

Harbor Cove Timeshare Owners' Association
2021 Annual Financial Report (revised to reflect 242 owner weeks)
2022 Projected Budget based on 240 owner weeks paying

Ward & Schmelzle 2-7-2022

			<i>Final - Approved</i>	<i>Final - Approved</i>
	<i>2021 YE - projected (1)</i>	<i>2021 Year End-actual</i>	<i>2021 Budget</i>	<i>2022 Budget</i>
Revenue-Operations & Reserves				
Maintenance Fees-Operating	\$ 146,068.00	\$ 145,200.00	\$ 145,200.00	\$ 150,000.00
Late Fee Income	\$ 1,210.00	\$ 1,434.00	\$ -	\$ -
Additions to Reserve:				
Gifts Received	\$ 812.00	\$ 812.00	\$ -	\$ -
Maintenance Fees-Reserve addition (\$25/wk 2021)	\$ 6,050.00	\$ 6,050.00	\$ 6,050.00	\$ -
Maintenance Fee Recoup-HCTSA weeks used	\$ 15,000.00	\$ 11,633.00	\$ 10,000.00	\$ 11,000.00
RCI Administrative Fee	\$ 1,000.00	\$ 870.00	\$ 2,100.00	\$ 1,000.00
interest Income on reserves	\$ 7.00	\$ 10.00	\$ 100.00	
Total Additions to Reserve	\$ 22,869.00	\$ 19,375.00	\$ 18,250.00	\$ 12,000.00
TOTAL REVENUE	\$ 170,147.00	\$ 166,009.00	\$ 163,450.00	\$ 162,000.00
Operating Expenses				
Board Expenses	\$ -	\$ -	\$ -	\$ -
Cable (WiFi-TV-Phone)	\$ 13,679.00	\$ 13,872.00	\$ 13,800.00	\$ 14,632.00
Carpet Cleaning	\$ 2,260.00	\$ -	\$ 2,520.00	\$ 1,300.00
Cleaning (weekly units)	\$ 17,175.00	\$ 19,289.00	\$ 20,160.00	\$ 20,465.00
Collection & Professional fees	\$ -	\$ 510.00		\$ 600.00
Electric	\$ 5,547.00	\$ 5,206.00	\$ 5,640.00	\$ 5,640.00
Fees (Phase 1 / Comm. Prop)	\$ 29,853.00	\$ 29,854.00	\$ 29,852.00	\$ 33,628.00
Furniture Cleaning	\$ -	\$ -	\$ 800.00	\$ 800.00
Gas	\$ 6,309.00	\$ 4,601.00	\$ 6,050.00	\$ 6,050.00
Insurance	\$ 3,220.00	\$ 3,220.00	\$ 3,200.00	\$ 3,296.00
Laundry	\$ 7,290.00	\$ 7,126.00	\$ 7,790.00	\$ 7,290.00
Legal	\$ -	\$ -	\$ 600.00	\$ 1,000.00
Maint. Week Cleaning	\$ 2,400.00	\$ 800.00	\$ 2,400.00	\$ 1,500.00
Maintenance & repairs	\$ 13,000.00	\$ 14,703.00	\$ 13,494.00	\$ 14,783.00
Management Fees	\$ 20,604.00	\$ 20,604.00	\$ 20,604.00	\$ 21,466.00
Printing-Mailing-Miscellaneous	\$ 900.00	\$ 905.00	\$ 1,350.00	\$ 900.00
Taxes and Filing Fees	\$ 13,644.00	\$ 13,644.00	\$ 13,460.00	\$ 13,650.00
Unit Supplies	\$ 2,723.00	\$ 2,257.00	\$ 3,480.00	\$ 3,000.00
TOTAL OPERATING EXPENSES	\$ 138,604.00	\$ 136,591.00	\$ 145,200.00	\$ 150,000.00
Total Revenue less Operating expenses	\$ 31,543.00	\$ 29,418.00	\$ 18,250.00	\$ 12,000.00

Less collections added to Reserve for Replacement	\$	(22,869.00)	\$	(19,375.00)	\$	(18,250.00)	\$	(12,000.00)
Excess Operating revenue over operating expenses****	\$	8,674.00	\$	10,043.00	\$	-	\$	-

<u>Analysis of Reserve for Replacement</u>	<u>Projected 12/31/2021.</u>		<u>Actual 12/31/2021.</u>		PROOF OF CASH BALANCE		
					<u>12/31/21</u>		
Carryover Balance as of 12/31/2020*	\$	68,764.00	\$	68,764.00	Cash Balance	\$	177,125.00
Replacements incurred during the period **	\$	(75,841.00)	\$	(71,061.00)	less prepaid 2022 fees	\$	(117,545.00)
Additions during the period - above	\$	22,869.00	\$	19,375.00	less Restricted Reserves	\$	(31,000.00)
Excess during the period to carryover-above	\$	8,674.00	\$	10,043.00	less Prepaid 2022 rent	\$	(1,925.00)
Adjustment to balance to cash on hand	\$	(466.00)	\$	(466.00)		\$	26,655.00
Cash Balance in Replacement Reserve	\$	24,000.00	\$	26,655.00			
Restricted Reserve Balance***	\$	31,000.00	\$	31,000.00		\$	31,000.00

2022 Maintenance fees = \$625 per week owned based on 240 paid weeks in 2021

* Reserve for Replacement/Painting carryover balance as of 12/31/2020 was \$68,764 per 2020 Annual Financial Report represents accumulation of funds for improvements planned that were not completed due to labor shortages and pandemic restrictions.

**Major improvements completed in 2021 : New vinyl floors, new carpet, new stoves, new twin beds; holding funds for main bathroom renovation - done units 14 & 19.

***Bylaws require a minimum of 10% of annual budget to be held in restricted reserves or \$15,000, additional amount held for emergency replacements.

****Any excess funds at year end will be used for future year capital improvements and added to the Reserves for Replacement/Painting.

Major capital improvements approved by BOD - 4 main bathroom renovations - 2 units funded as of 12/31/2021.

Major capital improvements BOD is working on a plan of action and funding-HVAC units, restoration of wood paneling & painting upper & rehab bathroom upper level.

Amount paid for property taxes for each week owned in 2021= \$56.61

Note (1): Report is based upon actual 8 month results and best estimate of final 2021 numbers.

This report is a Treasurer's summary of the official books kept by our property manager, Northern Michigan Escapes