

Treasurer's Report May 18, 2022

As my first report as treasurer let me present the basic numbers reported every month:

The Saving/ checking account balances as of May 18 were:

Reserve Interest Account: \$ 2,831.61

Reserves saving Account: \$31,143.00

Reserve CD Account: \$1,860,326.04
Total Reserve Account Funds: \$1,894,300.65

Operating Fund Balance: \$88,632.40

Insurance Escrow Account: \$106,717.78

We received a check from the collection company from one collection account. The current 4 in collection amount to \$76,503.59, and a total over 30 days of \$89,723.59

These are the numbers but they are only numbers without a context to place them in. So let me present the context I have found:

3 major areas are impacting our financial health.

- A. Insurances: we will deal more fully with this later in the agenda with the insurance review. However this area has had a historically negative impact on the financial health of the community this year.
- B. Operating Funds: Over the past 4 years the funds for the operating of the Association have been run at a deficit of \$170,000+ over income. This was after an infusion in 2020 of \$355,000 from the Irma Hurricane settlement into the operating funds. Without this infusion from a source other than assessments the deficit of income to spending would have been over \$500,000. This year due to the extreme changes in the insurance premiums we are faced with a significant deficit potential unless action is taken.
- C. The Reserves: these are the monies put aside, by state statute, for the large expenditures...i.e. roofs, painting, paving. These funds have been severely underfunded for, at least, the past 7 years. According to the Reserve Fund Study den for 2016 the amount actually budgeted since then is over \$1,000,000 short of the amount the study said would be needed by this year. I am in the process of determining the requirements we will need going forward, therefore I am unable at this time to give you exact numbers or the extent necessary to put the reserve accounts back to their proper place. Over the next few months as we are able to get this more exact the Board will bring forward any plan they feel necessary to correct these years of under-funding.