

2023 Projected Dues (Settlement)



SETTLEMENT DUES	2020	2021	2022	2023	Increase
	Actual	Actual	Budget	Budget	
HOA Dues RVRMA	\$298	\$290	\$358	\$394	\$36
Settlement (Added Services)	\$120	\$127	\$131	\$147	\$16
Painting Reserve	\$95	\$95	\$101	\$111	\$10
Irrigation Reimbursement Assessment	\$17	\$17	\$17	\$19	\$2
	\$530	\$529	\$607	\$671	\$64

Settlement monthly dues in 2023 show an increase of \$16 in operating + \$10 in reserves + a \$2 increase in irrigation assessments totaling a \$28 increase. This is in addition to RVRMA increases. For 2023, grand total monthly dues show an increase of \$64 overall (as illustrated above).

This increase is due to multiple factors at play. In years past, the Settlement ended the year with deficits, which were then taken from the reserve fund. Over time, this has driven the reserve fund from an ending balance of \$55,205 in 2020 down to an estimated balance of \$26,062 to end the current year.

Inflationary factors are also coming to bear.

While we originally thought that smaller annual increases ensure financial wellbeing, as we budget for 2023, we believe that the proposed increases are necessary to maintain the integrity of the Settlement reserve fund. There may also be a need to change the painting schedule in future years, ensuring that reserves are adequate to avoid any special assessments.

We also increased irrigation assessments for all communities. Those assessments had not been increased since 2017. As you can see above, we increased those assessments by \$2 for the Settlement.

See the next slide for detailed reserve balances over time.

Reserve Balances Over Time (Settlement)



	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Reserve Beginning Balance	48,657	55,205	46,406	26,062
Operating Surplus from previous year	10,446	(8,036)	(13,567)	(8,946)
Reserve Common Assessments	63,840	63,840	67,872	74,592
Reserve Expenses-Painting	(67,738)	(64,603)	(77,024)	(82,170)
Reserve Estimated Ending Balance	55,205	46,406	23,687	9,539

Under our proposed due increase, we would end the year (2023) with an estimated \$9,539 in reserves. This amount is the slimmest margin that we recommend. Any further decreases in Operating, or Reserve dues would decrease the reserve fund going into 2024.

Such a decrease would only increase the necessary dues to be assigned in 2024.

Globally, the issue revolves around an underfunded reserve, which needs to be addressed to maintain the painting costs into the future.

2023 Budget (Settlement)



Note: Irrigation assessments have not been altered since 2017. We did raise these fees nominally for all residents.

	2022 Actual Est.	2023 Budget
Income		
Common Assessments-Reserve	67,872	74,592
Common Assessments-Operating	88,032	98,784
Total Income	155,904	173,376
Expenses		
Snow Removal	27,572	29,532
Lawn Maintenance	48,974	49,601
Irrigation System R & M	20,432	19,651
Reserve Allocation	67,872	74,592
Total Expenses	164,850	173,376
Net Income	(8,946)	(0)

Reserve Beginning Balance	46,406	26,062
Operating Surplus from previous year	(13,567)	(8,946)
Reserve Common Assessments	67,872	74,592
Reserve Expenses-Painting	(74,649)	(82,170)
Reserve Estimated Ending Balance	26,062	9,539
SETTLEMENT DUES		
HOA Dues RVRMA	\$358	\$394
Settlement (Added Services)	\$131	\$147
Painting Reserve	\$101	\$111
Irrigation Reimbursement Assessment	\$17	\$19
	\$607	\$671