

HAZEL LANES
2019 / 2020 FINANCE REPORT

Hello everyone. As a start to preparations for our most unusual Annual General Meeting, I have assembled some comments regarding our financial affairs here at Hazel Lanes.

Please keep in mind that the financial statements prepared by our auditors are completed in March or April of 2020 after the close of business for the calendar year and the Budget for 2020 is prepared for board approval before the end of calendar 2019. This means that the board does not have all the financial information for budget purposes that our accountants have after the fact. To show the impact that this has, look at our landscape and snow removal expenses where the total shown by the accountant is \$207,336. In preparing the budget, I used the year-end figures available in December for this same category of expenses of \$197,137. This difference of roughly \$10,000 was due to bills received after the year end but were pertaining to the 2019 calendar year. The accountant has included all expenses incurred including those sent to us after the year end.

Also, please recall the unexpected tree damage of 2019 to a significant number of Norway Maple trees that had to be dealt with in 2019 that contributed to our over-spending from budget expectations. In addition, the Health Department imposed new requirements in 2019 regarding our pool. We were required to have the pool water tested every 4 hours. Our pool costs have increased somewhat to pay for this new regulation. Our insurance cost increased slightly in 2019 and the board was advised there was more to come in 2020 and this increase is reflected in the new budget for 2020. Also in 2019, we incurred unexpected irrigation repairs, drainage, painting and paver costs which added to expenses in 2019. The board has address drainage by including an item in our reserve calculations for upcoming periods.

Since 2019 was a difficult year financially, we have incurred a deficit in our operating fund that we must cover. Both this deficit and the mounting insurance cost increase has necessitated the increase in condo fees for the 2020 calendar which we hope will get us in a better financial position. The board continues to work toward minimizing costs while ensuring that quality of service is maintained.

Jim Wagner
Treasurer