

Treasurer's Report 10.12.2020:

I have reviewed the PBV 2021 Proposed Budget, and the basis for it, along with worksheets (attached) that detail the numbers. The 2021 budget starts with estimating the total operating expenses for 2020 (\$322,000). This amount is adjusted downward for non-recurring 2020 expenses, and increased for expected 2021 increases:

- Decreases for 2021:
  - \$6,000 less for legal fees—By Laws review, not yet billed.
  - \$400 less for office supplies copies, and mailings
  - \$9,300 less for grounds and landscaping
  - \$2,300 less for laundry expenses
  - \$1,100 less for tennis court work not yet billed
  - Total decreases = \$19,100
- Increases for 2021:
  - **\$12,000 more for insurance policies**
  - \$500 increase to allow for income taxes
  - \$1,000 increase for Elliot Merrill management services
  - \$5,600 increase for Total Building Operations—more for projects, labor, and cleaning
  - \$1,400 increase over what we estimate will be spent in 2020—for club house repairs, pool supplies, and repair of an additional rusting fence pole.
  - \$1,600 increase for utilities—some by contract.
  - \$700 increase over what we estimate will be spent for contingencies
  - Total increases for 2021 = \$22,800

This analysis yields a **net** operating expense increased of \$3,589, and so we estimate we'll need to spend \$325,583 to operate PBV in 2021. To this amount we are also planning to add a \$4,500 cash surplus (money we raise that we do not plan to spend) to increase owner's equity. Thus, we will need to raise \$330,083 in 2021 to cover all expenses; however, \$3,000 will be covered by laundry income. This results in \$327,083 needed from 2021 Maintenance Fees. This is an increase of \$9,527 over 2020 fees. Reserve Assessments will remain the same for 2021 (\$86,571). Our total for both operations and reserves will be \$413,654, and this results in a small Assessment increase for 2021 of \$10 per month for 2 bedroom units and \$13 per month for 3 bedroom units. The attached worksheets show all numbers. The Board feels raising \$4,500 of owner's equity is a prudent hedge against unexpected expenses.