

November 2, 2022

Presidents Report

Greetings:

Welcome to our Annual Meeting 2022. It is nice to be able to get together again.

Summary Financial Report: as of October 31, 2022

Total Accrued Income	\$ 373,758.46
<u>Total Expenses</u>	<u>\$ 362,410.54</u>
Net	\$ 11,347.92
Reserve Collected	\$ 63,352.57 (9/30/2022)
Operating accounts as of 10/31/2022	\$ 11,828.55
Total Reserve Balance as of 10/31/2022	\$ 62,043.36
Additional Reserve Oct - Dec 2022	\$ 14,000.00
Est Reserve Funds Year 2023	\$ 96,000.00 (Total accrued)

Attached is the 2023 proposed budget that will be posted on our website and also mailed in December 2022 along with your coupon booklet. Our website at www.court2condo.org is up and running with helpful information. Please visit it.

We completed the new deck boards in the main complex in 2021, and, as previously planned, we have started the railing replacement in the main complex. The end unit balcony deck boards will be replaced in 2023 when we proceed with the railing replacement on those units. We have started changing decking in the 500 buildings doing the ramps first.

With that said, in addition of the extreme cost increases in material and the limit of supplies we have had to move more slowly in the railing replacement program. Please keep in mind that the replacement monies we receive each year is \$96,000.00, providing everyone pays. Therefore, the significant increase in costs of building material and labor has dictated how many we can get done. And how quickly we can move along. Although the increase in labor costs, along with increased costs of material and shortage of material may have slowed us, it did not stop us. We will continue to make repairs to our common elements.

In 2023 we are going to start a program to power wash buildings on a bi-yearly basis. This will allow all buildings to be washed every two years.

Also there has been interest in having community social events such as a movie night in the clubhouse, July 4th Fire Works night and a pool social/meeting event in the summer. Director Garnell Bailey has agreed to chair these events and anyone wishing to assist her on the committee would be welcomed. Since the pandemic seem to be in our rear-view mirror, it should be time to enjoy events in our community

Major Expenditures:

The Managing Board of Directors has included in this package a summary of our ongoing replacement program and its expenses. As you can see, we have consistently moved along with replacements. In 2022 we have to date expended \$43,771.35 on replacements such as decking and railings. Since inception in 2016 we have completed \$609,716.00 in repairs.

One unfortunate setback was the realization that the new townhome building roofs are failing. We had to replace two townhome roofs due to severe roof leaks at a cost of over \$60,000.00. These buildings are not old, and we did not plan to have this added expense. In addition, the windows in the townhomes are constantly leaking. As a note, windows are not a common element and are an owner related repair.

In late 2018, the association obtained the services of True Green to make regular treatments on our lawns. This regular treatment program for our lawns has kept our lawns looking good. Lawn care costs for year 2022 was 32,000.00 and in 2023 it is estimated at \$ 40,000.00.

Insurance costs have increased slightly over the years to \$61,000.00 in 2022 , snow removal \$24,000.00 and collection legal expenses at \$ 4,900.00. General repairs and supplies to the common elements are \$ 21,000.00.

Bad debt due to foreclosures, short sales and bankruptcy has dropped to under \$ 5,100.00 in 2022. However higher inflation, interest rates, higher unemployment may cause a financial strain in 2023.

Since our last increase in the Maintenance fee (condo fee) was in year 2015, the normal costs of operations for the association have risen continuously. Just last year the cost of goods and services has risen in the USA over 8%. Rising costs directly impact on services provided. The association will include a slight increase in the Condo fee of approximately 6% for year 2023. As I said, this is the first increase in the general condominium fee in 7 years.

The Replacement fee, which is dedicated solely for replacement and repairs will continue at the present rate with no increase.

As always, the accounting firm of Ford-Scott and Associates performs an independent financial review of policies and procedures of all the associations books and records every year.

The Associations legal representative is Dean Weisgold, Esq

Anyone wishing to inspect the books and records may do so by requesting an appointment with the association after January 1, 2023.

Respectfully submitted,

Rosemary Selah

Rosemary Selah, President
court II Condominiums