

Innsbrook Owners Association

For The Year Ended November 30, 2019

	Budget	Final	Budget
Revenue	2018-19	2018-19	2019-20
Maintenance Assessment Income (1)	2,031,369	2,035,311	1,988,304
Security Department Income (2)	541,766	543,625	547,685
Activities Fee Income (3)	343,395	354,788	377,700
Facilities Capital Fund (4)	350,564	350,888	353,630
Reserve (5)	40,019	39,963	40,369
Miscellaneous Income (6)	88,900	110,615	99,500
Rental Income (7)	9,500	9,147	9,200
Total Revenue	3,405,513	3,444,337	3,416,388
Expenses			
Operating Expenses			
Payroll & PR Taxes(8)	594,400	544,540	565,020
Activities (9)	340,400	368,728	377,700
Insurance (10)	255,517	229,220	244,800
Road Maintenance (11)	402,500	396,484	411,000
Professional Fees (12)	70,000	68,950	70,000
Office (13)	98,000	93,967	98,000
Landscape Maintenance (15)	97,000	105,849	107,000
Lake Maintenance (16)	116,000	117,630	94,500
Security Department (17)	554,540	542,404	523,500
Utilities (18)	113,000	88,127	93,000
Vehicle Repairs & Maintenance (19)	53,000	55,442	55,000
Taxes and Licenses (20)	7,000	6,677	7,000
Recreation (21)	200,000	216,999	208,000
Other Expenses			
Interest (22)	190,408	183,242	184,730
Extraordinary (23)	104,000	206,957	147,000
Total Expenses	3,195,765	3,225,216	3,186,250
Cash Available for Principal Payments Not on Above Statement	209,748	219,121	230,138
Principal Payments Reducing Cash			
Property Management Building	13,775	13,775	14,330
Charrette Creek Commons	139,149	139,149	145,282
Pickleball Courts	6,124	2,146	6,757
Vehicles and Equipment	9,256	6,486	23,000
Total Principal Payments	168,304	161,556	189,369
Net Fund Difference	41,444	57,565	40,769
Fund Balance - Beginning of Year	496,277	496,277	553,842
Fund Balance - End of Year	537,721	553,842	594,611

Notes to November 30, 2019 Income Statement

1. **Maintenance:** These fees provide the basis for the general operating expenses of the Innsbrook Owner's Association. One account from fiscal 2017/18 has an unpaid assessment totaling \$2,413. Two accounts from fiscal 2018/19 have unpaid assessments totaling \$5,696. Attorney's fees, filing fees and finance charges have been assessed and will accrue until paid in full. For fiscal 2019/20, there will be a \$37 Maintenance assessment decrease.

2. **Security Department:** These fees provide for the operating expenses and management of the security department, excluding the central alarm monitoring system noted in the informational section below. In fiscal 2018/19, the Innsbrook Corporation paid \$50,004 to the Property Owners for their share of security related needs. There will be no increase in the Security assessment for fiscal 2019/20.

3. **Activities:** These fees provide for the general operating expenses of the Innsbrook Activities department. Activities assessment generated \$202,985. Camps, workshops and other activities collected \$36,288 in revenue associated with the events. This year \$115,515 was donated from property owners and vendors for the Fireworks Display. Thank you for the support....without it, the show would not be possible! For fiscal 2019/20, there will be a \$12 Activities assessment increase.

4. The **Facilities Capital Fund** which was established in the 2014/15 fiscal year, is used to pay the debt and debt service for capital expenditures such as the recreational complex, pickleball courts, bridges, buildings, and additional facilities for the use of Innsbrook property owners. For fiscal 2019/20, there will be no FCF assessment increase.

5. **Reserve:** Having been reestablished in the fiscal 2018/19 year with a \$25 Reserve assessment, these monies will be utilized for unexpected or extraordinary expenses not budgeted for and thus not covered by other assessment fees. For fiscal 2019/20, there will be no increase to the Reserve assessment.

6. **Miscellaneous:** Interest income is earned on the balance of money market accounts, as well as from finance charges paid on delinquent accounts. Other income streams include marina rental, boat storage and moving, and snow removal.

7. Rental Income: This is income generated by renting Innsbrook Corporation a portion of Charrette Creek Commons for operating the Summerhaus. For fiscal 2018/19 the rents received were \$9,147.

8. Payroll & Payroll Taxes: This expense represents the gross wages paid to employees who worked on the maintenance of all common areas such as roads, beaches, dams, nature trails, fences and grass cutting. Included in this is payroll taxes paid to the Innsbrook Corporation for FICA, FUTA and Missouri unemployment tax on property management employees. Additionally the \$50 per lot management fee implemented in 1995-96, that is paid to the Innsbrook Corporation is also part of this total.

9. Activity Expense: Includes the Memorial Day Party, the fireworks display, movies, workshops, Camp Innsbrook, Summer Breeze concerts, and much more; as well as the Innsbrook Institute – where your financial support helped produce the Innsbrook Institute Music Academy and Festival. The payroll, payroll taxes, and benefits for all activity related staff, including Camp Innsbrook workers, is also included.

10. Insurance: Insurance includes General Liability on roads, corporation facilities used during events and common grounds; Group Health Insurance; Vehicle Collision and Comprehensive; Worker's Compensation; Equipment Coverage; Accounting Errors; and Fraud Coverage.

11. Road Maintenance: Expenses include asphalt overlay and repairs, replacement gravel, grading, ditching, culvert repairs, dust control, winter supplies, and street signs. Asphalt overlay totaled \$284,344. Replacement gravel expenses totaled \$55,063; and snow removal/salt totaled \$7,397.

12. Professional Fees: Legal fees totaled \$12,000. Accounting expenses of \$56,950, which includes \$44,950 paid for independent accounting fees provided by Wade Stables PC, and \$12,000 in fees paid to the Innsbrook Corporation.

13. Office Expense: Expenses for marketing publications; as well as general office expenses such as paper, supplies, check and statement stock, postage machine rental, and postage are included. Additionally, IT payroll and payroll taxes are included in office expense.

14. Landscape Maintenance: Landscape Maintenance includes all expenses for landscaping, plant beds, mowing and general upkeep of the development's appearance.

15. Lake Maintenance: Silt projects were conducted at locations within the following lakes: Charrette, Whitetail, and a small portion of Aspen. To aid in completing silt projects in all lakes regardless of water levels, even with limited access, a dredger has been purchased. A \$62,000 down-payment has been given for the manufacture of this piece of equipment and is part of the total expense. Following the final payment in the 2019/20 year, owning this equipment will allow for silt projects to be a year-round task rather than one with a limited window of opportunity due to lake levels, weather, and subcontractor availability and a reduced silt expense budget.

16. Security Department Expense: This includes the payroll and contract services for our security director, gate and patrol officers; general gatehouse supplies and expense; access control; security vehicle gas and maintenance; and animal control expenses. Included in this account are also the \$25 per lot security management fee, implemented in 1995-96, that is paid to the Innsbrook Corporation.

17. Utilities: Includes trash hauling and all utilities for the Innsbrook Owners' Associations' Property Management Department (PMD) building, green house, Charrette Creek Commons, security entrances and facilities.

18. Vehicle Repairs & Maintenance: This includes the maintenance of the fleet of trucks, tractors, and specialty equipment used to maintain the common grounds of the development. Also includes fuel and oil.

19. Taxes & Licenses: The association must pay property tax, as well as income taxes on all earned income such as interest and rental. Both tax types are paid annually.

20. Recreation: Expenses include payroll and payroll taxes for the complex manager, cleaning staff, and fitness instructors; as well as fixtures, supplies and maintenance of the entire complex.

21. Principal/Interest: The current balance due on the Property Management Building is \$298,398. Current outstanding balance on the Charrette Creek Commons loan is \$3,549,971. The current outstanding balance on the Pickleball loan, new in 2018/19, is \$224,043. There was \$183,242 paid in debt service in 2018/19 for loans on both the PMB and CCC, as well as the pickleball court, vehicle and equipment loans.

22. Extraordinary: For fiscal 2018/19 a \$35,000 down payment on fireworks sound equipment was paid, with a final payment of the same planned for 2019/20.

Repairs made to stop the slide at Lake Konstanz totaled \$28,948. Additionally \$112,739 in drilling and repairs, and \$30,271 in electric charges to run the well related to the Alpine Lake seepage was incurred. For fiscal 2019/20 there is \$22,000 to crack/fill and repaint tennis courts; \$20,000 for firework launch area relocation; \$70,000 for new security gates; and \$35,000 for the final firework sound equipment payment.

For Informational Purposes Only:

A. Water: Property Owners paid \$393,304 in water fees; which included collection and payment of prior years' water fees. Of the funds, \$172,067 was disbursed to the Public Water Supply District No. 2, and the remaining balance of \$221,237 was paid to the Innsbrook Corporation for its water supply system. There will be a \$27 Water assessment increase for fiscal 2019/20.

B. Security: This fee is for the central alarm monitoring system. Including collection and payment of prior years' assessments, \$391,600 was paid to the Innsbrook Corporation, which maintains the monitoring system and pays the CenturyLink lease line charges. There will be a \$5 Security System increase for fiscal 2019/20.

C. Sewer: These fees are paid to Innsbrook Corporation for the operation and maintenance of the wastewater treatment facility and infrastructure. For fiscal 2019/20, there will be an \$18 Sewer assessment increase.

D. Sewer, Security, Security Payroll, and Water availability fees are associated with undeveloped lots only. Innsbrook Corporation was paid \$7,161 for Sewer availability and \$4,733 each for Security and Water Availability. For fiscal 2019/20, these assessments will each remain the same.

E. In fiscal year 2014/15, all association assets along with their corresponding depreciation, were added to the balance sheet. It was later determined that due to the nature of a home owners association's assets, depreciation is not applicable, thus not recorded. In fiscal year 2015/16 to offset the addition of the assets with depreciation, the amount previously shown as accumulated depreciation on the balance sheet was adjusted to the fund balance thus indicating a larger than actual fund balance on the system-generated balance sheet. Please note, the difference in system generated versus reported fund amounts are not liquid monies, but rather an internal bookkeeping entry over two years.