



Lakecliff
ON LAKE TRAVIS

Lakecliff on Lake Travis

POA Quarterly Board Meeting

November 5, 2022

Agenda

- Call to Order – Mike Lange
- Certification of Quorum – Mike Lange
- Review/Approval of July 2022 Board Meeting Minutes – Dan Wittner
- Director Election – Mike Lange
- Roads Update – Scott Walther
- Security Update – Dan Wittner
- Fence Update – Mike Lange and Scott Walther
- Irrigation Update – Dan Wittner
- Drought Contingency Plans/Water Conservation – Dan Wittner
- Joint Task force on Water Update – Dan Wittner and Laurie Chapman
- Committee Updates
 - Cottage and Villas
 - Community Engagement
 - ACC
- Financial Matters– Kent Graham
 - Review/Approval of YTD September Quarterly Financial Statements
 - Projected 2022 Financial Results
 - 2023 Budget
 - 5 Year Financial Projections Based on 2023 Budget
 - Approval of 2023 Budget
- Home Owner Forum
- Adjourn

Call to Order,
Certificate of
Quorum,
Previous Meeting
Minutes



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Director Election

Nancy McCormick Position Election



Infrastructure
Roads
Security
Fences
Irrigation
Drought Contingency
Joint Task Force on Water



Roads Update



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Roads

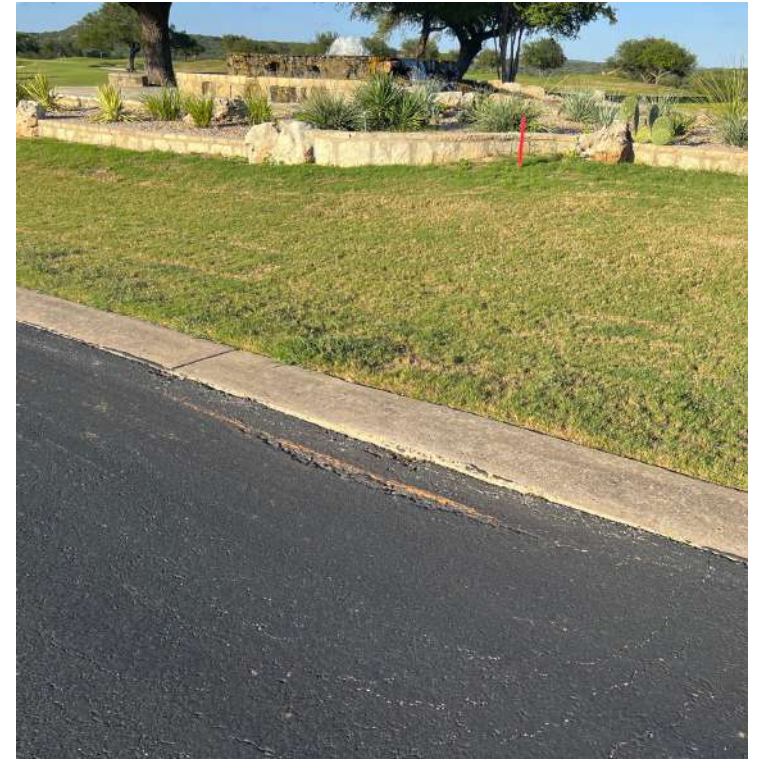
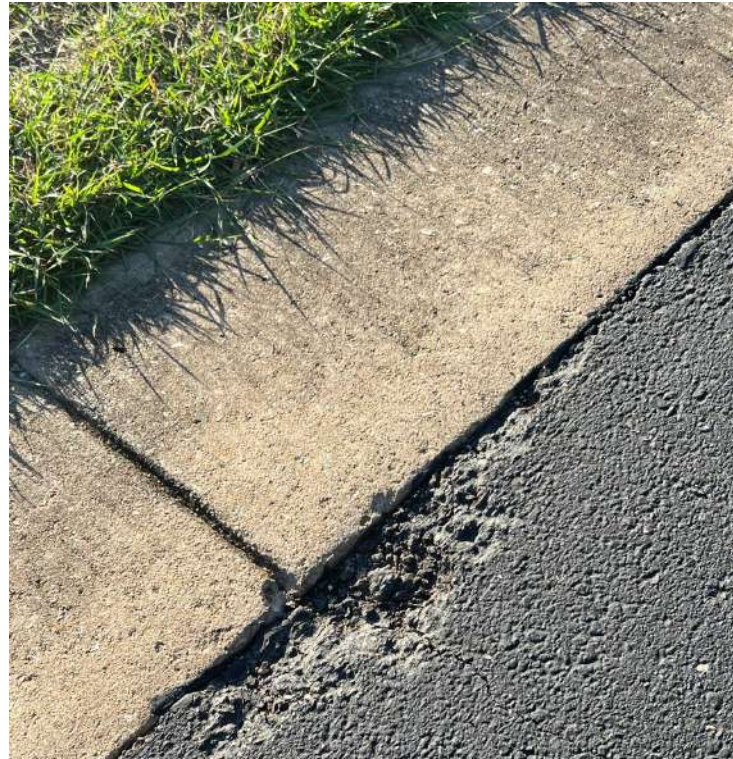
- POA Board met with Lone Star Paving in Late September 2022 – Jim Ramming
- Examined all roads
- Determined that there had been significant deterioration in road conditions due to the Drought and heat as well as construction traffic
- Board decided to take immediate action to protect our roads beginning with most affected spots
- Area addressed were at the entry of Lakecliff, along Cliff Point and Cliff Crossing as well as other spots (See Map)
- Costs for the 1st wave of work completed in early October were ~\$75,000
- Plans are being developed for 2023 to include Gallery Drive and some areas for sealing
- Annual ongoing maintenance of roads to be ~\$70,000 to \$100,000



Road Priorities



Road Priorities



Road Actions



Road Actions



Road Actions



Security



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Security

- Final stages of installation of the new technology begins next week that addresses
 - On demand guards at front gates
 - New 4K cameras with motion sensors that can be monitored remotely by guards
 - New gate technology to allow for member access and guest access through separate gates
 - Vendor management software for members and POA to better manage our community guests that provide gardening, deliveries, maintenance and building contractors
- You will be able to use your current entry device
- Everyone will receive the same numeric Passcode which will need to be changed within two weeks. Once that timeframe is complete, the issued Passcodes will be eliminated from the system
- If you get to the gate and need help, push the Guard icon and they will help you enter



Security

- How do I get trained on the new software?
 - Option 1 - There is a one page simple guide for people to follow
 - Option 2 – Go to the Golf Club and Devin, Hunter or Noah can work with you (POA has worked out an arrangement with the Golf Club to help anyone who needs it)
 - All member data has been uploaded into the software so it should be ready to go once you login
- What do I need to do?
 - Go online and validate your information
 - Enter your ongoing guests or vendors you want to have ongoing access
 - Change your Gate Code that was given to you to a new one of your choice (The Gate Code assigned will be eliminated withing a couple of weeks)
 - Add your license plate information so it can be used for entry to Lakecliff

Fence Update



Fence Painting and Repair

Reminder

- Governing Documents – Ownership and Maintenance
 - Article 1, 20 – Definition of Fencing
 - Article 2, Section 2.7 (c) – Maintenance of Fence
 - Subdivision Fence maintenance and repair shall be the responsibility of the Association. The Association reserves a permanent maintenance easement ten feet (10”) in width (or to the subdivision line) on each side of the fence.
- Lakecliff has ~9,220 feet of fence to maintain (Footage is based on Google Maps)
- Actions taken in 2022
 - Painted all fencing in Lakecliff
 - Made minor repairs allowing fencing to look acceptable

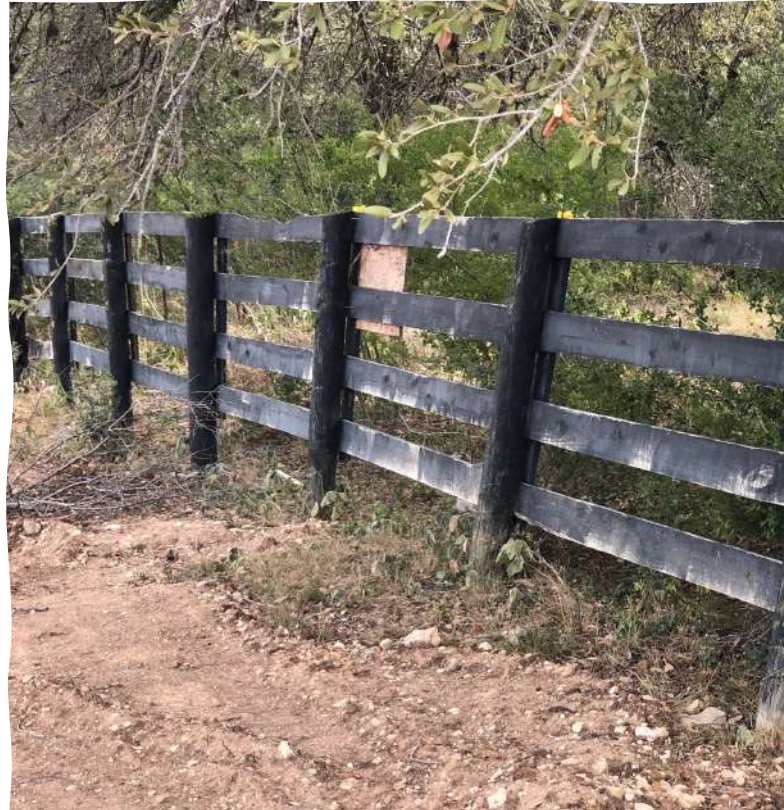
Fences – Post Painting



Fences – Work Needed



Fences – Work Needed



Fence Repair

- Issues we are facing
 - Condition of posts and slats still need ongoing repair
 - Paint was applied to rotting infrastructure
- Next Steps
 - POA Board will continue ongoing maintenance to the fences
 - Expected annual expenses to be ~\$15,000 to \$25,000 ongoing

Irrigation



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Irrigation Discussion

- POA continues to evaluate cost of irrigation water to the residents
- In 2023, our costs of water will increase by \$0.18 per thousand
- In 2022, the POA anticipates losing ~\$11,000 to \$15,000 on irrigation water
- The majority of the issue is driven by lost water in the system and repairs
- What are the causes?
 - Frail infrastructure – Pipes are old with potential for leaks
 - Meters have had issues in working appropriately
 - No Check Valves on meters
 - Shut-off valves have not been identified to Shut-off an area of leakage in order to fix
 - Today, when we have a leak, we shut the system down and drain the water to enable fixing....losing thousands of gallons of water

Irrigation Discussion

Actions to be Taken

- POA to replace all meters with best-in-class remote readable meters with check valves (Estimated cost is ~\$45,000 to \$60,000 in 2023)
- It has been determined that there are 11 Shut-off valves in the community. Board is in the midst of identifying and hiring a company to come and make available our Shut-off valves through out Lakecliff. Project completion is approximately by end of year 2022 (Estimated cost is ~\$10,000)
- 2023 Rate Monthly Schedule for Water Usage is \$4.38 per thousand
- Options for consideration in the future are Tier based pricing on consumption

Drought Contingency Plans Water Conservation



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Water Conservation - Reminder

LCRA Notice

“Due to extremely dry conditions throughout the basin, LCRA is implementing drought response Stage 1 under the Drought Contingency Plan

You and other domestic use, temporary, and landscape irrigation and recreational use water customers should continue following the maximum twice-per-week watering schedule:

Wednesdays and Saturdays for addresses ending in odd numbers.

Thursdays and Sundays for addresses ending in even numbers.

Hours: Midnight to 10 a.m. and 7 p.m. to midnight.”

- The POA Board has sent out a recent notice to the POA Members regarding this
- The POA Board has posted on our website Lakecliff.com the Aqua and Lakecliff Drought Contingency Plans and the Water Conservation Plan
- LCRA has mandated that we move to 2 days a week watering schedules going forward

Joint Task Force on Water



Joint Task Force on Water

Kick-off Meeting (8.31.2022)

- Attendees were:
 - Mike Lange– POA Board President – Lakecliff
 - Ron Del Principe – POA Board President – Barton Creek Lakeside
 - Elias Pontikos – Barton Creek Lakeside
 - Dan Wittner – Lakecliff
 - Laurie Chapman – Lakecliff Golf Club
- Charter Defined
 - Define all the elements that affect drinking water, sewage and irrigation and understand the interdependencies of LCRA, Aqua Texas, Omni, BCL Irrigation Company to provide sustainable water solutions to BCL and Lakecliff
- Key Action Items defined
 - Stage 1 Deliverables
 - Set-up meeting with Aqua Texas President for end of October – Dan
 - Get Layout of BCL Water infrastructure – Team (we need a meeting with all of these people included: Barry Petty, Lalo, Barry Nelms, Tony Miller, Scot Foltz, Leo Cruz, Steven, Dan/Laurie/Elias/Orlan).
 - Do walk through of facilities – Team (at the same time of above meeting)
 - Get Map of BCL water infrastructure (need prior to above meeting or Make at first meeting – and answer all questions below)
 - Irrigation
 - Aqua Texas
 - Fire Hydrants and services
 - Are there back generators for the Aqua Texas pump station and water treatment plant
 - Do tour of Aqua Texas facilities
 - Understand the community impacts of the lake levels decreasing
 - Understand Aqua Texas' contingency plan if pumps can no longer provide water
 - Water to be trucked in?
 - Understand the water hierarchy for first rights on water
 - Golf Course
 - Drinking/Sewage
 - Irrigation

Joint Task Force on Water

- Key Action Items – Stage 2
 - Create an Executive Influencer Plan
 - Key Business Executives
 - Michael Dell
 - Elon Musk
 - Joe Rogan
 - Larry Ellis
 - Apple
 - Google
 - Amazon
 - Legislators
 - Governor
 - Develop a strategy to impact LCRA's Operating model to ensure Lake Travis provides water for our community's long term

Joint Task Force on Water Actions

Actions Taken to date

- Met with Aqua Texas, BCL, Omni, Barton Creek Lakeside Irrigation company to understand water intake issues
- Zebra mussels had a significant impact to Aqua Texas and Omni pumps
- Water was reduced to 50% to BCL due this issue
- Lakecliff was not affected as we leveraged our well
- Reviewed new Aqua Texas plant facility and found it to be state of the art
- Aqua Texas has a mitigation plan for now but the Joint Task Force still has doubts due to how the intake is done
- Met with new President of Aqua Texas to discuss contingencies and have a plan developed if we reach 620 feet in Lake Travis
 - Plan is to follow the lake for BCL
 - Lakecliff is self sufficient at this time; however, if there is an issue with our well, we will shift to lake water
 - If the lake is not sufficient, we will shift to tanker trucks bringing in water (Aqua Texas has 4 tankers for this purpose)
- Aqua Texas President is fully behind our efforts for water conservation. They have offered their lobbying team effort to support this initiative. Will be coming back to us with a plan to ensure we have long term water and sewage.
- Upcoming meeting with Joe Don Dockery, Burnet County Commissioner and Ann Howard, Travis County Commissioner and other politicians to discuss LCRA and water issues and strategy
- Meeting with broader group of people to develop a plan of advocacy – Framework to be finalized post the Joe Don and Ann meeting

Committee Updates

Cottage and Villas

Community Engagement

Architectural Control



Cottage and Villa Committee



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Cottage and Villa Committee

The Mission of the Committee

Create a Voice for the Cottage and Villa Community to enable the POA Board to listen to suggestions and concerns and work towards ensuring the highest quality of life for these owners

- Landscaping for 2021 and 2022 is complete – Payments are due in Full
- Exterior Paint and repair is still “desperately needed” for 1 Cottage
- Painting of Chimney Caps needs attention as many have not been painted
- Tree Trimming update – Owner’s responsibility
- Parking of Private golf carts in Cottage area – Needs to be addressed – See CCR’s 2.3 (r)
- Billing changes in 2023 for Cottage maintenance and water system repairs to move from Annually to Monthly
- Questions?

CCR’s 2.3 (r)

No articles deemed to be unsightly by the ACC shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing: trailers, graders, trucks (other than pick-ups), motorhomes, boats, boat trailers, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or any automobile (other than minor emergency repairs) except in enclosed garages or other structures. Each single family residence structure constructed in the Subdivision shall have sufficient garage space, as approved by the ACC, to house all vehicles to be kept on the Lot. Lot Owners shall not keep more than two (2) automobiles in such a manner as to be visible from any other Lot.

Community Engagement Committee



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Community Engagement Committee

The Mission of the Committee

Engage with the entire community to foster the positive and welcoming vision that is Lakecliff

A Number of initiatives were mentioned in the last quarter's POA Board Meeting. Here is an update on what has been accomplished

- ✓ New Welcome Packet
- ✓ New Closing Packet
- ✓ New Ways to communicate with residents (Text, Video Messaging, etc...)
- ✓ Install Message Boards at the Mailboxes to post key information on the community
- ✓ Add monthly Lakecliff Update - via e-mail and posted at the Message Boards
- ✓ Work with POA Board on amenities outlined in the 5 year plan to enhance resident's lives
- ✓ Build the Lakecliff Brand every day!



Architectural Control Committee



ACC

Construction Activity

- Approved/In Process today - 17 Active Projects (Homes & Villas)
 - 8 of the 17 are Spec homes
- Approved but not starting before year-end - 3 homes (2 of which are Spec builds)
- 1 New Spec Home was sold in the last 3 months

Committee Activities Ongoing

- Roll-out new ACC Packet (Approved and Filed)
- Focus on becoming a viable resource for builders and perspective homeowners
- Looking closely at irrigation requirements when reviewing landscape plans
- Budgeting for 2023
- Non-Compliance Notices and follow-up

Financial Matters



Projected 2022 Financial Results



Q3 Financials – Balance Sheet

Lakecliff on Lake Travis POA

Balance Sheet

As of 9/30/2022

Assets

Cash

Checking - Western Alliance	53,802.89
Money Market Account - Western Alliance	34,693.67
Money Market Account - United Heritage	184,589.25
Money Market Account - Arrowhead Bank	86,625.61
Total Cash	<u>359,711.42</u>

Total Assets

359,711.42

Liabilities & Equity

Prepayments	953.72
Arrowhead Bank Loan	38,768.59
Total Liabilities	<u>39,722.31</u>

Equity

Beginning Fund Balance 1/1/2022	250,530.06
Fund Change	69,459.05
Ending Fund Balance	<u>319,989.11</u>
Total Liabilities & Equity	<u>359,711.42</u>

Allocation of Ending Fund Balance

Operating Fund Reserve	128,984.17
Non-Operating Fund Reserve	191,004.94
Total Fund Balance	<u>319,989.11</u>

Q3 Financials - Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
 Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022	Projected vs Budget 2022
	Actual	Budget					
Income							
Assessments - Annual POA	202,245.53	202,980.00	(734.47)	202,980.00	734.47	202,980.00	-
Cottage Landscape Maintenance Allocation	20,618.82	30,124.00	(9,505.18)	30,124.00	9,505.18	30,124.00	-
Cottage Landscape Seasonal Allocation	32,242.28	2,000.00	30,242.28	4,000.00	(28,242.28)	47,506.43	43,506.43
Lot Mowing Fee Allocation	14,689.36	8,200.00	6,489.36	16,400.00	1,710.64	16,400.00	-
Arch Review Fee	32,000.00	28,125.00	3,875.00	37,500.00	5,500.00	32,500.00	(5,000.00)
Firewise Expense Allocation	-	5,000.00	(5,000.00)	5,000.00	5,000.00	-	(5,000.00)
New Construction Mgmt Fee	28,000.00	78,750.00	(50,750.00)	105,000.00	77,000.00	56,000.00	(49,000.00)
Gate Access Fee	4,000.00	-	4,000.00	-	(4,000.00)	4,000.00	4,000.00
Interest Income	630.52	1,800.00	(1,169.48)	2,400.00	1,769.48	920.00	(1,480.00)
Key/Remote Fee	225.00	3,000.00	(2,775.00)	3,000.00	2,775.00	225.00	(2,775.00)
Late Fee	(78.43)	585.00	(663.43)	780.00	858.43	780.00	-
AR Fee Income	525.00	135.00	390.00	175.00	(350.00)	525.00	350.00
NSF Fees	25.00	-	25.00	-	(25.00)	25.00	25.00
Irrigation System Revenue	45,135.42	37,770.00	7,365.42	53,031.00	7,895.58	70,000.00	16,969.00
Sprinklers Repair Revenue - Cottages	599.85	1,000.00	(400.15)	1,000.00	400.15	5,000.00	4,000.00
Irrigation System - Set up fees	17,500.00	28,125.00	(10,625.00)	37,500.00	20,000.00	25,000.00	(12,500.00)
Other Income	-	-	-	-	-	-	-
Total Income	398,358.35	427,594.00	(29,235.65)	498,890.00	100,531.65	491,985.43	(6,904.57)
Expense							
Administrative Expenses							
Accounting	475.00	500.00	(25.00)	500.00	25.00	500.00	-
Bank Charges - Return Pymt	20.00	-	20.00	-	(20.00)	20.00	20.00
Copies	1,614.95	795.00	819.95	945.00	(669.95)	1,800.00	855.00
Admin-AR Fees	4,745.00	275.00	4,470.00	400.00	(4,345.00)	5,000.00	4,600.00
Legal Expense	22,064.87	15,000.00	7,064.87	15,000.00	(7,064.87)	30,000.00	15,000.00
Management Fees	10,284.75	10,284.75	-	13,713.00	3,428.25	13,713.00	-
Meeting Expense	1,240.00	700.00	540.00	875.00	(365.00)	2,000.00	1,125.00
Development Services	57,997.50	54,412.50	3,585.00	72,550.00	14,552.50	72,550.00	-



Q3 Financials - Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
 Period 1/1/2022 To 9/30/2022

	Year to Date			Annual Budget	Budget Remaining	Projected 2022	Projected vs Budget 2022
	Actual	Budget	\$ Var Over (Under) Budget				
Postage/Delivery	497.43	284.00	213.43	355.00	(142.43)	600.00	245.00
Social Events	2,176.97	-	2,176.97	2,500.00	323.03	3,000.00	500.00
Website Maint	950.00	1,350.00	(400.00)	2,340.00	1,390.00	2,340.00	-
Website Hosting	241.08	234.00	7.08	312.00	70.92	312.00	-
Ins-D & O	-	-	-	1,900.00	1,900.00	1,900.00	-
Ins-F&EC or Package	3,287.00	-	3,287.00	-	(3,287.00)	3,287.00	3,287.00
Ins-Liability	774.25	3,020.00	(2,245.75)	3,020.00	2,245.75	3,020.00	-
Taxes-Property	-	650.00	(650.00)	650.00	650.00	650.00	-
Total Administrative Expenses	106,368.80	87,505.25	18,863.55	115,060.00	8,691.20	140,692.00	25,632.00

Q3 Financials - Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
 Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022	Projected vs Budget 2022
	Actual	Budget					
Irrigation							
Meter Reading	3,732.83	3,627.00	105.83	4,836.00	1,103.17	4,836.00	-
Raw Water	36,836.46	42,878.00	(6,041.54)	60,227.00	23,390.54	82,000.00	21,773.00
Raw Water - Res. Water Facility	5,600.00	7,200.00	(1,600.00)	9,600.00	4,000.00	9,600.00	-
Repairs - POA Irrigation	4,810.09	3,800.00	1,010.09	5,000.00	189.91	5,000.00	-
New Meters	3,794.81	1,000.00	2,794.81	1,500.00	(2,294.81)	5,000.00	3,500.00
Total Irrigation	54,774.19	58,505.00	(3,730.81)	81,163.00	26,388.81	106,436.00	25,273.00
Landscape							
Landscape-Common Area Seasonal	13,104.19	8,000.00	5,104.19	10,000.00	(3,104.19)	15,000.00	5,000.00
Landscape-Lot Mowing	8,300.00	7,200.00	1,100.00	14,400.00	6,100.00	16,400.00	2,000.00
Landscape-Common Area Recurring	53,826.81	37,071.00	16,755.81	49,428.00	(4,398.81)	55,000.00	5,572.00
Landscape-Cottage Recurring	29,441.31	22,590.00	6,851.31	30,120.00	678.69	32,000.00	1,880.00
Landscape-Cottage Seasonal	2,769.38	2,000.00	769.38	4,000.00	1,230.62	4,000.00	-
Landscape-Supplies	1,874.11	2,800.00	(925.89)	2,800.00	925.89	2,800.00	-
Landscape-Repair	250.00	-	250.00	-	(250.00)	250.00	250.00
Landscape-Sprinklers	868.76	1,125.00	(256.24)	1,500.00	631.24	1,500.00	-
Landscape-Cottage Sprinkler Repairs	4,079.30	750.00	3,329.30	1,000.00	(3,079.30)	5,000.00	4,000.00
Firewise Expense	-	5,000.00	(5,000.00)	5,000.00	5,000.00	-	(5,000.00)
Total Landscape	114,513.86	86,536.00	27,977.86	118,248.00	3,734.14	131,950.00	13,702.00

Q3 Financials - Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
 Period 1/1/2022 To 9/30/2022

	Year to Date			Annual Budget	Budget Remaining	Projected 2022	Projected vs Budget 2022
	Actual	Budget	\$ Var Over (Under) Budget				
Property Expenses							-
Access Ctrl-Maint	1,299.90	2,250.00	(950.10)	3,000.00	1,700.10	1,500.00	(1,500.00)
Entry Gate Maintenance	11,000.00	750.00	10,250.00	1,000.00	(10,000.00)	11,000.00	10,000.00
Fence Maint/Repair	14,946.00	-	14,946.00	-	(14,946.00)	14,946.00	14,946.00
Mailbox/Guard House Maint/Repair	1,487.50	1,000.00	487.50	1,000.00	(487.50)	1,500.00	500.00
Landscape Lights	-	200.00	(200.00)	200.00	200.00	200.00	-
Maint/Repair	5,724.45	1,665.00	4,059.45	2,220.00	(3,504.45)	6,000.00	3,780.00
Security/Monitoring	839.59	29,997.00	(29,157.41)	39,996.00	39,156.41	5,268.00	(34,728.00)
Security Personnel	-	29,997.00	(29,997.00)	39,996.00	39,996.00	-	(39,996.00)
Signage Install/Maint	563.74	3,500.00	(2,936.26)	3,500.00	2,936.26	1,500.00	(2,000.00)
Street Light Maint/Repair	-	200.00	(200.00)	200.00	200.00	200.00	-
Water Feature Maint	325.00	120.00	205.00	180.00	(145.00)	325.00	145.00
Total Property Expenses	36,186.18	69,679.00	(33,492.82)	91,292.00	55,105.82	42,439.00	(48,853.00)
Utility Expenses						42,439.00	42,439.00
Electric	1,822.55	1,890.00	(67.45)	2,520.00	697.45	2,520.00	-
Tel/Cell/Pager	1,028.91	990.00	38.91	1,320.00	291.09	1,320.00	-
Total Utility Expenses	2,851.46	2,880.00	(28.54)	3,840.00	988.54	3,840.00	-
Total Operating Expense	314,694.49	305,105.25	9,589.24	409,603.00	94,908.51	425,357.00	15,754.00
Operating Income (Loss)	83,663.86	122,488.75	(38,824.89)	89,287.00	5,623.14	66,628.43	(22,658.57)

Q3 Financials - Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
 Period 1/1/2022 To 9/30/2022

	Year to Date			Annual Budget	Budget Remaining	Projected 2022	Projected vs Budget 2022
	Actual	Budget	\$ Var Over (Under) Budget				
Non-Operating Expenses							
Security Project - expenditures	13,995.00	-	13,995.00	-	(13,995.00)	133,000.00	
Security Project - loan funding	-	-	-	-	-	(133,000.00)	
Road Maint/Repair	-	-	-	-	-	75,470.08	
Debt Service - Security Project Interest Expense	209.81	-	209.81	-	(209.81)	503.84	
Non-Operating Expenses	14,204.81	-	14,204.81	-	(14,204.81)	75,973.92	
Fund Change - Cash Increase (Decrease)	69,459.05	122,488.75	(53,029.70)	89,287.00	19,827.95	(9,345.49)	
	-	-	-	-	-	-	
					Beginning Fund Balance	250,530.06	
					Projected Fund Change - 2022	(9,345.49)	
					Projected Ending Fund Balance - 2022	241,184.57	
					Operating Fund Reserve	133,000.00	
					Non-operating Fund Reserve	108,184.57	

Q3 Financials - POA

Lakecliff on Lake Travis POA

Income Statement - POA

Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget				
<u>Income</u>						
Assessments - Annual POA	202,245.53	202,980.00	(734.47)	202,980.00	734.47	202,980.00
Lot Mowing Fee Allocation	14,689.36	8,200.00	6,489.36	16,400.00	1,710.64	16,400.00
Interest Income	630.52	1,800.00	(1,169.48)	2,400.00	1,769.48	920.00
Key/Remote Fee	225.00	3,000.00	(2,775.00)	3,000.00	2,775.00	225.00
Late Fee	(78.43)	585.00	(663.43)	780.00	858.43	780.00
AR Fee Income	525.00	135.00	390.00	175.00	(350.00)	525.00
NSF Fees	25.00	-	25.00	-	(25.00)	25.00
Other Income	-	-	-	-	-	-
Total Income	218,261.98	216,700.00	1,561.98	225,735.00	7,473.02	221,855.00
<u>Expense</u>						
Administrative Expenses						
Accounting	475.00	500.00	(25.00)	500.00	25.00	500.00
Bank Charges - Return Pymt	20.00	-	20.00	-	(20.00)	20.00
Copies	1,614.95	795.00	819.95	945.00	(669.95)	1,800.00
Admin-AR Fees	4,745.00	275.00	4,470.00	400.00	(4,345.00)	5,000.00
Legal Expense	22,064.87	15,000.00	7,064.87	15,000.00	(7,064.87)	30,000.00
Management Fees	10,284.75	10,284.75	-	13,713.00	3,428.25	13,713.00
Meeting Expense	1,240.00	700.00	540.00	875.00	(365.00)	2,000.00
Postage/Delivery	497.43	284.00	213.43	355.00	(142.43)	600.00
Social Events	2,176.97	-	2,176.97	2,500.00	323.03	3,000.00
Website Maint	950.00	1,350.00	(400.00)	2,340.00	1,390.00	2,340.00
Website Hosting	241.08	234.00	7.08	312.00	70.92	312.00
Ins-D & O	-	-	-	1,900.00	1,900.00	1,900.00
Ins-F&EC or Package	3,287.00	-	3,287.00	-	(3,287.00)	3,287.00
Ins-Liability	774.25	3,020.00	(2,245.75)	3,020.00	2,245.75	3,020.00
Taxes-Property	-	650.00	(650.00)	650.00	650.00	650.00
Total Administrative Expenses	48,371.30	33,092.75	15,278.55	42,510.00	(5,861.30)	68,142.00

Q3 Financials - POA

Lakecliff on Lake Travis POA

Income Statement - POA

Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget				
Landscape						
Landscape-Common Area Seasonal	13,104.19	8,000.00	5,104.19	10,000.00	(3,104.19)	15,000.00
Landscape-Lot Mowing	8,300.00	7,200.00	1,100.00	14,400.00	6,100.00	16,400.00
Landscape-Common Area Recurring	53,826.81	37,071.00	16,755.81	49,428.00	(4,398.81)	55,000.00
Landscape-Supplies	1,874.11	2,800.00	(925.89)	2,800.00	925.89	2,800.00
Landscape-Repair	250.00	-	250.00	-	(250.00)	250.00
Landscape-Sprinklers	868.76	1,125.00	(256.24)	1,500.00	631.24	1,500.00
Total Landscape	78,223.87	56,196.00	22,027.87	78,128.00	(95.87)	90,950.00
Property Expenses						
Access Ctrl-Maint	1,299.90	2,250.00	(950.10)	3,000.00	1,700.10	1,500.00
Entry Gate Maintenance	11,000.00	750.00	10,250.00	1,000.00	(10,000.00)	11,000.00
Fence Maint/Repair	14,946.00	-	14,946.00	-	(14,946.00)	14,946.00
Mailbox/Guard House Maint/Repair	1,487.50	1,000.00	487.50	1,000.00	(487.50)	1,500.00
Landscape Lights	-	200.00	(200.00)	200.00	200.00	200.00
Maint/Repair	5,724.45	1,665.00	4,059.45	2,220.00	(3,504.45)	6,000.00
Security/Monitoring	839.59	29,997.00	(29,157.41)	39,996.00	39,156.41	5,268.00
Security Personnel	-	29,997.00	(29,997.00)	39,996.00	39,996.00	-
Signage Install/Maint	563.74	3,500.00	(2,936.26)	3,500.00	2,936.26	1,500.00
Street Light Maint/Repair	-	200.00	(200.00)	200.00	200.00	200.00
Water Feature Maint	325.00	120.00	205.00	180.00	(145.00)	325.00
Total Property Expenses	36,186.18	69,679.00	(33,492.82)	91,292.00	55,105.82	42,439.00
Utility Expenses						
Electric	1,822.55	1,890.00	(67.45)	2,520.00	697.45	2,520.00
Tel/Cell/Pager	1,028.91	990.00	38.91	1,320.00	291.09	1,320.00
Total Utility Expenses	2,851.46	2,880.00	(28.54)	3,840.00	988.54	3,840.00
Total Operating Expense	165,632.81	161,847.75	3,785.06	215,770.00	50,137.19	205,371.00
Operating Income (Loss)	52,629.17	54,852.25	(2,223.08)	9,965.00	(42,664.17)	16,484.00

Q3 Financials - POA

Lakecliff on Lake Travis POA

Income Statement - POA

Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget				
Non-Operating Expenses						
Security Project - expenditures	13,995.00	-	13,995.00	-	(13,995.00)	133,000.00
Security Project - loan proceeds	-	-	-	-	-	(133,000.00)
Road Maint/Repair	-	-	-	-	-	75,470.08
Debt Service - Security Project Interest Expense	209.81	-	209.81	-	(209.81)	503.84
Non-Operating Expenses	14,204.81	-	14,204.81	-	(14,204.81)	75,973.92
Fund Change - Cash Increase (Decrease)	38,424.36	54,852.25	(16,427.89)	9,965.00	(28,459.36)	(59,489.92)

Q3 Financials – Irrigation

Lakecliff on Lake Travis POA
Income Statement - Irrigation
 Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget				
Income						
Irrigation System Revenue	45,135.42	37,770.00	7,365.42	53,031.00	7,895.58	70,000.00
Irrigation System - Set up fees	17,500.00	28,125.00	(10,625.00)	37,500.00	20,000.00	25,000.00
Total Income	62,635.42	65,895.00	(3,259.58)	90,531.00	27,895.58	95,000.00
Expense						
Irrigation						
Meter Reading	3,732.83	3,627.00	105.83	4,836.00	1,103.17	4,836.00
Raw Water	36,836.46	42,878.00	(6,041.54)	60,227.00	23,390.54	82,000.00
Raw Water - Res. Water Facility	5,600.00	7,200.00	(1,600.00)	9,600.00	4,000.00	9,600.00
Repairs - POA Irrigation	4,810.09	3,800.00	1,010.09	5,000.00	189.91	5,000.00
New Meters	3,794.81	1,000.00	2,794.81	1,500.00	(2,294.81)	5,000.00
Total Irrigation	54,774.19	58,505.00	(3,730.81)	81,163.00	26,388.81	106,436.00
Total Operating Expense	54,774.19	58,505.00	(3,730.81)	81,163.00	26,388.81	106,436.00
Fund Change - Cash Increase (Decrease)	7,861.23	7,390.00	471.23	9,368.00	1,506.77	(11,436.00)

Q3 Financials – Development

Lakecliff on Lake Travis POA
Income Statement - Development
 Period 1/1/2022 To 9/30/2022

	Year to Date			Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget	\$ Var Over (Under) Budget			
<u>Income</u>						
Arch Review Fee	32,000.00	28,125.00	3,875.00	37,500.00	5,500.00	32,500.00
New Construction Mgmt Fee	28,000.00	78,750.00	(50,750.00)	105,000.00	77,000.00	56,000.00
Gate Access Fee	4,000.00	-	4,000.00	-	(4,000.00)	4,000.00
Total Income	64,000.00	106,875.00	(42,875.00)	142,500.00	78,500.00	92,500.00
<u>Expense</u>						
Administrative Expenses						
Development Services	57,997.50	54,412.50	3,585.00	72,550.00	14,552.50	72,550.00
Total Operating Expense	57,997.50	54,412.50	3,585.00	72,550.00	14,552.50	72,550.00
Fund Change - Cash Increase (Decrease)	6,002.50	52,462.50	(46,460.00)	69,950.00	63,947.50	19,950.00

Q3 Financials – Cottages

Lakecliff on Lake Travis POA
Income Statement - Cottages
 Period 1/1/2022 To 9/30/2022

	Year to Date		\$ Var Over (Under) Budget	Annual Budget	Budget Remaining	Projected 2022
	Actual	Budget				
Income						
Cottage Landscape Maintenance Allocation	20,618.82	30,124.00	(9,505.18)	30,124.00	9,505.18	30,124.00
Cottage Landscape Seasonal Allocation	32,242.28	2,000.00	30,242.28	4,000.00	(28,242.28)	47,506.43
Sprinklers Repair Revenue - Cottages	599.85	1,000.00	(400.15)	1,000.00	400.15	5,000.00
Total Income	53,460.95	33,124.00	20,336.95	35,124.00	(18,336.95)	82,630.43
Expense						
Landscape						
Landscape-Cottage Recurring	29,441.31	22,590.00	6,851.31	30,120.00	678.69	32,000.00
Landscape-Cottage Seasonal	2,769.38	2,000.00	769.38	4,000.00	1,230.62	4,000.00
Landscape-Cottage Sprinkler Repairs	4,079.30	750.00	3,329.30	1,000.00	(3,079.30)	5,000.00
Total Landscape	36,289.99	25,340.00	10,949.99	35,120.00	(1,169.99)	41,000.00
Total Operating Expense	36,289.99	25,340.00	10,949.99	35,120.00	(1,169.99)	41,000.00
Fund Change - Cash Increase (Decrease)	17,170.96	7,784.00	9,386.96	4.00	(17,166.96)	41,630.43

2023 Budget and 5 Year Projections



2023 Budget – Key Future Expenses

- Road repairs - ~\$70,000 to \$100,000
- Irrigation upgrades - ~\$60,000
- Fence maintenance - ~\$15,000 to \$25,000
- Ongoing Landscaping - ~\$30,000
- Community common areas maintenance - ~\$60,000

2023 Budget

Lakecliff on Lake Travis POA 2023 Budget

	Projected 2022	Budget 2023	Budget vs Projected 2022	
<u>Income</u>				
		20%		
		\$ 1,224		
Assessments - Annual POA	202,980	247,248	44,268	20% increase plus 3 additional lots
Cottage Landscape Maintenance Allocation	30,124	44,980	14,856	Based on 12 cottages without fence and 6 cottages/villas with fence
Cottage Landscape Seasonal Allocation	47,506	4,100	(43,406)	2022 deferred payments won't repeat
Lot Mowing Fee Allocation	16,400	16,600	200	Price increase for fuel and tractor lease but fewer lots to mow
Arch Review Fee	32,500	25,000	(7,500)	10 new homes
New Construction Mgmt Fee	56,000	40,000	(16,000)	10 new homes
Gate Access Fee	4,000	-	(4,000)	Eliminated and included in construction fee
Interest Income	920	500	(420)	Reduced fund balances
Key/Remote Fee	225	-	(225)	No longer needed with new security system
Late Fee	780	780	-	
AR Fee Income	525	200	(325)	
NSF Fees	25	-	(25)	
Irrigation System Revenue	70,000	77,000	7,000	Reflect growth in homes + price increase to match increase in our cost
Sprinklers Repair Revenue - Cottages	5,000	1,500	(3,500)	
Irrigation System - Set up fees	25,000	25,000	-	10 new homes
Total Income	491,985	482,908	(9,077)	

2023 Budget

Lakecliff on Lake Travis POA 2023 Budget

<u>Expense</u>	<u>Projected 2022</u>	<u>Budget 2023</u>	<u>Budget vs Projected 2022</u>	
Administrative Expenses				
Accounting	500	750	250	
Bank Charges - Return Pymt	20	-	(20)	
Copies	1,800	975	(825)	
Admin-AR Fees	5,000	5,000	-	
Legal Expense	30,000	15,000	(15,000)	Reflects using attorney less in 2023
Management Fees	13,713	14,124	411	3% increase per contract
Meeting Expense	2,000	1,500	(500)	
Development Services	72,550	61,000	(11,550)	\$1750/month plus 10 homes
Postage/Delivery	600	500	(100)	
Social Events	3,000	2,500	(500)	
Website Maint	2,340	2,500	160	
Website Hosting	312	500	188	
Ins-D & O	1,900	2,052	152	Predicted increase on renewal
Ins-F&EC or Package	3,287	3,550	263	Predicted increase on renewal
Ins-Liability	3,020	3,262	242	Predicted increase on renewal
Taxes-Property	650	800	150	
Total Administrative Expenses	140,692	114,013	(26,679)	

2023 Budget

Lakecliff on Lake Travis POA 2023 Budget

	Projected 2022	Budget 2023	Budget vs Projected 2022	
Irrigation				
Meter Reading	4,836	5,367	531	Will be zero once new meters are installed
Raw Water	82,000	85,000	3,000	Projected use, new cost - should be less once we get new meters and shut-of
Raw Water - Res. Water Facility	9,600	9,600	-	
Repairs - POA Irrigation	5,000	5,600	600	
New Meters	5,000	-	(5,000)	Installing new meters in 2023 - See Non-operating below
Total Irrigation	106,436	105,567	(869)	
Landscape				
Landscape-Common Area	70,000	59,000	(11,000)	Assumes no killer freeze this winter
Landscape-Lot Mowing	16,400	16,600	200	See income item above
Landscape-Cottage	36,000	49,080	13,080	See comments above under income
Landscape-Supplies	2,800	2,900	100	
Landscape-Repair	250	-	(250)	
Landscape-Sprinklers	1,500	1,500	-	
Landscape-Cottage Sprinkler Repairs	5,000	1,500	(3,500)	
Total Landscape	131,950	130,580	(1,370)	

2023 Budget

Lakecliff on Lake Travis POA 2023 Budget

	Projected 2022	Budget 2023	Budget vs Projected 2022	
Property Expenses				
Access Ctrl-Maint	1,500	-	(1,500)	None needed due to upgrades, etc. in 2022
Entry Gate Maintenance	11,000	1,000	(10,000)	Due to amounts spent in 2022, maintenance should be very low
Fence Maint/Repair	14,946	-	(14,946)	Moved to non-operating expenses
Mailbox/Guard House Maint/Repair	1,500	1,500	-	
Landscape Lights	200	200	-	
Common Area Maint/Repair	6,000	2,000	(4,000)	
Security/Monitoring	5,268	31,608	26,340	\$2634/month
Security Personnel	-	-	-	
Signage Install/Maint	1,500	500	(1,000)	
Street Light Maint/Repair	200	200	-	
Water Feature Maint	325	400	75	
Total Property Expenses	42,439	37,408	(5,031)	
Transfer Proof				
Electric	2,520	2,600	80	~3% increase
Tel/Cell/Pager	1,320	-	(1,320)	No longer needed with new security system
Total Utility Expenses	3,840	2,600	(1,240)	
Total Operating Expense	425,357	390,168	(35,189)	
Operating Income (Loss)	66,628	92,740	26,112	

2023 Budget

Lakecliff on Lake Travis POA 2023 Budget

	Projected 2022	Budget 2023	Budget vs Projected 2022	
Non-Operating Expenses				
Security Project - expenditures	133,000		(133,000)	2022 project complete
Security Project - funding	(133,000)		133,000	2022 project complete
Irrigation - installation of new meters		58,800	58,800	
Fence Repairs		15,000	15,000	
Road Maint/Repair	75,470	75,000	(470)	
Security Project - interest expense	504	3,770	3,266	Loan fully funded
Total Non-Operating Expenses	<u>75,974</u>	<u>152,570</u>	<u>76,596</u>	
Total Expenses	<u>501,331</u>	<u>542,738</u>	<u>41,407</u>	
Fund Change - Cash Increase (Decrease)	<u>(9,345)</u>	<u>(59,830)</u>	<u>(50,484)</u>	
		-		
Beginning Reserve Balance	250,530	241,185		
Projected Fund Decrease	(9,345)	(59,830)		
Projected Ending Reserve Balance	<u>241,185</u>	<u>181,355</u>		
Operating Reserve	133,000	130,056		
Non-Operating Reserve	108,185	51,299		

5 Year Financial Projections

Lakecliff on Lake Travis POA Income Statement

	Projected 2022 Results	Proposed 2023	2024	2025	2026	2027
Income		20%	20%	3%	3%	3%
Assessments per Lot	\$ 1,020	\$ 1,224	\$ 1,469	\$ 1,513	\$ 1,558	\$ 1,605
Assessments - Annual POA	202,980	247,248	296,698	305,599	314,766	324,209
Cottage Landscape Maintenance Allocation	30,124	44,980	46,300	47,700	49,100	50,600
Cottage Landscape Seasonal Allocation	47,506	4,100	4,200	4,300	4,400	4,500
Lot Mowing Fee Allocation	16,400	16,600	12,800	11,700	10,500	9,300
Arch Review Fee	32,500	25,000	25,000	25,000	25,000	25,000
Construction Mgmt Fee	56,000	40,000	40,000	40,000	40,000	40,000
Gate Access Fee	4,000	-	-	-	-	-
Interest Income	920	500	500	500	500	500
Key/Remote Fee	225	-	-	-	-	-
Late Fee	780	780	780	780	780	780
AR Fee Income	525	200				
NSF Fees	25	-				
Irrigation System Revenue	70,000	77,000	130,459	156,551	187,861	225,434
Sprinklers Repair Revenue - Cottages	5,000	1,500	1,000	1,000	1,000	1,000
Irrigation System - Set up fees	25,000	25,000	25,000	25,000	25,000	25,000
Total Income	491,985	482,908	582,737	618,130	658,908	706,323
Expense						
Administrative Expenses						
Accounting	500	750	800	820	840	870
Bank Charges - Return Pymt	20	-	-	-	-	-
Copies	1,800	975	-	-	-	-
Admin-AR Fees	5,000	5,000	-	-	-	-
Legal Expense	30,000	15,000	15,500	16,000	16,500	17,000
Management Fees	13,713	14,124	14,500	14,900	15,300	15,800
Meeting Expense	2,000	1,500	1,550	1,600	1,650	1,700
Development Services	72,550	61,000	61,000	61,000	61,000	61,000
Postage/Delivery	600	500	520	540	560	580
Social Events	3,000	2,500	2,580	2,660	2,740	2,820
Website Maint	2,340	2,500	2,580	2,660	2,740	2,820
Website Hosting	312	500	520	540	560	580
Ins-D & O	1,900	2,052	2,110	2,170	2,240	2,310
Ins-F&EC or Package	3,287	3,550	3,660	3,770	3,880	4,000
Ins-Liability	3,020	3,262	3,360	3,460	3,560	3,670
Taxes-Property	650	800	830	860	890	920
Total Administrative Expenses	140,692	114,013	109,510	110,980	112,460	114,070

5 Year Financial Projections

Lakecliff on Lake Travis POA

Income Statement

	Projected 2022 Results	Proposed 2023	2024	2025	2026	2027
Irrigation						
Meter Reading	4,836	5,367	-	-	-	-
Raw Water	82,000	85,000	84,292	101,151	121,381	145,657
Raw Water - Res. Water Facility	9,600	9,600	9,900	10,200	10,500	10,800
Repairs - POA Irrigation	5,000	5,600	5,000	5,000	5,000	5,000
New Meters	5,000	-	-	-	-	-
Total Irrigation	106,436	105,567	99,192	116,351	136,881	161,457
Landscape						
Landscape-Common Area	70,000	59,000	60,800	62,600	64,500	66,400
Landscape-Lot Mowing	16,400	16,600	12,800	11,700	10,500	9,300
Landscape-Cottage	36,000	49,080	50,500	52,000	53,500	55,100
Landscape-Supplies	2,800	2,900	3,000	3,100	3,200	3,300
Landscape-Repair	250	-	-	-	-	-
Landscape-Sprinklers	1,500	1,500	1,500	1,500	1,500	1,500
Landscape-Cottage Sprinkler Repairs	5,000	1,500	1,550	1,600	1,650	1,700
Total Landscape	131,950	130,580	130,150	132,500	134,850	137,300
Property Expenses						
Access Ctrl-Maint	1,500	-	-	-	-	-
Entry Gate Maintenance	11,000	1,000	1,000	1,000	1,000	1,000
Fence Maint/Repair	14,946	-	-	-	-	-
Mailbox/Guard House Maint/Repair	1,500	1,500	1,000	1,000	1,000	1,000
Landscape Lights	200	200	200	200	200	200
Maint/Repair	6,000	2,000	2,100	2,200	2,300	2,400
Security/Monitoring	5,268	31,608	31,608	31,608	31,608	31,608
Security Personnel	-	-	-	-	-	-
Signage Install/Maint	1,500	500	500	500	500	500
Street Light Maint/Repair	200	200	200	200	200	200
Water Feature Maint	325	400	180	180	180	180
Total Property Expenses	42,439	37,408	36,788	36,888	36,988	37,088
Utility Expenses						
Electric	2,520	2,600	2,700	2,800	2,900	3,000
Tel/Cell/Pager	1,320	-	-	-	-	-
Total Utility Expenses	3,840	2,600	2,700	2,800	2,900	3,000
Total Operating Expense	425,357	390,168	378,340	399,519	424,079	452,915
Net Operating Income	66,628	92,740	204,396	218,611	234,829	253,408

5 Year Financial Projections

Lakecliff on Lake Travis POA

Income Statement

Non-Operating Expenses

	Projected 2022 Results	Proposed 2023	2024	2025	2026	2027
Security Project - expenditures	133,000					
Security Project - funding	(133,000)					
Roads	75,470	75,000	100,000	103,000	106,100	109,300
Irrigation		58,800	5,000	5,000	5,000	5,000
Landscape		-		10,000		10,000
Fence		15,000	15,000	15,000	15,000	15,000
Security Project - interest expense	504	3,770	2,985	2,175	1,339	477
Total Non-Operating Expenses	75,974	152,570	122,985	135,175	127,439	139,777
Fund Change - Cash Increase (Decrease)	(9,346)	(59,830)	81,412	83,436	107,390	113,631
Fund Balance	241,184	181,354	262,766	346,202	453,592	567,223
Operating Reserve	133,000	130,100	126,100	133,200	141,400	151,000
Excess Fund Balance	108,184	51,254	136,666	213,002	312,192	416,223
Reserve Balance Needed for Subsequent Year Non-op Expenditures	152,570	122,985	135,175	127,439	139,777	143,970
Reserve Balance Over (Under) Needed	(44,386)	(71,730)	1,491	85,563	172,415	272,253

Budget Approval

- Motion to approve 2023 Budget
- Second
- Vote

Mission and Guiding Principles for Lakecliff



Mission and Guiding Principles for Lakecliff

The Mission of Lakecliff on Lake Travis is to be a World Class Community that is friendly and inclusive, financially stable, self-sufficient and sustainable, and offers exceptional amenities for all residents to live their best lives.

Guiding Principles to accomplish our Mission:

- Maintain and enhance the Lakecliff brand
- Service to all property owners that exceeds expectations
- A dedicated Board of Directors that treats each other and property owners equitably and with integrity and respect – Always Acting in Good Faith!
- Decisions regarding POA programs, property and services do not result in the many benefitting the few
- Collaborate and team with the Lakecliff Golf Club and Lakecliff Tennis Club in promoting the community to foster the long-term value of real estate within the community
- A financial plan that fulfills the above objectives, provides financial stability and creates a capital reserve that allows for the proper maintenance and improvement of the POA assets

Homeowner's Forum



Adjourn



Lakecliff
ON LAKE TRAVIS



Lakecliff
ON LAKE TRAVIS