

CAPE TOWN VILLAGE SOUTH SUBDIVISION

Treasurer's Report

March 25, 2017

As your treasurer, I would like to report that Cape Town Village South Subdivision is in great financial condition. After many years of bad financial reports, doesn't that sound good! I can also report that all accounts payable are current and up to date. As of March 20th, we have \$23,640.92 in our account, at City and Village Tax Office.

I can also report to you, that since the passage of an amendment to our indentures, which allows us to use the courts to collect delinquent assessments, The amount of past due assessments has gone down. Now, please don't misunderstand what I said. We are working to collect all those past due assessments. But it will take some time to accomplish that task. I'll get back to the collection efforts in a few moments.

In the handouts you got when you signed in, you will find a report from City and Village Tax Office. It covers the fiscal year 2016. During 2016, our gross income was \$168,608.71. This came from the collection of our regular assessment, interest on past due assessments, recording and releasing fees, trash assessment, recovered legal expense, special assessment, weed cutting fees, and other miscellaneous income.

For the year 2016, we had expenses which totaled \$198,711.03. That total included \$86,329.00 in street repairs, of which \$77,904.00 was paid to Boling Concrete for replacement of concrete alone. Over 43% of our entire budget went to street repairs.

We paid \$54,104.19 to Waste Management to service the subdivision trash program. Over 27% of our entire budget went to the trash program.

The fee paid to City and Village Tax Office for acting as our disbursing agent, book keeper, and collection agent, was \$16,695.29

The cost of street lights, paid to Ameren was \$12,920.59

The cost of snow removal during the year 2016, which was paid to Rex Rieger Landscaping was \$6,480.00

We spent \$6,015.32 to upgrade the subdivision's street signs to Jefferson County code.

The cost to maintain the creeks and culverts to prevent flooding was \$3,710,00.

The cost to maintain the storm sewer system which among other things, included cleaning out storm sewer inlets, was \$3,030.00

It cost \$3,200.00 to maintain the common grounds of the subdivision.

There were several other lesser expense amounts, that were paid out in 2016, and all those, as well as the items I have mentioned, can be reviewed on the web site, on the December statement from City and Village Tax Office.

With regard to collection of past due assessments, since the amendment to our indentures was passed, we began to force payment of long past due assessments. We first had our collection attorney, send out demand letters. These lot owners were given an opportunity to begin making monthly payments. Most did not comply.

We then filed suit against the most delinquent lot owners that did not make an effort to make regular payments on their account. Of those, we got judgments totaling \$43,720.95.

Some of those judgments were consent judgments, and they are making monthly payments as agreed. If they fail to make those payments, we will take further legal action against them.

Those judgments that were not consent judgments are being processed, and we are seeking garnishment orders on those accounts.

Since our last meeting, while working with our attorney, through demand letters, and court filings that never went to trial, we were able to collect an additional \$18,681.66.

We are now working to collect from an additional 14 lot owners that owe in excess of \$1,000.00 Those accounts represent \$27,450.74 in additional funds owed to our subdivision. Our attorney has sent out demand letters, and suits are about to be filed against those delinquent lot owners.

Currently 69 lots, or 19% of all lot owners are delinquent on assessments. And there are a total of 29 lots, who's owners are delinquent in excess of \$1,000.00. Those 29 lots are currently the target of our collection efforts.

Ladies and gentlemen, you demanded that we collect these past due assessments, and with your help to pass the amendment to our indentures, we are making that happen. We are attempting to collect these funds in a reasonable manner. But collections are never easy, and there will be some lot owners that we will find it necessary to be very firm with.

But as you demanded, we will make every effort to collect these past due accounts. However we are limited by law.

There are two accounts that have assessments that are over ten years delinquent. Under current law, we can not get court judgments beyond ten years. Those funds are secured by liens on the two properties, and most likely, will sit there until either the property is sold or refinanced.

Interest will accrue on these past due assessments. Currently this represents \$3,335.59 that is owed to the subdivision. That amount will grow over time, at the rate of ten percent per year, until paid.

It may not make you happy, but realize, that if we had not taken the steps necessary to solve our collection problem when we did, this problem of

untouchable assessments, would have gotten much larger very quickly.

There is also one account that has filed bankruptcy. They did not include us in their filing, but we are unable to pursue them until they are released by the court. We have no idea when that may happen. We are monitoring that account.

In addition, there is another account that filed bankruptcy, and the home went to foreclosure. The only way we will get paid on that account, is if when the home is sold by the lender, the title company demands that our lien be paid to clear the title. They are not required to do so, but most reputable title companies operate this way. We'll see what happens.

We hope you see that our collection efforts are paying off, but these matters take time. If you are delinquent on your assessments, we would ask you to please bring them current. We have no desire to take legal action against any lot owner.

As of March 20th, delinquent accounts owed \$96,960.35 in assessments. That does not include the assessment that is due March 30th, as it is not yet delinquent.