

Hi Neighbors,

Attached please find the latest financial statements dated October 2020 and the 2021 budget for your review. For 2021 the monthly dues will be **\$141.00** per month vs **\$146.50** in 2020. The \$141.00 is comprised of a \$37 amenities fee + \$109 for all other expenses.

Comparing the projected 2020 year-end to the 2020 budget, you will notice that revenue came in higher than the budgeted amount due to houses selling much quicker than anticipated. While there were some differences on the individual expense lines, the expenses in total were close to anticipated. As a result, we are ending the year in a surplus position. These dollars will remain on the balance sheet in the cash account and will be available for some of the capital improvement projects suggested by the homeowners during our recent survey. Any decision on capital improvement projects will be driven by a consensus vote from the homeowners.

For the 2021 budget, we are able to correctly estimate the revenue as we now know the total number of houses. In addition, significant work has gone into understanding our expenses and entering into new contracts with reduced costs when possible. The increase in expenses over prior year reflects new costs related to the reserve study, increased reserves amounts, legal and audit fees, a new shed (for pool cover and future recreation supplies) and gym equipment.

The reserve contribution are funds set aside to fund future expenses for repairs, restoration and replacement of common area assets. The 2021 budgeted reserve is the recommendation by our management company as an appropriate amount based on our expenses. It is important to note that we have also included in the budget the cost of a “reserve study”. The reserve study will evaluate the assets and amenities and provide a better estimate of how much money should be maintained in the reserve going forward. The reserve fund is located on its own balance sheet and as of the end of 2020 the reserve will be \$17,282 and at the end of 2021 the reserve balance will be \$33,982.

Diane DeVoe - Treasurer
Silver Woods HOA CA Board