



MORELAND COURTS
Sophisticated Living in an Architectural Landmark

Management Financial Report
August 2024

Profit and Loss Statement

Net operating income for August was \$7,407, (\$29,037) unfavorable to budget.

- Total income was \$265,209, \$8,870 favorable to budget, mostly attributed to a bill-back of legal fees to miscellaneous income.
- Total expenses were \$257,801, \$37,907 over budget. The main contributors of higher expenses relative to budget were:
 - Higher wages and employee benefits expenses due to pay cycle in August included 3 pay periods resulting in (\$33,941) will be offset with a similar positive amount in September.
 - Higher major repairs by \$6,388 due to plumbing issues.
 - Higher administrative expenses due to legal expenses of \$7,027 related to additional counsel necessary for MCCA concerns, most of which should be recoverable from bill-backs to owners.

Net operating income for August year-to-date was \$36,196, (\$4,599) unfavorable to budget.

- Total income was \$2,056,768, \$8,765 favorable to budget mostly attributed to bill-back of fees associated with MCCA concerns which is offset in legal expenses.
- Total expenses were \$2,020,572, \$13,363 over budget. The main contributors of higher expenses relative to budget were:
 - Higher wages by \$24,578 due to timing of pay cycle, in September there will be a positive offset to the overage in August.
 - Higher hospitalization expense by \$7,268 due to additional staff enrolled in medical benefits program post budget season.
 - Lower net utilities by \$6,791 due to lower water and sewer costs, offset by higher gas and electric costs relative to budget.
 - Lower net maintenance & repairs by \$7,218 due to timing of certain services being rendered such as carpet repairs, boiler maintenance, suite owner repairs, offset by higher plumbing maintenance and cleaning supplies.
 - Higher major repairs by \$2,370 due to timing of services being rendered.
 - Higher contracted services by \$1,786 due to higher than budgeted - landscaping, additional repairs to irrigation system, waste removal, cable charges and additional elevator services, partially offset by reduced security and fire safety expenses due to invoice timing.
 - Higher net administrative expenses by \$8,676 due to lower insurance solely due to timing of bills combined with higher legal expenses due to additional



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counsel related to MCCA concerns, most of which should be recoverable from bill-backs to owners.

Capital Expense and Capital Reserve Spending

Budgeted capital expense related income is \$170,000 and is collected monthly from owners. Budgeted capital reserve related income is \$650,000 and is also collected monthly from owners.

In August, \$11,715 was spent on capital expenses and \$18,569 on capital reserve spending. Year-to-date, \$100,572 was spent on capital expenses and \$172,386 on capital reserve spending.

For more details on categories of expense/spending, see page 9 of the financial packet.

Balance Sheet and Liquidity

Our ability fund operations, capital expenses and reserve expenses are a function of cash on hand, accounts receivable from owners and additional income to be assessed to owners for the remainder of the year.

At the end of August, cash was \$427,214, of which \$44,284 was operational cash, \$31,405 annual capital cash, \$247,644 was capital reserve cash and the remainder was loan escrow.

At the end of August, accounts receivable from owners was \$146,514. Details on the aging of our accounts receivable can be found on page 10 of the financial packet. Of this net total, three delinquencies account for most of the total. Unit 13715 2A is scheduled for Sheriff Sale on 09/30/2024; Unit 13609 3A is in active foreclosure; Unit 13805 3A has a lien in place although it is expected to be fully paid by 09/30/2024.

We believe we will be able to fund our budgeted operational and capital items but will continue to monitor cash and accounts receivable as the year progresses.

Moreland Courts Condominium Association
Balance Sheet
As of August 31, 2024

	Amount as of 8/31/2024	Amount as of 12/31/2023	\$ Change
ASSETS			
Cash			
1007 Capital Reserve	247,644	224,414	23,230
1013 NCB Loan Escrow Account	103,880	121,595	(17,715)
1015 Operating	43,884	7,295	36,589
1018 Annual Capital	31,405	30,139	1,266
1040 Petty Cash	400	400	-
Total Cash	427,214	383,843	43,370
Accounts Receivable			
1200 Accounts Receivable			
1201 Accounts Receivable-Other	3,488	3,488	-
1200 Other Accounts Receivable	146,514	105,081	41,433
1200 Total Accounts Receivable	150,002	108,569	41,433
Total Accounts Receivable	150,002	108,569	41,433
Other Current Asset			
1300 PREPAID EXPENSES			
1305 Prepaid Holiday Fund	1,746	1,746	-
1310 Employee Advances	10,915	9,572	1,343
1320 Prepaid Elevator Inspections	4,753	24,753	(19,999)
1325 Prepaid Maintenance Contract	8,249	5,200	3,049
1330 Prepaid Hospitalization	10,423	2,454	7,969
1340 Prepaid Insurance	18,049	25,185	(7,136)
1350 Prepaid Legal Fees	1,625	1,125	500
1335 Prepaid License Fees	-	250	(250)
1300 Other PREPAID EXPENSES	3,139	3,088	51
1300 Total PREPAID EXPENSES	58,900	73,373	(14,473)
Total Other Current Asset	58,900	73,373	(14,473)
Fixed Asset			
1700 Furniture & Fixtures	41,375	41,375	-
1750 A/D - Furniture & Fixtures	(34,943)	(34,733)	(210)
1775 Machinery & Equipment	79,865	64,442	15,422
1776 A/D - Machinery & Equipment	(61,978)	(59,872)	(2,105)
1800 Automobile & Trucks	32,058	32,058	-
1850 A/D - Automobile & Trucks	(32,596)	(32,281)	(315)
1860 4X2 Cub Cadet	21,384	21,384	-
1865 A/D - 4X2 Cub Cadet	(21,384)	(21,384)	-
Total Fixed Asset	23,781	10,988	12,793
Other Asset			
1215 Note Receivable - Guest Suite	35,481	35,481	-
1600 Deposit Workers Compensation	0	0	-
1650 UPS Deposit	180	180	-
1900 Accrued Interest	600,431	600,431	-
Total Other Asset	636,092	636,092	-
TOTAL ASSETS	1,295,988	1,212,865	83,123

Moreland Courts Condominium Association
Balance Sheet
As of August 31, 2024

LIABILITIES & EQUITY

Liabilities

Accounts Payable

2000 A/P - Operational	34,868	54,692	(19,824)
2020 A/P - Annual Capital	(11,495)	-	(11,495)
2030 A/P - Capital Reserve	12,242	-	12,242

Total Accounts Payable	35,615	54,692	(19,077)
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Other Current Liability

2100 Security Deposits	5,378	12,202	(6,825)
2320 Accrued Payroll	57,949	46,931	11,018
2400 Christmas Fund Payable	10,738	8,530	2,207
2576 Deferred Revenue - Capital	1,277	1,277	-
2415 Centennial History Project Fund Payable	1,251	1,251	-
2405 Centennial Tree Donation	970	720	250

Total Other Current Liability	77,563	70,911	6,651
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Long Term Liability

2485 NCB Elevator Rehab Loan	1,489,410	1,685,259	(195,849)
2500 NCB Loan Payable 60 Month	600,365	600,431	(66)
2700 Due To/From Moreland TCP-MstrPL	28,486	48,422	(19,936)

Total Long Term Liability	2,118,261	2,334,112	(215,851)
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Total Liabilities	2,231,438	2,459,715	(228,277)
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Equity

3200 Owners Equity	(1,246,850)	(1,336,678)	89,828
3900 Net Income	311,400	89,828	221,572

Total Equity	(935,450)	(1,246,850)	311,400
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TOTAL LIABILITIES & EQUITY	1,295,988	1,212,865	83,123
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Moreland Courts Condominium Association, Inc.
Statement of Equity
As of August 31, 2024

	<u>Operational</u>	<u>Guest Suite</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Balance January 1, 2024	650,564	3,480	1,991	(1,902,885)	(1,246,850)
Income	2,046,008	9,910	113,333	433,333	2,602,585
Interest	849			1,495	2,344
Operational Expenditures	2,009,117	11,455			(2,020,572)
Capital Expenditures			100,572		(100,572)
Reserve Fund Expenditures				172,386	(172,386)
Transfer to Reserve Fund	0	0	0	0	0
Current Balance	<u>688,304</u>	<u>1,936</u>	<u>14,753</u>	<u>(1,640,443)</u>	<u>(935,450)</u>

	<u>Operational</u>	<u>Guest Suite</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Balance January 1, 2024	650,564	3,480	1,991	(1,902,885)	(1,246,850)
Net Change	<u>37,741</u>	<u>(1,545)</u>	<u>12,762</u>	<u>262,442</u>	<u>311,400</u>
Current Balance	<u>688,304</u>	<u>1,936</u>	<u>14,753</u>	<u>(1,640,443)</u>	<u>(935,450)</u>

Moreland Courts Condominium Association, Inc.
Statement of Cash Flows
January 1 through August 31, 2024

	<u>Operational</u>	<u>Loan Escrow</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Cash Flows From Operations:					
Net Income	36,891				36,891
Guest Suite Net Income	(1,545)				(1,545)
Capital Assessment			113,333	433,333	546,667
Interest Income	1	849		1,495	2,344
Add:					0
Depreciation	2,630				2,630
Due to/from funds	54,167			(54,167)	0
Changes in Working Capital:					0
					0
Assets - (increase)/decrease:					0
Accounts Receivable - Owners, net	(41,433)				(41,433)
Prepaid Expenses	14,473				14,473
Assets - Equipment and Real Property	(15,422)				(15,422)
Other assets	-				0
Accounts Receivable - 2003 Spec Assess					0
Elevator Mod Loan Funding					0
					0
Liabilities - increase/(decrease):					0
Accounts Payable - Operational	(19,824)				(19,824)
Accounts Payable - Capital			(11,495)		(11,495)
Accounts Payable - Reserve				12,242	12,242
Accrued Payroll & Related Taxes	11,018				11,018
Security Deposits	(6,825)				(6,825)
Accrued Water & Sewer					0
Christmas Fund Payable	2,207				2,207
Accrued Natural Gas					0
Accrued Other Expenses	250				250
Deferred Interest Assessment					0
Deferred Revenue					0
Debt Service payments					0
Default Contingency					0
Elevator Acceleration - NCB Loan		(18,564)		(197,287)	(215,851)
Funds held for Debt Payoff NCB					0
Net Cash provided/(used) by activities	36,589	(17,715)	101,839	195,616	316,328
Capital expenditures			(100,572)	(172,386)	(272,958)
Cash Transfer - Year End Surplus					0
Net increase/(decrease) in Cash	36,589	(17,715)	1,267	23,230	43,371
Balance January 1, 2024	7,695	121,595	30,139	224,414	383,843
Balance August 31, 2024	<u>44,284</u>	<u>103,880</u>	<u>31,406</u>	<u>247,644</u>	<u>427,214</u>
bal sheet	44,284	103,880	31,405	247,644	427,214

**Moreland Courts Condominium Association
Profit & Loss Budget Performance**

August 2024

	August 2024	Budget	(Under)/Over Budget	Jan-August 2024	Budget	(Under)/Over Budget	Annual Budget
INCOME							
4000 INCOME ACCOUNTS							
4050 Maintenance Fees	197,651	197,651	(0)	1,581,206	1,581,206	(1)	2,371,809
4100 Parking Lot Rental Fees	1,700	1,700	-	13,600	13,600	-	20,400
4150 Natural Gas Surcharge	19,464	19,464	(1)	155,713	155,715	(3)	233,573
4175 Insurance Surcharge	13,639	13,639	(0)	109,109	109,109	(0)	163,664
4200 Garage Parking Fees	15,475	15,640	(165)	123,460	125,120	(1,660)	187,680
4300 Late Fees	400	333	67	3,000	2,667	333	4,000
4400 Common Area Rental Fees	217	285	(68)	1,756	2,280	(524)	3,420
4500 Patio Fees	2,108	2,108	0	16,867	16,867	0	25,300
4600 In Suite Repair Income	1,076	1,706	(629)	14,617	10,939	3,678	17,055
4700 Garage Services	800	1,000	(200)	6,132	8,000	(1,868)	12,000
4800 Total Miscellaneous Income	10,205	1,250	8,955	20,549	10,000	10,549	15,000
4000 Total INCOME ACCOUNTS	262,735	254,776	7,959	2,046,008	2,035,503	10,505	3,053,901
4900 Bank Interest Income	0	-	0	1	-	1	
4988 Loan Escrow Interest Income	99	-	99	849	-	849	
	262,834	254,776	8,058	2,046,858	2,035,503	11,355	3,063,901
9550 Guest Suite							
9550 Other Guest Suite	2,375	1,563	813	9,910	12,500	(2,590)	18,750
9550 Total Guest Suite	2,375	1,563	813	9,910	12,500	(2,590)	18,750
TOTAL INCOME	265,209	256,339	8,870	2,056,768	2,048,003	8,765	3,072,651

	August 2024	Budget	Under/(Over) Budget	Jan-August 2024	Budget	Under/(Over) Budget	Annual Budget
EXPENSE							
4999 Uncollectible Accounts Expense	-	1,667	1,667	-	13,333	13,333	20,000
5000 WAGES							
5020 WAGES:Housekeeping Wages (4)	17,025	14,295	(2,730)	119,253	121,504	2,252	185,830
5040 WAGES:SwitchBoard (3)	10,293	7,179	(3,113)	66,656.22	61,023	(5,633)	93,329
5100 WAGES:Garage/Valet Wages (6)	17,226	15,738	(1,487)	121,523	133,777	12,254	204,600
5320 WAGES:Management Staff	36,015	24,672	(11,343)	225,603	209,712	(15,891)	320,736
5440 WAGES:Security Wages	32,008	23,722	(8,285)	213,800	201,640	(12,160)	308,391
5480 WAGES:Maintenance Wages (5)	23,441	16,459	(6,983)	149,097	143,698	(5,399)	219,162
5000 Total WAGES	136,007	102,065	(33,941)	895,932	871,354	(24,578)	1,332,048
5486 Management Bonus Pool							40,000
5500 EMPLOYEE BENEFITS							
5520 Hospitalization	17,456	19,584	2,128	163,939	156,670	(7,268)	235,005
5600 Total Payroll Taxes	10,436	8,949	(1,487)	72,658	71,593	(1,065)	107,390
5700 EMPLOYEE BENEFITS:Workers Compensation	-	1,250	1,250	6,835	10,000	3,165	15,000
5900 EMPLOYEE BENEFITS:Uniforms	67	333	266	1,841	2,667	826	4,000
5500 Total EMPLOYEE BENEFITS	27,959	30,116	2,157	245,273	240,930	(4,342)	361,395
6000 UTILITIES							
6020 Electricity-Common Area	329	4,160	3,831	33,319	34,840	1,521	52,000
6120 Natural Gas-Heating	466	500	34	139,746	133,935	(5,811)	198,573
6140 Natural Gas-Hot Water & Dryers	2,415	2,917	501	21,844	23,333	1,490	35,000
6200 Water	6,233	5,086	(1,148)	38,636	40,687	2,050	61,030
6300 Sewer	10,271	10,252	(19)	74,473	82,014	7,541	123,021
6000 Total UTILITIES	19,714	22,914	3,200	308,018	314,809	6,791	469,624

	August 2024	Budget	Under/(Over) Budget	Jan-August 2024	Budget	Under/(Over) Budget	Annual Budget
6500 MAINT & REPAIRS							
6520 Electrical Maint & Repairs	-	375	375	2,102	3,000	898	4,500
6540 Plumbing Maint & Repairs	1,915	2,083	168	20,091	16,667	(3,425)	25,000
6580 Boiler Maint & Repairs (Heating)	220	500	280	22,769	25,000	2,231	35,000
6590 Garage Supplies (Car Wash)	-	83	83	361	667	306	1,000
6600 Housekeeping Supplies	769	667	(102)	5,040	5,333	293	8,000
6605 Keys & Locks	664	100	(564)	894	800	(94)	1,200
6610 De-Icing Agent	-	-	-	1,194	2,250	1,056	4,500
6620 Vehicle and Fuel	48	333	285	2,318	2,667	349	4,000
6640 Total Maint, Supplies, Cleaning	1,677	1,542	(135)	13,886	12,333	(1,553)	18,500
6680 Interior Paint Supplies	229	417	188	3,289	3,333	44	5,000
6700 Misc. Contractor Repairs	939	333	(606)	3,549	2,667	(882)	4,000
6720 Roof Repairs	-	-	-	275	-	(275)	7,500
6740 Suite Owner Repairs	327	625	298	2,334	5,000	2,666	7,500
6800 Carpet Cleaning/Repairs	-	-	-	-	3,750	3,750	-
6820 Misc. Equipment and Repair	-	542	542	4,587	4,333	(253)	6,500
6830 Dryers	656	117	(539)	1,496	933	(563)	1,400
6900 Tools/Equipment	581	917	336	4,662	7,333	2,671	11,000
6500 Total MAINT & REPAIRS	8,024	8,633	610	88,848	96,067	7,218	144,600
6950 Major Repairs	6,388	-	(6,388)	17,370	15,000	(2,370)	20,000
7000 CONTRACTED SERVICES							
7100 Landscaping	7,408	7,408	0	58,017	59,263	1,247	88,895
7110 Landscaping - Addit'l	210	-	(210)	1,315	-	(1,315)	-
7120 Landscaping - Irrigation	-	617	617	6,172	4,933	(1,239)	7,400
7130 Landscaping - Fertilization	310	250	(60)	2,483	2,000	(483)	3,000
7200 Security/Fire Safety	-	100	100	8,537	11,100	2,563	11,500
7300 Exterminating	-	283	283	2,459	2,267	(192)	3,400
7400 Waste Removal & Recycling	2,010	1,875	(135)	14,402	13,575	(827)	22,500
7410 Waste Removal - Additional	-	-	-	625	-	(625)	-
7500 Cable TV	10,218	10,296	77	83,620	82,367	(1,253)	123,551
7600 Elevator	6,921	7,750	829	61,524	62,000	476	93,000
7800 Window Cleaning	220	-	(220)	2,090	1,850	(240)	3,700
7850 Boiler Maintenance	700	783	83	6,164	6,267	102	9,400
7000 Total CONTRACTED SERVICES	27,998	29,362	1,364	247,408	245,622	(1,786)	366,346

	August 2024	Budget	Under/(Over) Budget	Jan-August 2024	Budget	Under/(Over) Budget	Annual Budget
8000 ADMIN EXPENSES							
8060 Resident Events	1,154	1,000	(154)	2,554	1,000	(1,554)	13,000
8120 ADMIN EXPENSES:Computer Services	859	1,208	350	9,477	9,667	190	14,500
8140 ADMIN EXPENSES: Legal Expense	7,736	708	(7,027)	25,530	5,667	(19,864)	8,500
8160 ADMIN EXPENSES: Audit Expense	-	-	-	14,800	15,000	200	15,000
8170 ADMIN EXPENSES: Consulting Fees	-	63	63	150	500	350	750
8180 ADMIN EXPENSES: Bookkeeping/Accounting Exp	609	646	37	4,729	5,167	437	7,750
8200 ADMIN EXPENSES:Telephone Expense	1,779	1,407	(372)	9,921	11,257	1,335	16,885
8250 ADMIN EXPENSES:Permits	-	500	500	3,765	4,000	235	6,000
8300 Total ADMIN EXPENSES:insurance	14,534	13,639	(895)	102,630	109,109	6,480	163,664
8400 ADMIN EXPENSES:Other Taxes	-	-	-	-	1,000	1,000	1,000
8440 ADMIN EXPENSES:Payroll Charges	1,205	1,065	(140)	9,195	8,517	(677)	12,776
8450 ADMIN EXPENSES:Marketing Expense	-	83	83	-	667	667	1,000
8460 ADMIN EXPENSES:Office Admin & Supplies	1,325	2,125	800	14,887	17,000	2,113	25,500
8461 ADMIN EXPENSES:Bank Service Charge	54	208	155	751	1,667	916	2,500
8470 Total ADMIN EXPENSES:Postage & Shipping	620	533	(86)	5,251	4,267	(984)	6,400
8480 ADMIN EXPENSES:Depreciation Expense	329	389	60	2,630	3,109	479	4,664
8000 Total ADMIN EXPENSES	30,202	23,574	(6,628)	206,268	197,593	(8,676)	299,889
9560 Guest Suite Expenses							
9560 Other Guest Suite Expenses	1,510	1,563	53	11,455	12,500	1,045	18,750
9560 Total Guest Suite Expenses	1,510	1,563	760	11,455	12,500	(3,635)	-
TOTAL EXPENSE	257,801	219,894	(37,907)	2,020,572	2,007,208	(13,363)	3,072,651
NET OPERATING INCOME	7,407	36,444	(29,037)	36,196	40,795	(4,599)	-
NCB Debt Service Income	24,026	24,026	-	192,208	192,208	-	288,312
NCB Debt Service Expense	24,026	24,026	-	192,208	192,208	-	288,312
Total - Debt Service	-	-	-	-	-	-	-

	August 2024	Budget	Under/(Over) Budget	Jan-August 2024	Budget	Under/(Over) Budget	Annual Budget
OTHER INCOME							
8500 CAPITAL INCOME							
8550 CAPITAL INCOME:Capital Assessment	14,167	14,167	-	113,333	113,333	-	170,000
TOTAL ANNUAL CAPITAL INCOME	14,167	14,167	-	113,333	113,333	-	170,000
OTHER EXPENSE							
8650 Annual Capital Expense							
8705 Annual Capital Expense:Other Capital Expense	-	-	-	1,199	-	(1,199)	
8810 Annual Capital Expense: Architectural Expense	-	-	-	47	-	(47)	
8815 Annual Capital Expense: Exterior Renovations	-	-	-	7,430	-	(7,430)	
8820 Annual Capital Expense: Gallery Renovations	-	-	-	15,924	-	(15,924)	
8850 Annual Capital Expense:Suite Owner Major Repairs	-	-	-	3,425	-	(3,425)	
8860 Annual Capital Expense: Entrances & Lighting	11,715	-	(11,715)	21,147	-	(21,147)	
8870 Annual Capital Expense:Landmark - Interior Design	-	-	-	7,791	-	(7,791)	
8940 Annual Capital Expense:West Garage Major Repairs	-	-	-	2,900	-	(2,900)	
8948 Annual Capital Expense: Masonry Repairs	-	-	-	39,500	-	(39,500)	
8871 Annual Capital Expense:Landmark Exterior Design	-	-	-	790	-	(790)	
8652 Annual Capital Expense: Break Room	-	-	-	420	-	(420)	
8650 Total Annual Capital Expense	11,715	14,167	2,452	100,572	113,333	12,762	170,000
NET ANNUAL CAPITAL INCOME	2,452	-	2,452	12,762	-	12,762	-
8575 CAPITAL INCOME:RESERVE FUND	54,167	54,167	-	433,333	433,333	-	650,000
8600 CAPITAL INCOME:Interest Income	227	-	227	1,495	-	1,495	-
NET ANNUAL CAPITAL INCOME	54,394	54,167	227	434,828	433,333	1,495	650,000
9110 Capital Reserve							
9107 Reserve - Masonry & Lintel	3,288	-	(3,288)	14,444	-	(14,444)	
9106 Reserve - Hot Water Tanks	-	-	-	11,260	-	(11,260)	
9105 Total Reserve - Elevator Rehab	6,751	-	(6,751)	58,973	-	(58,973)	
9118 Reserve - Security System	-	-	-	11,750	-	(11,750)	
9125 Reserve - Grounds Repair & Restoration	-	-	-	2,835	-	(2,835)	
9114.2 RESERVE - West Garage Roof	-	-	-	18,731	-	(18,731)	
9150 Total Reserve - Other	2,500	-	(2,500)	4,750	-	(4,750)	
9121 Reserve - Major Heating System Repairs	-	-	-	21,563	-	(21,563)	
9123 Reserve - Major Plumbing Repairs	6,030	-	(6,030)	28,080	-	(28,080)	
9110 Total Capital Reserve	18,569	54,167	35,597	172,386	433,333	260,947	650,000
NET CAPITAL RESERVE INCOME	35,825	-	35,825	262,442	-	262,442	-
NET INCOME	45,684	36,444	9,240	311,400	40,795	270,605	-