



Lions Head South Association

2022 Budget Information & HOA Increase

ATTENTION HOMEOWNERS:

In the December edition of the Pride (which was distributed towards the end of November) the proposed 2022 Operating Budget and the Capital Improvement Budget were presented for all to review. Subsequently, as notified, a Resident's meeting was held on December 6 where a comprehensive review and explanation of the 2022 Budget was presented. It should be noted that on the Proposed 2022 Budget the total expenses were reduced by \$56,755.00.

This presentation explained to all those interested homeowners in attendance how the budget is prepared. For those homeowners who did not attend this important meeting, here is a brief review:

After all the Standing Committees make their recommendations to the Finance Committee, the Finance Committee looks at their recommendations and justifications which are then compared to proposed income for the year (2022). They also review long-term engineering reports which look at Capital Replacement items of concern. Capital Replacement items are one-time expenses not associated with the Operating Budget, which covers day-to-day expenses to operate the community. Capital items of major concern for the coming year are the Pool which has, as yet, undetermined damages causing leakage of both the pool and its underlying pipes and structure. Also of concern is the retaining wall at the rear of residences on Thames Avenue. These are still under engineering study and review.

The Finance Committee working with the Trustees; the Administration and Association accountants reviews all of these items. Another thing that is looked at is the **Consumer Price Index** (CPI) published by the Federal Government. This is a percentage that represents the increase in the cost of goods and services for all of us. Over the 8 or 9 years prior to 2021 this percentage was between 2.5 and 3%. For this year (2021) it is projected to be in excess of 6%. This is **twice** any of the previous years. Although the cost of everything has gone up every one of the past 10 years, there has been **no** increase in our \$125/month HOA fee. Considering all of the information available to us as described above, the prudent thing to assure that we are able to maintain our community at its present level is to increase the HOA fee to \$140/month. Still one of the lowest in the area. ***Also, for those having HOA fees deducted from their bank accounts; you should notify your financial institutions of the increase.*** Any late payment penalties for January 2022 will be waived.

As to our current finances; we are sound having approximately \$1.5 million in funds on hand.