

**Castle Park Association
Treasurer's Report
Year ended Dec. 31, 2017
And Budget for 2018**

This report will summarize year-end 2017 and the 2018 Budget for Castle Park.

Financial Results 2017

For 2017, we ended with a \$9349 operating budget surplus which amounted to 3% of total revenues, which is an indication that financial projections that went into our 2017 budget were close to target. The accompanying statement shows the details for 2017 operating results along with the operating budget for 2018.

Of the 2017 variances from budget, savings on materials and contracted labor line items contributed most to the surplus. The surplus from 2017 was applied to the 2018 budget.

A ten-year study performed by the Board several years ago indicated the Association should expect \$25,000-\$35,000 in annual, expected major maintenance expenditures (as differentiated from larger capital projects). The annual budget targeted this range in 2017 and again in 2018.

A “cash reserve” fund of \$30,000 supplements the general fund cash balance, now standing at \$109,000 as of December 31st (vs. 172,000 YE 2016). As a part of that cash balance, the balance of the long-term savings fund is \$11,000 (vs. \$57,000 in YE 2016).

Members of the Association continue to pay down the \$350,000 raised in a private bond offering for three specific projects—pool, North courts, and maintenance building—which are all complete. Eb's Barn was mostly funded from the long-term savings fund.

The Association is fiscally healthy, but the annual budget does not consistently contain a proviso to annually fund the long-term savings fund. Now, in order for this fund to continue to serve its primary function, it needs to be replenished

Budget for 2018

As was indicated in the president's letter, dues will increase due to the operating and larger capital expenditures for beach reinforcement expected for 2018. The operating budget for 2018 normally does not include (nor did past operating budgets include) the capital costs associated with any larger projects (e.g. pool), which, in the past, have been funded partially through capital funds and mostly through capital fund assessments. In 2018, the Association Board will consider ways to support the long-term savings fund.