



ASSOCIATION OF
POINCIANA
VILLAGES

APV Board Brief

2018 Budget

The purpose of this report is to address questions about items in the 2018 Association Budget. For six years in a row, our community's annual membership fee remained unchanged at \$252 per lot. This fee remained steady despite enhancements made to owner services, the development of new amenities and facilities, added social and recreational programs and improvements to APV common areas and maintenance services.

Why is the budget changing this year?

For the first time in six years, 2018 will require a minor increase of \$24 (10%) for a new annual assessment payment of \$276 per lot, or a monthly payment plan option of \$23. The increase is primarily driven by costs associated with APV's ongoing legal defense.

Why is there a significant increase in expenses for legal fees year to date?

The legal actions taken against APV have had a significant impact on the budget for 2018. Due to costly lawsuits, complaints, arbitration and other actions, next year's legal costs are estimated to exceed our current budget. As a result of uncertainties surrounding pending matters and the potential of threatening litigation APV has endured since 2015, the Association can no longer use an optimistic approach in budgeting legal expenses. The 2017 "Legal" line item of \$250,000 must be increased to \$500,000 for the 2018 budget year. The current year is expected to exceed \$500,000.

What is the status of the Association's debt collection efforts?

APV's enormous success over the last four years in collecting millions of dollars of unpaid assessments is reaching a glorious end. The pool of substantial "Bad Debt Recovery" funds is shrinking. The 2017 Budget included Bad Debt of \$198,644 in the positive due to the anticipated recovery of prior bad debt. In 2018, we anticipate a bad debt projection of \$101,285 in the negative, a variance of \$299,929.

What future community projects are in the works?

Amenities Development Projects, both “Private” and through “Public/Private Partnerships” include:

- Lakefront Community Marina And Park (Lake Marion Access)
- Community Amphitheater (Under Construction)
- Tennis Courts/Volleyball Courts
- More Picnic Tables and Pavilions
- Athletic Fields (Baseball, Soccer and Other Interests)
- More Aquatics (Splash Pads)
- Skateboard Park

APV owns 26 total undeveloped acres of land.

What is the status of the Vance Harmon Park Project?

After more than four years of planning and construction, the Mary Jane Arrington Gym and Aquatic Center at Vance Harmon Park is now open to the public. The project included a budget of more than \$8 million with approximately \$650,000 in community block grant funding. APV will also contribute \$3.2 million back to Osceola County. As part of the partnership, APV will own as well as manage the operations of the facility, saving the county about \$700,000 each year. Phase two of the project, which is expected to be completed by the end of this year, will include renovations to the football and softball fields, two new outdoor basketball courts, two playgrounds, a dog park and an amphitheater.