

CAPE TOWN VILLAGE SOUTH SUBDIVISION

Treasurer's Report

March 16, 2019

As your treasurer, I am happy to report that Cape Town Village South Subdivision is in excellent financial condition. We can finally put all those years of bad news behind us. I can also report that all accounts payable are current and up to date. As of YESTERDAY, March 15th, we have \$47,049.35 in our account at City and Village Tax Office.

I can also report that there is an outstanding balance due our subdivision in the form of assessments, interest, and collection fees, totaling \$94,210.98. This balance does not include the assessment that is due by March 30th. We are working to reduce that outstanding balance due our subdivision, thanks to you, the lot owners that approved the amendment to our indentures two years ago, that enabled us to take legal action to collect those funds.

In the handouts you got when you signed in, you will find a report from City and Village Tax Office. That report covers the fiscal year 2018. For the year 2018, our actual income was \$184,900.99.

For the year 2018, our expenses totaled \$158,644.58. And our year end account balance was \$40,563.40.

During the year 2018 we spent \$35,159.00 on street repairs. That's a lot less than last year. These funds went to repave Capetown Village Road, and that amount does not include our down payment, that was paid in the prior year.

Keep in mind, that we held off on concrete replacement during 2018, as our streets had been inspected, and accepted into the county maintenance program, and until we see what they are going to provide, we reserved those funds for 2019. We will respond to the services provided by the county, and as necessary, do street maintenance as needed, to supplement their provided services.

For 2018, we also paid \$57,256.60 to Waste Management to service our subdivision's trash program. That's a huge expense. Of course, this includes the regular weekly pickup, as well as the monthly bulk pickup on the last pickup of each month. If you have questions regarding what is allowed as bulk items, please see our web site for details.

Two years ago, our contract with Waste Management expired, and we bid out our trash program again. We sought bids from numerous companies. Our only requirement change was the use of single axle trucks for normal trash pickup. This was to reduce the over all weight of the trucks traveling our streets. In the end, and to our surprise, Waste Management, again came in, with the lowest bid. That contract is for five years. There will be small rate increases over each year of the contract. Those rates are posted on our web site.

For the year 2018, we paid \$18,090.58 to City and Village Tax Office for their services. Those services include mailing out assessment notices, collection of those assessments, accounting, mailing of meeting notices, preparation of liens, mailing out welcome letters to new lot owners, acting as our subdivisions disbursing agent, and more.

For 2018 we paid to Ameren \$13,550.40 for expenses related to street lights. Now that is \$557.43 less than we spent for 2017, and we have two additional street lights, so how is that possible? As surprising as it may be, Ameren's rates have actually gone down during that period, and that is reflected by those savings.

During 2018, our subdivision incurred legal expenses totaling \$16,771.16. The majority of this expense is related to enforcement of our indentures, mostly in the form of collections. But, there was a much smaller amount that was related to our work to have the streets accepted by Jefferson County, as well as our work to get the ownership of that portion of Capetown Village Road transferred to our subdivision, and having it accepted into the subdivision street maintenance program.

We faced common grounds maintenance expenses of \$4,170.00 for the year 2018. Most of this expense was related to mowing the common grounds.

And for 2018, including both the beginning, and the end of the year, we had snow removal expense of \$2,900.00. That's a little less than we spent for 2017, but I'm sure that for 2019 that number will be much larger. As you all know, so far, we've had a rough winter.

During 2018 we also spent \$4,950.00 to have some trees removed from our common grounds. Some were dead, but others were blocking drivers view along our streets.

There were other lesser expenses for the year 2018. Those expenses are all posted on the subdivision's web site, at CapeTownVillageSouth.com for your review at any time.

And while I'm discussing our subdivision's expenses, please note, that if at any time you would like to see the actual invoices that subdivision funds were expended to pay, those records are available at the offices of City & Village Tax Office. They are located at #3 Hollenberg Court, Bridgeton, Missouri 63044. You can go there at any time, during normal business hours, and review those records.

We would ask, that you contact them before stopping by, to be sure they are not short handed. We have never run into that happening, but it's a long drive from here, and we wouldn't want you to show up, and run into disappointment. They will be happy to sit you in the conference room, and lay out any and all records related to subdivision expenses that you would like to see.

Please be aware, that you can not use a copying machine, but you are allowed to photograph those records, with your phone, or a digital camera. So you can always load those photos to your computer, and print them out.

Now with regard to unpaid assessments, of course, the current assessment is

not delinquent until after March 31st. But we currently have 87 lot owners that are delinquent on their assessments. The delinquent assessments total \$51,394.30. But with with interest and collection expenses added, the total outstanding balance is \$95,404.12. Each of these properties have liens filed against them, to secure the debt. And several have judgments in place as well.

The vast majority of the delinquent balance due is owed by the 27 accounts that we currently have on our collection list, and we are pursuing. We have taken steps through the legal system to force payment of assessments by those accounts. And we will continue to pursue each of those lot owners until they are resolved.

Some of those accounts have filed bankruptcy, and in those cases, we have filed claims with the court. In one case, an owner failed to satisfy our judgment, and after pursuing all other options, we were forced to sell that home on a Sheriff's Sale.

Our subdivision currently owns that home, subject to an outstanding mortgage. The former owner is making monthly payments to pay the debt to our subdivision. If that party satisfies that debt, we will quit claim the house back over to them.

Our interest is collection of what is rightfully owed our subdivision. We have no interest in keeping that home. And we will be very happy if they can continue to make those payments, and stay in their home.

There is currently another home owner, that is in a similar situation, and it may become necessary to do a Sheriff's Sale on that one as well. It is an action we don't take lightly, but when all other options are exhausted, we will be forced take that step.

One more issue with regard to collections. There are still two lots that owe assessments that go back over ten years. That outstanding balance is \$1,500.00 for the two lots, plus interest. This amount is not included in the outstanding balance I reported to you earlier, as this amount is off our books.

They still owe these funds, but under the Fair Debt Collection Act, we can not report that balance to the credit bureaus, so it had to be removed from our books. They still owe the money, and there are liens filed to cover these funds, but we can not report these funds, and we can not take legal action to recover any balance due over ten years old.

If at any time in the future these properties are refinanced or sold, they will be forced to pay these funds, including interest. But until then, there is nothing we can do. But remember, if we had not addressed this issue of unpaid assessments when we did, many more accounts would be in the same situation today.

So we are slowly resolving those accounts that owe large amounts to our subdivision, and by continuing to address collections, we should prevent anyone from owing large sums to our subdivision in the future.

These collection efforts have been very difficult, and complex. But we are fulfilling our pledge to you, to collect those delinquent assessments.

THANK YOU

As presented by
Your Treasurer,
Larry Krausz