



Southshore Master Association
2023 Budget Summary
November 15, 2022

Annual Budget Process

The budget process began in July/August.

Collection information from our property management company, vendors/contractors, and committees.

Budget drafted in September and revised in October.

Executive Board approved in October.

Presented at November Board meeting.

Area Representatives ratify the budget in December.

2022 Cost Savings Efforts

Expense	Savings	Notes
Landscaping Contract	141,862	Change to Keesen thru competitive bid process
Annual Flowers	88,015	Planted perennials instead of annuals
Trash Service	70,058	Negotiated lower rate w/ WM; effective 10/2022
Insurance	<u>45,397</u>	Eliminated duplicate Property Insurance
Total	<u>345,332</u>	

Developer Controlled Board – 2022 Proposed Budget

- Proposed a budget that would have increased the monthly assessment.
- Not approved by Area Representatives

Homeowner Controlled Board – 2022 Approved Budget

- Budget maintained the \$135 monthly assessments.
- Budget developed with assumption of cost savings.

Capital Projects

- Expense savings used to balance the budget and allowed for capital improvements.
 - Permanent Lighthouse shade structures
 - Installing permanent holiday lighting on Lakehouse and Lighthouse
 - Fence Staining Lake and Senac Districts
 - Replace Lakehouse concrete west steps (2023 Capital Reserve Study)

2023 Budget

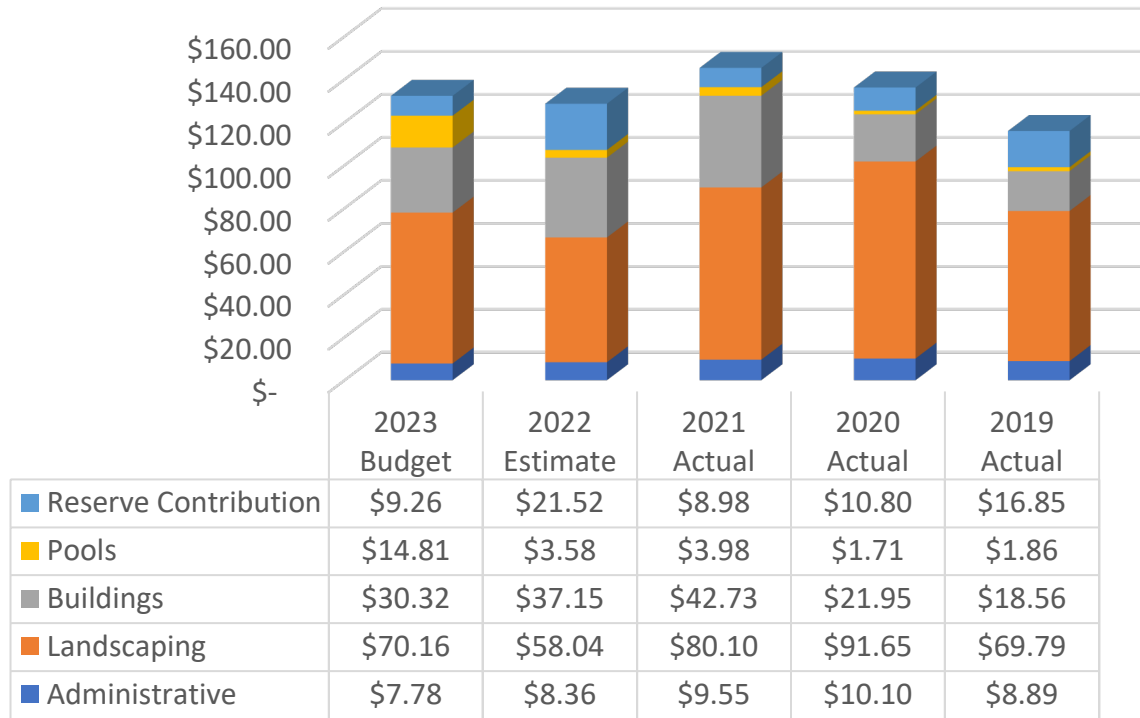
Account	Amount	Notes
Income	2,858,500	Mostly the \$135 monthly assessments
Expenses		
Administrative	168,000	Management fee & Insurance
Landscaping	1,515,500	Mowing, snow shoveling, trash, landscaping enhancements
Building Maintenance	655,000	Staffing, operations and maintenance
Pool Operations	320,000	Staffing, chemicals and minor repairs/supplies
Reserve Contributions	200,000	Transfer to Reserve Funds (not an expense)
Net Operating Income	-	Balanced Budget

Assumptions and Noteworthy Changes

- Estimated homebuilders will deliver 150 homes during 2023
- HOA begins landscape management for filings 14, 16 and 18
 - Parks, open space and Lighthouse (east side of community)
 - Leaves only filing 19 (new Richmond American and Century Community area)
- Fund additional event, fitness activities, and new self pour amenity
- Available funds to enhance landscaping (flower beds, replace dead bushes and trees, mulching)

Expense Comparison

Monthly Expense per Home



Observations

- Starting in 2023, Pool Management expense moved from buildings to pools expense.
- Adding a significant amount of landscaping in 2023 in the new home area. Previously included in the construction cost.
- Significant cost savings in 2022 resulting in a one-time contribution to the reserve fund.

Neighborhood Comparison

Why are Southshore's monthly assessments higher than the surrounding communities?

All the surrounding communities fund part if not all of their operating expenses through their metro districts. This allows the surrounding communities to collect operating funds through property taxes.

Currently, Southshore funds all operations through the HOA.

How does Southshore's cost compare to the surrounding communities?

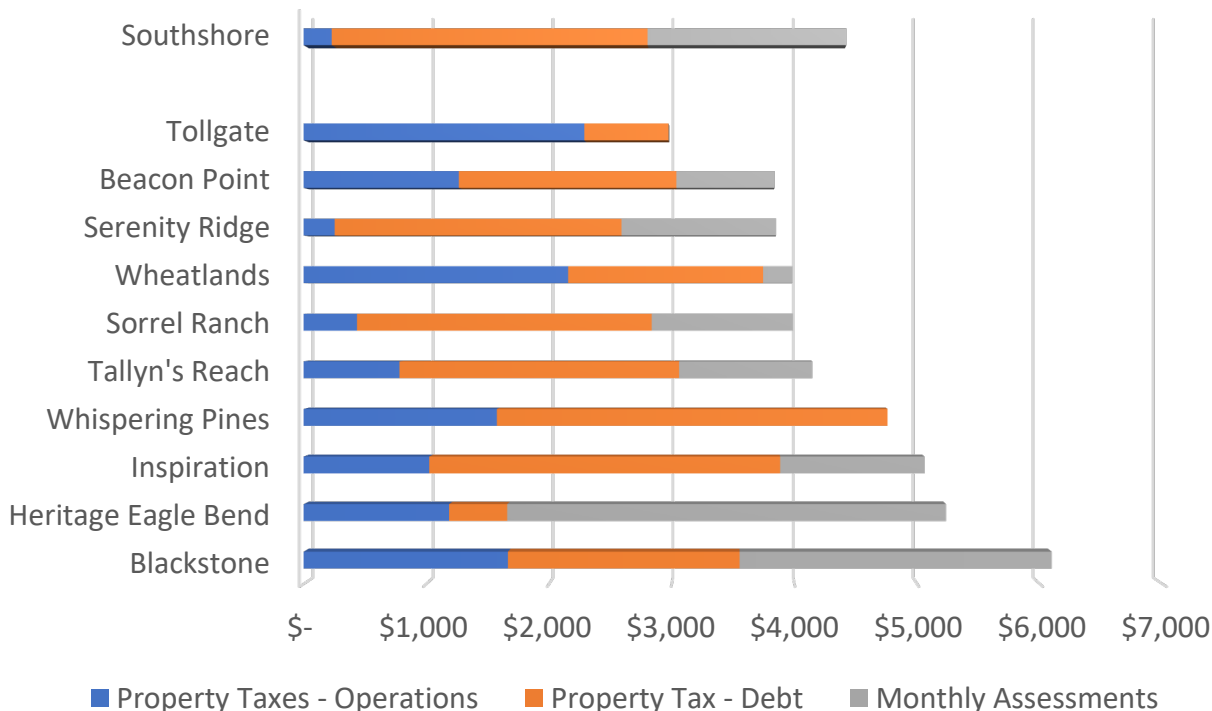
2022 - Annual Total Cost to Homeowner

Keep in Mind

Southshore is only community with 2 clubhouses/pools.

Serenity Ridge has no clubhouses.

Many of the surrounding communities are required to contribute to the SARIA. Southshore is excluded.



Based on \$800,000 actual assessed value.

Next Couple of Years

Annual revenues will continue to increase with the additional homes being delivered by homebuilders. It's believed the community will stabilize in 2024. The remaining homes to be delivered will contribute approximately \$500,000 annually.

Expense categories will begin to flatten starting in 2023. The only exception is with the additional landscaping that will be assumed in 2024.

These additional funds will be used to increase our reserve contributions. A planned 2024 reserve study will determine our reserve contributions requirements.

Questions