

2022 OLDE MILL VILLAGE HOA TREASURER'S REPORT

Managing 2021

During the year of 2021, our Board worked hard to maintain the sound financial position of the Association. As a Twenty-Seven year-old development, our cash outlays have been primarily to pay for common area maintenance, insurance and administrative expenses of the Association. Due to the projected cost increase in hired labor, insurance and fuel, it was necessary to increase this year's assessment by \$35.00 per household. The last time the annual assessment was increased was back in 2009. (13 years ago) With the 2022 budget, we can continue to add to our capital improvement reserves so that we will have funds available when needed to replace or make substantial repairs to our common areas.

Budget 2022

In developing the \$31,390.00 budget for 2022, our Board focused upon two principal goals:

1. Ensure that expenses of the current period are well-considered, giving our Association the best value for the dollar; and
2. Ensure creation of adequate reserves to fund future replacements and repairs of our common areas.

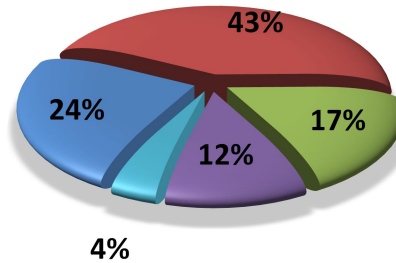
The Board is in the continuing process of negotiating a fair landscaping contract with potential new contractors. We continue to seek a competitive rate on our required insurance and management fees.

Expenses

The budget was prepared using actual cost information from the Association's financial statements through December 2021. Expenses for 2021 remained stable as the costs of our landscaping and our snow removal were within budget. It is always possible that we may see an increase in the 2023 dues although we continue to search for a new ways to reduce overall costs. We did have an increase in landscaping fees (\$1600.00) due to the repair/replacement of broken fence sections. We also encountered an estimated \$200.00 increase in insurance costs. These increases, unfortunately, are beyond our control as the annual cost of our

services reflects the overall service increases nationwide.

2022 Budget



Operating costs 24%

Landscaping/Snow removal 43%

Insurance 17%

Attorney/Court 4%

Capital Improvements 12%

Reserves

Healthy reserve balances play a crucial role in maintaining the property values of a Planned Community. In addition to maintaining the appearance of our common property interest, property appraisers and lenders demand careful planning for long term maintenance of common areas and accumulation of adequate funds in reserves to carry out these plans. The Board's responsibility in managing your funds is to have funds available when needed—without accumulating excessive amounts of members' money in reserves. We use a two-step process in determining the budget allocation for a particular reserve fund item, such as tot lot or tennis court. First, the total amount needed for an item is calculated using the average of actual quotation information presented by companies that repair, replace or service the particular reserve fund item. Next, the incremental annual budget is determined by dividing the unfunded balance of the reserve needed by the number of years remaining prior to the planned repair, replacement or service.

Because we adhered to the 2021 budget restraints, adequate funds are available and it is our plan to replace the 27-year-old playground equipment. This will include age appropriate equipment, lighting and fencing.

The Board welcomes any and all comments and suggestions that will help us manage your money more effectively. Please join us at our annual Association meeting and make your thoughts known.

Marge Romero

Treasurer, OMVHOA