

2012 Budget Passed

At the October 20 Board of Directors meeting the new budget for 2012 was passed, after lots of discussion and hard consideration over what is in the best interest of The Meadows from a financial standpoint. As many of you may already know (as a result of information passed out in September prior to the Open Forum about the budget which was held on September 28, and was attended by about 45 interested and concerned residents), there will be a marked increase next year in the condominium fee. The monthly charges for our condominium fees for the upcoming year will be **\$251 for those with two-bedroom units** and **\$283 for those Co-Owners living in three-bedroom units**.

While the members of the Board of Directors realize that this is a very substantial increase, especially in these troubled financial times, it is in the best interests of the Association to adopt this budget. The truth of the matter is that for the last few years the community has been operating with budgets that ended the year either in a deficit or very close to one. At this point of 2011 the budget for this year has been overspent by about \$40,000. We cannot continue to operate in this manner and be a financially viable community which will be attractive for prospective homeowners to buy into.

Each member of the Board is a homeowner in this community and will have to pay the increased fees starting in January. They would all have preferred not to increase the fees so drastically, but realized that from a fiscal standpoint it was required for the protection of the community. The Boards of Directors over the past several years have opted to keep the fee increases as low as possible (some years at zero) in deference to the Co-Owners, when in fact the standard recommended within the condominium industry according to experts in the field is small increases each year (2% to 4%) to help build up cash which goes into a fund called Members Equity. This fund is like a "rainy day" account which can be used for unexpected emergencies which always seem to occur when they are least expected. Right now this fund for The Meadows is practically non-existent, and may be in the red by the end of the year depending on how finances go for the rest of the year.

Everyone must remember that the most important investment that they have is their home. Each family sets up their own budget to parcel out their wages and other sources of income so that all of the needs of the family can be met. The same is true within The Meadows, there are many needs within the community which require funds to be maintained. The Board felt it was important not to reduce any services that are provided, and because funding brought in by condo fees has been too low in preceding years, the increase this year was proper and justified, as well as being necessary if we are to maintain our complex so that it is comfortable and attractive.

COUNCIL OF CO-OWNERS OF THE MEADOWS
APPROVED OPERATING BUDGET
January 1, 2012 - December 31, 2012

	Adopted 2011	Projected 2011	Approved 2012
2BR Fee =	\$222.00	2BR Fee =	\$251.00
3BR Fee =	\$250.00	3BR Fee =	\$283.00

INCOME

Assessment Income	\$1,767,558	\$1,766,304	\$2,000,477
Late Fee Income	12,000	11,219	11,000
Interest Income	12,000	7,261	7,200
Owner Interest Income	0	1,441	1,200
Owner Admin. Fees Income	0	350	350
Miscellaneous Owner Income	0	896	800
ARC Violation Income	0	(2,660)	2,500
Miscellaneous Income	25,000	2,661	3,400
TOTAL INCOME	\$1,816,558	\$1,787,473	\$2,026,927

EXPENSES

UTILITIES			
Electricity	\$31,000	\$35,214	\$36,000
Telephone	4,800	5,377	5,500
Gas - Clubhouse	1,800	1,697	1,800
Water & Sewer	320,000	340,000	350,000
Total Utilities	\$357,600	\$382,288	\$393,300

GENERAL & ADMINISTRATIVE			
Education & Training	\$250	\$195	\$350
Newsletter	4,000	3,550	3,500
Office Equipment & Repairs	500	929	500
Office Supplies	2,350	2,052	2,350
Lease Exp.- Office Equipment	4,800	4,162	4,500
Uncollectible Charges	7,000	20,000	50,000
Legal - General	20,000	47,464	50,000
Legal - Collections	57,000	31,752	40,000
Legal Fee Reimbursements	(20,000)	(5,847)	(6,000)
Legal Fees Other	0	63,804	40,000
Uniforms	500	102	500
Insurance Loss/Deductible	0	(1,506)	0
Social & Rec	300	300	1,500
Postage & Mail	2,000	1,131	1,500
Printing & Reproduction	400	436	450
Website	400	250	400
Miscellaneous Expense	2,500	2,400	2,500
Total General & Administrative	\$82,000	\$171,175	\$192,050

MAINTENANCE & REPAIRS			
General Maintenance & Repairs	\$6,500	\$11,000	\$15,000
Plumbing Repairs	8,700	8,549	9,800
Painting - Supplies	500	0	250
Exterminator Services	5,000	5,369	6,000
General Supplies	7,400	5,494	6,000
Welding	500	400	500
Antenna Repairs	1,500	1,431	1,500
Roofing Repairs	4,600	1,000	3,000
Gutter Repairs & Cleaning	10,000	9,599	10,000
Vehicle Expense	800	820	500
Pool Repairs, Supplies, Maint	500	52	350
Playground Repairs	500	0	250
Landscaping Improvements	3,000	0	1,000
Tree Planting	5,000	5,000	5,000
Tree Maintenance	10,000	16,671	15,000
Total Maintenance & Repairs	\$64,500	\$65,385	\$74,150

	Adopted 2011	Projected 2011	Approved 2012
CONTRACT SERVICES			
Pool Contract	\$58,550	\$58,550	\$56,125
Management Contract	79,722	77,868	80,983
Auditor	5,700	5,700	5,800
Architect & Engineering Services	0	0	8,000
Insurance Master Policy	131,997	150,380	157,796
Painting - Exterior	90,000	89,600	93,000
Grounds Maintenance Contract	62,368	62,368	64,218
Security Contract	149,968	148,272	149,968
Snow Removal	10,000	17,518	22,400
Trash Removal	81,428	82,033	84,801
Pet Waste	5,500	5,350	5,500
Total Contract Services	\$675,233	\$697,638	\$728,590
PAYROLL			
FICA Payroll Taxes	\$18,972	\$12,679	\$18,000
Unemployment Taxes	558	583	600
Group Health Insurance	45,377	45,402	47,000
Life Insurance	7,122	3,262	3,900
Pension Contribution	9,145	6,201	9,425
Staff payroll	233,167	203,660	235,667
Swim Team Coaches	4,000	3,300	3,000
Total Payroll	\$318,341	\$275,087	\$317,592
TAXES & LICENSES			
Income Taxes	\$3,000	\$3,000	\$3,000
Personal Property Tax	325	325	325
Licenses, Fees & Permits	1,010	2,500	2,500
Total Taxes & Licenses	\$4,335	\$5,825	\$5,825
TOTAL OPERATING EXPENSES	\$1,502,009	\$1,597,399	\$1,711,507
RESERVE EXPENDITURES			
Expected Reserves Expenses	\$124,500	\$122,858	\$313,155
Total Reserve Expenditures	\$124,500	\$122,858	\$313,155
RESERVES CONTRIBUTIONS			
Replacement Reserve	\$314,549	\$314,549	\$315,420
Transfer from Reserves	(124,500)	(122,858)	(313,155)
Sub-total	\$190,049	\$191,691	\$2,265
TOTAL EXPENSES	\$1,816,558	\$1,911,948	\$2,026,927
SURPLUS / (DEFICIT)	\$0	(\$124,475)	\$0