

Treasurer's Report for Parson's Pond Board Meeting

September 21, 2023

The Finance Committee met on Thursday August 10, 2023. We discussed the current balance in our reserve accounts, approved reserve projects. and our operating budget status as of June 30, 2023. We also discussed the key elements of the pool proposal. Committee members appreciate the efforts of the Pool Committee to develop a comprehensive proposal and understand the need for the project as well as the advantages of completing the entire project at one time. However, given the financial scope of the project and other potential upcoming large expenses, concerns were expressed, and it was the consensus of the committee that it would be important to have additional information about the specifics of the proposal as well as potential alternatives. The following outlines the topics/concerns that were discussed by committee members:

- Members of the finance committee would like to see the proposal broken into priority areas that could possibly be completed over a longer period of time to spread out the expense.
- Insufficient time to review the proposal, have specific project questions answered and explore potential alternatives that may be suggested prior to commencement of the project.
- Uncertainty regarding other large expenses that may also necessitate assessments such as ongoing building needs and roofs and the financial hardship that may result for owners.
- The lack of information regarding a timeline for the assessment for the proposed pool project.

This information was shared with the Board of Directors and the Pool Committee. The Board of Directors and the Pool Committee reviewed and considered the concerns expressed by the Finance Committee as well as comments shared by other owners. Rebecca Koerner submitted a comprehensive document for review which included the topics discussed by the Finance Committee as well as some additional concerns that Rebecca expressed including the need for detailed financial information, prior negative history with the tube system, specific questions regarding the pool and product recommendations and a request to see the proposal spread out over a two-year period. As a result, the decision was made to delay the Board meeting to further review the concerns, obtain additional information as needed and answer questions.

I will do my best to provide the necessary financial information.

Our structures are older and in need of repairs. We have a responsibility to maintain our buildings including but not limited to the wood siding, roofs, etc and per our declaration to maintain our recreational facilities and ensure that they are safe and operational.

As related previously, this was a very challenging year for which to budget. We have had ongoing financial considerations such as legal fees and building needs which were difficult to quantify. We are

over budget on some line items such as legal fees and buildings, snow removal, trash and cable and under on other line items. It is uncertain what our ending operating budget status will be.

It has been difficult for us to get estimates of costs and projections from CR Services. We had \$11,956 remaining from the 2022 assessment that was allocated to the punch list building work. We have thus far paid our 2023 CR Services invoices from the reserve account because we had those remaining allocated funds and we have exceeded our annual building line in our operating budget. We were recently given an estimate from CR Services of an additional \$45,000 to complete the remaining building work for 2023. Additionally, the number of rear roofs in need of immediate repair has increased from the original estimates of 3-5 roofs. The most recent estimate was a cost of approximately \$65,900 for 6-7 rear roofs. Since that time additional owners have reported leaks. As of this morning, the combined balance in our reserve accounts was \$162,316.74.

IF the CR Services estimate is accurate AND we pay the remainder of the CR Services invoices from the reserve account as well as the most recent estimated cost for the 6-7 roofs that needed attention (\$65,900) before the recently reported leaks, we will have approximately \$68,623 in our reserve account at the end of 2023. This amount alone is insufficient to pay for the work that will be necessary on our properties. The Criterium Report recommends a 2023 ending reserve balance of \$173,974.