



Associa®

Community Group

October 1, 2010

Dear Collington Homeowners:

Included for your review is a copy of the 2011 budget for Collington. Please note that the Board of Directors is happy to report the annual homeowner assessments have not been increased. In addition, the assessment fees will be payable semi-annually instead of quarterly. The homeowner assessment fee for 2011 is \$646.00 annually, which is payable in two payments of \$323.00; January 1st and July 1st. The first payment will be due January 1st for \$323.00. The second payment will be due on July 1st for the same amount of \$323.00. Your semi-annual statements will be forwarded to you under separate cover.

Listed below is a description of the budget line items for Collington.

Collington Community Association, Inc. – 2011 Budget Narrative

Income:

Assessments: Semi-annual assessments paid by the homeowners. The annual assessment of \$646.00 per year is payable in two semi-annual installments of \$323.

Working Capital: This includes the \$300 working capital received at the closing of every new home sold in Collington.

Initiation Fee: This includes the \$300 initiation fee for every transfer of ownership.

Late Charges: Income earned from assessments paid after the 30th of the month in which they are due.

Pool Guest Fees: Income earned for fees collected for pool guests.

Recreation Center Rental: Income earned for the rental of the clubhouse.

Newsletter Income: Income earned from advertisements.

Expenses:

Audit/Tax Preparation: Annual fee for an accounting firm to produce Federal and State tax returns and perform a balance sheet audit.

Collection Fees: Covers the cost to administer first and final late notices to past due accounts, and the referral of delinquent accounts to a collection attorney.

Corporate Fees: Covers the cost of the Association's yearly registration with the State Corporation Commission (SCC) and Department of Professional & Occupational Regulations (DPOR).

Real Estate Taxes: Cost associated with paying real estate taxes for the clubhouse.

Insurance-GL, Property, D & O: Covers general liability insurance for the common areas and building coverage for the recreational facilities. Covers the fidelity bond, workmen's compensation and director's and officers' insurance for the Board of Directors.

Legal/Professional: This account primarily covers the cost of a registered agent, fees which are not legally transferable to a delinquent account for a collection attorney, and any other professional consultations required by the Association.

Postage: Covers the cost of mailing invoices, Annual Meeting notices, assessment statements, general correspondence, etc.

Printing: Printing of notices, Annual Meeting notices, assessment statements, general correspondence, welcome package information, costs associated with printing a community newsletter, etc.

Other Administrative: This account is used to pay for certified mailings and other miscellaneous administrative charges.

Social Activities: Covers social functions planned throughout the year and costs associated with welcoming new owners to Collington by the social committee.

Electricity-Common Area: Provides electricity for the irrigation systems, neighborhood entrances, landscaping lights, etc.

Water - Irrigation: Covers the water for the irrigation systems throughout the community.

Lawn Maintenance: The association contracts with a Landscaping Service which provides for irrigation, mowing and edging of grass in the common area during the growing season; turf, shrub and tree fertilizations; lime application; seeding and aerating; weed control; trimming and pruning of shrubs; mulching of the common area mulch beds; leaf removals; and weekly policing for trash.

Management: Management services include handling administrative association functions, correspondence with the Board of Directors, overseeing the site office and the contractors, developing bid specifications, providing supervision and support to the site office, participating at Board and Annual Homeowner meetings, and providing counsel for the Board of Directors.

Grounds Improvement and Repairs: Covers repairs or improvements for contracted labor and/or materials to maintain the common areas. This includes the seasonal color at the entrance/recreational areas of the community, removal of trees as well as sign repair or replacement, erosion repairs, replacement of dead plant materials in common areas mulching of new areas, etc.

Clubhouse Cleaning: Provides for weekly cleaning of the clubhouse, occasional cleaning of the clubhouse carpets, and special party cleaning (offset by Clubhouse Cleaning Charge).

Clubhouse Electricity: Covers the electricity usage at the clubhouse.

Clubhouse/Pool Cable/Telephone: Provides telephone, TV cable and wireless internet service at the clubhouse and telephone service at the pool.

Clubhouse and Pool Water/Sewer: Covers the water and sewer usage at the clubhouse and pool.

Clubhouse Trash: Provides weekly trash pick up.

Pool Management Contract: The contracted cost to operate the pool during the pool season.

Pool Maintenance/Repairs: This account pays for maintenance to the pool; it's equipment, miscellaneous supplies, and plumbing repairs to the pool bathrooms, and initial expenses for opening and closing the pool.

Pool Furniture/Misc: Provides for lounge chairs, tables, umbrellas, and other miscellaneous items needed in order for the pool to function efficiently.

Security System Monitoring: Costs associated with a clubhouse alarm system.

Replacement Reserves: A reserve fund is set up for long-term repair/replacement expenses for the Association's capital components such as the swimming pool, tennis courts, basketball courts, street signs, elements within the Collington clubhouse, the water main to the clubhouse and pool, community entrance signs, dumpster enclosure replacement, fencing replacement throughout the community, seal coating of the clubhouse and pool parking lot, and to replace curbing and gutter as necessary.

Sidewalk Reserve Fund: A sidewalk fund is set up for the repair and/or replacement expenses for the Association's sidewalks.

Operating Contingency Reserves: A reserve fund to help provide for any shortfalls or large unexpected expenses not provided for in the budget.

**The Board of Directors feels that the 2011 budget will meet the needs of the homeowners/lot owners in the Collington community. If you have any questions regarding the attached budget, please submit your concerns in writing to the management office.
Have a safe and happy holiday season!**

Sincerely,

Collington Board of Directors
Enclosures

Collington Community Association, Inc.

ADOPTED 2011 BUDGET

\$323.00 Per Home Semi-Annually

	Budget
<u>INCOME</u>	
Assessments	\$ 242,250
ASSESSMENT INCOME	\$ 242,250
Working Capital Contribution	\$ 7,200
Initiation Fee	7,500
Late Charges	5,000
Pool guest fees	1,000
Recreation Center Rental	2,200
Newsletter Income Ads	650
OTHER INCOME	\$ 23,550
TOTAL INCOME	\$ 265,800
<u>EXPENSES & RESERVES</u>	
Audit/Tax Return	\$ 2,375
Collection Fees	1,000
Corporate Fees	251
Real Estate Taxes	9,000
Insurance	13,795
Legal/Professional Fees	500
Postage	1,000
Printing	1,500
Other Administrative	1,000
Social Activities	5,000
ADMINISTRATIVE	\$ 35,421
Electricity	\$ 14,175
Water-Irrigation	8,895
COMMON UTILITIES	\$ 23,070
Lawn Maintenance	\$ 50,000
Management	29,406
CONTRACTED EXPENSES	\$ 79,406
Grounds Improvements & Repairs	\$ 22,000
OTHER GROUNDS	\$ 22,000
Clubhouse Maintenance	\$ 1,500
Clubhouse Cleaning	2,500
Clubhouse Cable TV	2,500
Clubhouse Trash Removal	500
Pool Management Contract	37,000
Pool Maintenance/Repairs	1,500
Pool Furniture/Misc.	2,500
Security System Monitoring	315
RECREATIONAL EXPENSES	\$ 48,315
TOTAL EXPENSES	\$ 208,212
Replacement Reserves	\$ 29,870

Collington Community Association, Inc.

ADOPTED 2011 BUDGET

\$323.00 Per Home Semi-Annually

	Budget
Sidewalk Reserve Fund	10,741
Operating Contingency Reserve	16,977
RESERVES	\$ 57,588
TOTAL RESERVES	\$ 57,588
TOTAL EXPENSES & RESERVES	\$ 265,800
NET CASH FLOW	\$ 0