



**Compass Pointe Master Association, Inc**

---

**c/o Kuester Management Group  
PO Box 3340, Fort Mill, SC 29716  
803-802-0004 or 803-802-0005 Fax**

October 5, 2021

**OFFICIAL NOTICE OF ANNUAL MEETING & BUDGET RATIFICATION**

October 5, 2021

Please be advised that under the provisions of the Governing Documents of the Compass Pointe Master Association, Inc, you are hereby notified that an ANNUAL MEETING & RATIFICATION OF THE 2022 BUDGET will be held on 10/20/2021 . Due to COVID-19 this meeting will be a virtual meeting. No formal business will be conducted during the Live Event.

**DATE: 10/20/2021**

**TIME: 6 pm**

**PLACE: Virtual Meeting**

**Please go to <https://kuester.zoom.us>**

**Meeting ID: 876 2928 8643**

**Passcode: 269551**

**+1 301 715 8592**

**Find your local number: <https://kuester.zoom.us/j/kejrEFwyE8>**

The purpose of the Live Event is to welcome new homeowners, update the community on Association matters and provide a financial review of the community.

Quorum - A quorum will not be required for the Live Annual Meeting Event as no "official" business will be conducted.

**Homeowner Questions & Concerns**

In order to ensure all questions are properly addressed during the meeting, please scan the QR Code found at the bottom of this letter to submit your questions, or go to [https://kuester1.formstack.com/forms/2021\\_annual\\_meeting\\_2022\\_budget\\_questions\\_compass\\_pointe](https://kuester1.formstack.com/forms/2021_annual_meeting_2022_budget_questions_compass_pointe) and submit the form.

If time permits, questions may be taken through the chat feature in Zoom.

## Budget Ratification

Please find enclosed the 2022 budget presentation documents. The budget presentation will be reviewed during the Live Event. The Master Association Dues will increase by \$5.00 per month. Additional information related specifically to the Townhome communities will be provided separately for those homeowners.

### **Quorum is not required for Budget Ratification as per the statute NCGS 47F-3-103 (c):**

*Within 30 days after adoption of any proposed budget for the planned community, the executive board shall provide to all the lot owners a summary of the budget, and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The executive board shall set a date for a meeting of the lot owners to consider ratification of the budget, such meeting to be held not less than 10 no more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all the lot owners in the association or any larger vote specified in the declaration rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the executive board.*

As per your Association's governing documents, the annual budget adopted by your Board of Directors is automatically ratified unless rejected by 75% of owners. Due to the fact that the Annual Meeting/Budget Ratification will be held virtually this year to protect the health and safety of all residents, owners rejecting the budget will need to officially submit their written desire to deny the Board adopted 2022 Budget. To obtain a formal budget rejection form, please email [compasspointe@kuester.com](mailto:compasspointe@kuester.com). If at least 75% of the owners have not submitted their formal budget rejection form by 5 pm on October 19, 2020, the 2022 Budget adopted by the Association's Board of Directors will officially be ratified.

If you have any questions regarding the new process or contents of this notice, please contact Kuester Management Group at [compasspointe@kuester.com](mailto:compasspointe@kuester.com). You may also call us at 919-400-8567 or 888-600-5044. We look forward to your participation in this year's meeting.

Respectfully,

Michael Nieman, CMCA  
Community Manager  
Kuester Management Group, Inc.



Scan Me

888-600-5044    [support@kuester.com](mailto:support@kuester.com)    [www.kuester.com](http://www.kuester.com)



**Compass Pointe Master Association, Inc**  
**Annual Meeting**  
**10/20/2021**  
**6 pm**  
**Agenda**

- **Call to Order, Introduction & Welcome**
- **Community Updates**
- **Financial Review**
  - 2021 Financial Review
  - 2022 Budget Ratification
- **Closing Remarks & Adjournment**

**Meeting to be held virtually through Zoom**

Compass Pointe Master Association, Inc Meeting  
10/20/2021  
Meeting will start promptly at 6 pm

**Please go to <https://kuester.zoom.us>**  
**Meeting ID: 876 2928 8643**  
**Passcode: 269551**

**Dial by your location**  
**+1 301 715 8592**  
**Meeting ID: 876 2928 8643**  
**Passcode: 269551**

**Find your local number:**

**<https://kuester.zoom.us/j/kejrEFwyE8>**

**888-600-5044   support@kuester.com   www.kuester.com**

**2021 Finance Committee Presentation:**

<https://www.youtube.com/watch?v=PWYIJSNyMWE>

# Finance Committee Annual Report and Recommendations 2021

---



As many of you know, the finance committee normally holds a series of meetings around this time of year to brief our property owners on where we stand financially as a community and to explain the reasoning for the financial recommendations we made to the Board of Directors. This year in person meetings are “ill-advised” so instead, we are providing you with this report and financial summary. If, after reviewing this report, you have any questions or comments, please email them to [finance@compasspointenc-owners.com](mailto:finance@compasspointenc-owners.com). We will then collate the questions and answers and distribute a follow up to the entire CP community. As a reminder, the finance committee is an advisory committee ONLY. We have no power to authorize expenditures, approve budgets, set dues or fees, or impose fines. We are strictly limited to doing financial analysis and making recommendations which the Board may accept, reject, or alter as it sees fit. We hope you find the attached report to be informative and wish everyone a safe and prosperous new year.

Best regards,  
The Finance Committee

As property owners within a planned development with an HOA we are collectively responsible for certain financial obligations and discretionary expenses. The Board and the finance committee share the opinion that it makes both short and long-term sense for our HOA to adopt financial policies that keep our community financially strong.

---

The primary source of income for the HOA is your monthly HOA dues. These dues pay for a wide variety of services including:

- Grounds and landscaping
  - Entrances
  - Common Areas
  - Mailboxes
  - Ponds and fountains
- Administrative costs
  - On-site property management team
  - Kuester management services
  - Insurance
  - Professional fees
- Amenities
  - Grand Lanai
  - Outdoor Pool
  - Indoor Pool
  - Wellness Center
  - Lazy River
  - Tennis and Pickleball Courts
  - Dog Park
  - Kayak Racks & Launch
- Gatehouses
  - Staff
  - Equipment
- Utilities
  - Leased street lights
  - Trash pick up

In addition to funding the on-going routine maintenance of our community we need to maintain a sufficient balance in our reserve fund to cover future major repairs and replacements to our infrastructure and amenities.

---

## 2021 Forecast

When we created the 2021 budget in the summer of 2020 the outlook was bleak indeed. COVID was turning the economy upside down and no one could predict how that would affect us in the coming months. For that reason we recommended a budget that included a conservative estimate of 98 lot sales, down approximately 25% from the prior year. We also pared back our spending to include only current and on-going costs to maintain the community. We asked the Advisory Committee to gather input from the community about additional items they would like to have considered for approval, and that list has been maintained.

Fortunately, the effect of COVID on lot sales was the opposite of what we had feared, and lot sales have far exceeded the 98 in the budget. As of the August 31, 2021, we have closed on 194 lots, with 4 months remaining. Because of the additional breathing room at mid-year the Board of Directors was able to approve several of the projects on the “wish list” totaling over \$200,000 in improvements that are either completed or in process for completion before year end. Some of those items are:

|                              |                   |
|------------------------------|-------------------|
| Pool Furniture               | \$ 75,000         |
| Dog Park Upgrade             | \$ 14,000         |
| Lazy River repairs           | \$ 20,000         |
| Shower for indoor pool       | \$ 9,000          |
| Monitor/key pads             | \$ 25,000         |
| Resurface 2 tennis courts    | \$ 15,000         |
| Club storage solution        | \$ 10,000         |
| Reserve Study                | \$ 20,000         |
| Upgrade to internet services | \$ 15,000         |
|                              | <u>\$ 203,000</u> |

## 2022 Budget

After discussions with the developer, Renaissance Lifestyle, we have conservatively included 120 lot sales in our budget for 2022. As the budget was being developed,

---

Renaissance advised the Finance Committee that (1) there were currently only a small number of lots available for sale; and (2) it would not be until later in 2022 when approximately 250 new lots become available for sale. Their development of new properties includes clearing of land, surveying and plotting of lots, permitting, and installation of utilities, roadway construction, and filing of a new plot map of the new areas with the county. Accordingly, we were advised not to count on any newly developed areas ready for lot sales until early in the second quarter of 2022. Because of the timing when lots are projected to become available for sale in 2022, both the number of lots sold and related income is below that of 2021.

We anticipate that the cost of maintaining the community in 2022 will total \$2,630,000. Based on all budgeted revenues and expenses, we are recommending that the monthly MOA dues be increased from \$120 to \$125 per month. Bills for private neighborhood landscaping, irrigation water, and townhouse common expenses are separate items and not part of our recommendations.

With the conservative sales forecast and controlling expenses we are budgeting around \$400,000 in funds that would be available for use on special projects and/or contributions to the reserve fund.

## **THE RESERVE FUND**

In addition to our operating expenses, the HOA also maintains a reserve fund for capital expenses and major repairs. For example, the funds to resurface our bridges came from this fund. The source of funds for this account is a \$1,500 fee paid for by the builders for each house they build. In addition, any surplus in our operating account at the end of the year is usually contributed to this account. Based on information currently available, we estimate that our reserve fund will have over \$1,800,000 at the end of 2022; however, a new Reserve Study is currently in process. Upon receipt of this report expected later this year, we will update our projections.

### HOW ARE WE DOING IN 2021?

|                          | Original<br>2021<br><u>Budget</u> | Mid-year<br>Special<br><u>Projects</u> | Adjusted<br>2021<br><u>Budget</u> | 2021<br><u>Forecast</u> | <u>Delta</u>    |
|--------------------------|-----------------------------------|--|-----------------------------------|-------------------------|-----------------|
| <b>Lot Sales</b>         | <b>98</b>                         |  | <b>98</b>                         | <b>182</b>              | <b>84</b>       |
| Assessments              | 2,382,720                         |  | 2,382,720                         | 2,432,076               | 49,356          |
| Capital Contributions    | 141,120                           |  | 141,120                           | 364,200                 | 223,080         |
| Other Income             | 138,090                           |  | 138,090                           | 204,988                 | 66,898          |
| <b>Total Income</b>      | <b>2,661,930</b>                  | <b>-</b>                               | <b>2,661,930</b>                  | <b>3,001,264</b>        | <b>339,334</b>  |
| Grounds                  | (1,362,008)                       | (10,000)                               | (1,372,008)                       | (1,242,859)             | 129,149         |
| Administrative           | (388,353)                         | (20,000)                               | (408,353)                         | (486,543)               | (78,190)        |
| Amenities                | (280,679)                         | (173,000)                              | (453,679)                         | (551,718)               | (98,039)        |
| Gatehouse                | (218,618)                         |  | (218,618)                         | (190,263)               | 28,355          |
| Utilities                | (180,970)                         |  | (180,970)                         | (183,756)               | (2,786)         |
| <b>Total Costs</b>       | <b>(2,430,628)</b>                | <b>(203,000)</b>                       | <b>(2,633,628)</b>                | <b>(2,655,139)</b>      | <b>(21,511)</b> |
| <b>EXCESS TO RESERVE</b> | <b>231,302</b>                    | <b>(203,000)</b>                       | <b>28,302</b>                     | <b>346,125</b>          | <b>317,823</b>  |

### 2022 compared to 2021

|                          | 2021<br><u>Forecast</u> | 2022<br><u>Budget</u> | <u>Change</u> |            |
|--------------------------|-------------------------|-----------------------|---------------|------------|
|                          |                         |                       | <u>\$</u>     | <u>%</u>   |
| Lot Sales                | 182                     | 120                   | (62)          | -34%       |
| Monthly MOA Dues         | \$ 120                  | \$ 125                | \$ 5          | 4%         |
| Assessments              | 2,432,076               | 2,708,750             | 276,674       | 11%        |
| Capital Contributions    | 364,200                 | 180,000               | (184,200)     | -51%       |
| Other Income             | 204,988                 | 148,960               | (56,028)      | -27%       |
| <b>Total Income</b>      | <b>3,001,264</b>        | <b>3,037,710</b>      | <b>36,446</b> | <b>1%</b>  |
| Grounds                  | (1,242,859)             | (1,300,000)           | (57,141)      | 5%         |
| Administrative           | (486,543)               | (496,274)             | (9,731)       | 2%         |
| Amenities                | (551,718)               | (433,369)             | 118,349       | -21%       |
| Gatehouse                | (190,263)               | (198,736)             | (8,473)       | 4%         |
| Utilities                | (183,756)               | (202,644)             | (18,888)      | 10%        |
| <b>Total Costs</b>       | <b>(2,655,139)</b>      | <b>(2,631,023)</b>    | <b>24,116</b> | <b>-1%</b> |
| <b>EXCESS TO RESERVE</b> | <b>346,125</b>          | <b>406,687</b>        | <b>60,562</b> | <b>17%</b> |



## Longer-term Outlook

|                          | Prelim         | Projected      | Budget         | Outlook        |                |                |                |                |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                          | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           |
| Lots Sold at YE          | 1496           | 1678           | 1798           | 1918           | 1993           | 2043           | 2093           | 2143           |
| Lot Sales this year      | 149            | 182            | 120            | 120            | 75             | 50             | 50             | 50             |
| <b>Monthly MOA Dues</b>  | <b>\$110</b>   | <b>\$120</b>   | <b>\$125</b>   | <b>\$125</b>   | <b>\$125</b>   | <b>\$125</b>   | <b>\$130</b>   | <b>\$130</b>   |
| Assessments              | 2,010,088      | 2,432,076      | 2,708,750      | 2,887,800      | 3,008,250      | 3,093,300      | 3,274,680      | 3,344,580      |
| Capital Contributions    | 313,850        | 364,200        | 180,000        | 180,000        | 112,500        | 75,000         | 78,000         | 78,000         |
| Other Income             | 215,989        | 204,988        | 148,960        | 152,684        | 156,501        | 160,414        | 164,424        | 168,535        |
| Total Income             | 2,539,927      | 3,001,264      | 3,037,710      | 3,220,484      | 3,277,251      | 3,328,714      | 3,517,104      | 3,591,115      |
| Grounds                  | (1,181,742)    | (1,242,859)    | (1,300,000)    | (1,326,000)    | (1,352,520)    | (1,379,570)    | (1,407,162)    | (1,435,305)    |
| Administrative           | (375,438)      | (486,543)      | (496,274)      | (506,200)      | (516,324)      | (526,650)      | (537,183)      | (547,927)      |
| Amenities                | (318,054)      | (551,718)      | (433,369)      | (472,036)      | (481,476)      | (491,107)      | (500,928)      | (540,310)      |
| Gatehouse                | (200,864)      | (190,263)      | (198,736)      | (202,711)      | (206,765)      | (210,901)      | (215,119)      | (219,421)      |
| Utilities                | (167,973)      | (183,756)      | (202,644)      | (206,697)      | (210,831)      | (215,047)      | (219,348)      | (223,735)      |
| Total Costs              | (2,244,071)    | (2,655,139)    | (2,631,023)    | (2,713,643)    | (2,767,916)    | (2,823,275)    | (2,879,740)    | (2,966,698)    |
| <b>EXCESS TO RESERVE</b> | <b>295,856</b> | <b>346,125</b> | <b>406,687</b> | <b>506,841</b> | <b>509,335</b> | <b>505,439</b> | <b>637,364</b> | <b>624,417</b> |

2021 Finance Committee Presentation:

<https://www.youtube.com/watch?v=PWYIJSNyMWE>

The information in this presentation is based upon sources and data believed to be reliable, but which are not guaranteed. It is based on assumptions that are subject to substantial changes and that are beyond the control of the developers, the developer's agents, the Board of Directors, the Advisory Committee, and the Finance Committee. It is for informational purposes only.