

Under The Live Oak Trees

# Molokai Village

## Molokai Owners Association

5510 Golf Club Drive  
DiamondHead, MS 39525  
228-547-7804

## Annual Meeting Report

January 15, 2023

Jim Simmons (Vice President)  
Mike Burge (Treasurer)  
Vern Bourgeois (Secretary)

228-697-1037  
228-328-8648  
985-791-4715

Greg Goodson (President) 910-352-6886  
Michael Matthews (Member-at-Large) 228-861-3435  
Bill Farrell ( Assn. Manager) 228-547-7804

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## **THE STATE of the VILLAGE ADDRESS**

Welcome Owners,

Our future plans are predicated upon our past. As posted in past correspondence, we had a dramatic increase in insurance and projected insurance premiums and in inflation. We projected over a \$15,000 in 2022 deficit due to these increases. This resulted in the unwanted but required increase in dues for the 2023 year. Over \$8,000 of the projected deficit was saved due to the sound utilization of funds by Manager Bill Farrell. Bill, with the invaluable, dedicated and flexible service of Ralph Claffin, were able to reduce and control spending without neglecting needed repairs. We owe them our gratitude.

We also transferred \$30,000 from the Operating Budget to the Reserve Account, raising that account to \$120,000. This is to cover the insurance deductible from future claims. We are also awaiting the foreclosure sale of an apartment. This action was necessitated by the intestate death of the owner. Currently that unit is over \$6,000 in arrears. **Again, we ask all owners to provide the office with current emergency contact information and to have their affairs in order.**

As owners, you can reduce expenditures by checking your faucets for leaks, proper use of the dumpsters and prompt reporting of items that need attention. Our future plans will continue to involve restraint, concentrating on needed repairs. We will prioritize projects that concern safety, building preservation and property value.

We look forward to the New Year full of joy, happiness and no hurricanes or tornadoes.

Greg Goodson

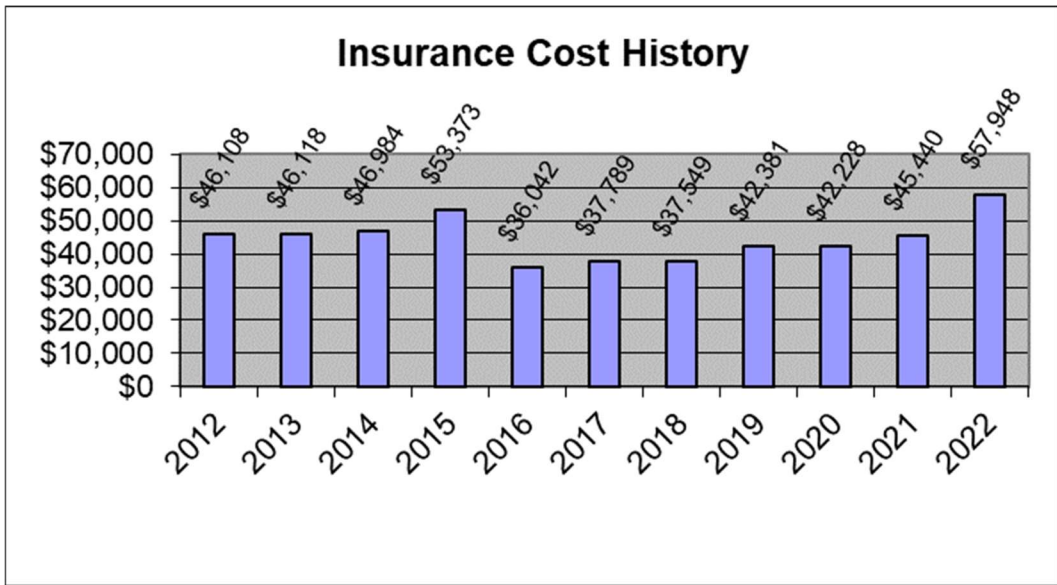
President  
The Molokai Owners Association Board of Directors

## Income and Expenses 2022

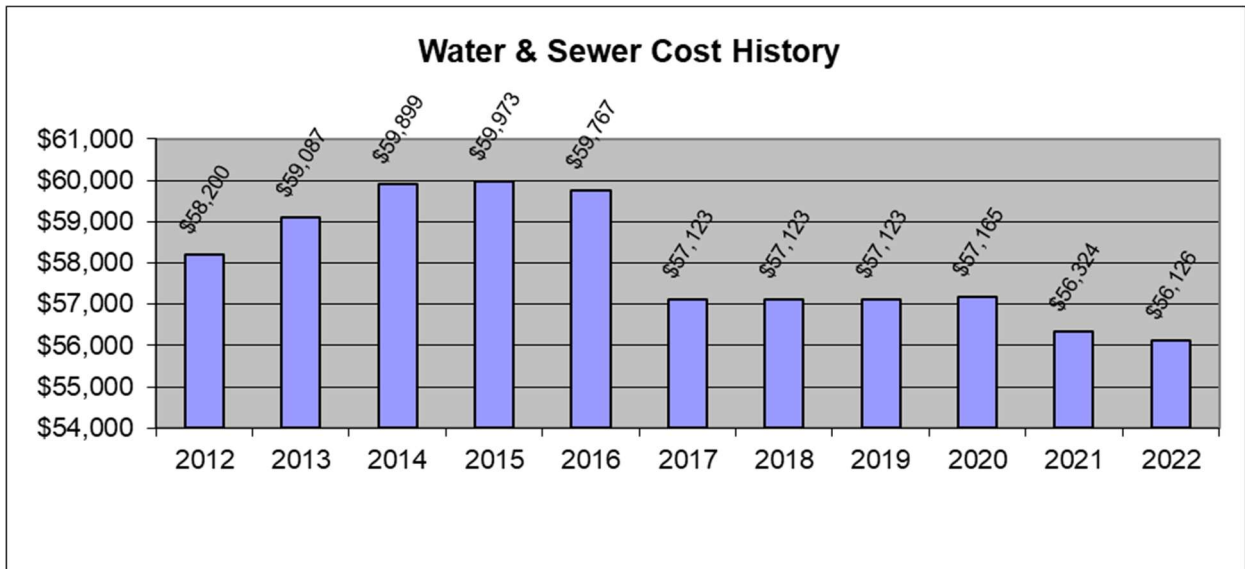
	Jan - Dec 22
<b>Income</b>	
Interest Income	219.02
Late Fee	301.00
Laundry	1,871.45
NSF	100.00
<b>Owners Dues</b>	
Common Area Dues	111,963.17
Fire Dues	21,140.67
Special Assessment	4,997.00
Water & Sewer Dues	54,553.85
Wind Insurance Dues	42,076.31
<b>Total Owners Dues</b>	234,731.00
<b>Total Income</b>	237,222.47
<b>Expense</b>	
<b>Administration</b>	
Accounting	350.00
Bank Charges	269.40
Legal Fees	88.00
Office Equipment	5,483.81
Office Services	153.95
Office Supplies	2,051.88
<b>Total Administration</b>	8,397.04
<b>Insurance</b>	57,948.46
<b>Management Contract</b>	27,300.00
<b>Repairs/Maintenance</b>	
Building Materials and Supplies	4,813.31
Grounds Materials and Supplies	2,092.11
Labor buildings	15,340.30
Labor grounds	23,697.00
Pool	2,759.60
Sidewalks	4,870.00
Tools and Equipment	1,248.39
Trees	750.00
Unplanned expenses	260.58
<b>Total Repairs/Maintenance</b>	55,831.29
<b>Services</b>	
Fire	22,050.00
Pest Control	3,453.19
Trash Services	8,191.24
<b>Total Services</b>	33,694.43
<b>Utilities</b>	
Cable Services	849.16
Condo water & sewer	55,125.22
Electric, Laundry	1,315.18
Electric, Night Lights	1,587.14
Electric, Office	1,120.46
Electric, Pool	1,722.45
Off Water & Sewer	1,001.59
<b>Total Utilities</b>	62,721.20
<b>Total Expense</b>	245,892.42
<b>Net Ordinary Income</b>	-8,669.95

## Modified Budget vs. Actual 2022

	<u>Jan - Dec 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Income</b>			
Interest Income	219.02	15.00	204.02
Late Fee	301.00	300.00	1.00
Laundry	1,871.45	1,680.00	191.45
NSF	100.00		
<b>Owners Dues</b>			
Common Area Dues	111,963.17	114,055.20	-2,092.03
Fire Dues	21,140.67	21,600.00	-459.33
Special Assessment	4,997.00	4,997.00	0.00
Water & Sewer Dues	54,553.85	55,800.00	-1,246.15
Wind Insurance Dues	42,076.31	42,868.80	-792.49
<b>Total Owners Dues</b>	<u>234,731.00</u>	<u>239,321.00</u>	<u>-4,590.00</u>
<b>Total Income</b>	<u>237,222.47</u>	<u>241,316.00</u>	<u>-4,093.53</u>
<b>Expense</b>			
<b>Administration</b>			
Accounting	350.00	400.00	-50.00
Bank Charges	269.40	269.00	0.40
Legal Fees	88.00	1,200.00	-1,112.00
Office Equipment	5,483.81	5,000.00	483.81
Office Services	153.95	290.00	-136.05
Office Supplies	2,051.88	1,800.00	251.88
<b>Total Administration</b>	<u>8,397.04</u>	<u>8,959.00</u>	<u>-561.96</u>
For Reserves	30,000.00	30,000.00	0.00
Insurance (2022 was \$45,000)	57,948.46	58,395.00	-446.54
Management Contract	27,300.00	27,300.00	0.00
<b>Repairs/Maintenance</b>			
Building Materials and Supplies	4,813.31	4,200.00	613.31
Grounds Materials and Supplies	2,092.11	3,000.00	-907.89
Labor buildings	15,340.30	21,360.00	-6,019.70
Labor grounds	23,697.00	25,200.00	-1,503.00
Pool	2,759.60	2,400.00	359.60
Sidewalks	4,870.00	5,000.00	-130.00
Tools and Equipment	1,248.39	1,900.00	-651.61
Trees	750.00	1,200.00	-450.00
Unplanned expenses	260.58		
<b>Total Repairs/Maintenance</b>	<u>55,831.29</u>	<u>64,260.00</u>	<u>-8,428.71</u>
<b>Services</b>			
Fire	22,050.00	22,080.00	-30.00
Pest Control	3,453.19	3,400.00	53.19
Trash Services	8,191.24	8,640.00	-448.76
<b>Total Services</b>	<u>33,694.43</u>	<u>34,120.00</u>	<u>-425.57</u>
<b>Utilities</b>			
Cable Services	849.16	840.00	9.16
Condo water & sewer	55,125.22	55,800.00	-674.78
Electric, Laundry	1,315.18	1,440.00	-124.82
Electric, Night Lights	1,587.14	1,680.00	-92.86
Electric, Office	1,120.46	1,440.00	-319.54
Electric, Pool	1,722.45	1,560.00	162.45
Off Water & Sewer	1,001.59	1,320.00	-318.41
<b>Total Utilities</b>	<u>62,721.20</u>	<u>64,080.00</u>	<u>-1,358.80</u>
<b>Total Expense</b>	<u>275,892.42</u>	<u>287,114.00</u>	<u>-11,221.58</u>
<b>Net Ordinary Income</b>	<u>-38,669.95</u>	<u>-45,798.00</u>	<u>7,128.05</u>



An increase in Insurance cost is anticipated. Policy renewal is in July.

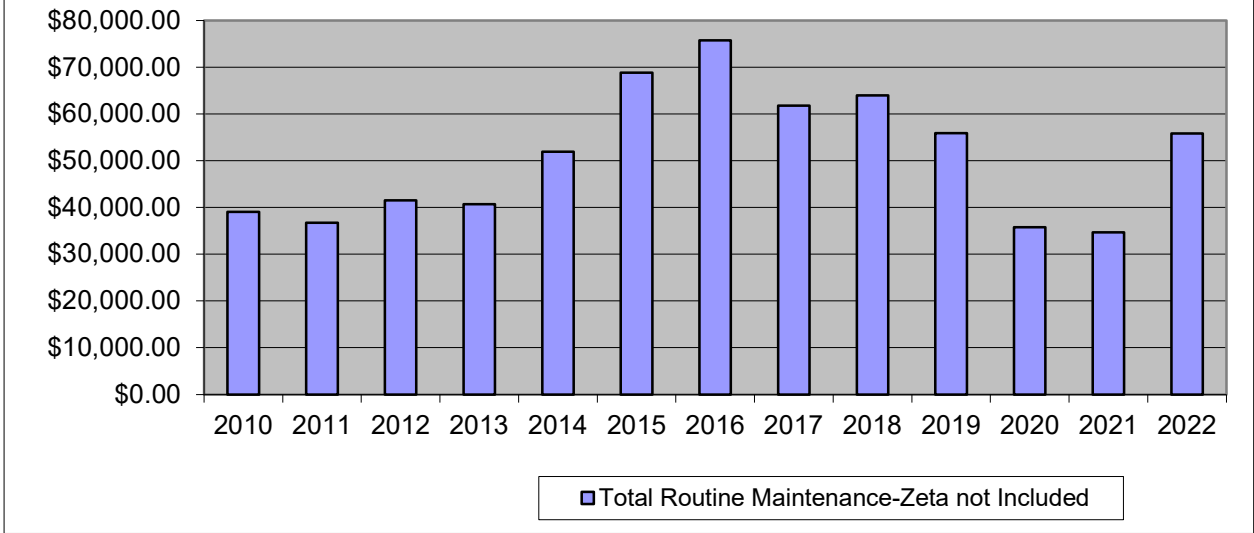


Water and Sewer billing has changed to a new minimum bill with half the water usage allotment. Usage over the minimum allowed is billed by the gallons used. There is an increase in the billing rate for this usage, to \$8.19 per 1,000 gallons. Conservation efforts are a must if we are to control this. Please repair any running toilets and dripping faucets. The tiniest leaks can easily cost \$50 to \$100.

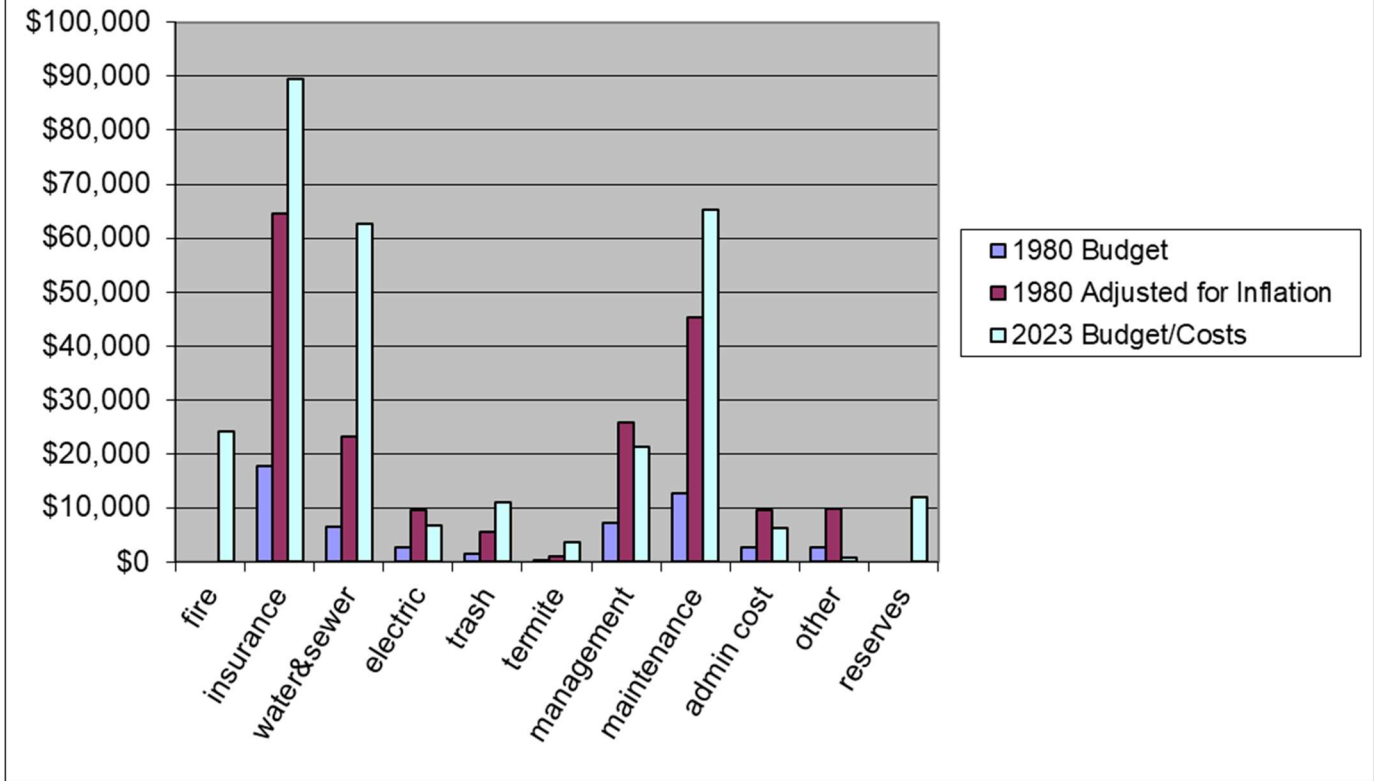
**Trash Service** Waste Management has agreed to a new contract price to keep our business. The rate will creep up over time, but for now, we will enjoy the savings. \$560 vs \$825+.

**The Fire Protection** Effective July 1, 2023, rates for residential customers will increase \$3 per month. The new rate will be \$27.00 per month, if we keep our \$1 discount, else, \$28.

### History of Maintenance Spending

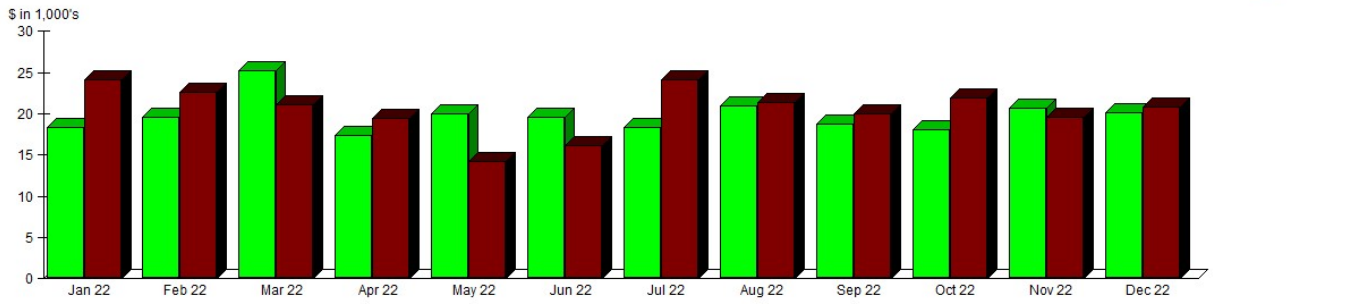


### Current Budget Compared to 1980

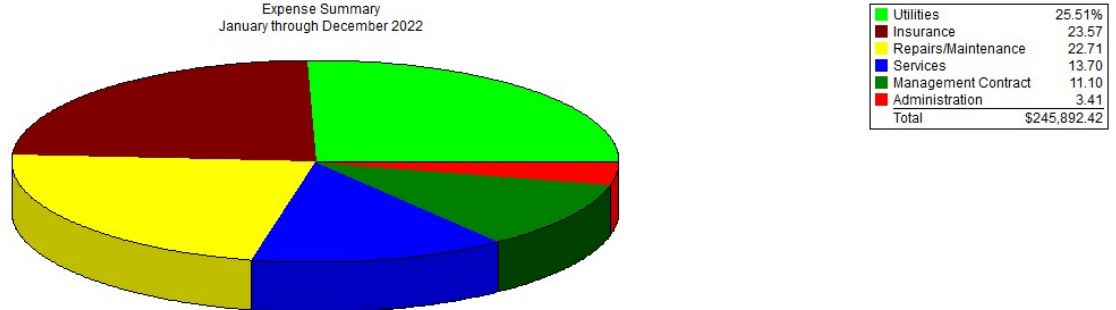


This is a look back 43 years.

Income and Expense by Month  
January through December 2022



Expense Summary  
January through December 2022



By Account

## Statement of Cash Flows

**Jan - Dec 22**

### OPERATING ACTIVITIES

**Net Income** -6,041.37

**Adjustments to reconcile Net Income**

**to net cash provided by operations:**

**Accounts Receivable** -14,757.58

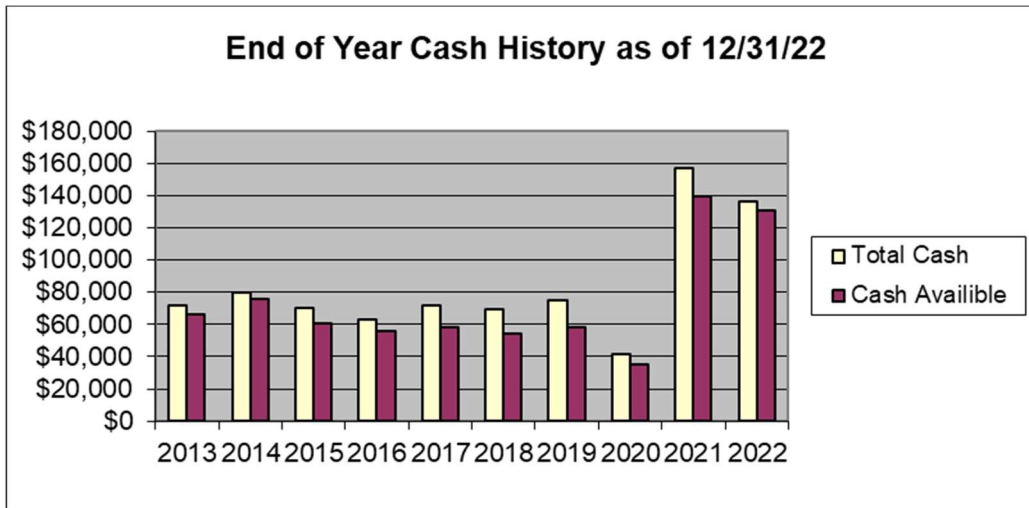
**Net cash provided by Operating Activities** -20,798.95

**Net cash increase for period** -20,798.95

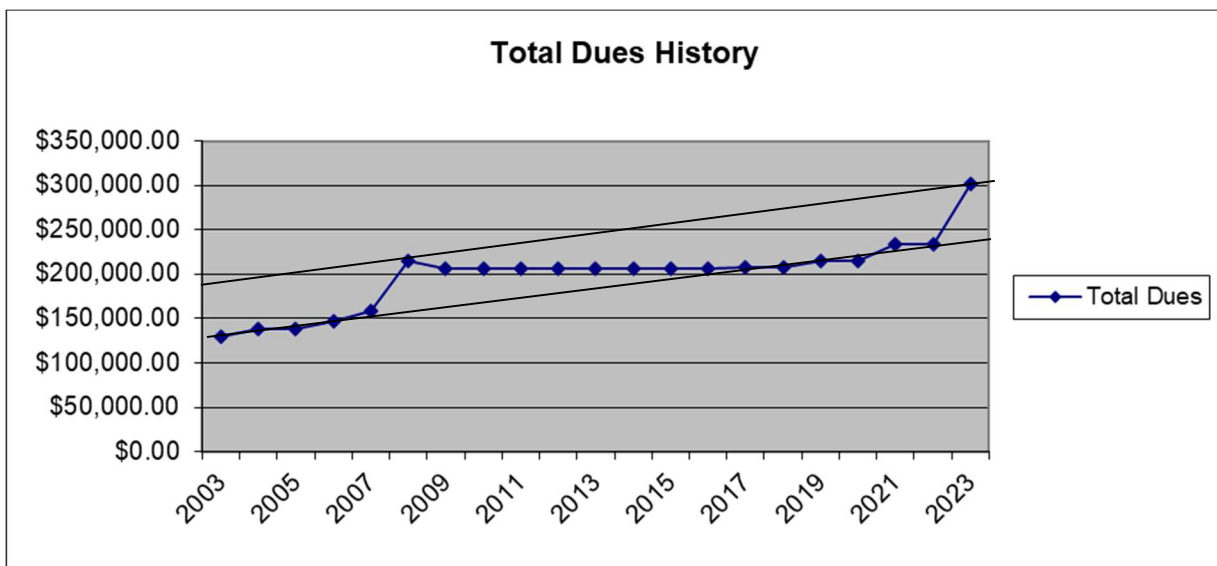
**Cash at beginning of period** 157,279.40

**Cash at end of period** 136,480.45

## Annual Assessment and Budget



The chart above shows cash on hand at the end of the year. It also reflects the needed increase in reserves to meet insurance deductibles. With inflation running high, projecting future costs can be a game of “catch up.” We have selected cost projections and an Annual Assessment that we hope will keep our finances on course.



The lower straight line drawn on the graph above shows the historical inflation rate.

The next pages show the calculations for each part of the total dues for different sized apartments, followed by the budget for year 2023.



## Dues Calculation

<u>Check Percentage Ownership Numbers</u>				<u>Molokai Dues</u> 2023		
Size	total #	ea. %	total %			
Studio	10	0.8	8.00			
1 Br	42	1.2	50.40			
2 Br	21	1.8	37.80			
2 br+	2	1.9	3.80			
			75 Total	100.00		
 <u>Total Dues</u>						
Size	#	rate	total			
Studio	10	\$239.00	\$2,390.00			
1 Br	42	\$311.00	\$13,062.00			
2 Br	21	\$419.00	\$8,799.00			
2 Br+	2	\$437.00	\$874.00			
			Total Mo	\$25,125.00	Total Yr \$301,500.00	
 <u>Common Area Dues</u>						
Size	%	rate	#	total for size		
Studio	0.8	\$84.00	10	\$840.00		
1 Br	1.2	\$126.00	42	\$5,292.00		
2 Br	1.8	\$189.00	21	\$3,969.00		
2 br+	1.9	\$199.50	2	\$399.00		
				Mo	\$10,500.00	Yr \$126,000.00
 <u>Wind Insurance Dues</u>						
Size	%	rate	#	total for size		
Studio	0.8	\$60.00	10	\$600.00		
1 Br	1.2	\$90.00	42	\$3,780.00		
2 Br	1.8	\$135.00	21	\$2,835.00		
2 br+	1.9	\$142.50	2	\$285.00		
				Mo	\$7,500.00	Yr \$90,000.00
 <u>Water Dues</u>						
Size	rate	#	total for size			
Studio	\$68.00	10	\$680.00			
1 Br	\$68.00	42	\$2,856.00			
2 Br	\$68.00	21	\$1,428.00			
2 br+	\$68.00	2	\$136.00			
				Mo	\$5,100.00	Yr \$61,200.00
 <u>Fire Dues</u>						
Size	rate	#	total for size			
Studio	\$27.00	10	\$270.00			
1 Br	\$27.00	42	\$1,134.00			
2 Br	\$27.00	21	\$567.00			
2 br+	\$27.00	2	\$54.00			
				Mo	\$2,025.00	Yr \$24,300.00
Total Mo					\$25,125.00	Total Yr \$301,500.00

## 2023 Budget

	<b>Jan - Dec 23</b>
<b>Income</b>	
Interest Income	10.00
Late Fee	360.00
Laundry	1,680.00
<b>Owners Dues</b>	
Common Area Dues	126,000.00
Fire Dues	24,300.00
Water & Sewer Dues	61,200.00
Wind Insurance Dues	90,000.00
<b>Total Owners Dues</b>	<b>301,500.00</b>
<b>Total Income</b>	<b>303,550.00</b>
<b>Expense</b>	
<b>Administration</b>	
Accounting	600.00
Bank Charges	300.00
Legal Fees	2,400.00
Office Equipment	600.00
Office Services	320.00
Office Supplies	1,980.00
<b>Total Administration</b>	<b>6,200.00</b>
<b>For Reserves</b>	<b>11,925.00</b>
<b>Insurance</b>	<b>89,500.00</b>
<b>Management Contract</b>	<b>21,450.00</b>
<b>Repairs/Maintenance</b>	
Building Materials and Supplies	4,620.00
Grounds Materials and Supplies	3,300.00
Labor buildings	22,320.00
Labor grounds	28,920.00
Pool	2,640.00
Tools and Equipment	1,680.00
Trees	1,800.00
<b>Total Repairs/Maintenance</b>	<b>65,280.00</b>
<b>Services</b>	
Fire	24,300.00
Pest Control	3,685.00
Trash Services	10,890.00
<b>Total Services</b>	<b>38,875.00</b>
<b>Utilities</b>	
Cable Services	960.00
Condo water & sewer	61,200.00
Electric, Laundry	1,620.00
Electric, Night Lights	1,800.00
Electric, Office	1,560.00
Electric, Pool	1,740.00
Off Water & Sewer	1,440.00
<b>Total Utilities</b>	<b>70,320.00</b>
<b>Total Expense</b>	<b>303,550.00</b>
<b>Net Ordinary Income</b>	<b>0.00</b>