

MONTHLY FINANCIAL SUMMARY

LCPOA

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Period End Date 09/30/2026 | Fiscal Year-End 12/31

SUMMARY

As of September 30, Year-to-date Net Operating Income stands at approximately \$298,873.

Net Operating Income will decline over the remainder of the year as monthly expenses are applied against homeowners' dues revenues now fully billed and recognized as income. If projections through the end of the year are accurate, the Association should have a surplus of approximately \$24,972. Much of that surplus should be used to reimburse the reserve.

Cash position is strong at \$551,719 (of which \$251,430 is set aside in the Structural Integrity Act reserve account.) Please see Rolling Forecast explanations for projections of yearend cash balances.

FINANCIAL HIGHLIGHTS

Rolling Forecast Overview

- The Rolling Forecast is a dynamic financial planning tool designed to provide a more current and accurate view of the Association's financial position. Unlike a static budget, which is typically established once per year, the Rolling Forecast is updated regularly to incorporate actual results and revised expectations for future performance.
- The objective is for LCPOA to use this report not only to respond proactively to changing conditions that may create cash flow shortfalls, but also to identify periods of excess cash that can be strategically invested or reallocated to maximize earnings.
- The following section explains the key assumptions and adjustments included in the **Cash/Non-Cash Adjustments** portion of the forecast, located below the **Net Income/(Loss)** section.

Key Adjustments Explained

- **Receivables**
A **negative** value indicates an increase in receivables. Revenue has been recognized for invoices that have been issued and is therefore included in **Net Income/(Loss)**; however, the related cash has not yet been collected. As a result, the increase in receivables must be deducted when reflecting actual cash balances. (Example: January, March, May, and July dues were billed but not fully collected during those months.)
- A **positive** value indicates collections exceeded current-period billings. For example, collections received in February, April, and June related to dues billed in prior months. These collections increase cash but do not affect **Net Income/(Loss)** because the revenue was previously recognized.
- **Revenue and Receivables Forecast Assumptions**
 - As of July 31, 2026, all annual dues are assumed to have been billed.
 - The forecasted amounts in the **Receivables (Non-Cash)** line represent collections expected through the end of the year.

Prepays

- A **negative** value reflects an increase in prepaid expenses, such as liability insurance premiums paid in advance for a quarter or an entire year. Because these payments are made before the related expense is recognized, they reduce cash immediately but do not yet affect **Net Income/(Loss)**.
- A **positive** value indicates that expense recognition for previously paid bills exceeded any new prepaid expenditures during the month. Prepaids are expensed evenly over the contract or coverage period. The cash adjustment projections through December will be based on contracts that have already been paid.

Accounts Payable and Other Payables

- A **negative** value reflects a decrease in amounts owed, typically resulting from the payment of a previously accrued expense. (*Example, the **\$94k decrease in January** reflects payment of an expense recognized in 2025 but paid in 2026*).
- A **positive** value indicates that expenses have been recognized through the receipt of an invoice, but payment has not yet been made. Since the expense has reduced **Net Income/(Loss)** but cash has not yet been disbursed, the amount is added back when reflecting cash balances.
- Payables are not forecasted because it is difficult to predict timing differences between when expenses are recognized and when related invoices are paid.

Deferred Revenue

- A **negative** value indicates revenue recognized from funds received in a prior period. (*Examples include the negative amounts in March, May, and July when the office invoiced members who had prepaid their dues.*) These invoices increase revenue and contribute to **Net Income** when recognized as revenue but must be deducted to arrive at the accurate cash balances.
- For LCPOA, deferred revenue primarily consists of:
 - Homeowner dues paid in advance of billing.
 - Prepayments for facility rentals and events.
- A **positive** value reflects cash received that cannot yet be recognized as revenue under accounting rules. While these receipts increase cash, they are recorded as a liability until the related revenue recognition criteria have been met (when we bill the dues.) (*Examples include approximately **\$12,250 in January** and **\$15,795 in February** received from homeowners who paid their dues in advance.*).
- No deferred revenue is projected for the remainder of 2026 because advance payments from homeowners and customers cannot be predicted with reasonable accuracy.

RECOMMENDATIONS / UPDATES

- FY22 audit completed. It is recommended that we accelerate audits over 2027 and 2028 to catch the Association up as soon as possible to have a complete picture of the Associations' financial wellbeing.
- No money has been used from the Structural Integrity Reserve in 2026 as of 9/30/26. We will add another statement to reflect all activity running through the Structural Integrity Reserve account.
- We have created a new email for financial questions related to the financials. This email will be monitored weekly and responses as soon as possible. barrylakestreasurer@gmail.com

ATTACHMENTS

- Rolling Forecast

Data is sourced from Barry Lakes Lake Community accounting system, the board approved budget, and forecasts prepared in communication with management.