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TREASURER'S REPORT: Steve Koch

October was a fairly quiet month. In 2010, the Association came in at budget. We had some substantial back dues payments this year. Any payments made after October 31, 2009 (the end of the last fiscal year) were counted toward 2010 dues. We had money credited back to us from the insurance program because we held an audit. Steve is projecting fairly similar income levels for 2011. Income and expenditures ebb and flow from year to year.

On the report pages, all income is listed in the same category now, as opposed to the separate "social activity income" category. There is a new "civil engineering" category, since we need to engage a civil engineering firm to help us assess the needs of the physical assets (dam, depth of lake, spillways, etc.) and to estimate how much improvements will cost.

Some expenses are unexpected; for example, \$7,500 for spillway repairs. We use the operational reserve for those expenditures instead of sending assessments to every property owner above and beyond the annual dues.

Resident Comment: Resident would be concerned about the amount of money we have saved up if we didn't have an earthen dam, and by saving some money, the Board is avoiding having an assessment (or multiple assessments) for the residents in case of an emergency with the dam.

Resident Comment: Compared to a lot of other associations, our dues are very low (approximately \$30 per month), especially when you think of what we get for that amount.

Q&A

- ✓ Landscaping came in considerably below budget: why is that? We changed landscaping companies (this is our second year with them) and we want to track how much the services cost for a few years before adjusting that number.
- ✓ It is very impressive to see how we've worked under the budget. Is there any way to look at lowering the annual dues? We have to be very careful about that, and we don't have enough information to adjust annual dues amounts in either direction. Some money is being saved up for future large projects.
- ✓ How much is owed in back dues? Approximately 20% of residents are delinquent in some regard. Approximately \$190,000 is owed in total. The budget would be a lot more reasonable if every resident would pay his or her fair share.
- ✓ Does the Treasurer think that \$2,000 will cover professional services (engineering) when \$7,000 is allocated for legal services? The \$2,000 is basically a retainer. We got some advice on that from Rob Wojtysiak, and that number can be revisited. As far as the legal budget, there's some work that will need

to be done in 2011, and we hope to come in under that number.

- ✓ Is there concern that the dues are too high or too low? We need to get more information about what condition the lake should be in so we can budget accordingly; for example, if we have to dredge the lake, that will be a major expense.
- ✓ Is there any benefit to writing off the \$190,000 in back dues? No, since we are not-for-profit.

Steve will be happy to supply anyone with the account detail for the budget.

The presentation of the 2011 budget is for transparency only, and will be approved by the 2011 Board.

Motion to approve the October Treasurer's Report by Steve Kephart, seconded by Harold Hanson. October Treasurer's Report approved.

MEMBERSHIP REPORT: Diane Adamek

Statistics: We have 599 homes and two vacant lots on Estate Lane, for a total of 601 properties. The owners of the vacant lots are current with their dues payments.

Dues Payments: As of November 12, 2010, paid membership was 497 (83%). In 2009 it was 81%, and in 2008, 85%. There are 176 senior-rate memberships, and 91% have paid. In 2009, the rate was 91% of 172 senior-rate memberships. Of the 425 non-senior rate members, 79% have paid.

Home sales: There have been 22 sales finalized for 20 properties, nine of which were foreclosures. There are two more sales pending, with one expected to close at the end of November. Please welcome all our new neighbors! As of November 13, 2010, there were still 15 "for sale" signs up, and three other houses have signs out sporadically. In 2009, 13 sales were finalized and 15 signs were still up as of the Annual Meeting.

Renters: There are 21 houses being rented by paid members and at least two rented by owners who haven't paid dues in a number of years. In 2009 there were at least 18 rentals. The owners are responsible for paying the dues.

Reminders: A paid assessment letter (PAL) is required at the closing of any house sale. Please let Diane know as soon as a contract is signed, and she will send you, your realtor, and/or lawyer a copy of the PAL or letter with a statement for any outstanding dues that are required to be paid at closing.

DAM, PATH & ENTRANCES: Dick Lincourt

There were no unusual events this year. Several maintenance projects were undertaken:

- ✓ Trees at the dam were trimmed; required by DNR. Cost \$1,100.