

**HLPOA  
TREASURER'S REPORT AT JUNE 20, 2022  
ASSOCIATION**

**I. FINANCIAL STATUS OF THE ASSOCIATION**

The Highland Lake Property Owners Association currently has \$25,012 in its bank account, which is overstated by \$50. Fifty dollars was donated to the Foundation but was included in a check for dues to the Association. The check was deposited in the Association and has not been transferred to the Foundation yet.

We started the year with almost \$17,200, gained about \$9,000 in dues and contributions at the beginning of the year, which is about 3% more than expected. We have not yet paid the largest bill of the year, our insurance bill.

We have three unexpected expenditures to consider this month: a huge increase in insurance costs (an addition over \$3,000), yet another Downey Park improvement (\$176.34), and the unanticipated renewal of Norton (\$199.48), believed to be an element of our communication system.

**Insurance**

The insurance for the Highland Lake Property Owners Association renews each year in July and is usually paid by June. The insurance carrier notified us earlier in the year that the cost of renewal would be a little over \$5,000, and that is what was budgeted and approved for payment. However, in June we were informed by our carrier that insurance costs for covering lakes has risen. Our estimated cost will increase over \$3,000 **to almost \$9,000** to stay with our current insurance company.

Since the insurance does not expire until late July, our carrier will 'shop' for insurance that is less expensive. Unfortunately, the Board needs to be prepared to spend a substantial increase for insurance going forward.

The insurance carrier notified us that other agencies performing work on the lake must provide Certificates of Insurance, listing the HLPOA and HLPOA Foundation as 'Additional Insureds' so that the other agency's insurance will cover the costs of any suits caused by their actions.

Also, the insurance carrier notified us that hiring interns requires the purchase of workers compensation insurance so we also are required to request Certificates of Insurance showing us as Additional Insured on Workers Comp insurance. the insurance carrier said that failure to implement these precautions will result in greater liability for us, potential law suits, and higher insurance if anything goes wrong.

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**ASSOCIATION (continued)**

**Other Expenditures**

Land Maintenance - The next largest budget, \$2,050, is for the maintenance of the land properties owned by the HLPOA. Over 50% of it has been spent, all on one location. The HLPOA has two other large properties, plus access lanes and the north side of Lake Avenue, to maintain.

The 2022 budget for maintenance at Downey Park, \$800, and is 40% of the total Land Maintenance budget. The money spent on Downey Park so far has already exceeded that budget by over 30%. Unfortunately, the additional expense for paint at this location cost \$176.34, making total money spent at Downey of \$1,254, about 157% of its budget. The paint for the dock was approved by the Board prior to an understanding of the funds available.

I recommend that no further expenditures be approved in 2022 for Downey Park unless additional funding is found and specified only for that purpose.

Sense of Community - A mailing to all residents for dues was done early in the year. It cost about \$111 and another dues mailing is proposed for next November.

Community Communication - We received an invoice for the renewal of Norton in the amount of \$199.48. It was not expected and was not included in the budget. The Community Communication budget is only \$200 and that was planned for better communications about rules and regulations.

Other Administrative Costs - The property taxes for the Drainage District were paid (\$12) and also fees for banking services. The 2021 income taxes have not yet been calculated but will be coming before October.

**II. OTHER QUESTIONS & CONCERNS**

Tax Exemption - A question was raised regarding the availability of a sales tax exemption. The Illinois Department of Revenue, Sales Tax Division, informed me that the HLPOA applied for sales tax exemption status several years ago and was denied because it is a home owners' association. Such organizations are excluded from this State benefit because their activities are specifically incurred for their own benefit.

Carp Fest Bounty - The bounty money for the Carp Fest (\$720) was incorrectly deducted from the Association bank account and it was returned in full on 6/3.

Breakout of Money Dedicated for Special Purposes A request was made to have the money dedicated for special purposes shown in the financial reports. It is acknowledged and reported here as something yet to be accomplished.

**HLPOA  
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FOUNDATION**

**I. FINANCIAL STATUS OF THE FOUNDATION**

The purpose of the Highland Lake Property Owners' Foundation is to enhance the environmental health of the Highland Lake neighborhood, especially the environmental habitat of the lake and its shoreline. Currently we have \$9,369.71 in its bank account.

We started the year with \$5,439.93 and gained almost \$8,000 in dues and contributions since the beginning of the year. Another \$50 is due to the Foundation from the Association because a \$50 donation was included on a check to the Association for dues paid to the Association. This transfer has yet to be made. We have spent \$4,085 as of the end of May.

Carp Fest The purpose of CarpFest, traditionally held in May, is to remove Carp, an invasive, non-native species that damages the lake's aquatic habitat. Only three people registered to participate in the fishing bounty contest, providing revenue of only \$30 for fish restocking. Three Carp were reportedly caught, but only one by a person registered to participate in the bounty. The \$5 bounty for that one Carp was returned to the Foundation as a donation. It is recognized as an expense and, also, as a special designated amount for fish restocking along with the \$30 received for Carp Fest registration.

Those in attendance at the close of the Carp Fest expressed an interest in using the remaining \$720 budget to fund more events that remove Carp from Highland Lake.

Zebra Mussel Control In May, two special contributions, totaling to \$2,000, were made to help fund the research project that John Sonnenberg is conducting to control Zebra Mussels on Highland Lake. This allowed the Foundation to spend more than the budgeted \$3,500 on this research project. In May, the Foundation spent \$4,075 on the chemical that John is researching. The company informed me that it would not collect sales tax on our behalf and that amount is still due to the State (approximately \$250).

I recommend allowing expenditures up to the balance of any new funds dedicated to this research project and made available after the budget was developed in May. (The budget already accounted for any money available in the bank, and the reserve should cover any yet undiscovered designations for other special purposes.) The balances for these new funds are shown on the attached Foundation Budget to Actual Report as of May 31, 2022.

Invasive Lake Weeds & Fish Restocking No investment in these efforts have yet been made but lake weed control is anticipated shortly. Residents are strongly discouraged from applying chemicals into the lake on their own because the dosage will be impossible to monitor. Ron Mittlestaedt is the Chair of the Lake Health Committee and he will follow-up on this goal through his committee.