



October 29, 2020

Dear Naples Lakes Country Club Member:

On the reverse side of this letter you will find a summary of the Final 2021 Budget approved by the Board of Directors during the October 28, 2020 Board Meeting. The Club Staff, the Finance Committee and your Board of Directors spent a considerable amount of time scrutinizing the income and expenses to make sure your dues dollars are wisely spent.

As we all know 2020 has been an extremely challenging year for everyone. COVID-19 has affected everyone's life in a variety of ways. Many Clubs in southwest Florida and around the country experienced large operating losses resulting in sizable member assessments to cover their shortfalls. We are pleased to announce that there will be no additional assessments due to COVID-19's impact for Naples Lakes Country Club residents. The management team worked very diligently to obtain the best financial relief from the available programs for the benefit of the community as well as keeping spending under control.

Because of the continued economic uncertainty as we enter next year, our goal was to keep spending increases to a minimum so we could limit your dues increase. The year-over-year budget increase is \$253,004 or 3.88 percent. This equates to a dues increase of \$346 per door and is the second lowest increase in six years. Included below is an explanation of some of the major items that changed the budget from 2020.

Recurring Increases. The following increases over last year's budget are the result of ongoing contractual obligations:

- \$4,273 Security Contract Increase
- \$30,231 Cable Contract Increase
- \$17,962 Liability Blanket Policy Increase
- \$32,195 Club's share of the employee health insurance increase.

2021 Required Increases.

- \$30,590 Impact due to golf course bridge project on golf shop and food and beverage revenue.
- \$67,031 Increase per annual reserve study update.¹

Together the recurring and required spending increases amount to approximately \$182,000 or 72 percent of the total increase.

The Board has also approved the following fee increases for 2021.

Fee Increases.

- Golf Guest Fees (including reciprocals and renters) will increase by \$3.
- Club Cart Rental Fees will increase \$1 for both 9- and 18-hole rounds.
- \$25 increase in the cart trail fee.

Remaining Items. The remaining budget dollars not discussed (\$70,700) represents approximately 1 percent of the 2021 budget and is spread among the various departments and operations and includes payroll and other line adjustments.

If you have questions regarding the 2021 budget, please contact me or our Chief Financial Officer Lorianne Cianfero. We would be happy to discuss your questions or concerns.

Best Regards,

Bryan Roe

Bryan Roe, CCM, CCE, CAM
General Manager

¹ The yearly contribution to the Replacement Reserve is governed by NLCC policy which relies on the annual Replacement Reserve Study from an outside consultant. The increase in the Reserve Contribution for the 2021 budget over the 2020 budget is 7.14 percent.

**Naples Lakes Country Club 2020 Final Budget Dues Summary
2021 VS 2020**

CLUB BUDGET	2021 Budget	2020 Budget	Change	
HOA BUDGET:				
HOA operations	1,894,599	1,867,754	26,845	
Total HOA BUDGET	\$ 1,894,599	\$ 1,867,754	26,845	
OPERATIONS BUDGET:				
Golf Operations	(697,680)	(665,764)	(31,916)	
Golf Maintenance	1,785,234	1,741,962	43,272	
Food & Beverage	700,749	653,568	47,181	
Fitness	84,173	85,656	(1,483)	
Tennis	113,792	115,016	(1,224)	
House Maintenance	629,973	608,432	21,541	
General and Administrative	1,211,865	1,130,108	81,757	
Total Operations	\$ 3,828,106	\$ 3,668,978	159,128	
Sub-total Operations and HOA:	\$ 5,722,705	\$ 5,536,732	185,973	
ASSET FUND CONTRIBUTIONS:				
Reserve Contribution	1,005,289	938,258	67,031	
Capital Contribution	40,000	40,000	-	
Total Asset Fund Contributions	\$ 1,045,289	\$ 978,258	67,031	
Total Club Budget	\$ 6,767,994	\$ 6,514,990	253,004	3.88%
DUES & HOA FEES PER HOUSEHOLD				
	2021 Budget	2020 Budget	Change	
HOA Fees per Household	2,592	2,555	37	
Fund Contributions	1,430	1,338	92	
Operations Contributions	5,237	5,019	218	
Total Dues and HOA Fees per Household (Rounded)	\$ 9,259	\$ 8,912	\$ 346	