

INWOOD FOREST C.I.A.

2017 OPERATING BUDGET HIGHLIGHTS

Note: There are 1,146 residential lots and 108 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** - \$262 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. Patrol Service** – The 2016 budget included 4 hour daytime patrols 7 days a week and 4 hour nighttime patrols 3 evenings a week. This schedule was maintained for 2017.

Note: The officers use their own vehicles and IFCIA does not reimburse them for gas or mileage.

- D. 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. In the past few years, IFCIA’s costs related to these issues have been in the range of \$20,000.
- E. Bad debts – Estimated Uncollectible Fees** –This amount is budgeted for and increases the dues for the homeowners that pay their dues in the year they are due. Prior to 2008, approximately 10% of IF homeowners did not pay their dues in the current year. Due to foreclosures, the economic downturn and the higher dues for 2008 thru 2011, the number of accounts not collected in the current year rose to about 20% and remained at about that level. In 2011, Hoover Slovacek, LLP was hired to pursue the collection of the larger past due accounts. To date, these collection efforts have helped clear up some older accounts, and a number of past due accounts are on payment plans. However, the number of homeowners that have not paid any part of their 2016 dues to date remains at about 15% (versus 17.5% for 2015.) Therefore, to be conservative, the board has estimated that 17.93% of the 2017 dues will not be collected in 2017.
- F. 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. 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 are used to replenish this fund and provide funds for future legal actions. The collections for 2016 and projected collections for 2017 are adequate enough to

cover legal fee expenditures, therefore, no amount has been budgeted for this item.

G. 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.