Highlands Property Owners Association, Inc.
Annual Operating Budget Proposal for 2024
As Compared to 2022 Actual, 2023 Budget and 2023 Estimated

	2024 Proposed Budget	2023 Estimated	2023 Budget	2022 Actual	
Income					
Maintenance fees	$ 52,000	$ 52,000	$ 50,000	$ 51,000	Note 1
Expenses					
Electricity	6,000	6,000	6,000	6,000	
Water/Sewer	10,000	10,000	8,000	11,000	
Telephone/Data	1,000	1,000	1,000	1,000	
Insurance	3,000	2,500	2,400	2,700	
R&M - Grounds	9,000	8,000	13,000	2,000	Note 2
R&M - Pool/Pavillion	8,000	10,000	7,000	3,000	Note 2
R&M - Entry	1,000	-	1,000	-	Note 2
Management and Accounting Fees	6,000	5,000	6,000	5,000	
Legal and Collections	-	-	-	-	
Total Expenses	44,000	42,500	44,400	30,700	
Operating Cash Flow (Deficit)	$ 8,000	$ 9,500	$ 5,600	$ 20,300	
Supplemental Information:					
Cash committed for annual debt service to DDI (due May 1)	$ 9,713	$ 9,713	$ 9,713	$ 9,713	Note 3
Cash committed for major repairs to pool/pavilion	$ -	$ -	$ -	$ -	

2023 Budget Notes:

1. Budgeted annual maintenance fees collected from property owners is based on prior year estimated collections.

2. Budgeted repairs and maintenance costs for grounds, pool/pavilion and front gate are based on current terms with existing service providers.

3. At the annual meeting of the Association's property owners held on April 26, 2018, the directorship of the Association changed from a board controlled by Double Diamond, Inc. ("DDI") to an independent board comprised solely of the Association's property owners. In connection with this change of control, the Association issued an unsecured promissory note to DDI in the principal amount of $75,000, bearing interest at 5% and payable in 10 equal annual installments of $9,712.84 beginning May 1, 2019. The promissory note was issued in full settlement of all then-existing obligations to DDI and its affiliates, whether known or unknown, including approximately $87,000 of recorded indebtedness to DDI and its affiliates as of the date of the change of control.