

Lake View Park Villas 2017 Year End HOA Letter

January 25, 2018

Dear Members:

Happy NEW YEAR! Hope everyone had a joyous and safe holiday season. Also hope that you were able to spend some time in Bigfork over the holidays. Heard that there was a lot of snow, and that it continues. It is always beautiful in Montana this time of year.

Primarily we wanted to let you know what the year-end financial results were for 2017. Overall, it was a very good year for the HOA. Attached you will find the 2017 financial Profit & Loss, and Balance Sheet results. As we did last year, we will provide copies of all financial statements, and answer all of your questions at our annual meeting this summer. In summary, our HOA financial position is sound and on plan, and **NO DUES INCREASE** will be required for 2018.

Below are listed some of the highlights of 2017 from a financial perspective:

- We ended the year with a net income of \$116,740. This is the result of the \$88,800 we negotiated with CertainTeed roofing for our roofing warrantee settlement. Additionally, we had cost savings in our special landscaping programs.
- As a result, our operational reserve is now fully funded with a balance of \$26,244. Future contributions to this fund will now only be necessary if the fund falls below the minimum balance of \$25,000 required by our CC & R's.
- Also, the roofing settlement and our normal capital dues contributions contributed to an increase in our capital reserve fund of \$115,552 to bring it to a new balance of \$297,970.
- As planned, and for the first time, the capital reserve was used to fund a number of projects that included the restorations of the lake side upper decks, community mulching and decorative rock replenishments. Going forward, draws from the capital reserve are projected to be done annually to support community needs as projected by the 20-year plan. The draw for 2017 was \$59,302.

We believe these results indicate that the third year of operation was managed to plan, and consistent with expectations. The roofing settlement has brought our reserves to balances that support our current operational and capital plans for the foreseeable future.

Secondarily we wanted to give you a heads up on our projects for next year. However, we continue to receive questions regarding what the HOA is and isn't responsible for. So as a reminder, we have provided a list defining these responsibilities:

Responsibilities of the HOA

- Exterior Painting and Caulking
- Roof Replacement
- Upper Deck Restoration
- Road Chip Sealing
- Driveway Sealing
- Irrigation Systems Repair
- Pond Embankment Restorations
- Outdoor Pole Light Restorations
- Fence Maintenance (Wood Replacements)
- Patio Maintenance
- Drainage Maintenance
- Exterior Lighting Replacement
- Flower Bed Mulching
- Front Door Painting

Responsibilities of the Member

- Garage Door Repairs and Replacement
- Window Repairs and Replacement
- Front Door Repairs and Replacement (but not painting)
- Security and Other Alarm System Installations and Repairs

Projects Planned for 2018

- Painting to some units in targeted areas: \$32,390 (see details on next page)
- Upper deck restorations on the Park Side \$13,200
- Pond embankment restorations on Lake Side: TBD (\$88,000 budgeted)
- Drainage improvements (Park Side \$5,000)

As a result of the Architectural Committee's work with Hagestad Painting & Coatings, painting will be conducted annually on our villas in targeted areas throughout the HOA where paint or stain is needed. This new strategy will require annual inspections of each residence and will result in annual updates to the Long-Range Plan. The goal of this new approach is to keep the entire neighborhood looking sharp for less cost over the long run. Annual costs will vary from year to year, but is projected to average approximately \$25,000

Painting Schedule for 2018

Lake Villas

- 23 & 27 Completely painted (\$10,250)
- 39 & 43 South sides and lower sill (\$3,600)
- 31 & 35 Lower south lap siding and lower sills (\$1,200)
- 103 & 107 Lower south lap siding (\$900)
- 93 & 99, 87 & 91, 79 & 83, 451 & 19 Lower sills (\$1,600)
- 47 & 51 Garage door trim (\$300)
- 71 & 75, 67 & 63, and 55 & 59 appear to be in good condition
- Total Cost \$17,850

Park Villas

- 34 & 38, 42 & 46 South shakes, fascia and lower sills (\$5,630)
- 52 & 58, 62 & 68 South and west shakes, fascia, and lower sills (\$6,580)
- 385 & 395 Southeast shakes and fascia (\$2,230)
- Total cost \$14,440

Total 2018 painting cost, \$32,290 - all estimates include cleaning and touch up of areas damaged by birds.

I would like to especially thank Bob Lust and Jonathan Cantwell for volunteering and overseeing the enormous job of restoring the upper decks and sealing the lake side villa patios. It involved a huge amount of scheduling and coordinating between contractors and members. Thanks guys!!! And thanks for volunteering to coordinate this work for the park side villas this coming year!!!

This will be the last communication prior to the announcement of when our annual meeting will be. Please make use of our website at lakeviewparkvillas.com, and also remember to come to the annual meeting with recommendations of people you would like to see nominated for Board membership. Thanks for working with us.

Sincerely,
On Behalf of the Board

Paul R. Lentz
President

LVPV 2017 Profit and Loss (Cash Flow) Statement

| | | |
|----------------------|---|-------------------|
| Income | Dues for Operations | \$ 101,679 |
| | Dues for Capital or Long Range Projects | \$ 53,165 |
| | CertainTeed Settlement | \$ 88,800 |
| | Interest & Other Income | \$ 106 |
| | Total Income | \$ 243,751 |
| Expense | General | |
| | Property Management | \$ 8,034 |
| | Legal | \$ 1,277 |
| | Insurance | \$ 3,902 |
| | Lawn Care & Maintenance | \$ 40,436 |
| | Utilities & Irrigation | \$ 4,166 |
| | Road Maintenance & Snow Removal | \$ 2,215 |
| | Pest Control | \$ 3,030 |
| | Miscellaneous | \$ 4,647 |
| | Capital or Project | |
| | Upper Deck Restorations (Lake Side) | \$ 24,445 |
| | Mulch & Rock Replenishment | \$ 13,124 |
| | Special Landscaping (Replanting) | \$ 7,772 |
| | Driveway Resealing (Lake Side) | \$ 6,981 |
| | Gutters & Downspouts | \$ 1,275 |
| Contingency | \$ 5,705 | |
| Total Expense | \$ 127,010 | |
| Net Income | Net Income | \$ 116,740 |

LVPV 2017 Balance Sheet

| | | |
|----------------------|---------------------------------------|--------------------|
| Assets | Capital Reserve | \$ 297,970 |
| | Operational Reserve | \$ 26,244 |
| | Checking | \$ 18,313 |
| | Accounts Receivable (Prepaid Dues) | (\$ 9,320) |
| | Un-Deposited Funds | \$ 3,495 |
| | Total Assets | \$, 336,702 |
| Liabilities & Equity | Retained Earnings | \$ 219,962 |
| | Net Income | \$ 116,740 |
| | Total Liabilities & Equity | \$ 336,702 |

