

INWOOD FOREST C.I.A.

2024 OPERATING BUDGET HIGHLIGHTS

Note: There are 1,122 residential lots and 132 Harris County Flood Control District (HCFCD) lots in Inwood Forest as of 12/31/23. 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** - \$272 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 2023 budget included 4 hour daytime patrols 7 days a week and 4 hour nighttime patrols 3 evenings a week. This schedule was maintained for 2024.

Note: The off duty HPD 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 has been in the \$10,000 range. We anticipate a slightly lower amount for 2024.
- 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 began payment plans. The number of homeowners that have not paid any part of their 2023 dues to date is about 12% which is similar to 2022. The board has only estimated that about 5% of the 2024 dues will not be collected in 2024 due to the large number of payoffs we are seeing when an account goes from one year past due to two years past due.
- 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 2023 and projected collections for 2024 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. The collections for 2023 and projected collections for 2024 are adequate enough to cover legal fee expenditures, therefore, no amount has been budgeted for this item.

H. Community Events – Due to the pandemic that began in 2020 National Night Out was not held in 2020, 2021 or 2022. The amount budgeted for 2020 was rolled over to 2021 and 2022 and then used in 2023. The board anticipates that National Night Out will be held again 2024.