.1	1,917.7	1,954.4
Expenses	<u>(2,091.2)</u>	<u>(2,265.9)</u>	<u>(2,129.0)</u>	<u>(2,250.6)</u>
Net	(165.1)	(307.8)	(211.3)	(296.2)
Golf Shop Gross Margin	72.7	67.7	76.9	79.3
Food & Beverage				
Sales	1,385.2	1,425.4	1,500.7	1,508.7
Expenses	<u>(1,542.7)</u>	<u>(1,581.3)</u>	<u>(1,739.8)</u>	<u>(1,741.5)</u>
Net	(157.5)	(155.9)	(239.1)	(232.8)
<b>NET REVENUE</b>	<u><u>\$ 906.1</u></u>	<u><u>\$ 891.7</u></u>	<u><u>\$ 1,096.1</u></u>	<u><u>\$ 722.1</u></u>

# TOTAL YEAR GOLF COURSE RESULTS

\$ 000's

	2010	2011		2012
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<b>Revenue:</b>				
Annual Golf Fees	1,204.3	1,240.7	1,189.9	1,211.7
Daily Golf Fees	659.5	663.6	666.9	685.5
Other Golf Income	<u>62.2</u>	<u>53.9</u>	<u>60.9</u>	<u>57.2</u>
<b>Total</b>	<b>1,926.1</b>	<b>1,958.1</b>	<b>1,917.7</b>	<b>1,954.4</b>
<b>Expenses:</b>				
Golf Maintenance	(1,818.5)	(1,961.9)	(1,826.9)	(1,946.5)
Golf Operations	<u>(272.7)</u>	<u>(304.0)</u>	<u>(302.1)</u>	<u>(304.1)</u>
<b>Total</b>	<b>(2,091.2)</b>	<b>(2,265.9)</b>	<b>(2,129.0)</b>	<b>(2,250.6)</b>
<b>Golf Course Net</b>	<b>(165.1)</b>	<b>(307.8)</b>	<b>(211.3)</b>	<b>(296.2)</b>
<b>Golf Shop Gross Margin</b>	<b>72.7</b>	<b>67.7</b>	<b>76.9</b>	<b>79.3</b>
<b>TOTAL GOLF</b>	<b><u>\$ (92.4)</u></b>	<b><u>\$ (240.1)</u></b>	<b><u>\$ (134.4)</u></b>	<b><u>\$ (217.0)</u></b>

# FOOD & BEVERAGE RESULTS - DECEMBER 2011

	<u>\$000's</u>			<u>% of Sales</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>Actual</u>	<u>Forecast</u>
Sales	141.5	159.7	151.6			
Sales Adjustments	(1.0)	(0.3)	(1.3)			
Cost of Sales	<u>(46.7)</u>	<u>(58.7)</u>	<u>(57.0)</u>			
<b>Gross Margin</b>	<b>93.9</b>	<b>100.7</b>	<b>93.2</b>	<b>66.3%</b>	<b>63.0%</b>	<b>61.5%</b>
Labor Costs	(86.6)	(83.4)	(90.4)	61.2%	52.2%	59.6%
Other Expenses	(16.5)	(18.1)	(19.3)	11.6%	11.3%	12.8%
<b>F&amp;B Net</b>	<b><u>\$ (9.2)</u></b>	<b><u>\$ (0.8)</u></b>	<b><u>\$ (16.4)</u></b>			

# TOTAL YEAR FOOD & BEVERAGE RESULTS

	<u>\$000's</u>			<u>% of Sales</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Sales	1,385.2	1,500.7	1,528.3			
Sales Adjustments	(3.5)	(17.5)	(19.7)			
Cost of Sales	<u>(459.1)</u>	<u>(560.1)</u>	<u>(546.5)</u>			
<b>Gross Margin</b>	<b>922.6</b>	<b>923.0</b>	<b>962.1</b>	<b>66.6%</b>	<b>61.5%</b>	<b>63.0%</b>
Labor Costs	(887.7)	(952.2)	(990.4)	64.1%	63.5%	64.8%
Other Expenses	(192.4)	(209.9)	(204.6)	13.9%	14.0%	13.4%
<b>F&amp;B Net</b>	<b><u>\$ (157.5)</u></b>	<b><u>\$ (239.1)</u></b>	<b><u>\$ (232.8)</u></b>			
<b>Budget 2011</b>		<b><u>\$ (155.9)</u></b>				

## SPENDING ON ASSETS IN 2011

	REPLACEMENT (RRF)		NEW ASSETS (CIF)	
	Budget	2011 Spending	Budget	2011 Spending
GENERAL & ADMIN	\$ 153,996	\$ 141,263	\$ -	\$ 20,989
CLUBHOUSE	164,120	128,540	25,000	27,684
GOLF MAINTENANCE	87,800	34,782	30,000	28,718
ON-COURSE FACILITIES				
Pump Station #3	212,255	213,480	-	-
Pump Station #13	100,000	7,150	-	-
Pump consulting	-	6,915	-	-
Pipeline Extension	-	-	-	47,155
New Fountain for Lake	-	5,247	-	2,268
	<u>312,255</u>	<u>232,792</u>	<u>-</u>	<u>49,423</u>
GOLF COURSE WORK				
Tucson 9	500,000	452,520	-	-
- Irrigation Head Replacement	40,000	38,831	-	-
	<u>540,000</u>	<u>491,351</u>	<u>-</u>	<u>-</u>
ROADS	231,484	232,399	-	-
TENNIS	36,200	29,573	-	-
COMMON AREA MAINTENANCE				
Rock Walls	21,000	22,800	7,000	5,466
Other	16,600	9,408	45,000	60,000
	<u>37,600</u>	<u>32,208</u>	<u>52,000</u>	<u>65,466</u>
BUILDING RENOVATIONS	100,000	-	-	-
OTHER	96,800	48,354	23,000	17,138
<b>TOTAL 2011 SPENDING</b>	<b>\$ 1,760,254</b>	<b>\$ 1,371,261</b>	<b>\$ 130,000</b>	<b>\$ 209,418</b>
SPENDING IN 2012		126,355		42,949
<b>TOTAL SPENDING</b>	<b>\$ 1,760,254</b>	<b>\$ 1,497,616</b>	<b>\$ 130,000</b>	<b>\$ 252,367</b>
<b>(DECREASE)/INCREASE</b>		<b>\$ (262,638)</b>		<b>\$ 122,367</b>

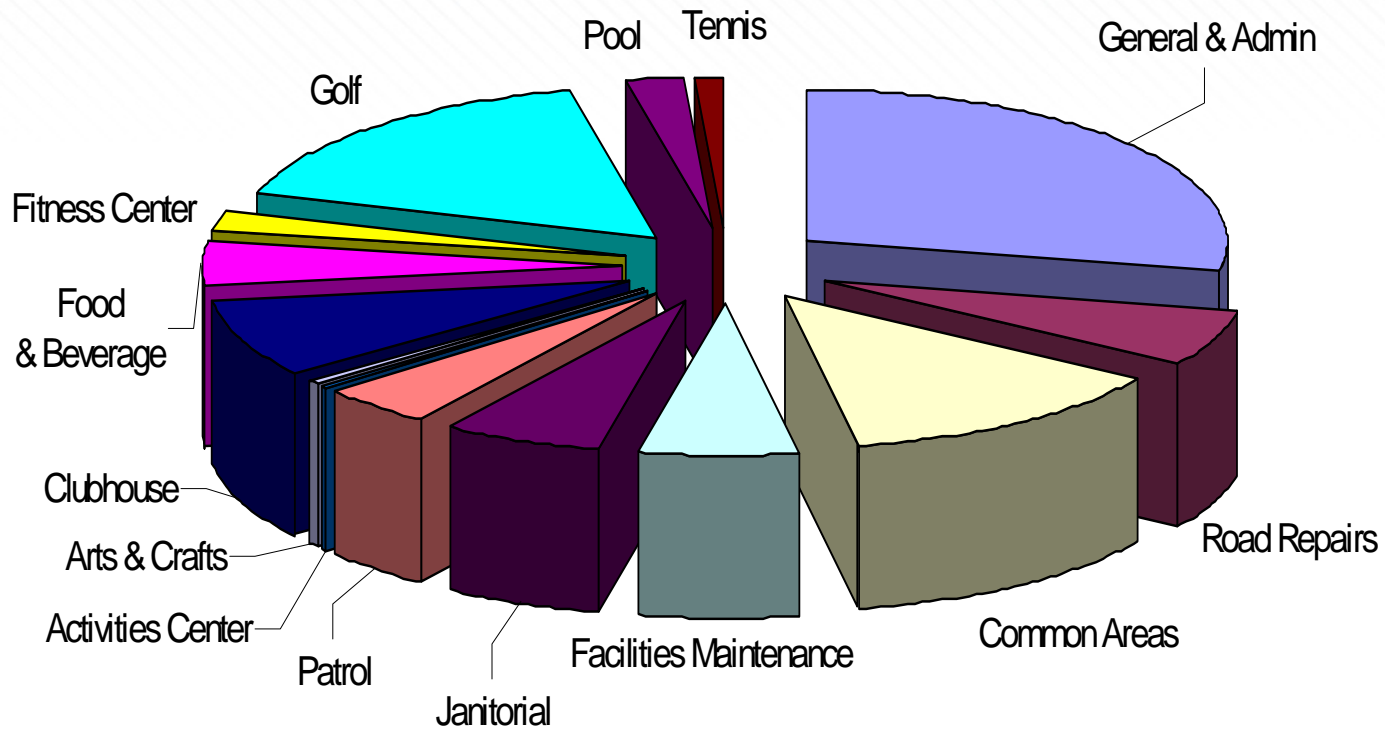
## REPLACEMENT RESERVE (RRF) AND CAPITAL IMPROVEMENT FUNDS (CIF)

	RRF		CIF	
	Budget	Actual	Budget	Actual
<b>Opening Balance</b>				
Balance Dec 31, 2010	\$ 1,823,800	\$ 1,823,800	\$ 19,277	\$ 19,277
2010 Items funded in 2011	(36,121)	(36,541)	(4,910)	(4,804)
<b>Balance on Jan 1, 2011</b>	<b>1,787,679</b>	<b>1,787,259</b>	<b>14,367</b>	<b>14,473</b>
<b>Cash Sources in 2011</b>				
CSF & BAA Contributions	1,700,000	1,700,000	118,800	142,414
Home Resale Fees	-	-	-	-
Estimated Interest	20,000	10,051	200	17
<b>Transfer between funds</b>	-	<b>(120,000)</b>	-	120,000
Clean Up Adjustment		1,484		
<b>Total Funding in 2011</b>	<b>1,720,000</b>	<b>3,378,794</b>	<b>119,000</b>	<b>276,904</b>
<b>Expenditures</b>	<b>(1,760,254)</b>	<b>(1,371,261)</b>	<b>(130,000)</b>	<b>(209,418)</b>
<b>Balance on Dec 31, 2011</b>	<b>\$ 1,747,425</b>	<b>\$ 2,009,015</b>	<b>\$ 3,367</b>	<b>\$ 67,484</b>
Spending in 2012		(126,355)		(42,949)
<b>Balance on Dec 31, 2011</b>	<b>\$ 1,747,425</b>	<b>\$ 1,882,660</b>	<b>\$ 3,367</b>	<b>\$ 24,535</b>

## CASH FLOWS - 2011

	\$ 000's		Cash Flow per Home	
	Forecast	Budget	\$	%
<b>REVENUES</b>				
Resident fees	4,716.6	4,715.6	2,288	
Home Resale Fees	142.4	118.8	69	
Other Income	<u>135.2</u>	<u>178.2</u>	<u>66</u>	
<b>TOTAL REVENUES</b>	<b>4,994.2</b>	<b>5,012.5</b>	<b>2,423</b>	
<b>SPENDING</b>				
General & Admin	(1,269.6)	(1,270.6)	(616)	27.9%
Services:				
Road Repairs	(279.6)	(281.5)	(136)	6.2%
Common Areas	(591.3)	(589.3)	(287)	13.0%
Facilities Maintenance	(279.1)	(278.8)	(135)	6.1%
Janitorial	(281.5)	(309.3)	(137)	6.2%
Patrol	(199.8)	(185.1)	(97)	4.4%
Amenities:				
Activities Center	(13.2)	(28.8)	(6)	0.3%
Arts & Crafts	(25.6)	(45.2)	(12)	0.6%
Clubhouse	(379.6)	(410.6)	(184)	8.4%
Food & Beverage	(216.5)	(133.2)	(105)	4.8%
Fitness Center	(95.0)	(97.8)	(46)	2.1%
Golf	(768.1)	(951.4)	(373)	16.9%
Pool	(101.1)	(133.9)	(49)	2.2%
Tennis	(45.2)	(52.1)	(22)	1.0%
Building Renovations	<u>0.0</u>	<u>(100.0)</u>	<u>0</u>	0.0%
<b>TOTAL SPENDING</b>	<b>(4,545.0)</b>	<b>(4,867.4)</b>	<b>(2,205)</b>	<b>100.0%</b>
<b>NET</b>	<b><u>\$ 449.2</u></b>	<b><u>\$ 145.2</u></b>	<b><u>\$ 218.0</u></b>	

# CASH EXPENDITURES PER HOUSEHOLD IN 2011



# Treasurer's Report

BOARD OF DIRECTOR'S MEETING

JANUARY 31, 2012

Back up



**TOTAL YEAR HOA OPERATIONS EXPENSES**  
\$ 000's

	2010	2011		2012
	Actual	Budget	Actual	Budget
General & Administrative	1,079.5	1,129.6	1,105.8	1,161.5
<b>Services:</b>				
Road Repairs	400.8	281.5	279.6	494.3
Common Areas	384.4	518.1	510.3	626.0
Facilities Maintenance	283.4	299.4	294.4	294.7
Janitorial	281.4	298.5	279.2	287.4
Patrol	177.3	180.3	197.9	206.1
<b>Amenities:</b>				
Activities Center	44.0	46.3	36.3	43.2
Arts & Crafts	33.1	36.3	33.9	34.4
Clubhouse	491.3	503.9	487.6	468.1
Fitness Center	142.2	173.8	168.7	173.9
Pool	109.5	117.8	100.7	116.0
Tennis	46.5	31.4	30.1	30.2
<b>TOTAL EXPENSES</b>	<b>\$ 3,473.4</b>	<b>\$ 3,616.8</b>	<b>\$ 3,524.6</b>	<b>\$ 3,935.8</b>

## TOTAL YEAR FOOD & BEVERAGE RESULTS

	<u>\$000's</u>			<u>% of Sales</u>		
	2011		2010	2011		2010
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Sales	1,425.4	1,500.7	1,385.2			
Sales Adjustments	(4.0)	(17.5)	(3.5)			
Cost of Sales	<u>(468.0)</u>	<u>(560.1)</u>	<u>(459.1)</u>			
<b>Gross Margin</b>	<b>953.4</b>	<b>923.0</b>	<b>922.6</b>	<b>66.9%</b>	<b>61.5%</b>	<b>66.6%</b>
Labor Costs	(922.4)	(952.2)	(887.7)	64.7%	63.5%	64.1%
Other Expenses	(186.9)	(209.9)	(192.4)	13.1%	14.0%	13.9%
<b>F&amp;B Net</b>	<b><u>\$ (155.9)</u></b>	<b><u>\$ (239.1)</u></b>	<b><u>\$ (157.5)</u></b>			

**BALANCE SHEET**  
At DECEMBER 31, 2011 AND 2010

<b>ASSETS</b>	<u>2011</u>	<u>2010</u>
	<u>\$000's</u>	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
- Operating	\$ 2,797	\$ 2,488
- Replacement reserve fund	2,009	1,824
- Capital improvement fund	67	19
	4,873	4,331
Receivables	1,100	110
Less: Allowance for doubtful accounts	(17)	(9)
Receivables		
- net of allowance for doubtful accounts	1,082	101
Inventories	145	121
Other current assets	14	60
	6,115	4,612
<b>Total Current Assets</b>	<b>6,115</b>	<b>4,612</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>20,879</b>	<b>20,229</b>
	<b>\$ 26,994</b>	<b>\$ 24,841</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>	<b>\$ 3,769</b>	<b>\$ 2,725</b>
<b>MEMBERS' EQUITY</b>		
Undesignated	21,148	20,273
Designated for replacement reserve fund	2,009	1,824
Designated for capital improvement fund	67	19
	23,224	22,116
	<b>\$ 26,994</b>	<b>\$ 24,841</b>

## CASH FLOW - ACTUAL 2011

\$ 000's

	<u>Net Expenses</u>	<u>Add back Deprec'n</u>	<u>Net Cash (Cost)Income of Operations</u>	<u>Spending on Assets</u>	<u>Net Cash Cost</u>	<u>Cash Cost Per Home \$</u>
General & Admin	(1,105.8)		(1,105.8)	(163.7)	(1,269.6)	(616)
<b>Services:</b>						
Road Repairs	(279.6)		(279.6)		(279.6)	(136)
Common Areas	(510.3)	16.7	(493.6)	(97.7)	(591.3)	(287)
Facilities Maintenance	(294.4)	15.4	(279.1)		(279.1)	(135)
Janitorial	(279.2)	2.1	(277.1)	(4.4)	(281.5)	(137)
Patrol	(197.9)	12.8	(185.2)	(14.6)	(199.8)	(97)
<b>Amenities:</b>						
Activities Center	(36.3)	27.9	(8.4)	(4.8)	(13.2)	(6)
Arts & Crafts	(33.9)	14.2	(19.7)	(5.9)	(25.6)	(12)
Clubhouse	(487.6)	264.3	(223.4)	(156.2)	(379.6)	(184)
Food & Beverage	(239.1)	30.6	(208.5)	(7.9)	(216.5)	(105)
Fitness Center	(168.7)	76.7	(92.0)	(3.0)	(95.0)	(46)
Golf	(134.4)	214.2	79.8	(848.0)	(768.1)	(373)
Pool	(100.7)	12.1	(88.5)	(12.6)	(101.1)	(49)
Tennis	(30.1)	14.5	(15.6)	(29.6)	(45.2)	(22)
<b>TOTAL</b>	<b><u>\$ (3,898.1)</u></b>	<b><u>\$ 701.4</u></b>	<b><u>\$ (3,196.7)</u></b>	<b><u>\$ (1,348.3)</u></b>	<b><u>\$ (4,545.0)</u></b>	<b><u>\$ (2,205)</u></b>

## CASH FLOW - BUDGET 2012

\$ 000's

	<u>Net</u> <u>Expenses</u>	<u>Add back</u> <u>Deprec'n</u>	<u>Net Cash</u> <u>(Cost)Income</u> <u>of Operations</u>	<u>Spending</u> <u>on Assets</u>	<u>Net</u> <u>Cash Cost</u>	<u>Cash Cost</u> <u>Per Home</u> <u>\$</u>
General & Admin	(1,259.9)		(1,259.9)	(28.9)	(1,288.8)	(625)
Services:						
Road Repairs	(494.3)		(494.3)		(494.3)	(240)
Common Areas	(626.0)	20.1	(605.9)	(6.6)	(612.5)	(297)
Facilities Maintenance	(294.7)	15.6	(279.1)		(279.1)	(135)
Janitorial	(287.4)	1.8	(285.6)		(285.6)	(139)
Patrol	(206.1)	12.7	(193.4)		(193.4)	(94)
Amenities:						
Activities Center	(43.2)	27.8	(15.4)	(20.0)	(35.4)	(17)
Arts & Crafts	(34.4)	13.8	(20.5)	(22.3)	(42.8)	(21)
Clubhouse	(468.1)	264.4	(203.6)	(119.2)	(322.8)	(157)
Food & Beverage	(232.4)	33.0	(199.4)	(1.1)	(200.5)	(97)
Fitness Center	(173.9)	75.4	(98.6)	(13.3)	(111.9)	(54)
Golf	(217.0)	245.4	28.4	(1,184.7)	(1,156.3)	(561)
Pool	(116.0)	12.6	(103.4)	(7.5)	(110.9)	(54)
Tennis	(30.2)	14.4	(15.8)	(27.5)	(43.3)	(21)
Building Renovations				(50.0)	(50.0)	(24)
<b>TOTAL</b>	<u>\$ (4,483.6)</u>	<u>\$ 737.0</u>	<u>\$ (3,746.5)</u>	<u>\$ (1,481.1)</u>	<u>\$ (5,227.6)</u>	<u>\$ (2,536)</u>