

KCHOA 2010 ANNUAL REPORT

President's Message

I would like to take this time to recognize many of our Board Members, Committee Chairpersons, Committee Members, Block Captains and other volunteers.

Board of Directors:

Bill Duncan, President
Greg Hill, Vice President
Edith Bowden
Matt Caldwell
Tom Weiskotten

Treasurer: Melodie Green and then Ruth Rivas

Secretary: Cindy Reynolds

Chairpersons:

Kris Richardson, Events
Kelly Bagwell, Elections
Richard Wingerson, Newsletter and Pool

Advisors:

Roger Bagwell
Jim Reynolds

This group of individuals has made it possible for us to complete a lot this year. They have made it fun and enjoyable at the Board meetings and to be part of the Association. They all have been very instrumental and have provided great discussion which has been in depth with a lot of good ideas brought before the Board for consideration.

We are a unique neighborhood because we are the only subdivision north of Tallahassee with a community pool, close to schools, shopping and great neighbors. We have a very generational population with a cultural diversity.

While some have sort of been negative about having to pay dues mainly for the Pool Complex everyone who buys a home in here knows or should know that there is an association with a community pool which in the long run is an investment and attraction when selling your home. Summerbrooke recently built a community pool but membership cost's \$75.00 per month. If you look around the state at other communities like ours then our dues are a bargain.

This year has been a very good year for us. We have accomplished a lot in a very short period of time that has had a positive impact on our subdivision. More

importantly we have been able to raise the bar so to speak as we have more participation by members and homeowners and homeowners have been doing a better job in maintaining their homes and yards. In addition, we seen an increase in home values in Killlearn Commons compared to not only Killlearn Lakes but Leon County overall. So we've done a pretty good job in protecting our investments.

We, the members of the Board, have taken a proactive and customer orientation approach in attempting to address issues, concerns, etc. as we become aware of them and not let them linger and expedited getting them taken care of.

Annual Financial Report

The Financial Report is based on current Year to Date information since we view our Fiscal Year as the Calendar Year which corresponds to our annual dues. However since we are close to end of the pool season then we'll see the expenses become minimal for the rest of the year.

The Board this year prepared and approved a detailed budget. The Board attempted to get a better handle and understanding of the expenses. We looked for ways to reduce the expenses while at the same time looked for ways to enhance our investments through Capital Projects that affects every one. We anticipate a more detailed budget this next year since this year has been sort of a learning curve for us in learning what the actual expenses have been.

Financial Analyses

		2010 Budget	2010 YTD	2011 Predicted
Assets	Bank Account	\$ 19,058.79	\$ 15,518.59	\$ 12,000.00
	CD	\$ 37,727.19	\$ 38,227.39	\$ 38,483.39
	2010 Revenue	\$ 29,620.80	\$ 30,353.57	\$ 29,000.00
	Neighborhood Assistance		\$ 50.02	\$ 50.02
	Savings		\$ 5.36	\$ 5.36
Total Cash		\$ 86,406.78	\$ 84,154.93	\$ 79,538.77
Liabilities	2010 Expenses	\$ 22,222.88	\$ 22,491.31	\$ 23,000.00
	2010 Capital Project	\$ 4,150.00	\$	\$ 18,000.00 (1)
	- Picnic Patio		\$ 7,513.55	
	- Easement Fence		\$ 697.50	
Total Liabilities		\$ 26,372.88	\$ 30,702.36	\$ 41,000.00
Total Assets		\$ 64,183.90	\$ 53,452.57	\$ 38,538.77

(1) The 2011 Capital Budget is for the relining of the pool. The funds will come from the CD which is what it's for. We known since the original building of the pool that the marcite would wear down and need to be redone and that part of what the CD was designed for so there would be no need for any kind of special assessment.

See end for detail budget and expenses.

2010 Accomplishments

The Board has become very transparent. We developed a format for the minutes of the Board meetings that is easier to read and understand. We publish on the Web site all minutes and financial reports so that anyone can have access to the information. We've been very open at the Board meetings but we really don't get that many homeowners participating, so I guess we've been doing the right things.

In November of last year, 2009, we closed both Peoples First and Bank of America bank accounts and consolidated everything into a new account at Florida Commerce Credit Union. In November of 2009 we became aware that Peoples First had a Federal cease and desist order. We performed a review of the best banks in the local area and Florida Commerce won out and we then closed out all the other accounts and moved everything to Florida Commerce. Since that time we have developed a great relationship with Florida Commerce.

We started a new Web site, www.KilllearnCommons.com and now it's sponsored by Florida Commerce Credit Union who's paying the annual cost.

We've been using Google Analytics to track Web site usage, visitors, etc. and it demonstrates that we've been getting very good usage locally and nationally. We've been able to see that we are getting a large number of visitors from other states who are actually spending time on the Web site reviewing the information which means we have potential home buyers looking at Killlearn Commons. We'll use this information to sale more ads and develop more relationships in an attempt to generate revenue.

Even today I've had contact with a gentleman out in Texas who's moving to Tallahassee and has made a number of inquiries about Killlearn Commons. I think home buyers are going to be very smart about their purchases and we're not going to see people looking to buy a cheap home anymore but they are going to be smart about buying a home that will be a long term event and investment. Therefore they will be looking for those areas that offer all the amenities, etc. for their family.

We developed a relationship with Dixon Exterminating for providing initial termite service at the pool house for no charge in exchange for providing them an ad on our Web site. Through the ad Dixon offers homeowners / members with discounts for termite and pest control services.

We've enhanced the landscaping at the pool complex to include two retaining walls and we've added a sign as well. We've done a better job in maintaining the landscaping around the pool complex instead of letting it overgrow.

We added five new sensor security lights to the pool. We've had very little trespassing and vandalism at the pool compared to previous years. We appreciate all the homeowners that have taken ownership of the pool and making us aware of any potential issues so that we can be proactive in response.

We replaced the high voltage, high powered light at the front entrance with a low voltage system that will save us about \$400 per year.

We have turned off the sprinkler system at the front entrance since it didn't make any sense to water the shrubbery and this will save us about \$800 per year.

We have changed the insurance around at the pool complex that provides us better, up-to-date coverage while only adding about \$20 to the annual premium.

We built the Picnic Patio for homeowners and members to use for parties and cookouts. We budgeted \$8,000.00 for this project and actual cost was \$7,513.55 so we came in under budget for this project. The Patio includes an outdoor kitchen with a charcoal grill, sink and serving counter. Please be sure to read the updated rules on the Web site. You also need to make reservations when required as per the rules. Our hope is that in the future we'll be able to put an aluminum cover over the patio with lights and ceiling fans. Until we have the funds to do this we'll consider umbrellas at the tables.

We've seen a significant increase in the use of the pool this past year.

Because of the age of the pool and the pool filtering system we have had more repairs that were required in the past and thus a higher expense than normal. But these repairs were going to have to be done at some point in time and I guess it was our year.

Out of 208 homes only 5 homes have not paid their dues. 3 current homeowners and 2 are leased homes. We have started the Lien process on those homes not in foreclosure homes. One of the leased homes is now in foreclosure and one of the owned home's is in foreclosure.

The Annual Best Yard Contest was sponsored by Florida Commerce Credit Union which awarded 2 Best Yard and 2 Most Improved Yard winners with a \$50 VISA Gift Card to each winning home.

The Annual Block Party was a tremendous success and again we've raised the bar. Attendance hit an all time high. There was no doubt that the photo booth and the water slide were big hits. Thanks to Greg Hill for his cooking expertise and to Kris Richardson as the Events Chairperson for putting together a wonderful event. Special thanks also to all the volunteers who helped with the set-up and clean-up.

Holiday Decoration Contest will be December 17th, 18th & 19th. \$50 gift cards will go to the best holiday decorations for adult appeal and then one for kid appeal.

Please try to park cars off the road onto the drive ways and garages. Our streets are not very wide and we have lots of kids out playing so this is a safety thing to do. Also keeping the roads clear also provides emergency vehicles access to areas they need to go.

Homeowners need to make sure the exterior of their homes are properly pressure washed or whatever to remove mildew, dirt, etc. We need to make sure we keep homes looking their best because this does affect the attractiveness of the neighborhood. While we have not had time, we are planning on some point in time driving around to see which homes need to have the exteriors cleaned up and send letter out.

We got Leon County to replace the broken concrete ditch behind the homes along Charrington Forest and Hannary Drive. Leon County also cleaned out the drainage easement behind the homes along Charrington Forest and the elementary school.

A Pole Fence was put in place along the easement between the Commercial Property and Charrington Forest to prevent drive throughs and help the number of teenage parties near the water tower. Killlearn Lakes required us to pay for half of this project which cost us about \$700.00.

Because of a number of incidents that occurred during the year, and nothing real serious, we have been able to establish a good relationship with Leon County Sheriff's Office in which they provided Extra Patrols in Killlearn Commons.

2011 Goals

During the pool off season it appears that we'll need to redo the interior of the pool. The current marcite has reached its useful life and it's showing significant signs of wear and tear. You can actually see where the marcite has worn down to the concrete underneath, marcite has broken away on the stairs and the marcote has become much pitted. We're looking at redoing the interior of the pool with a product called Diamond-Brite or some similar interior product which is a superior finish compared to marcite which is no longer used anyway. We are getting proposal on this currently so the final cost of getting this done is still to be determined. Current proposals range from about \$13,000 to \$19,000 and I still got two more proposals to get. We have been saving funds for this for some time and therefore there will be no need of any kind of assessment or a raise in the dues. Final proposals will be presented to the Board at the November meeting so we can move forward with this project.

This year we've have been tracking in detail the cost for pool maintenance, pool services and chemical use/cost. During the height of the pool season the pool temperature averaged about 93 degrees which is to rather warm. The increase use, the rain and the higher temperatures cause a higher use of the chemicals which is costly. The average temperature for a pool should be around 85 degrees. So for future consideration we'll be considering a pool cooler to maintain a proper temperature which in turn will help us to reduce chemical use. Well also be considering the options of switching over from a chemical chlorine system to a salt or saline system that produces natural chlorine. I have been notified that the State of Florida, Department of Health, will be issuing new water guidelines for commercial pools, we are considered a commercial pool, so we'll have to wait anyway to see how the new regulations will affect us. We have not been satisfied with the pool service company we are currently using and will be changing when we close the pool.

We have started a Neighborhood Assistance Program. While we have not taken to much of an initiative on this so far we are in the planning stages of starting an Annual Golf Tournament to raise funds for this program.

Continue finding ways to enhance the subdivision to maintain or increase home values.

Continue to find ways to minimize expenses to reduce the possibility of dues increases.

Get more homeowners involved.

2011 Dues

The Board of Directors at its September meeting approved a new dues structure. The dues will be maintained at \$145.20 but a new incentive plan will be implemented come 1/1/11 as follows:

Pay by the end of	January:	\$130.00
	February:	\$135.00
	March:	\$140.00
	April:	\$145.00

After May 1st the dues will be 145.20 with an 18% penalty plus any additional cost related to getting the dues paid.

In addition, we will be using PayPal on our Web site for the payment of the dues. There will be a \$2.00 service charge for doing this.

Annual Financial Report

Financial Analyses

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2010 KCHOA ANNUAL FINANCIAL REPORT

Annual Budgeted	REVENUE	YTD		
		Budgeted	Actual	Variance
\$29,620.80	Revenue Dues	\$29,620.80	\$30,353.57	-\$732.77
\$0.00	Revenue Other	\$0.00	\$121.56	\$121.56
\$29,620.80	Total Revenue	\$29,620.80	\$30,475.13	\$854.33

Revenues over budget

Annual	EXPENSES	YTD		
		Budgeted	Actual	Variance
\$4,800.00	Pool Maintenance	\$3,600.00	\$4,437.93	\$837.93
\$2,000.00	Pool Lawn Service	\$1,400.00	\$780.00	-\$620.00
\$960.00	Pool Janitorial	\$840.00	\$795.00	-\$45.00
\$2,772.00	Pool Electric	\$2,079.00	\$2,082.05	\$3.05
\$780.00	Pool Water	\$585.00	\$1,281.15	\$696.15
\$1,400.00	Pool Supplies & Repair	\$980.00	\$2,145.09	\$1,165.09
\$50.00	Back Flow Test	\$50.00	\$34.00	-\$16.00
\$460.00	Pool Landscape	\$920.00	\$540.79	-\$379.21
\$300.00	Pool Clean-up Day	\$600.00	\$365.12	-\$234.88
\$250.00	Pool Permits	\$250.00	\$250.00	\$0.00
\$300.00	Front Entrance Electric	\$225.00	\$300.40	\$75.40
\$480.00	Front Entrance Water	\$360.00	\$154.71	-\$205.29
\$832.00	Newsletter / Copies	\$416.00	\$538.64	\$122.64
\$600.00	Beautification	\$450.00	\$639.16	\$189.16
\$625.00	Annual Block Party	\$625.00	\$1,175.83	\$550.83
\$3,500.00	HOA Insurance	\$3,500.00	\$3,517.96	\$17.96
\$516.00	IRS	\$516.00	\$618.14	\$102.14
\$135.00	Mail Box Rental	\$0.00	\$0.00	\$0.00
\$122.88	Postage	\$209.76	\$154.00	-\$55.76
\$480.00	Admin. Supplies	\$360.00	\$618.07	\$258.07
\$100.00	Holiday Expenses	\$0.00	\$16.13	\$16.13
\$350.00	Web Site (1)	\$350.00	\$384.00	\$34.00
\$65.00	Dept. of Corporations	\$65.00	\$61.25	-\$3.75
\$20.00	Property Taxes	\$20.00	\$0.00	-\$20.00
\$0.00	Other	\$0.00	\$1,549.39	\$1,549.39
\$21,897.88	Expenses Total	\$18,400.76	\$22,438.81	\$4,038.05

Pool maintenance and supplies is over budget due to high chemical cost

Way off and no clear explanation

Pool maintenance and supplies is over budget due to high chemical cost

In 2009 we paid over \$400 so we significantly reduced this year.

In 2009 we paid over \$800 so we significantly reduced this year.

We actually reduced this expense by half this year over last year.

The 2009 Block Party expenses were over \$1,500 so we did better this year.

To be expensed later this year.

FCCU sponsored the Best Yard contest but we will have some additional expenses later this year.

FCCU is the Corporate Sponsor of the Web site and pays the annual fee of \$350.

Paid Killlearn Lakes \$697.50 for 1/2 of easement fence.

Other non-budgeted expenses include Garbage Service, Pest Control, etc.

Notes

Dixon Exterminating is providing annual termite control for \$35 per year, they waived the initial Termite fee of \$750 for ad on Web site for duration of service contract.

Pool closes on October 31st and at that time we will terminate our contract with the existing pool service company and go with another company.

In 2011 the County will be increasing our taxes on the Pool property from \$22 per year to \$522 to include the fire service fee.

When the pool closes we will see a significant reduction in expenses.