

INWOOD FOREST C.I.A.

2010 OPERATING BUDGET HIGHLIGHTS

Note: There are 1,149 residential lots and 107 Harris County Flood Control District (HCFCD) lots in Inwood Forest. HCFCD does not pay any dues to IFCIA for the lots that it owns.

- A. Residential Assessments** – \$48 per lot per the deed restrictions for each section of IF.
- B. Community Service Fee** - \$202 per lot per for the operating portion of the budget. (Note: Community service fees are mandatory fees per Chapter 204 of Title XI of the Texas Property Code.)
- C. Management Contract** – Genesis Community Management handles our management/administrative functions and the administration of the enforcement of deed restriction violations. The cost per month is \$1,513 for management/administrative functions and \$1,436 for deeds violations. In order for the deed violation fee to go down, the number of violations per month needs to decrease.
- D. Patrol Service** – The 2010 budget provides for 4 hour nighttime patrols 5 nights a week and for 4 hour daytime patrols 4 days a week by off duty HPD officers. There is another 4 hour patrol each week which can be either a daytime or nighttime patrol depending upon need. The patrol times vary. In addition, the budget includes 40 hours for special events.
- E. Legal Corporate** – The board periodically has to call IFCIA’s attorney regarding legal questions about the enforcement of deed restrictions, collection procedures and other issues where legal advice is needed. The budget for this item allows for 4 hours of consultations per month at a rate of \$195 per hour.
- F. Bad debts – Estimated Uncollectible Fees** – Our past collections indicate that in any given year, approximately 10% - 15% of IF homeowners will not pay their dues in the current year. This amount is budgeted for and increases the dues for the homeowners that pay their dues on time. Due to foreclosures, the economic downturn and the higher dues for 2008 & 2009, the number of accounts not collected rose above 10%. For 2010, we have estimated that 15% of receivables will not be collected in 2010. The board continues to take action to increase the current year collection rate and to collect on past due amounts.

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G. Replacement Fund - Legal Fees – When IFCIA pursues serious deed restriction violations or outstanding maintenance dues it incurs legal fees. These legal fees are charged back to the homeowner’s account, but IFCIA must have cash available in order to pursue these matters. In the past, the general cash reserves have been used. IFCIA uses this fund in order to preserve its general cash reserve fund for capital improvements. If and when IFCIA collects outstanding legal fees from homeowners, the collected fees will be used to replenish this fund and provide funds for future legal actions.

H. Replacement Fund - Mowing/Maintenance – From time to time, houses are abandoned. In the case of a foreclosure, it generally takes several months for the foreclosure to be processed and for the mortgage company to take over and start taking care of the property. During this interim period and for the good of the neighborhood, IFCIA sometimes has to step in and either cut the grass and/or cleans up a mess left by the previous occupants. The cost of doing this is charged back to the homeowner’s account; however, IFCIA must have cash available to pay for the work. In the past, the general cash reserves have been used. IFCIA uses this fund in order to preserve its general cash reserve fund for capital improvements. If and when IFCIA collects outstanding mowing/maintenance funds from homeowners, the collected fees will be used to replenish this fund and provide funds for future mowings/clean ups.

Summary of maintenance dues for surrounding neighborhoods

	<u># of homes</u>	<u>Yearly Dues as of 2009</u>
Inwood Pines	641	\$225
Oaks of Inwood	320	\$615
Inwood North	2,019	\$275
Inwood Northwest	355	\$330