

Avocet Finances

We know that many members of our community have questions about how their fees are spent. The Finance Committee wanted to give everyone a recap of what our annual operating revenues and expenses are as well as what has been spent in the last few years on capital improvements. All of the operating figures are based on what we expect to realize in 2006, and as such are estimates.

Our main source of revenue is our homeowner's fees. This comes up to a total of \$104,640. Our other income comes from tennis fees, late fees and clubhouse rentals.

We have six major areas of operating expenses; General & Administrative, Landscaping, Recreation Area, Utilities, Taxes & Insurance, and Maintenance.

General & Administrative: The majority of this expense is \$13,200 annually for the management services provided by Heritage Property Management and approximately \$4,700 in legal fees. The remainder is for expenses such as the coupon book mail outs, POA sponsored social activities, postage and mailing, web site, audit fees, and bank charges

Landscaping: This is the amount we pay to maintain Avocets landscaping in our common areas. We saved almost \$3,000 this year because of timing differences in the payment of our previous contract and this year's contract. Next year this expense should be around \$18,000 for the landscape contract alone. Hopefully, we will find some money in the budget to do further landscape improvements.

Recreation Area: The largest amount in this category is pool maintenance, about \$8,500. The remainder is for pool supplies, clubhouse maintenance and tennis repairs.

Utilities: This is primarily electricity to light the clubhouse, pool area, tennis courts and parking lot as well as to run the pool pumps.

Taxes & Insurance: This is almost entirely for insurance to cover the common areas as well as insurance to covers members of our community who serve on the board and committees when they are acting on their official capacities.

Maintenance: Most of this is for the cleaning and maintenance of the clubhouse and bathrooms, pest control, and any other miscellaneous maintenance required.

This leaves us with an estimated \$32,398 in operating income. However, there is more to maintaining our Avocet common property. In 2004, we spent \$46,300 to install the children's pool and expand the pool apron. Another \$12,210 was spent to upgrade the tennis courts. In 2005, we spent \$14,770 to repair the upper detention pond behind the clubhouse and shore up the erosion occurring under Avocet Drive, and \$7,102 on the engineering plan to correct the drainage problems around the clubhouse.

In 2006, we have spent \$29,030 for the actual drainage repairs and \$4,900 to strip down the clubhouse and remove the mold. We will also spend approximately \$18,000 to restore the clubhouse. This will result in a net loss for 2006 of approximately \$19,727.

We are working with Heritage on a long term capital budget to determine what future expenditures will be required to continue to maintain our Avocet common areas to a high standard. As our community ages, there will be additional maintenance required. We will publish this long term capital budget as soon as it is completed. In the meantime, you can review Avocet's financial statements on-line at <http://www.avocet-hoa.org/bod/financial.htm>.