

## **Park Lake Villas, Inc.**

**(A Condominium Association)**

September 28, 2011

Dear Association Member:

In this packet you will find a copy of the proposed 2012 budget for Park Lake Villas, Inc. The Board is proposing no increase in the monthly assessment this year leaving the rate at \$335.00 per month.

As an Association we have been very fortunate that only one of the sixty units is seriously in arrears due to the owner falling behind then declaring personal bankruptcy as we were ready to foreclose, stalling the process of collecting our dues. We do have several other units, however, that are behind in their assessments. The Association is pursuing collection of these assessments as part of our fiduciary duty. While the loss of the assessments makes it more difficult to pay for operating expenses, we are currently in good financial shape during this difficult economy.

There is a shift in the funding between operating and replacement fund costs. The operating budget is increasing \$21 per unit per month and the replacement fund budget decreasing by same for 2012. On the operating side, there are several items driving the increase. Irrigation repairs for one represent an \$8 per month increase. Our irrigation system is aging and that combined with tree roots resulted in more line breakage. Another increase, which equals \$18 per month, is roofing repairs. During 2011 we dipped into the roofing reserve by completing several major dormer and unit dividing wall replacements due largely to original rotting wood and failed flashing. During 2012 we will have to fund any roof repairs out of operating expenses as well as replenish the roof reserve. These operating increases were partially offset by various decreases in operating expenses.

The Reserve for Major Repairs and Replacements budget decreased \$21 due to fully funding the painting reserve and one of several deferred maintenance items. During 2011 we updated our professional reserve study so that we make sure we are adequately funding our reserves. The good news is that costs were steady or decreased slightly from the previous reserve study done in late 2006. Because of the commitment to funding the replacement fund, we are in a good position for the future, barring any unforeseen events. One uncertainty at this time is the condition of the roofs that have not had any repair work done on them over the past few years. Anyone who has been around Park Lake Villas for a while knows that the dormers pose potential problems as well as the aging substrate (plywood) of the roof itself.

Other replacement fund expenditures this year include patching & resealing the parking lots and adding parking bumpers along Orange Tree Court, paid for from the Road/Paving replacement fund. We also had reserved for, and replaced, the soffits on 2 of 3 buildings that had drywall type soffits. The final building is budgeted for 2012.

In 2012 we are scheduled to painting the buildings and perimeter wall. In addition, we are due for the bi-annual dryer vent cleaning. You will receive a notice about the timing of these repairs after we schedule them. We thank you in advance for your cooperation.

We continue the long-term funding plan for major repairs and replacements. Florida Statutes require that condominiums present a fully funded reserve budget. Continuing to fund for the future insures that we can keep Park Lake Villas an attractive, safe and desirable community. To answer the yearly question as to why our dues are higher than other area associations, we 1.) Get a professional opinion on what adequate reserves are and base our numbers on that in order to help avoid special assessments which are burdensome to owners, and 2.) We fully fund our reserves and budget to address all necessary structurally restorative as well as preventive maintenance issues.

**Important reminder** - If you experience a one-time difficulty paying your assessments, please notify the Association through our management company, Greystone. If you have on-going issues paying your assessments and need a payment plan to bring your account current, please submit a request to the Association's Board. If you keep your payment plan current, no other collection activity will be pursued. If we do not hear from you, by law we need to turn the account over to our attorney to pursue collections. By notifying the Association, you may save yourself the attorney's fees that will be added to the unpaid assessments, accrued interest and late fees. The board will be voting on the proposed budget at **the October 18<sup>th</sup>** board meeting. The meeting will be held at Greystone's new office at **1001 N Lake Destiny Drive, Suite 125, Maitland, FL at 6:30 PM**. While this will be a Board meeting, it is open, as always, to all condominium owners. Owners with specific questions or concerns about the proposed budget will be given 2 minutes each to address the Board.

Best Regards,

Patricia Cassidy, CPA, Treasurer  
Park Lake Villas, Inc.

Barbara Nelen, President  
Park Lake Villas, Inc.