

MEMORIAL NORTHWEST HOA

2004 Budget

General Meeting Presentation

June 2004

2004 Budget Objectives

Objectives

- Fund HOA security, maintenance & administrative activities at a reasonable assessment level
- Maintain at least six months of HOA expenses in the maintenance fund
- Generate maintenance fund surplus (if possible) to pay for capital projects

2004 Budget Overview

Revenues similar to last year's budget (2004 - \$433 vs. 2003 - \$431)

- \$196 HOA dues constant
- Higher collections of past dues
- Lower interest income due to lower interest rates
- Lower income from MNW Estates assumed due to security contract decrease

Spending reduced to last year's budget (2004 - \$377 vs. 2003 - \$410)

- Security contract savings (one deputy – over \$40,000 net savings)
- Slightly increased spending on maintenance, pest control and collection costs

Planned maintenance fund surplus of \$56,000

- Surplus will more than pay for capital projects which were budgeted at \$20,000 reflecting lower spending due to completion of major capital projects for entrances

2004 HOA Maintenance Fund Budget --- 000's

Revenues \$433

->Assessments (87%)

-> Reimbursements, Interest and (13%)

Expenses \$377

->Security (50%)

->Maintenance (19%)

->Management Company (13%)

->Other -HOA activities, Insurance, Tax,

Legal & collection, audit fees, etc. (18%)

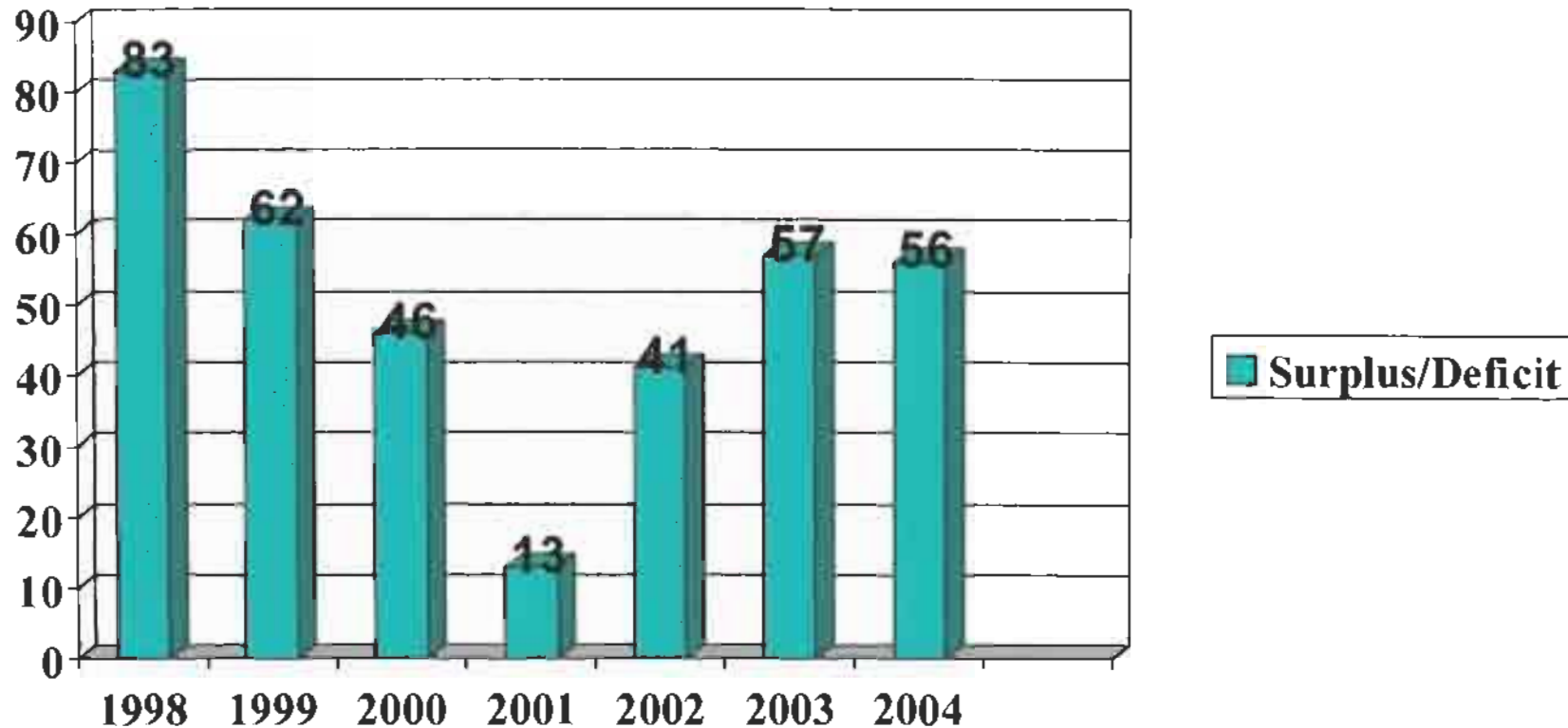
Surplus \$56 (Before Capital Spending)

2004 HOA Expenses

Security	\$ 187,000
Common area maintenance	72,000
Management Company	50,000
Legal	20,000
Insurance	10,000
Social	10,000
Other	<u>28,000</u>
TOTAL	\$ 377,000

Maintenance Fund Surplus / Deficit

\$ 000s



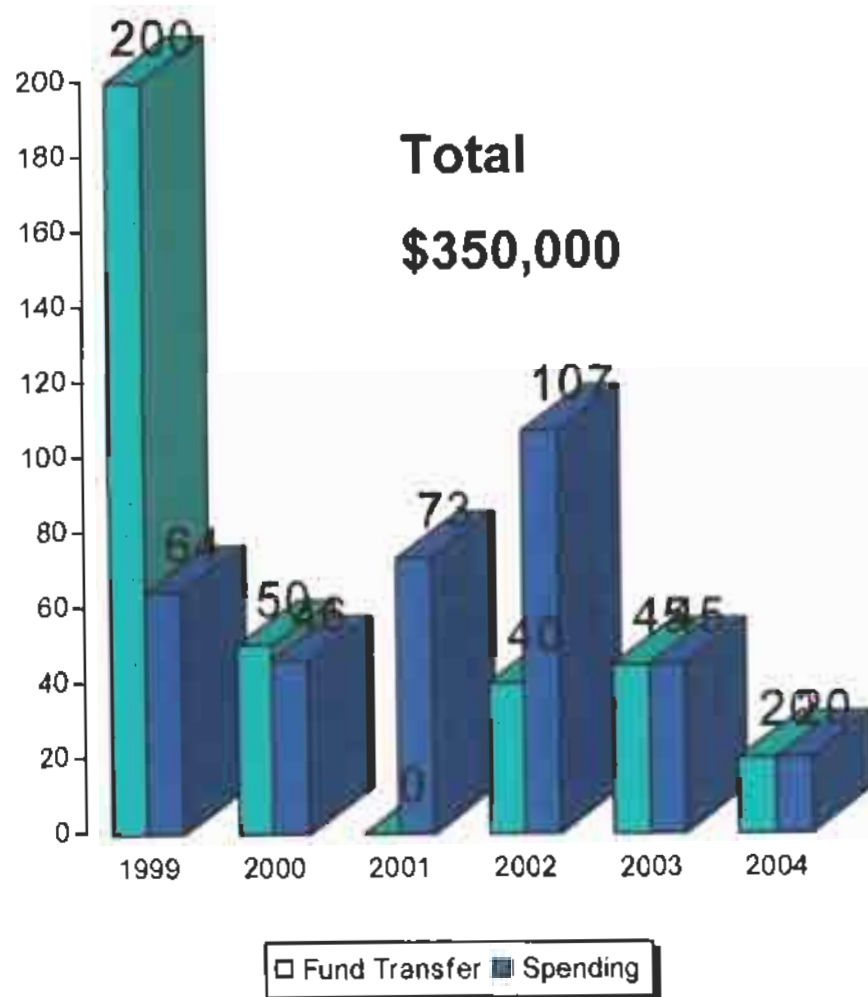
2002 primarily due to no security increase, lower maintenance.

2003 primarily due to Section 18,25 revenues

2004 primarily due to security contract reduction

Capital Fund Activity

\$ 000s



- Originally funded \$200 in 1999 / Transfer surplus funds in succeeding years
- 1999 Stuebner Airline Entrance
- 2000 Champion Forest South
- 2001 Champion Forest North / Sprinkler project
- 2002 Deep Pines / Sprinkler project / Started Narmore Entrance
- 2003 Complete Narmore Entrance / Sec #18,25 Entrance, (no pocket park although was originally in budget)
- 2004 Limited spend for minor interior entrance monuments

2004 Budget Back-Up

2004 Budget Assumptions

Cash-in Assumptions

- Homeowner “assessment” @ \$196/year (\$145 Assessment, \$41 CSF, \$10 Dues) from 2000 homes (~ 130 homes up due to #18,25 merger)
- Interest income (lower due to reduced money market rates – now paying about 1% and lower balances)
- Security reimbursement from MNW Estates for contract deputy program (~ 7% @ 152 / 2117 homes)

Cash-out Assumptions

- Security - one less deputy partially offset by 5% security contract increase
- Lower capital spend lower due to completion of exterior entrance projects (assume Section #18,25 finished in 2003)
- Limited capital spend for additional interior entrance monuments

What is not in the 2004 Budget

2004 Budget assumes...

- No major capital funding included for
 - Pocket park on MNW Club property deeded to MNW HOA
 - Plantings along newly completed (or about to be completed Theiss Mail Route)
 - Reimbursements for Champion Forest sidewalk homeowner properties
 - Major exterior entrance monuments (assume section #18,25 completes in 2003)
 - Repairs to pillars or homeowner fences
- Other possible issues – may or may not require funding
 - Opposition to proposed and tabled Louetta low income apartment complex

HOA Assessments Overview

- Homeowner funds well managed / No HOA assessment increases for 8 years
- Lower or comparable assessments to other well run local HOA's
- Further capital improvements will depend on ability to continuing surpluses in Maintenance Fund
- Continued inflation for security, maintenance and administration will eventually result in a need to raise Maintenance Fund assessment
 - Due to 2003 change to one less deputy (sergeant) saving ~ \$51,000 no increase in due is recommended for 2004