

**Melbourne at Bailiwyck Home Owners Association
Annual Meeting – 2/13/2012
Treasurer's Report**

Introduction:

The Melbourne at Bailiwyck Home Owners Association was chartered in 2005, and consists of 89 homes and lots in the Fort Mill, South Carolina area. Currently, 88 homes are completed and occupied, while 1 lot is still vacant.

2011 Cash Flow:

As of 2/12/2012, the association books are in sound financial condition. During the 2011 fiscal year, cash income (primarily from HOA dues) totaled \$15,138.55, and the expense total was \$19,159.67.

Similar to previous years, electric (\$6,672) and landscaping (\$7,131) were the two primary contributors to the total expense. The landscaping expense included \$4,125 towards upgrading the front entrance plants and lighting. The annual insurance premium expense was \$1,523 and water was \$1,006. Security expense of \$660 was mostly composed of the cost of repairing a security camera. The web site administration fee totaled \$749. The association had no other major expenses during the year. Net loss for the fiscal year was \$4,021.12, and the association ended the year with a cash balance of \$31,032.37.

Annual Fee:

Association dues are paid each year by all homeowners to cover electric bills for street and front entrance lighting, landscaping maintenance, capital improvements to the community, insurance and legal expenses, general administration of the association's business affairs, and miscellaneous expenses as required. For 2011, the annual fee was \$170 per lot.

Based on the projected budget for 2012 and the association's cash surplus, the Board determined that the annual fee should remain at \$170. This assessment will cover anticipated expenses with a modest deficit (approx \$3,295) vs. budget for 2012.

Bills for the annual fee were mailed out in January, with a due date of 2/11. Late payments and returned checks are assessed a \$20.00 fee, and collection and judgment proceedings commence as appropriate for accounts not paid within a reasonable period of time. Late notices will be mailed next week.

2012 Budget:

The 2012 budget is based on actual expenses for 2011, with adjustments as appropriate in certain expense categories. Total expenses are projected to be lower than 2011 (\$18,610 vs. \$19,159).

Ending cash reserves for 2012 are estimated to be \$26,576. Cash reserves are available for two primary purposes – as an emergency fund for unplanned circumstances, and to supplement or fully fund future capital improvements in the community. Based on

previous discussions and feedback from the association, the Board believes that this reserve amount is appropriate for current circumstances and anticipated market conditions.

Summation:

The association is in good financial condition. Accounts in arrears are at a reasonable level, although prospects are low for collection of past due amounts. Reserves are adequate for emergency purposes and anticipated capital repairs/expenditures. The annual fee is appropriate for the area, and I foresee no major issues or concerns that might adversely affect the financial health and stability of the association or the community.

Respectfully submitted:

Michael Meyer

Michael K. Meyer, Treasurer
February 13, 2012