

# Hammocks Community Association Inc.

## Minutes of the Finance Committee Meeting August 6<sup>th</sup>, 2024 – Clubhouse and ZOOM

### 1. Call to Order

The meeting of the Finance Committee was called to order by Pete Cabrera at 6:02 P.M.

### 2. Determination of a quorum

Present: Pete Cabrera  
Katherine Johnson  
Frank Morrison  
Evelio Aleman

Anthony Serrone, Melissa Vazquez; FirstService Residential.

### 3. Proof of Notice of the Meeting

Anthony Serrone confirmed that the Notice of the Meeting was posted on the Association Bulletin boards on Friday, August 2<sup>nd</sup> as well as on the Association website.

### 4. Approval of the Previous Meetings Minutes

*To approve the meeting minutes for the July 2<sup>nd</sup>, 2024, meeting of the Finance Committee.*

MOTION

Motioned by: Pete Cabrera  
Seconded By: Frank Morrison  
Motion Carries Unanimously

### 5. New Business

#### a. Review Financial Statement for June

- Forensic accounting entries from 2019-2022 have given the numbers to The Association, and they will be added to the July financial.
- Frank Morrison inquired about the court order that pushed the due date of the Audit to August 31<sup>st</sup>, and if all audits will be done by that time and when the continuation of the meeting will be scheduled. The issue will be brought up with Judge Gersten to clarify what the timeline is going to be for the continuation of the meeting once the audits are done.
- Melissa Vazquez reviewed the financial statements for the month of June with the Finance Committee.
  - Month end cash balance – \$ 3,127,490
  - Deferred Master Maintenance – \$0 – it is zero because it is the last month of the quarter.
  - Prepaid Assessments - \$731,015
  - Available Cash Balance - \$2,396,475
  - Monthly Recurring Income - \$465,007 for the Master and \$47,467 for the neighborhoods.
  - Non-Recurring Master Income - \$13,768
  - Total Master Revenue - \$478,775
  - Current Outstanding Balance of Assessments - \$ 1,181,999

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- Kathrine Johnson requested for the financials to be broken down by Master and Neighborhood.
- Monthly Expenses – The Association has been accruing for Administrative Expenses for Accounting and Legal. The court order was presented and is less than what we were accruing.
- A Legal settlement of \$2.3 Million dollars was received in July which increased non-recurring income.
- Melissa Vazquez clarified the units that have been sent to collections. Pete Cabrera discussed the collection agencies that are currently hired for collections.
- Projected expenses - \$81,000 for next month to account for the Bike Path Repairs.

## b. Review Initial Draft of 2025 Budget

- Melissa Vazquez reviewed the first draft of the 2025 Budget with the Finance Committee.
  - Topics discussed –
    - Owner assessments and how they will be tracked throughout the 2025 year. The Advisory Board of Directors and the Receiver would have to give instruction on changing the format of the financial statements. All residents would have their accounts number changed if the neighborhoods were to be broken down individually on the financial statements.
    - The Limited Voluntary Deferred Expense account and how the amounts allocated to each neighborhood will be tracked.
    - Frank Morrison and Katherine Johnson discussed that there should be separate bank accounts for Master funds and Neighborhood funds.
    - The Receiver's credit that was authorized in 2024 and how it will affect the budget in 2025.

### MOTION

***To move forward with the meeting by having Melissa Vazquez go through each line item on the budget and the Finance Committee asking questions.***

Motioned by: Katherine Johnson

Seconded By: Frank Morrison

**Motion Carries Unanimously**

- CPA Expenses as it relates to the audit.
- The possibility of obtaining more Association Vehicles
- Legal Expenses
  - Katherine Johnson asked for clarification on the \$200,000 that was put on the budget at the direction of the legal team.
  - Frank Morrison discussed that The Association should go out to bid for the necessary monitor fees.

### MOTION

***To recommend to the Advisory Board of Directors that The Association obtain multiple bids on insurance.***

Motioned by: Evelio Aleman

Seconded By: Frank Morrison

**Motion Carries Unanimously**

- Utilities Expense
- Lake Maintenance Expense

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- Management services
- Pool/Spa Contract
- Security Expenses
- Salaries and Benefits Expense
  - Frank Morrison that he believes this should be brought to the attention of the Advisory Board of Directors for their review.
- Repairs and Maintenance – All Categories.
- Limited Voluntary Deferred Expense (LVDE) Account
  - Frank Morrison asked for clarification on how the interest income from the Limited Voluntary Deferred Expense account would be tracked for the individual neighborhoods.
  - The LVDE account was put together by using historical data and bringing the amounts current by factoring inflation.

## C. Neighborhood Budget

- Topics Discussed –
  - Lawn Maintenance
    - Frank Morrison asked for clarification on how Turf arrived at their proposal for lawn maintenance for the neighborhoods budget.
  - Management services
  - General Repairs and Maintenance
  - Storm Drain cleaning
  - Wall and Fence Expenses – Removed as it is in the LDVE accounts.
  - Landscaping Extras
  - Tree Trimming

## 6. Old Business

### A. Review Interest Account

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## 7. Owner Comments on Agenda Items

- No Owner Comments on Agenda Items.

## 8. Adjournment

Motioned By: Pete Cabrera

Seconded By: Katherine Johnson

Meeting adjourned at 9:35pm

Motion Carries Unanimously