

EAGLES NEST PROPERTY HOMEOWNERS ASSOCIATION AND DESIGN REVIEW COMMITTEE

2023 BUDGET NARRATIVE COMPARED TO 2022

2023 Annual Budget

Thank you homeowners for attending today's annual meeting.

I am happy to report we had another successful year ending in December, 2022 in a positive financial position with a recovery of some past due HOA dues and lower project expenses that had been deferred into 2022.

Projects completed in 2022 include:

- a new roof for the Community Center \$23,000
- Seal and Repair CC driveway \$2,000, and.
- the Raven's Entrance repairs/improvements \$32,000

The Board of Directors approved the amended 2023 budgets for Eagles Nest Property Homeowners Association (ENPHA) and the Design Review Committee (DRC) at their monthly meeting on March 9, 2023. The 2023 budget information is made available to all owners on the ENPHA website along with all Director reports.

The ENPHA budget provides for the general operations of the association including common property maintenance and general and administrative expenses. The DRC budget provides for design review for both new construction and as well as modifications to existing homes.

Budget highlights include:

- ENPHA Budgeted Revenue for 2023 totals \$206,440.
- Dues remain at \$200 per property per year with no increase since 2015.
 - \$170 of the dues are allocated for operations and
 - \$30 for Capital and deferred maintenance.
- Revenue also includes Verizon cell tower rental, the Noxious Weed Control Program, Community Center rental, and recovery of unpaid dues and fees.
- The 2023 budget for Property Expenses is \$120,368 which is slightly lower than the 2022 budget due mostly to lower costs on fire mitigation costs.

Open space and Environmental expenses includes \$7,500 for fire mitigation behind Two Cabins Drive. The fire mitigation project started in 2021 but was not completed due to labor shortages. The 2023 budget for General and Administrative Expenses is \$83,637 which is in line with 2022 expenses.

The Reserve fund balance at the beginning of 2022 was \$300,909. The purpose of the Reserve fund is to protect against fluctuations in revenue or expenses and to assure ENPHA has sufficient resources to maintain and enhance our assets and common areas. The allocation of the Reserve fund includes:

- \$133,565 for Capital and Deferred Maintenance,

- \$76,035 for legal contingencies,
- \$4,974 to cover expenses over revenue from the Noxious Weed Control Program, and,
- 12,500 to cover the insurance deductible, and,
- an operating contingency of \$40,443 per our budget philosophy, which targets 10% to 25% of annual revenue to fund any annual cash deficit.

In 2022 we tapped the reserve funds for the community center roof replacement, Raven's entrance project and crack sealing of the community center drive for a total of \$57,782 from reserves.