

Harbour Isle East Treasures Report for Dec 2016 and Year End Report

1/23/2017

Dec 2016 Income: \$103,144 Dec Expenses: \$119,701 Budget: \$106,000

We were over budget for Dec by \$13,701, unexpected repairs and an unbudgeted check for \$7,500 to purchase plants for January, in order to get the price we wanted to pay.

Here is the GOOD NEWS:

HIE 2016 Income: \$1,270,560 HIE 2016 Expenses: \$1,287,433

We were over budget for 2016 by \$16,873

Our on hand operating cash after account payables for Dec is \$234,000, which we have been able to maintain all year. Our auditor suggested we keep 2 months' operating cash on hand, or \$206K, so we are above this number. Our current operating cash on hand is a far cry from my Dec 2013 year-end report which showed we had a negative operating cash balance of (\$232k)

Our 2016 year-end Reserve total is \$1,166,295. In 2015 we raised our monthly reserve contribution by \$1,000 per month for 2016 to put some of the cost savings we earned into our future. We now contribute \$15,800 per month or \$189,600 yearly to reserves, and we should end up on Jan 1, 2018 at \$1,355,895, which is also a significant improvement over year-end 2013 report when we had a reserve total of approximately \$350K. This means that in May 2018 our reserves will exceed our total yearly budget of \$1,450,00 - in my mind, the gold standard for condo associations, and a number that far exceeds FHA requirements for loans. As we like to say, our goal is "Continuous Financial Improvement". The reserve number is an important number for new home buyers, it is the first thing they look at, how much reserve money do you have. Obviously, this is good for our property values. And in 2016 for the first time we are purchasing FDIC insured CD's and we expect to earn in our reserves an additional \$10,000 in 2017. Also in 2016 we also successfully completed our annual independent audit.

We continue our “Renew and Refresh” program for 2017.

Past and future improvements include:

- 1) New landscaping at the pool area and buildings - we have planted over 2,000 new Florida friendly plants, designed to reduce erosion, clean up the appearance of the areas, and reduce the need for mulch. Trim trees to allow more light and water. Also to cut them back so as not to interfere with the walkways.
- 2) Added lava rock on the first-floor sidewalk areas to stop the rain water splash on the sidewalks and doors. This also reduces the need for mulching.
- 3) Roundabout refreshed, new plants and color are coming.
- 4) New HD camera system installed - we are also adding two new cameras in the pool area.
- 5) New LED lighting at the front entrance
- 6) We have now replaced all three golf carts.
- 7) We have replaced all the clubhouse and gym building air conditioners
- 8) New Christmas lights.
- 9) All LED lights by the pool - we will be adding two more landscape lights in dark areas.
- 10) We are replacing the building lights this year with lower cost and more energy efficient LEDs. This will be done as the old CFL lights burn out.
- 11) We will finish cleaning up the area between Bldg 10 and the east wall, adding new soil and grass to reduce the erosion and improve appearance and safety.

We are moving forward in 2017, and there is more to come.

Thanks

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