

INWOOD FOREST C.I.A.

2012 OPERATING BUDGET HIGHLIGHTS

Note: There are 1,147 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 2012 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. 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 general legal questions about the enforcement of deed restrictions, collection procedures and other issues where legal advice is needed.
- F. Bad debts – Estimated Uncollectible Fees** – Prior to 2008, approximately 10% of IF homeowners did 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 thru 2011, the number of accounts not collected in the current year has risen to about 20%. Now that the lawsuit is over and the city owns the golf course property, the board has increased its collection efforts and is turning larger accounts over to Hoover Slovacek, LLP. To date, these collection efforts have helped clear up some older accounts, however, for 2012, we have again estimated that 20% of receivables will not be collected in 2012 to be conservative.

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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.