

An issue was brought to the board’s attention by an email from Jeff Simpson and Tom Smyth on January 28, 2023 concerning the Excel calculations of the reserve balances in the email from Tom Duerr titled “HLV Roll Forward Worksheets” dated January 14, 2023.

The Excel sheet titled “HLV 2022 Reserve Balance Summary as of 4-22” has two calculation rollup mistakes in the Total Reserve column of the Excel worksheet. Also, an error was made in the body of the email by the statement, “we have been still able to build the total of the 4 reserves to \$422,514 at 12/31/2022”. As shown below, the stated number for the total of the 4 reserves should have been \$411,514, and the correct Roll Forward (Projection) at 12/31/22 should have been \$333,888.00.

The costs for the first two buildings were included in the 4/30/22 MRR Column but not included in the 4/30/22 Total Reserve Column. The same error was duplicated in the 12/31/22 Total Reserve calculation, as the Total Non-Construction costs were included in the MRR but not the Total Reserve column.

	Major Repair and Replacement Reserves - "MRR"	Temporary Roof Reserve "TRR"	CASH CDs	Total MRR + TRR+ Cash	Operating Reserve"OR"	Total Reserves = MRR+TRR+CASH+ OR		
4/30/2022 HLV Balance Sheet Report - Actuals	\$ 58,557.15	\$ 39,022.60	\$212,277.60	\$309,857.35	\$ 45,405.00	\$ 355,262.35		
Roll Forward 4/30/22	\$ 58,557.00	\$ 39,023.00	\$212,277.00	\$374,683.00	\$ 45,405.00	\$ 420,088.00		
April Variance				\$ (64,825.65)		\$ (64,825.65)		
Roll Forward 12/31/22	\$ 87,557.00	\$ 356.00	\$212,277.00	\$377,816.00	\$ 33,698.00	\$ 411,514.00		
Roll Forward 12/31/22 projection	\$ 87,557.00	\$ 356.00	\$212,277.00	\$300,190.35	\$ 33,698.00	\$ 333,888.35		
December Variance				\$ (77,625.65)		\$ (77,625.65)		
Variance Explanations								
	\$64,825	Excel error was not including in Total Reserves the MRR cost for First 2 buildings						
	\$77,626	Excel error was not including in Total Reserves the MRR cost for First 2 buildings(\$64,825) plus Total Non-Construct(\$12,800)						

The January 14, 2023 email was an internal owners communication in an attempt to provide transparency at a snapshot in time. As was reported, the HLV 2022 Reserve Balance Summary worksheets were prepared without financials for November. We do not have financials beyond October, 2022 due to data conversion issues arising in the management company change. Once we receive the November and December financials the board will review the financials. The results of the review will be reported in the Minutes of the meeting.

If you have any questions, please feel free to reach out to the HLV Board.

HLV Board of Directors