



2003 Lake Sovereign Annual Homeowners Meeting

■ Goals/Objectives

- Transition from a Sales and Marketing Association to a Neighborhood Association
- Manage expenses to 2002 levels
- Maintain the current levels of service while complying with Association governing documents to establish reserve funding



2003 Lake Sovereign Annual Homeowners Meeting

■ Goals/Objectives

- Provide a forum for homeowners to communicate their needs and issues to the Board of Directors
- Enhance communication efforts through Lake Lines and the website
- Develop a greater appreciation among homeowners of the importance of an Association and how governing document covenants enhance property value



2003 Lake Sovereign Annual Homeowner Meeting

■ Challenges

- Manage the Association without the developer contributions:

	Developer Contribution	Operating Expense	Member Dues
• Year 2000 =	\$ 52,593	\$ 78,672	\$ 26,079
• Year 2001 =	\$ 46,000	\$ 89,923	\$ 43,923
• Year 2002 =	\$ 42,170	\$ 98,107	\$ 55,937



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■ Challenges

- Manage the Association without the developer contributions:

	Developer Contribution	Expense	Current Member Fees & Dues
• Year 2003	= \$15,395	\$116,975	\$50,130

Operating Shortfall = \$51,450 to be made up by an estimated 94 homes with an approved amendment for initiation fees on resale homes



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- How have 2003 budgeted expenses been managed to a reduction of 4.2% over 2002 levels?
 - Negotiated an additional developer contribution for identified repairs and maintenance = \$12,395
 - Eliminated use of a Management Company through efforts of volunteer owners assuming duties =\$14,900 savings
 - Negotiated landscape contract = \$20,000 savings



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- Have additional expense items been added to the 2003 budget?

– Lake Silt Removal Reserve =	\$8,376
– General Operating Reserve =	\$2,481
– Legal Fee Retainer =	\$1,200
– Insurance Coverage Improved	(\$ 400)
– Vacant Lot Clean-up =	\$2,000
– Lien Filings for non-paying owners =	\$1,000



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- Where does the money go?
 - Landscape Maintenance = 40.7%
 - Negotiated improved pricing contract for similar services
 - Reduction in flower beds and replacement with shrubbery or perennial plantings
 - Our neighborhood has an extraordinary amount of common ground
 - Utilities = 8.8%
 - 2003 Extraordinary expenses for meter deposits and new service fees for transfer from developer LLC to the HOA



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- Where does the money go?
 - Pool = 4.2%
 - Repairs = 10.6% to be paid from developer funding
 - Insurance = 9.6%
 - Lake Maintenance = 5.2%
 - Legal Expense = 3.7%
 - Reserve Funds = 12%
 - Lot Clean-up and Owner Lien Filings = 2.6%
 - Copying, printing, taxes, supplies = 2.5%