

MASTER ASSOCIATION FOR GREEN VALLEY RANCH
2011 Budget with passage of District/HOA Services Agreement

INCOME:

Comments:

The Master Association for Green Valley Ranch was created to primarily enhance property values through covenant guidance and architectural review. The Community accomplishes this through a services agreement with the GVR Metropolitan District. The Association will consist of 4,600 homes by the end of 2010.

TOTAL 2011 PROJECTED FEES:

CLOSING FEES (Acct #03954)

Comments:

In recent years the home market has not been great in GVR, however, many homes are transferred with refinances and other mechanisms. While we can not predict the real estate conditions in 2011, we anticipate \$60,000 in closing fee income for the fiscal year.

TOTAL 2011 PROJECTED CLOSING FEE INCOME **\$ 60,000**

COLLECTION FEES INCOME

Comments;

In 2011 the Association will use legal recourse to go after delinquent homeowners and their fees and fines, and past due assessments. We anticipate a revenue of \$60,000 for fiscal year 2011.

TOTAL 2011 PROJECTED COLLECTION FEES INCOME **\$ 60,000**

INTEREST INCOME (Acct #3570)

Comments:

The Association has invested its fund balance savings in money market accounts to earn a little higher interest rate vs standard savings accounts. This investment strategy has proven effective for the Association, however in recent years even money market interest rates have been dismal. To be conservative the Association will anticipate \$1,500 for 2011 in interest income.

TOTAL 2011 PROJECTED INTEREST INCOME **\$ 1,500**

NEWSLETTER ADVERTISING (Acct #580100)

Comments:

The newsletter is provided to homeowners as a means of conveying community issues and the newsletter is not intended to be profitable. Since going to a cooperative newsletter with the Metro District, we have seen a significant drop in advertising due to the electronic and decreased quantity of production (bimonthly print vs monthly). Therefore for 2011, a conservative value of \$600 is being budgeted for this revenue.

TOTAL PROJECTED 2011 NEWSLETTER ADVERTISING INCOME **\$ 600**

LEGAL REIMBURSABLE (Acct. #521310)

Comments:

In the past the Association used a legal reimbursement program to go after delinquent homeowners and their fees and fines, and past due assessments. We are now using a Risk-Sharing Fee Structure and anticipate a minimal amount of revenue.

TOTAL PROJECTED 2011 LEGAL REIMBURSEABLE INCOME \$ -

RULE VIOLATION FINES (Acct. #3953)

Comments:

Moving forward with the Metro District providing the covenant enforcement services, we anticipate continuing an aggressive enforcement mentality of the rules and regulations. The anticipated revenue of violation fines is budgeted at \$3,166 per month, for a total of \$38,000.

TOTAL PROJECTED 2011 RULE VIOLATION FINE INCOME \$ 38,000

SPECIAL EVENTS (Acct. #3790)

TOTAL PROJECTED 2011 SPECIAL EVENTS INCOME \$ 500

LIEN FEES

Comments:

We anticipate lien income to be \$60,000.00 based upon homeowners who will be liened for past due assessments and rule violations in 2011

TOTAL PROJECTED 2011 LIEN FEE INCOME \$ 60,000

ARC REVIEW FEE INCOME

Comments:

- We anticipate \$750 in ARC Review Fees.

TOTAL PROJECTED 2011 ARC REVIEW FEE INCOME \$ 750

TOTAL 2011 PROJECTED INCOME \$ 221,350

EXPENSES:

SIGNS – COMMUNITY EVENTS: (Acct. #6440)

Comments:

This category covers temporary signage for the many community activities and functions held by the Association.

TOTAL 2011 PROJECTED SIGNS – COMMUNITY EVENTS EXPENSE \$ 250

OFFICE SUPPLIES: (Acct. # 6460)

Comments:

This will be a minor expense in 2011 for the HOA as most supplies will be paid for through the contract with the Metro District.

TOTAL 2011 PROJECTED OFFICE SUPPLIES EXPENSE \$ 500

LIEN FEE COSTS: (Acct. # 7516)

Comments:

This will be costs associated with filing liens with the City and County of Denver

TOTAL 2011 PROJECTED LIEN FEE EXPENSE \$ 1,200

BAD DEBT EXPENSE: (Acct. # 741020)

Comments:

This will be estimated write-offs

TOTAL 2011 PROJECTED BAD DEBT EXPENSE \$ 30,000

MANAGEMENT FEE: (Acct. #7510)

Comments:

In November 2007 the community voted on ballot measure 5A. The passing of this Metro District Tax measure allows for the District to collect tax dollars to support supplying the community the HOA operations. Therefore there is no direct management fee, however this is replaced with an offset that is built into the contractual relationship to allow for a portion of the fees and fines collected for the HOA to offset expenses incurred by the District in providing the services each year. For 2011 this value was budgeted at \$76,625.

TOTAL 2011 PROJECTED MANAGEMENT FEE EXPENSE \$ 76,625

LEGAL: (Acct. #7520)

Comments:

This is an expense category established to track general legal assistance (not delinquency collection).

TOTAL 2011 PROJECTED LEGAL EXPENSE \$ 5,000

AUDIT: (Acct. #7521)

Comments:

This category tracks audit/CPA costs. According to good fiduciary practices, an audit of the financial records should be completed on an annual basis.

TOTAL 2011 PROJECTED AUDIT EXPENSE **\$ 3,500**

INCOME TAXES: (Acct. #7522)

Comments:

This tracks federal and state income taxes for the Association. The Association is a non-profit corporation and is taxed on the interest income it earns. To be conservative, we are budgeting \$100 to cover possible taxes paid in the 2011 operating year.

TOTAL 2011 PROJECTED TAXES EXPENSE **\$ 100**

INSURANCE: (Acct. #7530)

Comments:

The Association has an excellent insurance policy that provides the following coverages:

Coverage	Limits	Annual Premium
General Liability	\$2,000,000	
Directors and Officers	\$1,000,000/claim \$2,000,000 aggregate	
Hired/Non-owned Auto	Bodily injury	
Crime/Fidelity	\$500,000	
Total Premiums		

Based upon the above, we anticipate annual insurance premiums in 2011 to total \$12,800.

TOTAL 2011 PROJECTED INSURANCE EXPENSE **\$ 12,800**

CONTRACTUAL OBLIGATIONS FROM PREVIOUS OFFICE SPACE

TOTAL 2011 PROJECTED CONTRACTUAL OBLIGATIONS **\$ 37,260**

HOMEOWNER MAILING (Acct. #7536)

Comments:

The Master HOA will send out an Introduction letter. Also, if homeowner owes monies, a statement will be mailed as well.

TOTAL PROJECTED 2011 HOMEOWNER MAILING EXPENSE **\$ 2,500**

POSTAGE: (Acct. #7540)

Comments:

This category is reduced greatly as this is another expense mainly covered by the District within the category of the services agreement. A relatively small amount is budgeted for any items required to be sent out that are not covered under the services agreement or are sent out by the HOA Board.

TOTAL 2011 PROJECTED POSTAGE EXPENSE **\$ 500**

RULES AND SITE RESTRICTIONS

Comments:

Printing and mailing of Greenbook carry-over from 2010 budget

TOTAL 2011 PROJECTED RULES AND SITE RESTRICTIONS EXPENSE \$ 20,000

MISCELLANEOUS: (Acct. #09800)

Comments:

This category covers unanticipated and unbudgeted contingency expenses.

TOTAL 2011 PROJECTED MISCELLANEOUS EXPENSE \$ 500

PERSONNEL SERVICES EXPENSE: (Acct. #720000)

Comments:

This category covers the transition of services from the HOA self-run model to the District.

TOTAL 2011 PROJECTED PERSONNEL SERVICES EXPENSE \$ 1,700

REIMBURSABLE LEGAL: (Acct. #7580)

Comments:

In the past the Association used a legal reimbursement program to go after delinquent homeowners and their fees and fines, and past due assessments. We are now using a Risk-Sharing Fee Structure and anticipate a minimal amount of expense.

TOTAL 2011 PROJECTED REIMBURSABLE LEGAL EXPENSE \$ -

COLLECTION EXPENSE ACCOUNT: (Acct. #7517)

Comments:

This category covers costs associated with delinquency collection and covenant enforcement. The Association continually evaluates the process to ensure it is the most effective way to collect assessments and resolved ongoing covenant violations.

TOTAL 2011 PROJECTED COLLECTION EXPENSE \$ 36,000

BANK CHARGE EXPENSE: (Acct. #6500)

Comments:

This category covers credit card fee charges and monthly bank fees.

TOTAL 2011 PROJECTED BANK CHARGE EXPENSES \$ 1,200

DATA BACKUP EXPENSE: (Acct. #7575)

Comments:

This category covers the final billing, due to the HOA now being under the Metro District.

TOTAL 2011 PROJECTED DATA BACKUP EXPENSES \$ 54

COMMUNITY EVENTS EXPENSE: (Acct. #7650)

Comments:

This category covers the wonderful events and activities that make Green Valley Ranch such a desirable place to live.

TOTAL 2011 PROJECTED COMMUNITY EVENTS EXPENSES	\$	1,500
TOTAL 2011 PROJECTED OPERATING EXPENSES	\$	231,189
TOTAL 2011 PROJECTED SURPLUS (DEFICIT)	\$	(9,839)
TOTAL DEFICIT TO BE PAID OUT OF HOA FUND BALANCE	\$	(9,839)
NET BALANCE TO BUDGET	\$	-