

TRAVERS CREEK
ASSOCIATION
FINANCIALS

AGENDA

Community Overview

Association Expenses

Association Reserves

2022 Budget Review

2023 Budget Review

Collections

Summary

COMMUNITY OVERVIEW

Preserve at Travers Creek

- Community of 214 Townhomes (& members) (44 Initial and 170 New Development “Starlight Homes”)
- Community was initially surveyed in 2006 by I-20 East Inc. (Parkside Homes) 44 homes of the initial project were built before the 2008 recession.
- From 2009 through 2010 Remaining 170 lots were Granted to Georgian Bank which went into receivership and was purchased by the First Citizens Bank & Trust Company.
- In 2016 the remaining lots were sold to Starlight Homes (Parent Company Ashton Woods)
- In 2017, Starlight resumed construction of the remaining lots, finishing in early 2020.

ASSOCIATION EXPENSES

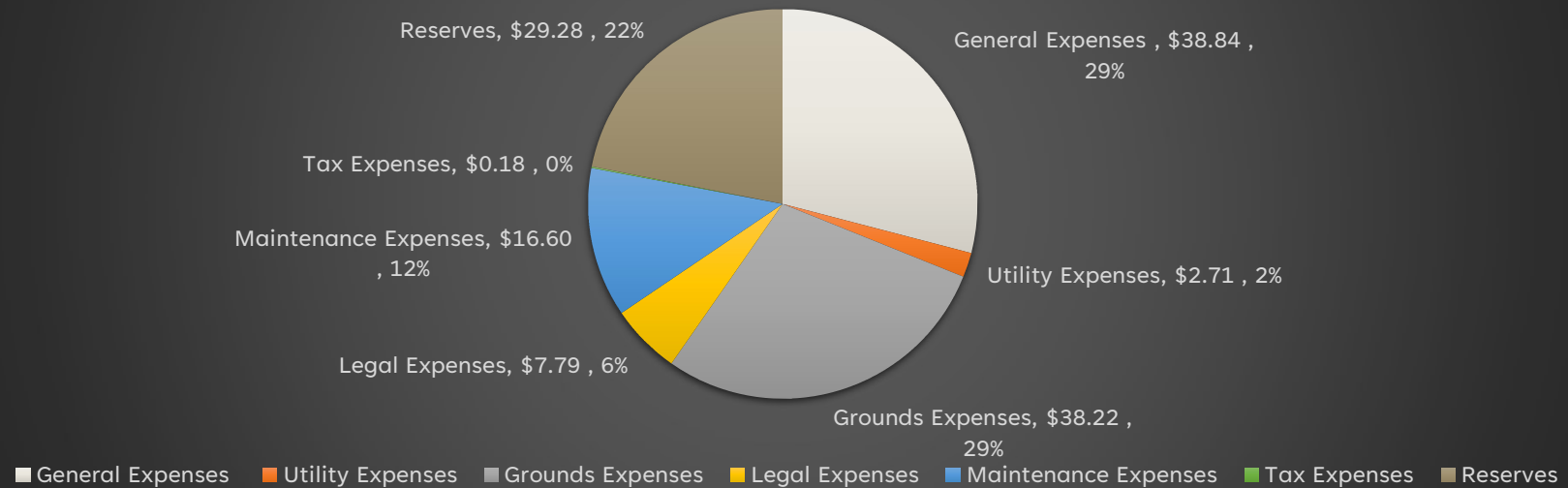
- Expenses are broken down into 6 major categories, as follows:
 - **General Expenses:** Property management fee (ACS), Property Insurance, Administrative Expenses.
 - **Utility Expenses:** Lights at entrances, Fire suppression system rooms, Water & Sewage.
 - **Grounds Expenses:** Landscaping, Pine straw, Flowers, Tree Maintenance, Retention Pond Maintenance.
 - **Legal Expenses:** Legal fees that come up throughout the year for the association.
 - **Maintenance Expenses:** Fire suppression system inspection, exterior of homes, plumbing (before the meter, riser rooms, etc) general repairs, signage, etc.
 - **Tax Expenses:** Accounting and Tax Services, Property Taxes.

ASSOCIATION RESERVES

- The reserves for an association is a savings account to cover planned and unplanned major expenses for the community.
- Typically, a Reserve Study is conducted by an outside firm which reviews the state of the infrastructure of the community, along with it's current reserves to determine the "how much" and "when" funds will be needed for the upkeep of the community.
- Travers Creek had a reserve study conducted in 2019 based on a 30-year period.
- This study assists the association in planning the annual budget to ensure that not only are the annual upcoming expenses met, but that the annual contribution to the reserves is enough to meet future planned and unplanned expenses in the community.
- This document can be reviewed by all homeowners on the ACS web portal under the documents tab.

2022 BUDGET BREAKDOWN PER UNIT

2022 Budgeted Allocation of Monthly Assessment per Unit





2022 BUDGET SUMMARY

In 2022, the monthly assessment was raised to \$133/month to cover rising expenses.

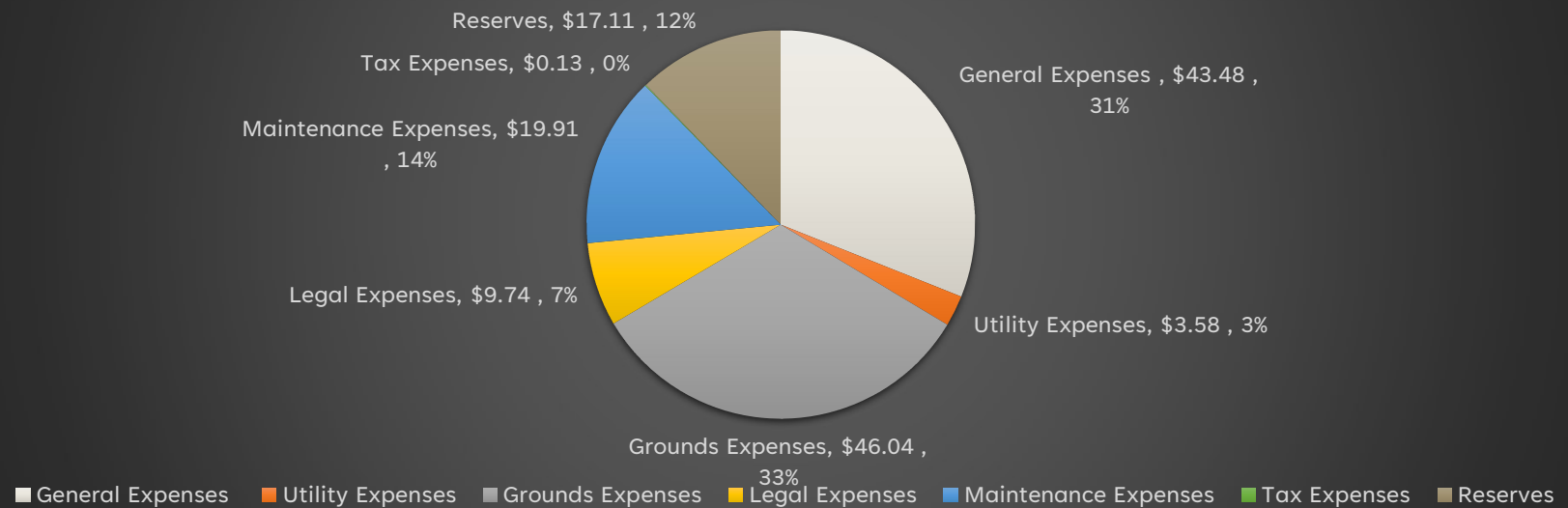
During the year, the association had a major unplanned (unbudgeted) expense regarding roof replacements on the initial 44 homes, resulting in an expense in 2022 of \$159,616, with \$13,333 deferred to 2023.

2022 is projected to end the year without an annual reserve contribution, due to the unplanned expenses occurred during the year.

While the association had adequate reserves (savings) to fund this project, we will need to manage the budget responsibly moving forward to continue to build the associations reserves to adequate levels for future planned and unplanned maintenance items.

2023 BUDGET BREAKDOWN PER UNIT

2023 Budgeted Allocation of Monthly Assessment per Unit





2023 BUDGET SUMMARY

In 2023, the monthly assessment will be raised to \$140/month to cover rising expenses and to build adequate reserves in alignment with the Reserve Study conducted in 2019 for future planned and unplanned maintenance items in the community.

The expected annual contribution at the end of 2023 is expected to be \$43,000. While under the required reserve contribution per the Reserve Study, the following actions below will be taken to attempt to find additional funds through a cost reduction in the operating expenses.

2023 Cost Down & Quality of Service Actions

All contracts that the association has in place, along with non-contracted services will be thoroughly reviewed by the association and the most competitive vendors on cost and quality will be selected and/or retained to service the community.

Any improvements taken will be communicated to the community via the community newsletter.



COLLECTIONS

- As of October 31st, 2022, 23% of the community is in the collections process. The 23% equates to over \$120,000 in operating income or reserve funding missing from the association.
- Due to the financial state of the association and the need to build adequate reserves for future planned and unplanned maintenance expenses, the association will be sending past due members to collections, based on the guidelines below:
 - **Over 90 days or if equal to or greater than \$500, but less than \$1000 is owed**, the members account will be sent to Georgia Assessment Recovery (GAR).
 - **Over 180 days or if equal to or greater than \$1000 is owed**, the members account will be sent to the attorney.
- If a payment plan is needed for past due balances (not in collections), please reach out to the property management company (ACS) immediately to discuss options.



SUMMARY

In 2023, it is the intention of the association to improve the financial state of the association through cost reduction in the operating expenses, where feasible, while maintaining quality of service and reduction of the overall balance of operating income in arrears.