

## FLCA 2008 Budget Highlights

The 2008 assessment will be \$744 per residential unit – or \$186 per quarter. This is a 9% increase over the 2007 level of \$680, which had been unchanged from 2006, and represents an average annual increase of little over 4% over the two-year period. You will be receiving a quarterly statement approximately two weeks prior to when the payment is due. The quarterly statement for January 2008 should be received mid-December. If you are interested in signing up for automatic debit, please visit the website or contact the association office.

The full year actual 2007 expenses are projected to be about \$28 thousand over the 2007 budget levels, primarily due to higher water/sewer rates and usage, costs related to collecting overdue assessments, and recreational related costs. Overall the projected full year actuals are within about 3% of the budgeted level.

For 2008, total expenses will increase by \$66 thousand versus the projected full-year 2007 level. The primary components are as follows:

Pool contract: \$36 thousand (+27%). We have been dissatisfied with the quality level of the prior pool operator and have budgeted additional funds in order to engage a new company that will provide better guard service and increased pool cleanliness.

Contributions to reserves: \$18.5 thousand (+7%). We have increased the annual reserves allocation to account for new and higher cost capital expenditure projects that have been funded in 2007 and are planned for 2008 in order to properly maintain our community assets and amenities. The base contribution level had been established by an independent reserves study, and will be updated in 2008.

Two recent policy changes also have an impact on the 2008 budget:

Investment interest: \$20 thousand decrease (transfer) in operating budget income. These funds were previously included in the operating budget, but more properly are related to our capital reserves, since the interest is generated from investing reserves balances that are held for future capital expenditures. The interest continues to accrue but is now shown in the reserves section of the balance sheet and not in the operating budget.

Collection cost recovery: \$8 thousand increase in income and \$13 thousand decrease in costs. We have instituted a new policy, beginning with 4<sup>th</sup> quarter 2007, to recover the cost of collecting overdue assessments from homeowners. Late payments have already dropped dramatically. You have received a copy of the new policy together with your most recent assessment statement.

Capital expenditures from reserves are projected to be \$288 thousand for 2008. Major maintenance projects are planned for both pools, continued repaving of trails per the long run plan, improvements to the lighting in the south pool/fitness parking lot, and renovation of pool deck bathrooms are the major items. A full listing is included along with this budget.