

MASTER ASSOCIATION FOR GREEN VALLEY RANCH
2013 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 2013.

TOTAL 2013 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 2013, we anticipate \$58,750 in closing fee income for the fiscal year.

TOTAL 2013 PROJECTED CLOSING FEE INCOME **\$ 58,750**

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 \$500 for 2013 in interest income.

TOTAL 2013 PROJECTED INTEREST INCOME **\$ 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 2013, a conservative value of \$100 is being budgeted for this revenue.

TOTAL PROJECTED 2013 NEWSLETTER ADVERTISING INCOME **\$ 100**

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 \$80,000.

TOTAL PROJECTED 2013 RULE VIOLATION FINE INCOME **\$ 80,000**

LIEN FEES INCOME

Comments:

We anticipate lien income to be \$35,000.00 based upon homeowners who will be liened for rule violations in 2013

TOTAL PROJECTED 2013 LIEN FEE INCOME \$ **35,000**

TOTAL 2013 PROJECTED INCOME \$ **174,350**

EXPENSES:

SIGNS – COMMUNITY EVENTS: (Acct. #6440)

Comments:

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

TOTAL 2013 PROJECTED SIGNS – COMMUNITY EVENTS EXPENSE \$ **500**

OFFICE SUPPLIES: (Acct. # 6460)

Comments:

This line item will be incorporated into the Metro District's 9C Budget which correlates with the HOA Mgmt Fee but there are miscellaneous supplies thru Petty Cash.

TOTAL 2013 PROJECTED OFFICE SUPPLIES EXPENSE \$ **50**

LIEN FEE COSTS: (Acct. # 7516)

Comments:

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

TOTAL 2013 PROJECTED LIEN FEE EXPENSE \$ **7,700**

BAD DEBT EXPENSE: (Acct. # 741020)

Comments:

This will be estimated write-offs

TOTAL 2013 PROJECTED BAD DEBT EXPENSE \$ **24,485**

AMORTIZATION EXPENSE: (Acct. # 741030)

Comments:

This is amortization of Leasehold Improvements

TOTAL 2013 PROJECTED AMORTIZATION EXPENSE \$ **5,107**

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 2013 this value was budgeted at \$84,900.

TOTAL 2013 PROJECTED MANAGEMENT FEE EXPENSE \$ **84,900**

LEGAL: (Acct. #7520)

Comments:

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

TOTAL 2013 PROJECTED LEGAL EXPENSE \$ **8,000**

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 2013 PROJECTED AUDIT EXPENSE \$ **2,000**

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 2013 operating year.

TOTAL 2013 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 2013 to total \$12,000.

TOTAL 2013 PROJECTED INSURANCE EXPENSE \$ 12,000

HOMEOWNER MAILING (Acct. #7538)

Comments:

This line item is primarily in regards to the District Delegate mailing.

TOTAL PROJECTED 2013 HOMEOWNER MAILING EXPENSE \$ 1,000

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 2013 PROJECTED POSTAGE EXPENSE \$ 1,500

RULES AND SITE RESTRICTIONS

Comments:

Printing/ mailing of Greenbook

TOTAL 2013 PROJECTED RULES AND SITE RESTRICTIONS EXPENSE \$ 2,500

MISCELLANEOUS: (Acct. #09800)

Comments:

This category covers unanticipated and unbudgeted contingency expenses.

TOTAL 2013 PROJECTED MISCELLANEOUS EXPENSE \$ 200

MISCELLANEOUS ADMINISTRATION: (Acct. #07570)

Comments:

This category covers any miscellaneous administrative costs

TOTAL 2013 PROJECTED MISCELLANEOUS ADMINISTRATION EXPENSE \$ **500**

VMS SOFTWARE AND SUPPORT

Comments:

These are costs associated with an annual Software Support Fee and any miscellaneous charges that may be needed.

TOTAL 2013 PROJECTED VMS SOFTWARE & SUPPORT EXPENSE \$ **1,000**

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 2013 PROJECTED COLLECTION EXPENSE \$ **18,608**

BANK CHARGE EXPENSE: (Acct. #6500)

Comments:

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

TOTAL 2013 PROJECTED BANK CHARGE EXPENSES \$ **1,200**

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 2013 PROJECTED COMMUNITY EVENTS EXPENSES **\$ 3,000**

TOTAL 2012 PROJECTED OPERATING EXPENSES **\$ 174,350**

TOTAL 2012 PROJECTED SURPLUS (DEFICIT) **\$ -**

TOTAL DEFICIT TO BE PAID OUT OF HOA FUND BALANCE **\$ -**

NET BALANCE TO BUDGET **\$ -**