WESTCHESTER COUNTRY CLUB HOA

Financial Summary for Board / Members Meeting

Period Ended May 31, 2026

Based on the May 2026 financial statements, bank reconciliations, budget comparisons, reserve balances, and bank statements provided, the Association remains financially strong with increasing reserve balances, positive operating results, and expenses under budget. Delinquent homeowner balances remain the primary area requiring continued attention.

1. Overall Financial Position

• **Total Assets**: approximately $498,922. **Total Cash Available:** approximately $445,110 Operating Cash: $168,007 Reserve Cash/CDs: $258,853 Security Deposit Account: $18,000. The Association continues to maintain strong liquidity and sufficient operating cash flow.

2. Operating Results (Income Statement)

• Year-to-Date Net Surplus: approximately $14,146.

This exceeds budget by approximately $13,938. Assessment revenues remain slightly above budget, and reserve contributions remain fully funded. Additional income sources include late fees, compliance fines, administrative fees, key fees and initial owner contributions.

3. Expense Analysis

Utilities remain the largest operating expense category, totaling approximately $119,281 year-to-date, primarily driven by cable service costs of approximately $107,305. Insurance expenses are under budget by approximately $1,391 year-to-date. Landscaping and grounds expenses remain significantly below budget, generating favorable savings of approximately $7,538 year-to-date.

Overall expenses are approximately $9,912 below budget.

4. Accounts Receivable / Delinquencies

Total homeowner receivables equal approximately $47,651. The Association has established an allowance for doubtful accounts of approximately $21,156. Net Receivables are approximately $26,495. Delinquent homeowner balances continue to represent the Association’s largest financial risk. Collection efforts should remain a priority to preserve long-term financial strength.

5. Reserve Funds

Total reserve cash and CDs equal approximately $258,853, an increase from April. Reserve accounts continue receiving monthly reserve contributions and earning interest income. Reserve

balances include General Reserves, Common Area Reserves, Landscape Reserves, Paved Surface Reserves and Drainage/Certification Reserve

6. Bank Reconciliations

All bank accounts reconciled successfully as of May 31, 2026: Operating Account – Balanced. Reserve Account – Balanced. Security Deposit Account – Balanced

7. Operational Observations

The Association maintains a strong cash position with no immediate liquidity concerns. Most expenses remain within or below budget expectations.

Several old unreconciled items dating from prior years (2022–2024) remain outstanding and should be reviewed for cleanup or adjustment.

Reserve balances increased during May, and overall financial performance improved compared with April.

8. Executive Summary

Positive Highlights

- Total assets increased to approximately **$498,922**.
- Total cash **exceeds** $445,000.
- Reserve balances increased to approximately **$258,853**.
- Year-to-date surplus of approximately **$14,146**.
- Expenses are approximately **$9,912 below budget**.
- All bank accounts have been successfully reconciled.

Areas Requiring Attention

- Delinquent homeowner balances continue to increase.
- Accounts receivable **remains** the Association's primary financial risk.
- Older outstanding reconciliation items should be reviewed and resolved.

Recommended Board Focus

- Continue collection efforts on delinquent accounts.
- Maintain expense discipline and budget controls.
- Continue funding reserves according to plan.
- Review and clear stale reconciliation items.
- Preserve the Association's strong liquidity position.

Conclusion

The Association remains financially healthy and well-positioned. Continued attention to collections, delinquency management, and reconciliation cleanup will help preserve the Association's long-term financial stability. Additionally, strong reserve funding, positive operating results, and effective expense management continue to support the Association's overall financial strength.