

Prior to the Annual Meeting, as Treasurer I would like to present the following budget information. However, first I would like to state that the budget is available in the newsletter for those who haven't looked at it as well as our roads fund posture. Additionally, the complete definition of our funds are contained within the Rules and Regulations, Rule R which are also on the website.

A quick overview of the four funds we currently have available are:

**Operational Fund** - day to day operations to run MLPOA. Includes small maintenance of equipment and structures, Caretaker salary, facility and vehicle insurances, CPA costs, utilities, etc.

**Perpetual Roads Fund** - Monies set aside specifically in support of maintaining roads. This fund rolls over year to year and increases when there are leftover road fund monies from the previous year.

**Reserve Fund** - Utah State mandated fund set up to maintain/replace common areas and/or organizational structures. We have the Caretaker cabin, Reynold's Station, Code Equipment Shelter. We don't spend this money so that we are in compliance with the State Code.

**Contingency Fund** - Where we put monies for replacement of large equipment, major repairs and special projects.

At the 2017 Annual Meeting we voted to take \$20,000 out of the Contingency Fund for use towards two projects to be accomplished in 2018. (Rekeying the gates and fixing the well at the Caretaker's Cabin). That \$20,000 did not pay for these expenses 100%, however supplemented them substantially. Add to that the money recouped from selling keys which helped us stay to the good in our budget for 2018. We also voted at the 2017 Annual Meeting that the membership wanted it shown exactly what it cost and what we recouped for the rekey, which explains why it's broken out in the budget. There is also a line item showing what we spent from the Perpetual Roads Fund last year. We are trying to stay completely transparent on everything we have done with the membership's money.

We like to replace any money taken from the Contingency Fund as well as build that fund because it provides us the ability to meet unexpected demands that not only can, but will occur without putting additional assessments on our members. We have been working on the 5 year plan for equipment and projects and have put together a committee which will be obtaining input from members and the caretaker to finalize the plan. If you're interested in participating on this committee, contact our Vice-President.

As we prepare the proposed budget every year it is subject to change based on previous years expenses, known future expenses and what things will cost. We can't predict what equipment failures we will have, what fuel costs will be, or even demands based on weather conditions. For that matter, even predicting what the income from the

membership for lots changes. We have individuals who were grandfathered and no longer are; we have individuals who combine lots legally which reduces our total lot number; we have members who have petitioned to no longer be in MLPOA that are outside of the gates and that reduced the total; and lastly we have individuals who refuse to pay their Association Dues which necessitates us to take legal action. For the past several years we have had mild Winters which didn't require a lot of work be performed. This year is different and we have already spent 50% of the allocated monies for diesel and gas and we're only in March.

Now let's talk about some of the things the board has implemented in the last year in an effort to save money. We have conducted a review of the insurance for vehicles, properties, board members and went with a plan that gave us more insurance for less. We changed CPAs that gave us a cost savings since this CPA will not only do our books, but the yearly review and prepares our taxes. We strategized what we thought was the best use of our Roads and Perpetual Roads Fund and crushed our own gravel that not only saved us money but allowed us to utilize funds elsewhere in 2019. We reviewed and changed the telephone plan at a cost savings. We have increased utilization of social media (our website and FB) which allows us to use the website for quick notifications to our membership and post our Newsletters, which saves us costs in ink cartridges, paper, envelopes, CPA charges and postage. We implemented an electronic invoicing system to further save in this area. We perform as much maintenance on our equipment as we can, often calling on others to assist to try and save us money instead of always taking equipment somewhere else to be serviced. To be honest, I believe we have accomplished pretty much every cost cutting action that we can. We've been successful to keep within the budget, but it worries me that we won't be able to continue that for much longer. Even if we agree to an association dues increase, it won't be implemented until 2020.

I realize and agree that members are entitled to information on how things are being run at MLPOA. This is information any of the current board members are more than willing to share. I get frustrated as a fellow property owner who has volunteered for the board when I see how hard we work trying to get things accomplished. But then we receive complaints, demands and threats for more. There are times when I go to MLPOA for a weekend and spend the entire weekend working on Board functions instead of just relaxing and enjoying my property. We have to beg for people to run for the board each year and half the time we don't meet our regulatory requirements on the number of individuals to run. Don't get me wrong, I like being on the board and enjoy doing things to make it more enjoyable for all of us there. I just wish our membership would be a little more understanding and helpful. We all love MLPOA and want to enjoy it.