

MAJOR OPERATING LINE-ITEM REVIEW

INCOME

Assessments – No increase for 3 years. Still at \$42/month which is less than you could probably individually get your own garbage services.

Legal Reimbursement – This is income we receive by collecting funds owed by owners. It is unfortunate that we project to spend \$6,000 more in this area than is collected, but it is a \$34,000 gain.

EXPENSES

Management Fee – New contract is only an increase of 3% over 2021 and 2021 was an increase of 3% after two straight years of no increase in 2019 & 2020.

Legal – During 2021 we changed to a Retainer Plan with our legal counsel to try to save money. Our costs in 2021 are very similar to 2019 & 2020.

Insurance – Prices continue to rise and deductibles increase as we make sure we adequately protect the HOA. We compared companies to make the decision.

Reimbursable Legal – Money spent to collect from those owing the HOA and the many legal steps taken to do so. Cost is offset by income item Legal Reimbursements.

Lifeguard – Cost of staff to oversee pool and manage chemicals, cleaning, and much, much more is a big increase. Contract for 2022 with increase by 15.8% to be able to offer competitive wages to secure staff.

Trash Removal – Our single largest HOA cost. We just signed a new 6 year contract that provides free dumpsters for our Fall & Spring Clean-up events with an annual increase not to exceed 4%.

Reserves – We have followed an industry practice to save and accumulate Reserve (capital) monies to care for aging facilities so that it is not necessary to assess special assessments when we have a year like 2021 with \$178,639 in Reserve expenses. If we had needed to make a special assessment to each of our 1405 owners this year, it would have been over \$127 per home.

Construction Defect – The underdrain is the HOA responsibility forever. Since we have to conduct a maintenance plan into perpetuity and make any repairs needed, we continue to put monies into this fund for the future.