

BARKLEY MASTER ASSOCIATION, INC
TREASURER'S REPORT: AUGUST, 2022

Treasurer's Report: August 17, 2022

Trust Statement Fund Balances as of 7/31/2022

Operating Fund Balance: \$ 163,862.73

Insurance Escrow Account: \$ 93,010.87

Reserve Interest Account: \$2,871.18

Reserve Saving/Cash Account: \$ 71,144.09

Reserve CD Account: \$ 1,614,338.73 after initial contract payment Villa 11 roofs.

As the Treasurer I have an obligation to advise and defend the financial well-being of the Association. Since I have started in this position, I have worked diligently to define our true present financial position and where such continuation of financial policy will take us. To that end I present these preliminary written comments.

Two statements I came across this week describe the financial situation that we face. The first is: "The sum can be put right but only by going back till you find the error and working it afresh from that point NEVER SIMPLY GOING ON." The second stated: "In everything one must consider the END." (My capitals).

To the "correcting of the sum" I have given the BOD a background of the basic position from where we have come over the past few years, as pertains to the financial history of the Association and the underfunding, especially within the area of Reserves. The Reserves: the area of planning and preservation of the Association assets. With regards to this budget area, it is evident that the Reserves have been underfunded, both monetarily and in their inclusion of areas that are necessary, both practically and by statute. While looking to develop future budgets, including next years, we need to consider, not only the 9 areas included in the current Reserves, but the 27 areas cited in the Reserve Study. Areas of planning like: irrigation, the upkeep of the Clubhouse, and lighting throughout the community, etc. were not included in the current reserve budget. These items (except irrigation) were included in the Reserve Study done in 2015. These are necessary to be included into the Reserves for the proper planning of the repeat capital and maintenance factors of the Association that cost over \$10,000 (FI statute amount). Thus, in beginning to correct the sum we have gone back to identify the issues ahead of us.

Now, we must consider the end of our financial decisions for the Association. To continue on the road, as we have been on, is to continue the deterioration of the community properties. A deterioration we continually are reminded of by our members. To do what must be done, both for the community and to meet the state statutes, will require major adjustments in the financial contributions of each member. These contributions will probably require additional special assessments over the next several years. The projects, which require immediate attention, far outstrip the funds we can accumulate only through the monthly maintenance fees.

We, both the Board of the Association and the members, face difficult times ahead. As Thomas Payne in his pamphlet: The American Crisis states: "These are the times that try men's souls." I might add "and their pocketbooks."

The coming financial decisions before us can either continue to take us further down the road that we have been on (financial ruin of the Association) ... OR take us, not without difficulty, back on the road to correction and financial stability.

Respectfully Submitted:
Earle Blanchard, Treasurer
Barkley Master Association, Inc.