

# Hammocks Community Association Inc.

## Minutes of the Finance Committee Meeting July 2<sup>nd</sup>, 2024 – Clubhouse and ZOOM

### 1. Call to Order

The meeting of the Finance Committee was called to order by Pete Cabrera at 7:00pm.

### 2. Determination of a quorum

Present: Pete Cabrera  
Katherine Johnson  
Frank Morrison

Anthony Serrone, Melissa Vazquez, Joumarie Montes; FirstService Residential.

### 3. Proof of Notice of the Meeting

Anthony Serrone confirmed that the Notice of the Meeting was posted on the Association website and on the bulletin board throughout the community on Friday June 28<sup>th</sup>, 2024

### 4. Approval of the Previous Meetings Minutes

MOTION

*To approve the meeting minutes for the June 4<sup>th</sup>, 2024, meeting of the Finance Committee.*

Motioned by: Pete Cabrera

Seconded By: Frank Morrison

**Motion Carries Unanimously**

### 5. New Business

#### a. Review Financial Statement for May

- Joumarie Montes reviewed the Financial Package and answered questions from the Committee
  - Frank Morisson asked for clarification on why the software does not disseminate the bad debt by neighborhood. Melissa Vazquez responded that bad debts are for expenses that are going to be written off as uncollectible and that she can pull reports for each individual neighborhood for delinquencies that are collectible.
  - Frank Morrison asked for clarification on how to get the actual amount of income for each month on the financial package. Joumarie stated that the income is based on what is billed not what is collected for each month and on the balance sheet the delinquencies are subtracted from the income which is the process in accrual-based accounting. Melissa Vazquez added that the audit that is conducted each year will show the financial health of the community and will show whether the community funds are being managed effectively.
- Melissa Vazquez reviewed the financial statements for the month of May with the Finance Committee. Financial statements attached.
  - Month end cash balance – \$3.8 Million Dollars
  - Deferred Master Maintenance – \$460,000
  - Prepaid Assessments - \$641,0000
  - Available Cash Balance - \$2.7 Million

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- Monthly Recurring Income - \$465,000 for Master, Neighborhoods \$47,000
- Non-Recurring Master Income - \$6,500
- Total Master Revenue - \$471,000
- Current Outstanding Balance of Assessments - \$1.2 Million
  - Monthly Expenses – Not anything unusual in May regarding expenses. Court order for the attorney’s fees and CPA’s fees were paid in June.
  - Insurance – Over by \$63,000
  - Repairs to Pool - \$5,000
  - Frank Morrison asked for clarification why the payroll was under budget for the month. Melissa Vazquez stated that the payroll was typically under budget every month and she can investigate why it was over budget the previous two months.
- Projected Expenses for June and July – 2 different legal settlements.
- Estimated for special project – second payment for fences that will be paid.
- Trends to watch – Reported as normal
- Court Order – The association has been accruing for these expenses.

## **b. FSR Supervisor presents Financial Package as it relates to the Master and Neighborhoods**

- Discussed above in topic in a. Review of Financial Statement.

## **c. Review viable surplus monies from Neighborhood**

- Pete Cabrera stated that there should be some surplus that is reported once the audit has been completed which is estimated to be around \$1.1 Million dollars. Once the surplus is determined, then the Board can decide how to move forward with those funds. Frank Morrison stated that the surplus funds belong to the neighborhoods and that homeowners would like to see more action in projects that are being undertaken. Pete Cabrera stated that the audit has to come back first and then the Board, as the decision-making body of the Association, will make a decision on how to move forward.

## **d. Recommend Separate Cost Center and Operating Accounts for the 18 neighborhoods.**

***To advise the Board of Directors to open an operating bank account for the 18 neighborhoods that is separate from the Master operating bank account.***

MOTION

Motioned by: Katherine Johnson

Seconded By: Frank Morrison

**Motion Carries Unanimously**

## **e. Review Collection Process**

- Axiom is the current collections agency that has about 15 accounts which represent \$236,000 worth of past due assessments. The Receiver engaged Mark Migdal and Hayden to turn over the accounts that owe \$7,000 or more. That is a total of 12 units that represent \$467,000 in unpaid assessments. The fees that are in the budget for collections is for attorney’s fees that are billed up front and are then collected from the unit owner, so the Association gets the money back.
- Frank Morrison asked for clarification on the payback to the neighborhood that is owed outstanding delinquent funds if they are collected. Melissa Vazquez clarified that the money will go back to the neighborhood that it belongs to via the “charge code”.

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## 6. Old Business

### a. Role of the Finance Committee

- Melissa Vazquez stated that she will be meeting with the different committees to budget for their individual needs.

### b. Update Budget Timeline

- Still on target for first draft of the budget for August 6<sup>th</sup>, 2024.

### c. Review Interest Account

- The Receiver and his team is reviewing the interest accounts to determine what is the best for the Association's needs.

## 7. Owner Comments on Agenda Items

- **Idalmen Ardisson – Paseos II –**
  - Paseos, Belmont, and Oakwood have gained a line item for the special fencing project. When was that decided?
    - Melissa Vazquez can have the expense reclassified. The invoice had indicated that the fences were replaced in that neighborhood, so they were placed in that neighborhood.
  - The 18 neighborhoods are now being charged for the management services that were budgeted for but not previously charged. Why is it that we are now getting charged?
    - Melissa Vazquez stated in 2023 there was no definitive answer to what percentage of management that the neighborhoods paid for. We will get more clarification from the auditor on that percentage. Shirley Arteaga is now the assigned CAM for the neighborhoods and was assigned to the neighborhoods in May. Prior to this Shirley was doing work inside and outside the neighborhoods so she was not being charged to the neighborhoods solely.
  - How is the surplus being discussed without having the numbers available?
    - The number was derived from the income statements and subtracting the delinquencies. This could change once we get the audit, and the number might now be accurate until we get understand what the auditor states.
  - I have noticed on the budget that OTSJ and GTSJ are used for the Master. What do they represent.
    - Pete Cabrera – OTSJ is the Master and the 18 neighborhoods consolidated. GTSJ just represents the Master.
- **Maria Lopez Peralta – Oakwood Estates –**
  - Suggested that we budget for new weight equipment in 2025 for the Wild Lime gym.
- **Fernando Figueira – Haciendas –**
  - Stated that Shirley is the right person for the job within the neighborhoods.

## 8. Adjournment

Motioned By: Pete Cabrera

Seconded By: Katherine Johnson

**Meeting adjourned at 7:43pm**

**Motion Carries Unanimously**