

With 2012 nearly behind us, the Board of Directors wanted to take the opportunity to give residents an update on the financial condition of the community. Our income through November ran ahead of our budget expectations by a fairly large amount. The interest we have earned on the association's investments has been much stronger than expected and we received nearly \$25,000 in one-time income from an unexpected source. Comcast paid us not to sign a long-term contract with any of their competitors, something we hadn't intended to do anyway. So, we'll end the year with more income than we expected.

This is a good thing, since we'll also end the year with more expenses than we expected. As you probably already know, because of several insurance claims, our insurance premiums have gone up dramatically. Our insurance broker shopped for the best deal for us and we've made some hard decisions for next year, but for this year, we can cover the increases because of the extra income we've received. If all goes well through the end of December, we should end the year with a small profit.

Our reserve situation is also improving. We spent more than \$30,000 this year to repair the concrete on Millhaven Dr. Even after this expenditure, our reserves for future repair and replacement of the community's roads, sidewalks, and so forth, will exceed \$200,000 going into next year. This is a great improvement over the mere \$15,000 we had only a few years ago. Next year, we will have enough resources to repair another section of concrete within the community while maintaining our reserves for the future.

At its most recent meeting, the Board of Directors approved a budget for next year that again includes an increase in association dues. This was necessitated almost entirely by the increase in our insurance premiums. If we hadn't made adjustments to our insurance deductible, costs would have increased even more. These costs are largely outside our control – it's hard to prevent hurricane damage. But we all need to do what we can to keep our homes in good condition so that preventable damage doesn't occur. Unfortunately, rising insurance costs will be a problem for us for years to come and the Board is working hard to keep the costs under control.

The Architectural Control and Landscape committee, headed by Ken Via, made great progress this year in removing and replacing dead or dying trees, coordinating the Tot Lot mulch project, and improving flower beds throughout the common areas. Soon, new fencing behind Braxton Way will completely enclose the community and, we hope, cut down on the incursions from kids outside our neighborhood.

The Board is also pleased to announce that, after careful consideration and thorough discussions with our attorney, we have approved the first installation of solar panels in our community.