

**Harbor Cove Timeshare Owners' Association**  
**2022 Annual Financial Report (revised to reflect 240 current owner weeks)**  
**2023 Projected Budget based on 235 owner weeks paying**

SCHMELZLE

			<i>Final Approved</i>	<i>Final Operating</i>
	<i>2022 YE PROJECTED (1)</i>	<i>2022 YE ACTUAL</i>	<i>2022 Budget-240 wks</i>	<i>2023 Budget-235 wks</i>
<b>Revenue-Operations &amp; Reserves</b>				
Maintenance Fees-Operating	\$153,524	\$153,212	\$150,000	<b>\$163,325</b>
RCI Admin Fee Income (moved from Reserve to operations)	586	1,517	1,000	1,200
Late Fee & collection Income	676	1,125		
Deed transfer costs reimbursed (offset legal fees)		430		
<b>Additions to Reserve:</b>				
<b>SPECIAL ASSESSMENT collected as of 12/31/22 - RESERVE</b>	19,910	40,169		
Maintenance Fee Recoup-HCTSA rentals	1,925	3,063	11,000	
interest Income on Restricted reserves	5	7	0	0
Sale of HCTSOA owned weeks		1		
<b>Total Additions to Reserve</b>	<b>21,840</b>	<b>43,240</b>	<b>11,000</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>176,626</b>	<b>199,524</b>	<b>162,000</b>	<b>164,525</b>
<b>Operating Expenses</b>				
Association dues to Phase I & Community Properties	\$33,194	\$33,192	\$33,628	\$36,000
Association dues - Community Ctr rebuild (10 yr pmt plan)				\$11,000
Bank & Credit Card fees	\$44	\$53		\$50
Cleaning - Carpet	0	2,027	1,300	2,100
Cleaning (weekly units)	14,920	16,400	20,465	17,200
Cleaning - Furniture	1,200	1,440	800	1,500
Cleaning - Maintenance Week special cleaning projects	2,420	2,640	1,500	3,000
Electric & Water	5,751	5,415	5,640	5,800
Gas	5,885	5,899	6,050	6,000
Internet - Cable - Phone	15,011	15,018	14,632	15,500
Insurance	3,369	3,369	3,296	3,400
Laundry	5,620	6,750	7,290	6,800
Legal & Collection fees	1,000	0	1,600	1,000
Replacements - reoccurring	4,329	6,795	6,050	6,800
Maintenance & repairs	10,094	11,211	9,733	8,205
Management Fees	21,466	21,240	21,466	22,200
Printing-Mailing-Miscellaneous	1,110	761	900	900
Professional fees - CPA tax services	50	50		50

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Property Tax expense	14,034	14,034	13,650	14,500
Taxes - Income & Filing Fees		20		20
Unit Supplies	2,773	2,239	3,000	2,500
<b>TOTAL OPERATING EXPENSES</b>	<b>142,270</b>	<b>148,553</b>	<b>151,000</b>	<b>164,525</b>
<b>Total Revenue less Operating expenses</b>	<b>\$34,356</b>	<b>\$50,971</b>	<b>\$11,000</b>	<b>\$0</b>
<b>Less additions to Reserve for Replacement-above</b>	<b>(21,840)</b>	<b>(43,240)</b>	<b>(11,000)</b>	<b>0</b>
<b>Excess Operating revenue over operating expenses****</b>	<b>\$12,516</b>	<b>\$7,731</b>	<b>\$0</b>	<b>\$0</b>

<u>Analysis of Reserve for Replacement</u>	<u>Projected 12/31/2022</u>	<u>Actual 12/31/2022</u>		<u>Proof of cash balance</u> <u>12/31/2022</u>
Carryover Balance as of 12/31/2021 *	\$26,665	\$26,655	Unrestricted Cash Balance	\$159,267
Replacements/improvements incurred during the period **	(21,081)	(39,933)	Less Prepaid 2023 fees	(118,675)
Additions during the period including SA early pay	21,840	43,240	Less Prepaid rent for 2023	(2,282)
Excess during the period to carryover-above	12,516	7,731		
Less interest to restricted reserve noted below	(5)	(7)		
Adjustment to balance to reconciled Cash in Bank		624	<b>Cash available for</b>	
<b>Cash Balance in Replacement Reserve (RR)</b>	<b>39,935</b>	<b>\$38,310</b>	<b>Replacement Reserves</b>	<b>\$38,310</b>
<b>Restricted Reserve Cash Balance***</b>	<b>31,006</b>	<b>\$31,007</b>		

\* Reserve for Replacement carryover balance as of 12/31/2021 was \$26,655 per 2021 Annual Financial Report represents accumulation of funds for replacments & improvements planned that were not completed in prior year period.

\*\*Major improvements : Lower level bathroom renovations completed in Units 2 & 5 (Spring 2022), Units 8 & 11 ( Fall 2022)

\*\*\*Bylaws require a minimum of 10% of annual operating budget to be held in restricted reserves. \$31,000 restricted reserves is 19%.

\*\*\*\*Any excess funds at year end will be used for future year capital improvements and added to the Reserves for Replacement.

**Amount paid for property taxes for each week current (240) in 2022= \$58.48**

Note 1: Report was based upon actual 8 month results and best estimate of final 2022 numbers.

This report is a Treasurer & President's summary of the offical books kept by our property manager, Northern Michigan Escapes

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