

PRESIDENT'S REPORT

ANNUAL MEETING

November 3, 2018

The Association continues to improve the property, though maybe not as fast as many would like. This is a large property and it takes time or a major expenditure of cash to do everything we want to accomplish. We have done about double the number of landscaping installs this year over last. Sales prices still seem to be increasing and we have completed more needed projects. Insurance claims, actually costs against the deductible, ranged from \$423 to \$3,543.

On a positive note, we made it through this year without a hurricane hitting our area. We were quite lucky as the devastation in the panhandle was extreme.

You may have noticed some construction happening in the trash collection areas. The board approved the installation of trash compactors which we hope will decrease the unsightly mess around the trash areas.

Once again, as it has generally been quite successful, we formed a budget committee to review the proposed budget. The budget committee, Randy, Carl, Tom, and Earl reviewed several proposed budgets that the office compiled. There were three budgets proposed, each of which included increased fees to the membership. The committee did not agree unanimously (2-1) on which budget to propose to the board. Ultimately the budget proposed by the committee to the board was the budget that included the largest fee increase. The budget proposed by the committee was rejected by a non-unanimous board vote (5-4). The board did, however, again, not unanimously, approve the budget that had the lowest fee increase (5-4). The approved budget decreases the contribution to the reserve funds about \$50,828.00 as did the rejected budget proposed by the committee. The operating expense budget was increased by \$36,437. The overall budget appears to go down by \$14,391. However, the carryover we usually have had in the past will be 0 for this year as opposed to \$80,000 in last year's budget. Maintenance fee changes ranged from an increase of \$8 on the B units to a \$38 increase on the Lake Loft units. This is the first overall increase in fees we have had for quite some time.

Last year we had run in to issues with the lake loft buildings in that the buildings were settling. We proposed several options to make the repairs, none of which were accepted by the lake loft owners. We are currently doing maintenance and repair to keep the buildings safe and maintain integrity of the building envelope but not much more.

We will end the year with the reserves going up about \$199,000. The state requires that reserve accounts be funded at 100% for the year unless the membership approves funding at a different level. The amount needed to fund the reserves for 2018 at 100% is \$999,532. This year the board proposes a funding level of \$414,250.

Owning our own laundry equipment continues to be a positive venture. As of September 30 this year we have collected \$88,385 compared to \$82,138.

As of October we still continue to have back fees due to the Association with the total being \$21,335. This represents seven owners' properties.

2018 Sales:

Sixteen units have sold this year with sales prices between \$35,000 and \$95,000. Four A units sold between \$40,000 and \$50,000, with an average of \$46,375. Two AB units sold at \$46,000 and \$83,000. Two B units sold at \$35,000 and \$38,000. Six AC units sold with sales prices between \$68,000 and \$88,000, with an average of \$75,867. Two ACB units sold at \$85,000 and \$95,000, and one lake loft sold at \$32,500.

(2017) Thirty-two units have sold this year with sales prices between \$23,000 and \$93,000. Fourteen A units sold between \$40,000 and \$56,000 with an average of \$47,064. Eleven AC units sold between \$40,000 and \$88,000 with an average of \$63,491. Four B units sold between \$23,000 and \$37,000 with an average of \$27,750. One AB unit sold at \$61,750, one BAC units sold at \$93,000 and one lake loft sold at \$47,000.

(2016) Twenty-eight units sold this year with sale prices between \$10,000 and \$96,900. Seventeen A units sold between \$30,000 and \$85,000 with an average of \$47,824. One AB unit sold at a price of \$96,900. Six AC2 units sold at an average price of \$56,000 with prices ranging from \$45,000 to \$73,000. Four B units sold between \$10,000 and \$36,000 with an average price of \$21,125.

(2015): Fifteen units changed owners this year even though sale prices continue to be low the average they are slightly higher than 2014. Four A units sold between \$23,000 and \$40,000 with an average of \$30,750. Five B units sold for an average of \$16,800. Two AC units sold for an average of \$51,500. One AB unit sold for \$52,500. One AC2 unit sold for \$42,500 and two SL units sold for an average of \$32,750. One A unit for tax sale \$25,000.

I would like to thank all our board members for their service to the association and for their ideas and input. I would like to thank the budget committee, Randy, Carl, Tom, and Earl for their suggestions and ideas even though this year there was not total agreement. We also need to thank our management team and all our employees for the job they do here for us.

And once again as I do every year I would like to take this opportunity to charge our board and our manager to continue to look at ways to become more efficient and cost effective while we continue to deliver a great product.

Respectfully submitted,

John Rasmussen
President