

DON MEYER

- I WAS APPOINTED TREASURER DECEMBER 2018; HAVE WORKED ON BUDGET FOR LAST 5 YEARS
- MAIN OBJECTIVE HAS BEEN TO CONTROL EXPENSES AND KEEP ANNUAL ASSESSMENTS LOW
- ACCOUNTING FOR OUR HOA IS ALL ABOUT ANNUAL EXPENSES AND RESERVES FOR LARGE FUTURE OUTLAYS
  - AT A \$350 ANNUAL ASSESSMENT THE HOA'S ANNUAL 2021 REVENUE WAS \$315G; THERE WAS ABOUT \$10G IN OTHER REVENUE, MAINLY SALES & LEASE FEES. TOTAL REVENUE WAS ABOUT \$325G IN 2021. THE 2021 SURPLUS WILL BE ABOUT \$20G. HOPEFULLY, WE WILL HAVE RECEIVED THE VOTE TO CARRY THAT SURPLUS OVER TO NEXT YEAR SO THAT THE HOA WILL NOT BE TAXED ON THE SURPLUS.
  - 2021 WE BUDGETED ABOUT \$176G FOR ANNUAL EXPENSES (MAINTENANCE OF COMMON AREAS, LAKE MAINTENANCE, SUNSTATE MANAGEMENT FEE, LEGAL FEES & INSURANCE). MANY EXPENSES HAVE GONE UP FOR NEXT YEAR (INSUR UP 7%).
  - \$139G IN 2021 WENT INTO OUR RESERVES (GROUNDS & LAKES, INFRASTRUCTURE, PAVING & SEALCOATING). THE BULK OF THE 2021 RESERVE CONTRIBUTION, OR \$119G, WENT INTO INFRASTRUCTURE. NOTHING WAS CONTRIBUTED TO PAVING & SEALCOATING FOR 2021 BECAUSE WE KNEW THAT MAJOR REPAIRS WERE NEEDED TO UNDERGROUND GALVANIZED PIPES THAT HAD

DETERIORATED. THERE WERE 5 PROJECTS IN 2021 TOTALING \$126G.

- IN 2021 HOA SPENT ABOUT \$93G FOR PAVING & SEALCOATING
  - \$58G TO REPAVE COVE POINTE ROADS
  - \$25G WAS SPENT TO PAVE THE ROAD AND TO REPAIR CUL DE SAC ON INDIAN HILLS CT
  - \$10G WAS SPENT TO SEALCOAT THE VILLA ROADS THAT WERE PAVED LAST YEAR
- HOA BEGAN 2021 WITH ABOUT \$517G IN REPLACEMENT FUNDS; ANNUAL CONTRIBUTION FOR 2021 WAS \$139G, A CARRYOVER OPERATING SURPLUS OF ABOUT \$49G FROM 2020 WAS ADDED AND \$20G CARRYOVER ACCUMULATED INTEREST INCOME FOR A TOTAL OF REPLACEMENT FUNDS FOR 2021 OF \$725G. THE HOA WILL HAVE SPENT RESERVES OF \$219G IN 2021 WHICH WILL LEAVE THE HOA WITH ABOUT \$506G IN RESERVES AT THE END OF 2021; BROKEN DOWN AS FOLLOWS:
  - \$163G GROUNDS & LAKES
  - \$2G GATEHOUSE
  - \$91G INFRASTRUCTURE (MUCH BETTER THAN THE \$48G AT THE END OF 2020)
  - \$240G PAVING & SEALCOATING
  - \$10G WALL REPAIR & PAINTING(ALL OF THESE NUMBERS ARE APPROXIMATE.)
- THE BUDGET FOR 2022 IS CLOSE TO BEING COMPLETED, BUT IT IS NOT APPROVED BY THE BOARD YET
  - THE PLAN IS TO SPLIT \$138.5G BETWEEN INFRASTRUCTURE & PAVING & SEALCOATING AT \$69.25G EACH, TO BEGIN ADDING TO THE PAVING AND SEALCOATING FUND AGAIN.

- NEED TO ADD ABOUT \$18G TO WALL PAINTING FOR 2022 BECAUSE IT WILL BE UP FOR MAINTENANCE NEXT YEAR.
- INFRASTRUCTURE REPLACEMENT FUND BEING UP TO ABOUT \$180G SHOULD BE ADEQUATE FOR 2022.
- PAVING & SEALCOAT AT \$309G SHOULD BE ADEQUATE FOR 2022; REPAVING IS DONE EVERY 5-8 YEARS
  
- OBVIOUSLY, THE HOA CANNOT SPEND \$220G A YEAR FOR ROAD REPAIR AND INFRASTRUCTURE REPAIR WHILE ONLY CONTRIBUTING \$139G TO THE REPLACEMENT FUNDS PLUS INCURRING \$176G IN ANNUAL EXPENSES WITH ONLY \$315G IN REVENUE.
  
- I SUGGESTED LAST YEAR THAT WE MAY RAISE THE ANNUAL FEE BY \$100 FOR 2022. THE BUDGET THAT WE HAVE PRELIMINARILY CREATED SHOWS AN INCREASE IN DUES FOR 2022 OF \$25 PER YEAR, WHICH WILL INCREASE THE ANNUAL FEE TO \$375. THIS INCREASE WILL PROVIDE THE HOA WITH AN ADDITIONAL \$22,500 FOR 2022.
- BARING ANY BIG SURPRISES, FOR EXAMPLE, ADDITIONAL COLLAPSED PIPES, WE SHOULD BE IN GOOD SHAPE. NO ONE ON THE BOARD IS ANTICIPATING INFRASTRUCTURE EXPENSES IN 2022 AT OR HIGHER THAN THOSE INCURRED IN 2021.
  - HOWEVER, BUTCH HAS SAID MORE THAN ONCE, THAT THIS COMMUNITY INFRASTRUCTURE IS AGING AND FUTURE OUTLAYS SHOULD BE EXPECTED. IF THOSE EXPENSES TURN OUT TO BE REAL BIG, THERE MAY HAVE TO BE A SPECIAL EXTRA ASSESSMENT IN THE FUTURE.