

Association Members,

History

Before starting on this upcoming 2025 budget let's take a look at our average monthly expenses over the last three years. Our average monthly expenses in 2022 was \$99,529.96 in 2023 that average jumped to \$113,693.95, a 14.23% increase. So far in 2024 our monthly average operating expenses has jump to \$124,189.20, which is 9.23% greater than the previous year.

2025 Budget Summary

The assessment fee income has been revised due to the reduction of 15 lots at the Villas at the Resort (Island). To maintain the current status, assessment fees will require a 2.847% increase. Additionally, a 6.13% increase is needed to keep up with inflation. Essex has increased their administration fee from \$35.00 per month to \$100.00 per month and is no longer permitted by the Fire Marshall to store the required seven years of documents on property. These documents have been moved to a licensed storage facility, incurring an annual storage fee.

Required liability insurance rates have increased, along with the need for additional coverage due to the increase of two directors. We will allocate \$260,804.00 of reserve funds for road repairs and sealing (focusing on the oldest streets), renovating the guardhouse interior, replacing/updating main gate entry systems, and resurfacing sports courts. According to the Reserve Study performed in May 2024, we need to replenish our reserves by \$86,000.00. All non-contract expenses have been adjusted for inflation by adding 3.5% as recommended in the Reserve Study. Unfortunately, the board has no choice but to add an additional 10% to assessment fees for 2025.

The budget was reviewed by the Financial Committee and after getting their questions answered, they had no changes to make.

The monthly and end of year financial statements back to 2022 can be found on the HOA website at <https://theresortateaglemountainlakehoa.com/homeowner/homeowner-documents/financials.aspx>. Essex has not transitioned the financials over to TownSQ yet. It's on the to do list. However, they are available to the community. Please note they are 2-3 months behind the current month. Before they are posted to us, they go through a reconciliation process.

The Reserve Study report is attached to this announcement and can also be found under Documents on TownSq. More details can be found under specific GL Codes below...

This file contains the following documents:

1. Actual Average Monthly Expenses Years 2022 2023, & 2024
2. 2025 Proposed Budget
3. Reserve Distributions For 2025
4. 2025 Budget Explanation By GI Codes

David Miller, HOA Treasurer

ACTUAL AVERAGE MONTHLY EXPENSES YEARS 2022 2023, & 2024

GL Account Number	Account Description	Year 22 Average	Year 23 Average	Year 24- Average	Year 2025 Budget
4100	Assessments	97,627.84	112,327.55	117,430.67	125,963.70
4195	Transfer Fees	37.50			625.00
4200	Late/NSF Fee	606.67	742.08	965.91	375.00
4250	Collection Fee Charge	432.92	443.75	580.83	0.00
4300	Misc Income	452.75	1,342.14	46.88	517.50
4310	Gate FOB Income	14.50	608.87	306.40	0.00
4350	Violation Fine	145.45	366.67	154.17	0.00
4410	Demand Letter Charge	65.00	66.25	78.67	68.75
4500	Interest Income	99.65	134.18	181.60	250.00
4800	Capital Funding Fee	1,833.33	1,708.33	2,750.00	4,000.00
6000	Reserves				21,733.67
	Total Income	\$101,315.62	\$ 117,739.82	\$122,495.11	\$ 153,533.62
8000	Contingency Fund			1,666.67	3,585.02
8010	Misc		75.00	99.45	
	Total Contingency	0.00	75.00	1,766.12	3,585.02
4100	Assessments Refunded	563.04	476.04	1,278.75	
4200	Late/NSF Fee		5.00	8.33	
5100	Administrative Expenses (Contract)	35.00	32.08	305.00	382.95
5101	Postage	274.41	377.34	378.44	410.46
5104	Printing & Reproduction	188.25	370.46	140.70	77.63
5105	Website Expense	48.31	49.73	64.31	72.64
5106	Homeowner Functions	3,247.18	2,347.52	2,807.76	2,195.06
5109	Licenses, Permits & Fees	51.88	56.15	14.80	87.78
5110	Professional Management (Contract)	3,666.67	4,112.00	4,000.00	4,000.00

ACTUAL AVERAGE MONTHLY EXPENSES YEARS 2022 2023, & 2024

GL Account Number	Account Description	Year 22 Average	Year 23 Average	Year 24- Average	Year 2025 Budget
5115	Property Inspections	101.85	196.31	648.33	671.02
5120	Collection Fees Billed Back	441.25	468.75	656.25	754.52
5160	Bad Debt Expense		0.00	2.50	0.00
5171	Loan Payment		4,168.17	8,333.00	8,333.00
5176	Legal Fees	2,332.69	338.95	957.77	2,587.50
5177	Legal Fees Billed Back				71.16
5180	Audit & Accounting		0.00	214.94	222.46
5181	Tax Preparation	74.17	60.42	62.50	64.69
6602	Reserve Study			137.50	150.00
8020	Club Social Memberships	36,960.00	36,960.00	36,960.00	35,940.00
	Total General & Administrative	47,984.69	50,168.92	56,970.87	56,020.85
5201	Property Taxes	306.36	9.23	333.87	263.28
5204	Corporate Income Tax			4.17	4.31
	Total Tax	306.36	9.23	338.04	267.60
5310	General Liability	761.92	2,380.79	2,495.02	1,329.17
5320	Directors & Officers Liability		320.95	527.90	250.00
	Total Insurance	761.92	2,701.74	3,022.92	1,579.17
6010	Electric	2,265.22	1,760.55	1,946.79	2,214.50
6012	Telephone	252.25	219.25	152.92	0.00
6013	Guard Shack - Cable/Internet	441.34	435.00	439.77	463.30
6020	Water/Sewer	119.07	547.70	647.05	813.47
	Total Utilities	3,077.87	2,962.50	3,186.53	3,491.26

ACTUAL AVERAGE MONTHLY EXPENSES YEARS 2022 2023, & 2024

GL Account Number	Account Description	Year 22 Average	Year 23 Average	Year 24- Average	Year 2025 Budget
6018	Security Equipment/Supplies		196.03	7.21	216.75
6023	Security Vehicle Maintenance		38.78		0.00
6026	Security Services	31,103.12	36,239.22	33,235.25	36,382.88
	AED Maintenance				65.00
6100	Oversight Reimbursable Charges			63.29	0.00
6173	Water Cooler Rental/Supplies	37.65	17.98	79.83	95.79
6174	Guardhouse Cleaning and Supplies (Contract)	1,636.25	1,556.75	1,614.86	314.17
6176	Monument Fountain Maint/Repair (Contract)	248.10	470.12	351.17	448.16
6177	Pond/Canal/Fountain Maint (Contract)	883.00	751.30	544.75	828.92
6178	Gate Remotes/Fobs	64.01		49.52	517.50
6179	Canal & Fountain Repair & Supplies	29.77	78.57	751.74	837.50
6250	Pest Control	22.10		54.83	66.11
6260	Electrical Repairs & Maintenance	1,748.01	181.12	437.50	431.25
6270	Gate Maintenance - Contract	23.86			0.00
6272	Gate Repairs	1,348.34	1,558.52	1,214.19	1,842.22
6280	Wall Repairs			104.17	0.00
6290	Common Area Maint/Repair & Cleaning	458.44	667.76	2,522.62	2,703.05
6291	Holiday Decorations	175.58		415.00	181.73
6301	Guardshack Maintenance & Repairs	245.13	141.65	1,441.56	1,552.50
6315	Street Light Maint & Repairs	1,093.04	655.87	369.28	702.59
6316	Street Repairs			4,027.88	2,593.97
6335	Signs	367.52	3,219.12	1,589.63	523.71
6345	Grounds Porter (Contract)	838.94	938.17	794.00	897.00
	Total Infrastructure & Maintenance	40,322.86	46,710.97	49,668.27	51,200.79
6400	Landscaping Common Area (Contract)	2,331.89	2,543.88	4,173.41	3,000.00

ACTUAL AVERAGE MONTHLY EXPENSES YEARS 2022 2023, & 2024

GL Account Number	Account Description	Year 22 Average	Year 23 Average	Year 24- Average	Year 2025 Budget
6401	Landscaping Villa Area (Contract)	2,003.18	2,185.29	2,440.25	2,185.33
6403	Landscape and Lot Maint & Improvements	65.99		547.54	103.50
6404	Erosion Repairs & Improvements	1,448.63	4,182.63	804.53	754.59
6405	Barrow Ditch Repair & Improvements			2,628.58	431.16
6500	Irrigation Repairs	38.34	391.67	366.59	1,737.64
6501	Fountain Maintenance	44.40		41.67	276.38
	Total Landscaping	5,932.43	9,303.46	11,002.58	8,488.60
6001	Reserve Contributions	1,143.83	1,837.12	4,851.15	7,166.67
	Total Reserves	1,143.83	1,837.12	4,851.15	7,166.67
	Total Average Monthly Expenses	\$ 99,529.96	\$ 113,693.95	\$124,189.20	\$ 131,799.95
% Increase from previous year			14.23%	9.23%	6.13%
Average monthly withdrawals from Reserves					21,733.67
Estimated Operating and Reserves Average Monthly Expenses					\$ 153,533.62

NOTE: Data for 2024 only available thru September 30th. Budget expenses includes 3.5% inflationary increase as recommended by most recent Reserve Study. This chart shows actual monthly average cash outflow it does not include accounts payable.

The Resort HOA

The Resort at Eagle Mountain Lake

2025 Proposed Budget

	<u>2025 Budget</u>
Income	
4100 -- Assessments	1,512,715.21
4200 -- Late/NSF Fee	7,500.00
4250 -- Collection Fee Charge	4,500.00
4310 -- Gate FOB Income	6,210.00
4410 -- Demand Letter Charge	825.00
4500 -- Interest Income	3,000.00
4800 -- Capital Funding Fee	48,000.00
Total Income	<u>\$ 1,582,750.21</u>
<u>Total The Resort at Eagle Mountain Lake Income</u>	<u>\$ 1,582,750.21</u>
 Expenses	
8000 -- Contingency Fund	44,567.57
<u>Total Expenses</u>	<u>\$ 44,567.57</u>
 General & Administrative	
5100 -- Administrative Expenses	4,595.40
5101 -- Postage	4,925.52
5104 -- Printing & Reproduction	931.50
5105 -- Website Expense	871.64
5106 -- Homeowner Functions	26,340.75
5109 -- Licenses, Permits & Fees	1,053.30
5110 -- Professional Management	48,000.00
5115 -- Property Inspections	8,052.26
5120 -- Collection Fees Billed Back	9,054.18
5171 -- Loan Payment- Infrastructure	99,996.00
5176 -- Legal Fees	31,050.00
5177 -- Legal Fees Billed Back	853.88
5180 -- Audit & Accounting	4,437.03
5181 -- Tax Preparation	776.25
8020 -- Club Social Memberships	431,280.00
<u>Total General & Administrative</u>	<u>\$ 672,217.71</u>
 Taxes	
5201 -- Property Taxes	3,159.40
5204 -- Corporate Income Tax	51.75
<u>Total Taxes</u>	<u>\$ 3,211.15</u>

Insurance

5310 -- General Liability	15,950.00
5320 -- Directors & Officers Liability	3,000.00
<u>Total Insurance</u>	<u>\$ 18,950.00</u>

Utilities

6010 -- Electric	26,574.00
6013 -- Guard Shack - Cable/Internet	5,559.56
6020 -- Water/Sewer	9,761.58
<u>Total Utilities</u>	<u>\$ 41,895.14</u>

Infrastructure & Maintenance

6018 - Security Equipment/Supplies	2,601.03
6026 -- Security Services	436,594.56
- AED Maintenance	780.00
6173 -- Water Cooler Rental/Supplies	1,149.47
6174 -- Guardhouse Cleaning and Supplies	3,770.00
6176 -- Monument Fountain Maint/Repair	5,377.86
6177 -- Pond/Canal/Fountain Maint (Contract)	9,947.00
6178 -- Gate Remotes/ FOB	6,210.00
6179 -- Canal & Fountain Repair & Supplies	10,050.02
6250 -- Pest Control	793.27
6260 -- Electrical Repairs & Maintenance	5,175.00
6272 -- Gate Repairs	22,106.61
6290 -- Common Area Maint/Repair & Cleaning	32,436.61
6291-- Holiday Decorations	2,180.75
6301 -- Guardshack Maintenance & Repairs	18,630.00
6315 -- Street Light Maint & Repairs	8,431.11
6316 -- Street Repairs	31,127.63
6335 -- Signs	6,284.52
6345 -- Grounds Porter	10,400.00
<u>Total Infrastructure & Maintenance</u>	<u>\$ 614,045.44</u>

Landscaping

6400 -- Landscaping Common Area - Contract	36,000.00
6401 -- Landscaping Villa Area - Contract	26,224.00
6402 -- Seasonal Color/Improvements	1,242.00
6403 -- Landscape and Lot Maint & Improvements	9,055.02
6404 -- Erosion Repairs & Improvements	5,173.97
6405 -- Barrow Ditch Repair & Improvements	20,851.65
6500 -- Irrigation Repairs	3,316.56
<u>Total Landscaping</u>	<u>\$ 101,863.20</u>

Reserves

6001 -- Reserve Contributions

86,000.00

Total Reserves**\$ 86,000.00****Total The Resort at Eagle Mountain Lake Expenses****\$ 1,582,750.21****Total Association Net Income / (Loss)****\$ (0.00)**

RESERVE DISTRIBUTIONS FOR 2025

Total amount in reserves as of 9/30/2024: \$ 332,256.51

6316 Street Repairs:

Concrete Streets, Partial (1999 - 2019): \$ 143,477.00

Concrete Streets, Joint Sealants, Phased: 39,413.00

Pavers, Masonry (Incl. Concrete Base), Phased 38,295.00

Total Street Repairs: \$ 221,185.00

6272 Gate Repairs:

Gate Entry Systems, Main Entrance: \$ 6,107.00

6290 Common Area Maint/Repair & Cleaning:

Sport Courts, Basketball and Tennis Court \$ 7,638.00

6301 Guradshack Maintenance & Repair:

Interior, Renovation, Complete \$ 25,875.00

Total amount to be distributed: \$ 260,804.00

Total reserves as of 9/30/2024: \$ 332,256.51

Total Reserves allocated to Maintenance & Repairs: - \$ 260,804.00

Total Amount remaining in Reserves: \$ 71,452.51

2025 Reserve Contribution: \$ 86,000.00

Estimated Total in Reserved at end of 2025: \$ 157,452.51

Reserve Study recommends a minimum account balance in Reserves of \$323,462.00 before starting any the above renovations.

2025 BUDGET EXPLANATION BY GL CODES

INCOME

4100 Assessments – Villas at The Resort (Island) lot sizes have been revised by the declarant causing a decrease in available lots to collect Assessments fees. This is a decrease of 15-lots that are currently being assessed. Revised plate decreases our assessment income by \$34,523.40 annually. This means a \$14.03 or 2.439% increase in assessment fees from all lot owners, per quarter, is required to stay status quo.

4500 Interest Income – 80.153% of interest income is applied directly to reserve accounts, 19,847% of interest is applied to the operating account.

4800 Capital Funding Fee – All income in this category is placed directly into our Reserve Accounts. Can only be used to maintain existing structures, streets, canals, and common areas.

4990 – Reserves - \$260,804.00 will be pulled from our Reserves for street maintenance and sealant, guardhouse interior renovation, main gate entry systems, and resurfacing the basketball court. This is in accordance with a reserve study performed by Reserve Advisors. A updated study was performed in May of 2024 and can be found in the Document Section on TownSq.

EXPENSE

8000 Contingency Fund – Covers unforeseen maintenance, damages, or replacements. So far in 2024 the Association has \$88,768 of unforeseen/unplanned maintenance performed, some of which can be charge against Reserve account.

Unforeseen/Unplanned expenses:

Storms knocked over 2 trees in peninsula park area	\$ 1,515.50
Street section failed at The Resort Blvd	\$ 4,500.00
Repair of Gate Cupola & water damage	\$ 10,000.00
Drainage Easement Repair at Indian Creek / Eagle Narrows	\$ 22,575.00
Drainage Easement 5824 Lakeside	\$ 27,352.94
Canal Fountain repair and ring installation	\$ 7,320.00
Replacement of trees removed during habitat encroachment	<u>\$ 15,504.65</u>
TOTAL	\$ 88,768.09

8010 Misc. – The Habitat on the island was encroach by three residents whom cut down trees and cleared underbrush in violation of our DEED RESTRICTIONS, document number D222001250, filed with Tarrant County. A team at Essex was appointed, at the request of the declarant, to plant trees and monitor the recovery of the encroached Habitat. This is the expenses incurred by Essex for monitoring the recovery and coordinating with the Army Corp of Engineers (USACE) recovery plan.

2025 BUDGET EXPLANATION BY GL CODES

GENERAL & ADMINISTRATIVE

4100 Assessments Refunded – Overpayment of Assessment and other fees.

5100 Administrative Expenses – Essex is increasing admin fees from \$35.00 to \$100.00 per month plus a current annual storage fee of \$3,240.00. We are required to maintain a paper record of all documentations for a period of seven years. Essex used to store our documents onsite, this is no longer permitted by the local fire marshal requiring storage to be moved to a licensed facility.

5101 Postage – fees are for 1st Class, Certified, and Tracked mailings. Also, includes envelopes and a postage fee. Everytime, we do a mass mailing it cost approximately \$1,000.00. Please supply your email addresses to help in reducing this cost.

5105 Website Expense – Fees associated with HOA Websites and it has added new website storage fee of \$15.00.

5106 Homeowner Functions – Professional Fireworks display was approved by majority of members in attendance at an annual meeting attended by the developer. We are presently looking for anyone who would be interested in sponsoring the fireworks display or possibly a Golf Tournament to help defer some of the cost related to the Fireworks Display.

5109 Licenses, Permits & Fees - Covers filing charges for documents required to be filed with Tarrant County.

5115 Property Inspections – Consists of bi-weekly compliance inspections by Essex and newly implemented New Building Inspections is also preformed bi-weekly. New Building Inspections was implemented, in 2024, by the Declarant to generate bi-weekly reports on his different properties to keep him abreast of their progress. Since BEATEN PATH DEVELOPMENT-THE RESORT, LLC, a company affiliated with Our Country Homes, LLC (OCH) was given "Partial Assignment of Declarant Rights" over the majority of remaining lots with first rights to purchase all remaining lots. This fee will no longer be applied to the Association. However, anyone building on a vacant lot, not owned by OCH, will be required to pay this New Builders Inspection fee during the construction period.

5120 Collection Fees Billed Back – Collection and Demand Fees paid to Essex to process Association Fees not paid in a timely matter. This penalty fee is collected from each lot owner whom is late in making their payment.

5171 Loan Payment – \$8,333.00 monthly attributed to the note covering renovation of the Main Gate, Wrought-Iron fencing along FM1220, renovation of stone wall from main gate to north entrance, added sod and installed sprinkler system at two new common areas (Peninsula and Hudson Sail bridge Common Areas), and contributed to a portion of the Island Marina renovation.

5176 Legal Fees – Currently have three law suits that are in the lawyer-to-lawyer stage. These may or may not advance into the next stage requiring mediation. Most of these litigations are deed restriction violations and are a lose-lose situation for both parties no matter who wins.

2025 BUDGET EXPLANATION BY GL CODES

6620 Reserve Study – Reserve study performed once every three years, last one performed in May of 2024.

8020 Club Social Memberships – This Club Social Membership Fee was approved by a majority vote of Association Membership and has remained unchanged. Due to the revised plate reducing the number of Villas at the Resort (Island) lots. The Club Social Memberships fees has been reduced by \$1,020.00 per month to the Golf Club due to lots being re-plated.

TAXES

5210 Property Taxes - Block 2, Lot 1, 5608 The Resort Blvd. and Block 2, Lot 32, 12632 Indian Creek Dr. These are the only properties that the Association is required to pay Property Tax.

INSURANCE

5310 General Liability – Liability, Buildings, and Two Million Dollar Umbrella.

5320 Directors & Officers Liability –

Insurance Policies have increased but shows a decrease in expenses due to changing our payment schedule. In the past these accounts were set on a monthly payment schedule. By changing to a annual payment schedule the insurance expense has been reduced by approximately \$6,000.00.

UTILITIES

6012 Telephone – Landline service has been removed from Guardhouse, using Securitas provided cell phone.

INFRASTRUCTURE & MAINTENANCE

6018 Security Equipment/Supplies – New computer and cables, present system does not have the enough broadband capacity. Bathroom supplies.

6026 Security Services – Securitas Security Services USA, Inc. guard service payments (Contract).

AED Defibrillator maintenance – Performed monthly, onetime payment in August.

6100 Oversight Reimbursable Charges – \$749.52 for Essex administrative charges for coordinating efforts with US Army Corp of Engineers (USACE) to return Habitat to its original status prior to encroachment by three Island Residences.

2025 BUDGET EXPLANATION BY GL CODES

6174 Guardhouse Cleaning (Contract) – New contract reduces guardhouse cleaning, budget includes window cleaning on a quarterly basis.

6178 Gate Remotes/Fobs – RFID Tag purchases

6179 Canal & Fountain Repair & Supplies – Additional cost above contract, had to rebuild an aeration fountain due to a jet ski destroying the fountain.

6290 Common Area Maint/Repair & Cleaning - Cost to replant trees in Habitat/Common Area that was encroached by three island residents.

6291 Holiday Decorations - \$480.00 for annual flags in support of Texas Girls' Choir plus Holiday (Christmas) Decorations.

6272 Gate Repairs – Adding a new arm gate on the visitors entrance lane to prevent tailgating (\$12,000,00). If everyone would just slow down and stop trying to beat the gate, we would have a substantial savings repairing gates or gate arms.

6301 Guard Shack Maintenance & Repairs - \$25,875.00 to be added form reserves for interior remodeling as recommended by Reserve Study.

6316 Street Repairs - \$221,185.00 to be allocated from Reserve Funds towards street repair of our streets lined with barrow ditches in accordance with Recent Reserve Study.

6345 Grounds Porter – R&C Construction LLC has a contract to porters the community twice monthly, pickup guardhouse trash, and reports items requiring repair. They also salt the roads during icing conditions.

LANDSCAPING

6405 Barrow Ditch Repair & Improvements – There are several areas in the community where materials have accumulated in the barrow ditches restricting water flow. These areas to be repaired or improved during street repairs. Most barrow ditches are the responsibility of the homeowner.

RESERVES

6001 -- Reserve Contributions - \$86,000.00 is required in accordance with Reserve Studies to start replenishing that distributed for maintenance and repairs. Reserve Contributions come from three sources, Capital Funding Fees, interest, and Assessment Fees.