

2019 Financial Overview

January 8, 2020

This document details the key financial events that occurred during 2019 and includes a discussion of potential project work in the future.

BUDGET INCREASE:

This year's proposed budget is \$60,860, or an 8% increase, compared to 2019. The single most important factor explaining this increase is the hiring of Fusion HOA Management. Administrative cost for 2020 will increase to \$18,780. This increase is 98% more than the budgeted amount in 2019, which was \$9,490. The Fusion Management contract is set to begin January 1, 2020.

HOA WEBSITE:

The Board-managed website operated efficiently during 2019. No changes are planned for 2020.

RETENTION POND DREDGING:

The pond dredging project was successfully completed in 2019 and the pond was lined with bentonite clay. Dredging the pond alleviated most of the clogging issues allowing for better filtration before water delivery.

FILING 4 COURTYARD:

In accordance with Amendment 4 to the Declaration of Covenants, the Masters maintains the turf and irrigation for Filing 4 Courtyard homes. Expenditures for Filing 4 Courtyard irrigation and maintenance came in on budget for 2019 based on specific annual assessments to the homeowners in this filing.

MASTER CONTRACT FOR LANDSCAPE AND IRRIGATION:

Bookcliff Gardens will be the Landscape and Irrigation contractor for 2020. This is the second year of a two-year contract. The total contracted amount is \$18,881.00. The contract expired on November 30, 2020. Hourly rate pricing will remain at fifty-five dollars (\$55.00) per hour for non-contract work other than landscape work, which will remain at forty dollars (\$40.00).

RESERVES

Reserve expenditures in 2019 were \$2,758 versus \$13,419 in 2018. In 2019, reserve expenditures were for extra pond pumping prior to dredging due to significant snow/rain accumulation after the original pond pumping (\$1,393.00). In addition, rebuilding the manifold and isolation valves and bushing and coupling replacements was necessary due to flooding the large irrigation equipment pit (\$996.43). Finally, the Masters controller clock for the irrigation system, located on Seasons Drive, had to be replaced (\$368.88).

If the 2020 proposed budget is ratified by the Membership and upon review of the 2019 reconciled financials the Board may decide to move the following identified surplus amounts into Reserves from the Operation Account.

- Four thousand three hundred and seven dollars (\$4,307.00) from the category Large Irrigation System Irrigation Infrastructure. The additional money will offset potentially costly expenditures due to the age of the irrigation system.
- One thousand dollars (\$1,000) transfer from Fence Maintenance and Fence Painting to Replacement and Paint Fences. This amount was budgeted but not spent in 2019 but will supplement the underfunded category.

FUTURE POTENTIAL PROJECTS:

- Construct a pump house on Lot C (Berm 4) Common Area. A pump house would house all large irrigation equipment. The objective is to raise the pump, PVC piping and sensitive electronic devices out of the pit. The existing design has the continued potential for damages due to flooding. The estimated cost for this pump house project is approximately \$7,500.00.
- Tree maintenance at the South Broadway entrance and on Berm 4. The trees were over-planted and have overgrown resulting in excessive shade and insufficient nutrients to sustain healthy growth. This situation will continue to be monitored in 2020.
- Commission a qualified Landscape Architect or other certified landscape person or company to develop a true Landscape Plan for the common areas within the Seasons. A Master Landscape Plan would bring focus to short- and long-term strategic allocation of budgeted funding for improvements within the Seasons. Other benefits include controlled non-contracted annual spending unless in line with the approved plan. A plan would also aid in the process of landscape and irrigation maintenance contractor selections.

Sincerely,

Your Board of Directors