

EXECUTIVE SUMMARY

This report is presented by the Board of Directors of Mission Hills Homeowners Association, to provide financial information regarding the operation and administration during of the fiscal year 2010.

This report brings to completion of our internal audit review of the accounting procedures with supporting invoices-receipts and also measures the performance of our 2010 Budget.

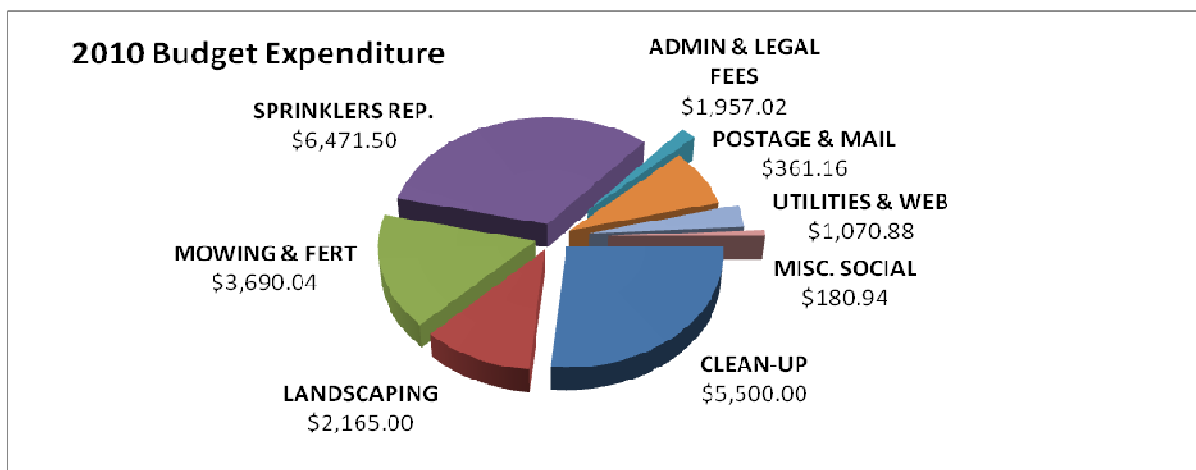
The report includes: Summary of Operating Expenses, Consolidated Financial Statement, Dues Collection and Association Accounts Balances, finally concludes with the Proposed Operating Budget 2011.

1. Summary of Operating Expenses:

In 2010 the Total Operating Expenses were **\$21,396.54**. This amount represents 3.8% over the last year expenses (\$20,586.81) and 94.7% expenditure of the Operating Budget (\$22,600). It also indicates that 83.4% (\$17,826.54) was spent on ground keeping, maintenance and landscaping projects, such as, sprinkler repairs and re-planting entrances along 168 St. While only 4.7% was spent in utilities. 1.7% in postage and mail was, for invoices, ballots sent. We also spent \$1,957.02 on Administration and Legal Fees, which represents approximately 9.1% of our total annual expenditure.

2010 Operating Expenses

Items	Budget 2010	YTD-Expenses	(%) Expended	Remain Budget
Clean-up Main Entries	5,000.00	5,500.00 ¹	25.7%	-500.00
Landscaping Entries	2,500.00	2,165.00	10.1%	335.00
Mowing & Fertilizer	8,000.00	3,690.04	17.3%	4,309.96
Sprinkler Repairs	3,500.00	6,471.50 ²	30.2%	-2,971.50
Admin. & Printing	400.00	480.77	2.2%	-80.77
Legal & Filing Fees	1,000.00	1,476.25 ³	6.9%	-476.25
Postage & Mailing	750.00	361.16	1.7%	388.84
Miscellaneous Social	350.00	180.94	0.8%	169.06
Utilities- MUD & OPPD	1,000.00	989.53	4.6%	10.47
Website Fee	100.00	81.35	0.5%	18.65
Total	22,600.00	21,396.54	100%	\$1,203.46



Note 1: Clean-up main entries included all new mulch in all flower beds including removal of all dead or dying plants

Note 2: Sprinkler system needed major repairs in 2010 including replacement of both timer clocks and repairs to freeze damage to lines and back-up valves. Repair costs in 2011 should be limited to normal maintenance; however a new sprinkler drain valve is planned for the S & Q Street systems.

Note 3: Legal and Filing Fees included legal fees for roofing covenant change as well as legal guidance and advise regarding past Treasurer's actions.

2. Consolidated Financial Statements:

<u>CONSOLIDATED INCOME STATEMENT</u>		<u>CONSOLIDATED ASSOCIATION FUNDS</u>	
INCOME (2010 receivables)		ENDING PERIOD (Dec. 31th, 2010)	
Assoc. dues paid	19,375.00	Balance in Checking Acct.	7,478.90
Past dues & late fees paid	575.16	Balance in Money Market Acct.	16,265.74
Total Assoc. dues paid	<u>19,950.16</u>	Total Consolidated Balance	<u>23,744.64</u>
<u>OPERATING EXPENSES</u>		<u>BEGINING PERIOD (Jan. 1st, 2010)</u>	
Total January- December 2010 Year Ending	21,396.54	Balance in Checking Acct.	8,855.21
		Balance in Money Market Acct.	1,232.21
			10,087.42
NET INCOME (Loss)	<u>(1,446.38)</u>	NET INCREASE IN FUNDS	<u>14,657.22</u>

3. Dues Collection and Association Accounts Balances:

In 2010 we were able to collect 100% of Association Dues and every past due unpaid from previous years, with a total collection amount of **\$19,950.16**. As of December 31st, the total Operating Expenses were **\$21,396.54**. Consequently, the Net Income in 2010 shows a loss of (\$1,446.38). On the other hand, the Consolidated Balance of both Checking and Money Market Association account was **\$23,744.64** it is a Net increase of **\$14,657.22**. Mainly because, in May 2010 we collected \$15,000.00 as partial restitution from Joe Akers, and we deposited the check in the Association Money Market Account.

4. Proposed Operating Budget 2011:

Items	Budget 2010	2010 Expenses	Estimated 2011	Assumptions
Clean-up Main Entries	5,000.00	5,500.00	2,500.00	50% budget reduction
Landscaping Re-planting Q-Entry	2,500.00	2,165.00	4,500.00 ¹	82% increased
Mowing & Fertilizer	8,000.00	3,690.04	4,000.00	Based on actual expenses
Sprinkler Maint.& Repairs	3,500.00	6,471.50	1,250.00 ²	65% budget reduction
Administration & Printing	400.00	480.77	400.00	The same amount
Legal & Filing Fees	1,000.00	1,476.25	1,000.00	The same amount
Postage & Mailing	750.00	361.16	300.00	45% budget reduction
Miscellaneous Social	350.00	180.94	350.00	The same amount
Utilities MUD & OPPD	1,000.00	989.53	1,200.00	20% Increase
Website	100.00	81.35	100.00	The same amount
Total	22,600.00	21,396.54	15,600.00	27% reduction from 2010 Expenses 31% reduction from 2010 Budget

Note 1: Clean-up & Landscaping includes new landscaping to Q/167th Street Entrance as well as replacement of missing or dead plants at other entrances.

Note 2: Sprinkler Maintenance and Repairs includes a new drain valve for Q/S Street system.

Should you have any questions regarding this 2010 Executive Report or the 2011 Proposed Operating Budget please contact any board member by phone – (phone numbers are listed on the website Board of Directors/Current Officers Board Members Tab) or email the board at:

<mailto:boardofdirectors@missionhillsomaha.com>