

Approved Twin River's HOA Budget for 2022

Approved by the HOA Board on 12/9/2021

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To the HOA Board of Directors and HOA Members:

Overview

The annual budget can be broken into two main categories, namely Basic Commitments and Other Purposes.

- Basic Commitments include routine, recurring costs like our grounds' maintenance contract, Sentry contract, pond maintenance contract, electric and grey water utilities, and other expenses associated with maintaining common facilities and administering the HOA.
- Other Purposes includes special projects, legal costs, and transfers to reserves.

The approved 2022 Budget assumes total Basic Commitment costs will be higher in 2022 than in 2021 by \$13,846 and income from sources other than Assessments to members will be lower by \$2,100. Therefore, potentially, funds available in the budget for Other Purposes could be as much as \$15,946 lower for 2022 than was budgeted for 2021.

The Board has three Options:

1. Budget \$15,946 less for special projects and legal costs, which are the key Other Purposes;
2. Raise the Assessment to Members by approx. 5%; or
3. Budget to draw down the balance in our Operating Fund by appropriating funds collected in prior years to be used in 2022.

If the Board elects Option 1 above, amounts budgeted for legal costs and special projects would be materially lower than the amounts budgeted in 2021 but would still be substantial.

If the Board elects Option 2, Assessments would increase 5% increasing income of the HOA by \$13,135 and amounts budgeted for legal costs and special projects could be close to the levels budgeted for 2021.

Option 3 could also allow us to budget similar amounts to 2021 for legal costs and special projects. However, Option 3 should only be pursued after careful thought because it heads in a direction that if continued would weaken the HOA considerably over time. I do not recommend Option 3 be considered further.

Option 1 – Lower Budgets for Legal costs and Special Projects

Table 1 below shows how the budget would be impacted.

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Table 1- Budget with Lower Amounts for Legal Costs and Special Projects

		2021	2022	Increase (Decrease)	Comments
Income					
1	Assessments	262,606	262,606	0	Assumes no change in Assessment level
2	All Other Income	3,000	900	(2,100)	Ties to 2021 actual. Does not yet reflect recovery of past legal costs per June court order.
3	Total Income	265,606	263,506	(2,100)	
Basic Commitments					
4	Grounds Maint. Contract	81,000	88,800	7,800	Allowance for potential increase. Last increased in 2018.
5	Sentry Mgmt Contract	37,980	37,980	-	Sentry has advised contract will be renewed effective 1/1/2022 at same management fee as for 2021.
6	Purchase Grey Water	23,000	23,000	-	No allowance for increase made, but costs may increase.
7	Insurance	17,066	22,999	5,933	2021 actual was \$19,900. Assumes a 15% increase over 2021 actual based on advice from insurance broker.
8	Fertilizer	8,000	7,200	(800)	
9	Holding Pond Maint.	5,064	5,064	-	No increase assumed but contract price may increase effective June 1, 2022.
10	All Other	18,525	19,438	913	
11	Total	190,635	204,481	13,846	
Available for Other Purposes					
12	Income less Basic Commitments	74,971	59,025	(15,946)	
Other Purposes					
13	Transfer to Reserve Acct	18,000	18,000	-	
14	Spec. Maintenance Proj	15,000	12,000	(3,000)	Managed by Cheryl and Gobe
15	Outreach	11,250	7,000	(4,250)	Community Outreach and Neighbor Initiative - Budget suggested by Viv.
16	Legal Costs	15,500	11,000	(4,500)	Collections and Compliance
17	Special Admin Projects	11,196	7,000	(4,196)	Rules and Fining System work
18	Holiday Decorations	4,025	4,025	-	
19	Total - Budgeted Expenditures for Other Purposes	74,971	59,025	(15,946)	Adjusted down to avoid increasing the level of the Assessment by approx 5%.
Total for Grounds Special Projects					
20	from Operating Fund	15,000	12,000	(3,000)	Managed by Cheryl and Gobe
21	from Reserve Account	25,000	18,000	(7,000)	Managed by Cheryl and Gobe
22	Total	40,000	30,000	(10,000)	2022 would be similar to actual for 2021

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Option 2 – Increase Annual Assessment Level

The following graph shows the assessment levels back to 2011. As can be seen from the graph, since 2015, the assessment level has been increased once by 5% in 2020.

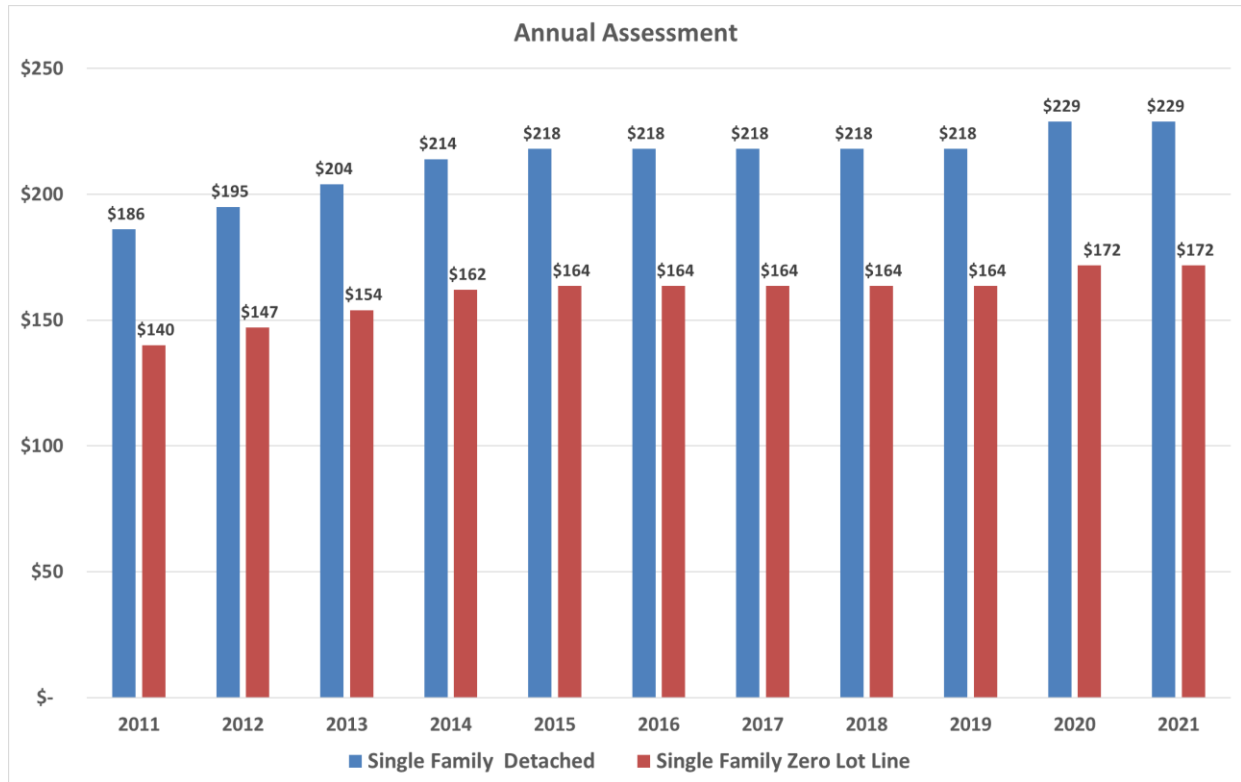


Figure 1 - Historical Assessment Levels

As shown in the following Table 2, a 5% increase in the Assessment would amount to \$11.45 for most HOA Members (\$8.58 for a few). So, if the Board decides to have an increase in 2022, the impact should not present financial difficulty for anyone in the community.

Section 7.5 of the Declaration of Covenants provides the maximum increase in the assessment in a year is to be 5%.

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Table 2 - Impact of a Potential 5% Increase in Assessment Level

2021		Properties	Rate	\$
1	Single Family-Detached	1,070	228.90	244,923
2	Single Family-Zero Lot Line	103	171.68	17,683
3	Total	1,173	223.88	262,606
(If Increased 5% over 2021)				
2022		Properties	Rate	\$
4	Single Family-Detached	1,070	240.35	257,175
5	Single Family-Zero Lot Line	103	180.26	18,567
6	Total	1,173	235.07	275,741
Increases (Decreases)		%	\$/Home	\$
7	Single Family-Detached	5.00%	11.45	12,252
8	Single Family-Zero Lot Line	5.00%	8.58	884
9	Total	5.00%	11.20	13,135

Option 1 versus Option 2

One thought process that may lead you to vote to hold the Assessment level at its current level (Option 1) is the Board can do so and still fund substantial special projects to keep up and improve the community, even though we can fund special projects to a lesser extent than last year.

A thought process that may lead one to vote for an Assessment increase is that the HOA is experiencing significant cost increases in 2022 in key areas, we probably will see more increases in 2023, we expect to have to spend more on enforcement in the coming years, and our country is in an inflationary mode. If we knew for certain cost increases will continue and considering that in any one year the assessment level cannot be increased more than 5%, one would consider that some increase this year may be warranted.

In the face of significant cost increases, the 5% limitation can result in a weakening of the HOA's finances. For instance, if we require a 10% increase in 2023 due to cost increases, we will only be able to implement a 5% increase. If we implement some increase this year, we should be better able to adapt to conditions next year.

Recommendation

Balancing the above considerations, I recommend not including an increase in the level of the Annual Assessment to HOA Members in the 2022 Budget. Instead, the budget would include \$15,946 less for special projects and legal costs.

However, I anticipate recommending an increase in the Assessment effective for 2023 unless changes occur that lessen upward pressure on HOA Basic Commitment costs.

Table 3 below presents a summary of the recommended 2022 budget which would result from adopting this recommendation.

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Table 3 - Budget Summary Assuming No Increase in Assessment

		\$	% of Total Income
Operating Account			
Income			
1	Assessments	262,606	99.7%
2	Late Charges Assessed to HOA Members	200	0.1%
3	Expenses Charged to Specific Members	500	0.2%
4	Recapture of Bad Debt	-	0.0%
5	Increase (Decrease) in Allowance for Doubtful Accounts	-	0.0%
6	Other	200	0.1%
7	Total Net Income	263,506	100.0%
Expenses and Transfers from the Operating Account			
8	Grounds Maintenance	145,149	55.1%
9	Administrative and Management	100,357	38.1%
10	Transfer to the Reserve Account	18,000	6.8%
11	Total Expenses and Accruals	263,506	100.0%
12	Net Surplus (Deficit)	0	0.0%
Reserve Account			
13	Projected Beginning Balance	189,761	
Plus: Inflows to the Account			
14	Transfer from Operating Fund	18,000	
15	Interest Earnings	2	
Total Cash Inflow		18,002	
Less: Outflow from the Account			
16	Planned Spend for Budget Year	18,000	
17	Projected Y/E Balance	189,763	

The Approved 2022 Budget in More Detail

Attachments 1 through 5 present the following additional information:

1. The Board's goals and objective annotated to indicate the manner in which the budget reflects the goals and objectives (*see bold italicized red type in the last column of Attachment 1*);

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2. A line item presentation of the Approved 2022 Budget;
3. Detailed schedules that provide support for several line items on Attachment 2;
4. A list of activities currently envisioned for the Neighborhood Committee;
5. A table showing the adjustments that would have been made if the Board had elected to increase the Assessment for 2022 by 5%.

Regards,

John F. Painter
Secretary/Treasurer
Twin Rivers Homeowner's Association

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
<p>1. No Increase in the level of assessment to HOA Members</p> <p><i>Note: The HOA documents provide that the Board may approve an increase in one year of up to 5% over the prior highest level.</i></p>	<p>We should target no increase but consider one if necessary.</p> <p>If an increase is required, this would be the first increase in 6 years.</p> <p>Proposed Budget includes an increase of 5% in the Annual Assessments, which would increase charges by \$10.90 to most members and by \$8.18 by members that have smaller lots.</p>	<p>Budget should not need an increase for 2021.</p>	<p>We should target no increase but consider one if necessary. If an increase is required, this would be the first increase in 2 years.</p> <p><i>To hold the Assessment at the 2021 level, the HOA will need to lower amounts budgeted for Special Projects by approximately \$16,000.</i></p> <p><i>An increase of 5% in the assessment would cover approx. \$13,135 of the higher expenses allowing Special Project budgets to be very close to last year.</i></p>
<p>2. Provide enough funds for Grounds Maintenance to continue to maintain the HOA Common Areas to very high standards</p>	<p>Same goal for 2020.</p> <p>Budget Allocates \$135,660 for this purpose.</p>	<p>Same goal for 2021.</p>	<p>Grounds Maintenance portion of the Budget should be set at a level reasonably enough to cover:</p> <ul style="list-style-type: none"> ➤ Normal routine holding pond maintenance; ➤ Normal routine lawn maintenance and spraying; ➤ Repairs and replacements of landscaping and irrigation components that fail during the year; and ➤ Water and electric utility costs.

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
			<i>Recommended budget achieves the above goals.</i>
<p>3. Provide adequate funds for Special Grounds Maintenance Projects needed to improve, protect, replace, or repair Common Areas and Facilities</p>	<p>Same goal for 2020. High priority on funding budget request from Gobe and Cheryl.</p> <p>Budget Allocates \$20,500 for this purpose from the Operating Budget and another \$24,500 for this purpose from the Reserve Account.</p>	<p>Same goal for 2021.</p> <p>Certain projects funded for 2020 were not completed due to COVID-19.</p> <p>Therefore, I recommend we try to include additional funds for special projects in 2021 if the budget allows.</p>	<p>Plan to adequately fund necessary Ground Maintenance Special Projects, which include normal, but non-recurring, projects to maintain or improve HOA common property, including the community’s entry monuments, monument lighting systems, wall, landscaping, and irrigation system.</p> <p><i>Recommend budgeting \$30,000 in total for Grounds Special Projects - \$12,000 from the Operating Fund and \$18,000 from the Reserve Account.</i></p> <p><i>The total is a lower level than budgeted the last two years but in line with actual expenditures in those years.</i></p> <p><i>Additional work will need to be done early in 2022 to arrive at a final prioritized list of projects.</i></p>
<p>4. Fund and Use the Reserve Account Balance in accordance with the Reserve Study prepared during 2018</p>	<p>Following the plan started last year, the Reserve Fund transfer would be \$18,000.</p> <p>Budget Allocates \$18,000 for this purpose.</p>	<p>Following the plan started in 2019, the Reserve Fund transfer would again be \$18,000 in 2021.</p>	<p>The Reserve Account is separate from the Operating Fund and is to accumulate funds for major renewals and replacements of the HOA’s property. More specifically, the Reserve Account funds are to be used to maintain and restore HOA walls, entry</p>

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
			<p>monuments, electrical system at the entry monuments, irrigation system and major landscaping features. Once money is placed into the Reserve Account, it's use is restricted to limited purposes.</p> <p><i>Recommend continuing to transfer \$18,000 to the Reserve Account his year and budgeting Reserve Account expenditures at \$18,000 to preserve the current balance for future needs.</i></p>
<p>5. Allocate funds to continue to be involved in new developments at the Twin Rivers Golf Course</p>	<p>We expect minimal funds needed in 2020.</p> <p>Budget Allocates \$2,000 for this purpose.</p>	<p>No change from 2020.</p>	<p>Preservation of the golf course remains a top priority of the HOA. However, the golf course is doing very well financially and there do not seem to be imminent threats that could result in plans to close or repurpose the golf course.</p> <p><i>Recommend not budgeting amounts for issues pertaining to preservation of the golf course.</i></p> <p><i>Funds are available in Operating Fund should the need arise unexpectedly during the year.</i></p>
<p>6. Continue to improve communications and relationships with the HOA Members</p>	<p>Consistent with the 2017 through 2019 Budgets, we have included in the 2020</p>	<p>For discussion.</p> <p>Board decided to add \$7,000 for Special Mailings</p>	<p>Include funds for the new Neighborhood Committee, which would combine with the Community Outreach Committee. (See Attachment 4 for initial activity plans for the</p>

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
	<p>Budget funds for the following:</p> <p>Budget allocates the following amounts for these purposes:</p> <ol style="list-style-type: none"> 1. \$2,000 to help Members that are struggling due to age or illness with grounds maintenance; 2. \$250 to recognize residents that are doing especially well with their property; 3. \$2,500 for storage and installation of Holiday Decorations. 	<p>in addition to the items funded in 2020.</p>	<p><i>Committee. The list will be developed and modified further as the year progresses.)</i></p> <p><i>Recommend budgeting a total of \$7,000 for this Committee, which is less than budgeted for similar purposes last year.</i></p> <p><i>This Committee would also assume responsibility for Holiday Decorations from the Community Appearance Committee which is budgeted at \$4,025.</i></p>
<p>7. Other Administrative & Management budget items should be carefully managed</p>	<p>Same approach, but reference to 2019 actual levels.</p> <p>Budget Allocates \$93,000 for this purpose.</p>	<p>Same approach, but reference to 2020 actual levels.</p>	<p><i>All other Administrative and Management costs are budgeted based on 2021 levels, with reasonable allowances for increases where applicable.</i></p> <p><i>The largest costs in this category are:</i></p> <ol style="list-style-type: none"> <i>1. Sentry management fees (no change expected)</i>

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
			<p>2. Insurance premiums (a very substantial increase is budgeted – 15% higher than 2021 actual and 35% higher than 2021 budget.)</p>
<p>8. Expenditures on dues collection and other enforcement need to be carefully planned and conserved</p>	<p>We need to make allowance to fund enforcement actions such as the Silcox Issue and resolving issues pertaining to trees/etc. near the wall.</p> <p>Budget Allocates \$7,000 for this purpose.</p>	<p>Increase allowance for this cost to \$12,000 for 2021.</p>	<p>Fundamentally, we need to continue collection efforts from HOA Members only when the delinquent HOA Member is not moving into foreclosure. Usually costs of collection are reimbursed by the delinquent HOA Member so these collection efforts have minimal budget impact.</p> <p>Emphasis is needed on rules enforcement actions.</p> <p>Recommend budgeting \$6,000 for expenditures on rules enforcement, which is 50% of the amount budgeted last year. The amount budgeted for this purpose may increase during the year if we recover approximately \$7,000 of prior legal costs as provided in a June 2021 court order.</p>

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
<p>9. The budget should be based on a reasonable allowance for doubtful accounts (i.e., bad debt) expense</p>	<p>No change.</p> <p>Note: The budget reflects that no additional funds are needed at this time for bad debt.</p>	<p>No change.</p> <p><i>Note: The budget can reflect that no additional funds are needed at this time for bad debt.</i></p>	<p>The balance set aside for Doubtful Accounts equals 40% of the HOA’s Accounts Receivable balance. We expect collection success rates to far exceed 60%.</p> <p><i>Our accumulated doubtful accounts balance remains substantial and is conservatively high in relation to our accounts receivable balance. Therefore, recommend not budgeting additional amounts for this purpose.</i></p>
<p>10. Revisions to the HOA Rules/Establish Resolutions for Each Board Committee</p>	<p>The Board has discussed embarking on one of two rules change processes in 2020:</p> <ol style="list-style-type: none"> 1. An overall review and updating of the HOA rules; or 2. Changes that would limit further increases in the number of homes that can be rented in the Twin Rivers HOA. <p>Changes to the rules need to be done with direct</p>	<p>This initiative was budgeted but not accomplished in 2020. I recommend including in 2021 the same \$10,000 allowance for this effort.</p> <p>I also recommend proceeding in two phases. Phase I would focus on rules aimed at keeping the number of homes rented in the community from increasing, implementing a fining structure and committee, and allowing</p>	<p>Additional funds should be budgeted for work on Rules changes and fining system development.</p> <p>Resolutions should be put in place to expressly authorize each Board Committee.</p> <p><i>Recommend budgeting \$7,000 for work on limited Rules changes and fining system development. This amount should be sufficient for the current rules change and fining system effort but not for a wholesale reworking of the HOA’s rules.</i></p>

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
	<p>involvement of an attorney providing advice and drafting the revised rules.</p> <p>So, if we would like to proceed in considering rules changes, we will need to budget for the attorney’s fees to help with the process.</p> <p>In November, the Board decided to allocate substantial funds for reviewing and updated HOA Rules. Among the priorities for change, if possible, would be to:</p> <ul style="list-style-type: none"> • Limit rentals to current levels • Implement a program that would allow fines to be assessed to most egregious HOA Rules violators • Implement electronic voting • Update as necessary 	<p>for use of electronic voting if possible.</p> <p>Phase II would then focus on other potential rule changes.</p>	

Goals and Objectives - 2022 HOA Budget

Priority	2020 Budget	2021 Budget	2022 Proposed Budget
	Budget allocates \$10,000 for this purpose.		

Operating & Reserve Acct Budget

TWIN RIVERS HOA								
		Number of Units		1,173	Assessment Frequency	Annually		
		2021		2022		2022 versus 2021		
COA #	Category	YTD Actuals thru Month:	Annual BUDGET	PROJECTED Actual	Annual Budget	% of Income	Budget Increase (Decrease)	2022 Budget Increase (Decrease) from 2021 Proj. Actual
		10		12				
	Operating Fund							
4000	INCOME							
4020	Assessments	218,838	262,606	262,606	262,606		-	0
4060	Late Charges	145	1,500	174	200		(1,300)	26
4100	Interest Operating	169	1,000	203	200		(800)	(3)
4293	Expenses Charged to Specific Members	-	500	-	500		-	500
4340	Interest- Reserves	2	150	2	2		(148)	0
4350	Interest Alloc to Reserves	(2)	(150)	(2)	(2)		148	(0)
4968	Recapture of Bad Debt	-	-	-	-		-	-
4969	Increase (Decrease) in Allowance for Doubtful Accounts	-	-	-	-		-	-
	Total Income	219,153	265,606	262,983	263,506		(2,100)	523
	EXPENSES							
6000	Grounds Maintenance:							
6040	Contracted Lawn Service	68,319	81,000	82,888	88,800		7,800	5,912
6041	Grounds Maintenance:	-	-	-	-		-	-
6045	Entrance Sign & Light Verification	-	-	-	-		-	-
6052	Loss/Damages	875	-	875	-		-	(875)
6090	Holding Pond Maintenance	4,220	5,064	5,064	5,064		-	-
6100	Fertilizer	5,640	8,000	6,768	7,200		(800)	432
6120	Irrigation Repair	-	-	-	-		-	-
6140	Purchase of Grey Water - Irrigation	17,908	23,000	21,490	23,000		-	1,510
6310	Entranceway Electric Service	1,599	2,000	1,919	2,000		-	81
6320	Storm Water Drainage	-	-	-	-		-	-
6550	Signs	-	-	-	-		-	-
6337	Decorations - Installation and Storage	-	4,025	2,525	4,025		-	1,500
6560	Member Yard Condition Recognition	-	250	-	-		(250)	-
6561	Member Assistance	-	2,000	-	2,500		500	2,500
	Member - Other				560		560	560
	Subtotal - Grounds Maintenance Routine	98,561	125,339	121,529	133,149		7,810	11,620
6600	Grounds Maintenance - Special Projects	11,381	15,000	15,000	12,000		(3,000)	(3,000)
6600	Grounds Maintenance - Special Projects Contin	-	-	-	-		-	-
	Total Grounds Maintenance	109,942	140,339	136,529	145,149	55%	4,810	8,620
8000	Administrative & Management:							
8010	Onsite Management	-	-	-	-		-	-
8020	Management Fee	31,650	37,980	37,980	37,980		-	-
8040	Postage	1,548	4,000	2,500	4,000		-	1,500
8045	Special Printing and Mailings	-	7,000	-	-		(7,000)	-
8060	Copies/Printing/Supplies	3,623	7,500	4,347	7,500		-	3,153
8061	Website Subscription	-	100	-	300		200	300
8070	Administrative Fees-Liens	-	100	-	100		-	100
8080	CPA Services	2,100	2,100	2,100	2,100		-	-
8100	Legal Expense - General	7,312	2,000	9,000	4,500		2,500	(4,500)
8103	Legal Expense - Collections	-	500	-	500		-	500
8104	Legal Expense - Compliance	-	12,000	-	6,000		(6,000)	6,000

Operating & Reserve Acct Budget

TWIN RIVERS HOA								
		Number of Units		1,173	Assessment Frequency	Annually		
		2021		2022		2022 versus 2021		
		YTD Actuals thru Month:	Annual BUDGET	PROJECTED Actual	Annual Budget	% of Income	Budget Increase (Decrease)	2022 Budget Increase (Decrease) from 2021 Proj. Actual
8109	Legal Expense - Golf Course	-	1,000	-	-		(1,000)	-
	Legal Expense - Subtotal	7,312	15,500	9,000	11,000		(4,500)	2,000
8120	Insurance	15,218	16,398	19,381	22,288		5,890	2,907
8130	Workers Compensation	515	668	618	711		43	93
8190	Miscellaneous - Admin	1,894	1,000	1,894	1,413		413	(481)
8230	Bank Charges	25	125	30	125		-	95
8322	Community Events	-	2,000	-	3,940		1,940	3,940
8335	Reserve Analysis	-	-	-	-		-	-
8380	Meeting Hall Rental	-	1,500	-	1,800		300	1,800
8390	Annual Corporate Report	96	100	96	100		-	4
8400	Special Projects (Legal)	-	11,196	-	7,000		(4,196)	7,000
	Total Administrative and Management	63,981	107,267	77,947	100,357	38%	(6,910)	22,410
9000	Reserve Account							
9280	Accrual to Reserve Account	15,000	18,000	18,000	18,000	7%	-	-
9980	TOTAL Expenses	188,923	265,606	232,475	263,506	100%	(2,100)	31,030
9990	NET SURPLUS (Deficit)	30,230	(0)	30,508	0		0	(30,508)
	Reserve Account							
2380	Beginning of Year Balance	173,769	171,269	175,409	189,761		18,492	14,352
9280	Transfers from the Operating Fund							
	Special	-	-	-	-		-	-
	Planned Annual	15,000	18,000	18,000	18,000		-	-
	Total Transfers into the Reserve Account	15,000	18,000	18,000	18,000		-	-
9410	Plus: Interest Income	80	150	2	2		(148)	0
9400	Less: Expenditures							
	9410 Entry Monument Lighting Replacement	(300)	-	-	2,000		2,000	2,000
	9420 Irrigation R&R	490	6,000	-	3,000		(3,000)	3,000
	9430 Landscaping	1,150	19,000	3,650	10,000		(9,000)	6,350
	9440 Perimeter Wall Repairs	-	-	-	3,000		3,000	3,000
	9450 Signage on Entry Monuments R&R	-	-	-	-		-	-
	9460 Other	-	-	-	-		-	-
	Total Expenditures	1,340	25,000	3,650	18,000		(7,000)	14,350
2380	Increase (Decrease) in Account Balance	13,740	(6,850)	14,352	2		6,852	(14,350)
2380	Ending Balance	187,509	164,419	189,761	189,763		25,344	2

Supporting Schedules

Line No.	Assessments					
2021						
	Properties	Rate	\$			
1	Single Family-Detached	1,070	228.90	244,923		
2	Single Family-Zero Lot Line	103	171.68	17,683		
3	Total	1,173	223.88	262,606		
2022						
	Properties	Rate	\$			
4	Single Family-Detached	1,070	228.90	244,923		
5	Single Family-Zero Lot Line	103	171.68	17,683		
6	Total	1,173	223.88	262,606		
Increases (Decreases)						
	%	\$/Home		\$		
7	Single Family-Detached	0.00%	-	-		
8	Single Family-Zero Lot Line	0.00%	-	-		
9	Total	0.00%	-	-		
Historical Assessment - Single Family-Detached						
		Rate	Increase (Decrease)			
			\$	%		
10	2011	186.00				
11	2012	195.00	9.00	4.8%		
12	2013	204.00	9.00	4.6%		
13	2014	214.00	10.00	4.9%		
14	2015	218.00	4.00	1.9%		
15	2016	218.00	-	0.0%		
16	2017	218.00	-	0.0%		
17	2018	218.00	-	0.0%		
18	2019	218.00	-	0.0%		% Change
19	2020	228.90	10.90	5.0%	5.00%	
20	2021	228.90	-	0.0%	0.00%	
21	2022	228.90	-	0.0%	0.00%	
Historical Assessment - Single Family-Zero Lot Line						
22	2011	140.00				
23	2012	147.00	7.00	5.0%		
24	2013	154.00	7.00	4.8%		
25	2014	162.00	8.00	5.2%		
26	2015	163.50	1.50	0.9%		
27	2016	163.50	-	0.0%		
28	2017	163.50	-	0.0%		
29	2018	163.50	-	0.0%		
30	2019	163.50	-	0.0%		Level 2 as % Level 1
31	2020	171.68	8.18	5.0%	75.00%	
32	2021	171.68	-	0.0%	75.00%	
33	2022	171.68	-	0.0%	75.00%	
Allowance for Bad Debt						
	Accounts Receivable Balances	Nov Balance	% of AR			
34	Assessments	34,522				
35	Legal Fees	1,760				
36	Total AR	36,282				
37	Prepays	(2,173)				
38	Allowance for Doubtful Accounts Budgeted for Coming Year	14,450	40%			
39	Recovery of Doubtful Accounts	-				
40	Additional Allowance	-				

Supporting Schedules

Line No.							
Ground Maintenance - Special Projects - Funded in Budget							
	Improvements and R&R Funded from the Operating	Budget	Estimate	Contingency			
41	6610 Mulching	4,000	4,000	0%			
42	6620 Electric Repair	from Reserve Acct.	-	0%			
43	6630 Irrigation Repair	from Reserve Acct.	-	0%			
44	6640 Tree Cut Back from Wall	2,000	2,000	0%			
45	6650 Remove Trees	from Reserve Acct.	-	0%			
46	6660 Pressure Wash - Medians, Curbs, and Islands	2,000	2,000	0%			
47	6670 Other	4,000	4,000				
48	Totals	12,000	12,000				
Ground Maintenance - Special Projects - Funded from Reserve Account							
					Reserve Study Allowances for Periodic Expenditures		
	R&R Funded from the Reserve Account	Budget	Estimate	Contingency	Periodic	Life (Yrs.)	Annual Average
49	9410 Entry Monument Lighting Replacement	2,000	2,000	0%	32,000	14	2,286
50	9420 Irrigation R&R	3,000	3,000	0%	38,000	10	3,800
51	9430 Landscaping	10,000	10,000	0%	35,000	5	7,000
52	9440 Perimeter Wall Repairs	3,000	3,000	0%	29,000	10	2,900
53	9450 Signage on Entry Monuments R&R	-	-	0%	136,000	25	5,440
54	Totals	18,000	18,000		270,000		21,426
Ground Maintenance - Special Projects - Deferred							
		Budget	Estimate	Contingency			
55		-	-	0%			
56	Totals	-	-				
Total Grounds Maintenance Special Project from Operating and Reserve Accounts							
		Amount	% of Total				
57	Total Budgeted	30,000	100%				
58	Deferred	-	0%				
59	Total Identified	30,000	100%				
Community Outreach Budget							
	Category	2021	2022	Increase (Decrease)			
60	Member Yard Condition Recognition	250	-	(250)			
61	Member Assistance	2,000	2,500	500			
	Member Communications/Activities/Events						
	Special Mailings	7,000	-				
	Events	2,000					
62	Garage Sales (2)		440	(6,560)			
63	Spring Event (Scavenger Hunt)	-	2,000	2,000			
	Fall/Winter Event (Pics with Santa)		1,500	1,500			
	Events - Sub-total	2,000	3,940	1,940			
	Other	-	560	560			
64	Totals	11,250	7,000	(4,250)			
Administration and Management - Special Projects - Funded in Budget							
	Planned Projects	Budget	Estimate	Contingency			
65	8410 Website - Improvements	-	-	0%			
66	8415 Legal for Fining Process and Rules Changes	7,000	7,000	0%			
	Other	-	-	0%			
67	Totals	7,000	7,000				
Administration and Management - Projects Deferred							
		Budget	Estimate	Contingency			
68		-	-	0%			
69		-	-	0%			
70	Totals	-	-				
Administration and Management Special Project Summary							
		Amount	% of Total				
71	Budgeted	7,000	100%				
72	Deferred	-	0%				
73	Total Identified	7,000	100%				

Neighborhood Community

GARAGE SALE - March/October

- Signs for each entrance (6 - need to purchase 2 more \$70 each)
- Permits (\$150 each event)
- Post on website
- Include in newsletter
- Post on NextDoor
- Post on FB Groups and Pages
- Post on Craigslist
- Post at Clubhouse

Spring Event April

- Spring/Easter scavenger hunt (\$2,000)
- Post on website
- Include in newsletter

Backpack Drive in July

- Collect backpacks and school supplies
- Setup bins at drop-off locations
- Post on website
- Include in newsletter
- Post on NextDoor
- Post on FB Groups and Pages
- Post on Craigslist
- Post at Clubhouse

Pantry Collection for local schools

- Collect Non-perishable items
- Post on website

- Include in newsletter
- Post on NextDoor
- Post on FB Groups and Pages
- Post on Craigslist
- Post at Clubhouse
- Setup bins at drop-off locations

Community Outreach

- Identify families in need within neighborhood and create collection from neighbors
- Home beautification within neighborhood (\$2,500 HOA contribution)
- Backpacks for the homeless

Fall/Winter Event

- Meet/pictures with Santa (\$1,500)
- Post on website
- Include in newsletter

Partner with HOPE Helps Annual Christmas in the City

- Collect toy items per list
- Collect food items per list
- Setup bins at drop-off locations
- Post on website
- Include in newsletter
- Post on NextDoor
- Post on FB Groups and Pages
- Post on Craigslist
- Post at Clubhouse

Comparison Opt 1 v Opt 2

		Option 1 - No Assessment Increase	Option 2 - 5% Assessment Increase	Increase (Decrease)	Comments
	Income				
1	Assessments	262,606	275,741	13,135	Assumes no change in Assessment level
2	All Other Income	900	900	-	Ties to 2021 actual. Does not yet reflect recovery of past legal costs per June court order.
3	Total Income	263,506	276,641	13,135	
	Basic Commitments				
4	Grounds Maint. Contract	88,800	88,800	-	Allowance for potential increase. Last increased in 2018.
5	Sentry Mgmt Contract	37,980	37,980	-	Sentry has advised contract will be renewed effective 1/1/2022 at same management fee as for 2021.
6	Purchase Grey Water	23,000	23,000	-	No allowance for increase made, but costs may increase.
7	Insurance	22,999	22,999	-	2021 actual was \$19,900. Assumes a 15% increase over 2021 actual based on advice from insurance broker.
8	Fertilizer	7,200	7,200	-	
9	Holding Pond Maint.	5,064	5,064	-	No increase assumed but contract price may increase effective June 1, 2022.
10	All Other	19,438	19,438	-	
11	Total	204,481	204,481	-	
	Available for Other Purposes				
12	Income less Basic Commitments	59,025	72,160	13,135	
	Other Purposes				
13	Transfer to Reserve Acct	18,000	18,000	-	
14	Spec. Maintenance Proj	12,000	18,000	6,000	Managed by Cheryl and Gobe
15	Outreach	7,000	8,135	1,135	Community Outreach and Neighbor Initiative - Budget suggested by Viv.
16	Legal Costs	11,000	17,000	6,000	Collections and Compliance
17	Special Admin Projects	7,000	7,000	-	Rules and Fining System work
18	Holiday Decorations	4,025	4,025	-	
19	Total - Budgeted Expenditures for Other Purposes	59,025		13,135	Adjusted down to avoid increasing the level of the Assessment by approx 5%.
	Total for Grounds Special Projects				
20	from Operating Fund	12,000	18,000	6,000	Managed by Cheryl and Gobe
21	from Reserve Account	18,000	18,000	-	Managed by Cheryl and Gobe
22	Total	30,000	36,000	6,000	2022 would be similar to actual for 2021