

# Innsbrook Owners Association

For The Year Ended November 30, 2020

	Final	Budget
	2019-20	2020-21
<b>Revenue</b>		
Maintenance Assessment Income (1)	1,998,098	2,026,404
Security Department Income (2)	355,473	555,437
Activities Fee Income (3)	549,932	377,700
Facilities Capital Fund (4)	323,364	352,463
Reserve (5)	40,562	41,175
Miscellaneous Income (6)	93,848	92,900
Rental Income (7)	5,486	7,000
<b>Total Revenue</b>	<b>3,366,763</b>	<b>3,453,079</b>
<b>Expenses</b>		
<i>Operating Expenses</i>		
Payroll & PR Taxes(8)	541,835	584,654
Activities (9)	319,465	377,700
Insurance (10)	248,183	280,000
Road Maintenance (11)	424,773	478,000
Professional Fees (12)	67,450	70,000
Office (13)	85,714	102,000
Landscape Maintenance (14)	103,992	128,000
Lake Maintenance (15)	83,802	49,500
Security Department (16)	463,889	506,000
Utilities (17)	88,151	96,000
Vehicle Repairs & Maintenance (18)	48,255	62,500
Taxes and Licenses (19)	4,134	4,600
Recreation (20)	212,222	225,000
<i>Other Expenses</i>		
Interest (21)	186,158	181,562
Extraordinary (22)	64,907	255,000
<b>Total Expenses</b>	<b>2,942,930</b>	<b>3,400,516</b>
<b>Cash Available for Principal Payments Not on Above Statement</b>	423,833	52,563
<b>Principal Payments Reducing Cash</b>		
Property Management Building	14,034	14,096
Charrette Creek Commons	145,282	152,616
Pickleball Courts	6,757	7,142
Vehicles and Equipment	22,983	25,424
<b>Total Principal Payments</b>	<b>189,056</b>	<b>199,278</b>
Carryforward Funds Earmarked for 2020/21 expenses (23)	-190,000	190,000
Net Fund Difference	44,777	43,285
Fund Balance - Beginning of Year	553,842	598,619
<b>Fund Balance - End of Year</b>	<b>598,619</b>	<b>641,904</b>

## Notes to November 30, 2020 Income Statement

1. **Maintenance:** These fees provide the basis for the general operating expenses of the Innsbrook Owner's Association. One account from fiscal 2018/19 has an unpaid assessment totaling \$3,178. One account from fiscal 2019/20 has unpaid assessments totaling \$3,203. Attorney's fees, filing fees and finance charges have been assessed and will accrue until paid in full. For fiscal 2020/21, there will be no Maintenance assessment change.

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 2019/20, 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 2020/21.

3. **Activities:** These fees provide for the general operating expenses of the Innsbrook Activities department. Activities assessment generated \$223,347. Camps, workshops and other activities collected \$20,465 in revenue associated with the events. This year \$75,653 was received from property owners and advertising vendors for the Fireworks Display. For fiscal 2020/21, there will be a \$50 Activities assessment increase to directly benefit the fireworks displays.

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 2020/21, there will be a \$5 FCF assessment decrease.

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 2020/21, 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 2019/20 the rents received were \$5,486

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; as well as the Aspen Center guest service agent. 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. Although some events, i.e. Memorial Day Party, were cancelled or changed for 2020, deposits previously paid to vendors have been applied to future events.

**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 \$306,630. Replacement gravel expenses totaled \$65,589; and dust control totaled \$24,935. For 2019/20 snow removal/salt totaled \$11,137; which included the purchase of a liquid brine sprayer.

**12. Professional Fees:** Legal fees totaled \$12,000. Accounting expenses of \$55,450, which includes \$43,450 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: Silver Fox, Aspen, Quail, and Grendel. To aid in completing silt projects in-house a dredger was purchased. The final equipment payment and training expenses were made in December 2019 and March 2020, respectively, for a total of \$47,035.

**16. Security Department Expense:** This

includes the payroll, payroll taxes, 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. For fiscal 2020/21, there will be no Security assessment change.

**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, as well as business registrations 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, pool attendants and chemicals, and maintenance of the entire complex.

**21. Principal/Interest:** The current loan balances are as follows: Property Management Building \$284,456; Charrette Creek Commons \$3,404,689; Pickleball Court \$217,284; and Vehicles \$55,282. There was \$186,159 total paid in debt service in 2019/20 for the loans. In 2021, a tractor with boom mower attachment will be purchased on loan.

**22. Extraordinary:** For fiscal 2019/20 the final \$35,000 payment for fireworks sound equipment was made. Tennis court resurfacing was completed for \$21,325. Engineering costs related to the future Lake St Gallen slope repair was \$8581.85. For fiscal 2020/21 there is \$40,000 for two low water crossing replacements; \$55,000 for the Lake St Gallen repair; \$70,000 for fiber infrastructure; and \$90,000 for entrance gate upgrades budgeted.

**23. Earmarked Income Carryforward:** The Fiscal year 2019/20 budget included cost for the upgrade and refurbishment of entrance gates; construction of two low water crossings; as well as general expenses that were not completed due to COVID-19 restrictions and delays. The income collected in 2019/20 for these items, \$190,000, has been earmarked and carried forward to be used for the same items in 2020/21.

## For Informational Purposes Only:

**A. Water:** Property Owners paid \$435,375 in water fees; which included collection and payment of prior years' water fees. Of the funds, \$193,557 was disbursed to the Public Water Supply District No. 2, and the remaining balance of \$241,818 was paid to the Innsbrook Corporation for its water supply system. There will be a \$55 Water assessment increase for fiscal 2020/21.

**B. Security:** This fee is for the central alarm monitoring system. Including collection and payment of prior years' assessments, \$401,502 was paid to the Innsbrook Corporation, which maintains the monitoring system and pays the CenturyLink lease line charges. There will be a \$20 Security System increase for fiscal 2020/21.

**C. Sewer:** These fees are paid to Innsbrook Corporation for the operation and maintenance of the wastewater treatment facility and infrastructure. Including collection and payment of prior years' assessments, \$499,923 was paid for this utility. For fiscal 2020/21, there will be a \$20 Sewer assessment increase.

**D. Sewer, Security, Security Payroll, and Water availability fees** are associated with undeveloped lots only. Innsbrook Corporation was paid \$7,248 for Sewer availability and \$4,830 each for Security and Water Availability. For fiscal 2020/21, these assessments will each remain the same.

**E.** In fiscal year 2014/15 all association assets, along with their corresponding depreciation, was 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.