

HARBISON COMMUNITY ASSOCIATION

A POLICY RESOLUTION SETTING THE ASSESSMENT RATE FOR 2017

BE IT RESOLVED THAT:

1. In accordance with Article 4.03 of the Association's Covenants, Restriction, Easements, Charges and Liens, the Board of Directors hereby:
 - a. Establish the 2017 Assessment Rates per dollar of Assessable Property as follows:
 1. Single Family Residential = .0017 + \$ 159.00
 2. Apartments = .0034
 3. Businesses = .0017

June Cannon Secretary

Date: November 29, 2016

HARBISON COMMUNITY ASSOCIATION

Assessment Calculation for Calendar Year 2017

BASIS OF 2017 CALCULATIONS

The 2017 budget calculations are based upon the following information.

\$224,638,398	Value of 2007 single family residences
117,860,768	Value of apartment complexes, quadraplexes and assisted living facilities
<u>245,373,378</u>	Value of retail/commercial (One-Half of actual value used to calculate proportion c
\$587,872,544	Total value of Harbison property as used for the HOA assessment calculations.

2017 PROJECTED EXPENSE AND ASSESSMENT CALCULATIONS

\$ 2,342,463.00	Expenses as requested for the budget
\$ (41,428.00)	Less Projected Revenue from Adlerian lease & utilities
\$ (274,500.00)	Less Projected Revenue from operation of the Recreation Center
<u>\$ (95,500.00)</u>	Less Projected Other Revenue (fees & misc)
\$ 1,931,035.00	Amount needed from assessments to meet projected expenses for 2017

\$ 737,888.87	Amount to be assessed to single family residences
\$ 387,147.30	Amount to be assessed to apartment complexes
<u>\$ 805,998.83</u>	Amount to be assessed to retail/commercial
\$ 1,931,035.00	Matches amount needed as shown above

2017 PROPOSED ASSESSMENT RATES

0.0017 Proposed decimal assessment rate per dollar of assessed value of residential
\$159 Proposed proportionate fee for single family residences

2017 assessment formula for single family residences is as follows:

0.0017 X appraised value + \$159 proportionate fee

0.0034 Proposed decimal assessment rate per dollar of assessed value of apartments

0.0017 Proposed decimal assessment rate per dollar of assessed value of commercial

The calculations below show about what the actual billing calculations will produce in revenue if all u
The results are hypothetical only, but use the source numbers to determine revenue from each cate

\$700,998	Computed income from single family residences
\$400,727	Computed income from apartments
<u>\$834,269</u>	Computed income from retail/commercial (whole value x assessment rate)
\$1,935,994	Projected total income if all units paid as set above

2017 PROJECTED BUDGET SURPLUS/DEFICIT

\$1,935,994	Yearly income for all units billed as set above
<u>\$1,931,035</u>	Amount needed to cover association's projected expenses
\$4,959	Excess (shortfall) caused by rounding factors

Budget Inc & Exp yr comparison YTD projections for Annual Budget

	Budget 2017	Projected 2016	Budget 2016	\$ Change Budget 2017 to Projected 2016	% Change Budget 2017 to Projected 2016
INCOME					
Assessment Income	\$1,935,994	1,965,465.00	1,960,859	(29,471)	-1%
Late Fee & Penalty Income	20,000.00	26,506.67	10,000	(6,507)	-25%
NSF Income	500.00	544.00	500	(44)	-8%
Lease Income	41,428.00	41,424.00	42,000	4	0%
Interest Income	50,000.00	57,633.78	40,000	(7,634)	-13%
Membership Income	89,000.00	89,553.33	40,000	(553)	-1%
Program Income	165,000.00	164,533.33	150,000	467	0%
Facility & Equip Rental Income	20,000.00	21,580.00	20,000	(1,580)	-7%
Concession & Vending Machine	500.00	-	500	500	0%
Other Miscellaneous Income	25,000.00	31,729.33	25,000	(6,729)	-21%
	<u>\$ 2,347,422.37</u>	<u>\$ 2,398,969.44</u>	<u>2,288,859</u>	<u>(51,547)</u>	<u>-2%</u>
EXPENSES					
PERSONNEL EXPENSES					
Payroll - Wages & Bonuses	936,000.00	835,085.33	850,787	100,915	12%
Payroll Taxes - Employer	84,617.00	73,613.33	79,988	11,004	15%
Employee Group Benefits	142,200.00	93,873.33	66,000	48,327	51%
Add'l Employee Benefits	3,660.00	3,660.00	35,311	-	0%
Payroll Processing Expense	4,500.00	4,366.67	5,000	133	3%
Employee Business Expenses	18,000.00	15,340.00	18,233	2,660	17%
Board Meeting Expenses	650.00	644.00	648	6	1%
Conventions & Travel	5,000.00	5,156.00	2,436	(156)	-3%
Other Reimbursements	5,000.00	5,596.00	1,166	(596)	-11%
TOTAL PERSONNEL EXPENSES	<u>\$ 1,199,627.00</u>	<u>\$ 1,037,334.67</u>	<u>1,059,569</u>	<u>162,292</u>	<u>16%</u>
ADMINISTRATIVE EXPENSES					
Administrative Expenses	-	-	-	-	0%
Professional Services	50,000.00	49,658.67	80,850	341	1%
Collection & Lien Expense	12,000.00	11,930.67	20,000	69	1%
Management Fees	-	-	-	-	0%
Employment Expenses	3,000.00	3,976.00	2,015	(976)	-25%
Bank Charges	1,000.00	1,018.67	650	(19)	-2%
Insurance Expenses	170,000.00	135,410.67	110,419	34,589	26%
TOTAL ADMIN EXPENSES	<u>\$ 236,000.00</u>	<u>\$ 201,994.67</u>	<u>213,934</u>	<u>34,005</u>	<u>17%</u>
OPERATING EXPENSES					
Contract Services	155,420.00	167,421.33	93,827	(12,001)	-7%
Office & Operating Supplies	91,200.00	92,197.33	75,756	(997)	-1%
Utilities	165,000.00	160,616.00	172,187	4,384	3%
Telephone & Internet	8,136.00	5,196.00	15,337	2,940	57%
Postage & Printing	26,400.00	24,269.33	20,975	2,131	9%
Dues & Subscriptions	180.00	176.00	271	4	2%
Rent & Lease Expenses	10,000.00	9,916.00	4,386	84	1%
Bldg & Grounds Maintenance	55,000.00	34,501.33	78,000	20,499	59%
Technology Maintenance	13,500.00	17,609.33	20,100	(4,109)	-23%
Other Operating Expenses	75,000.00	84,518.67	19,909	(9,519)	-11%
Bad Debts & Write-offs	3,600.00	3,772.00	30,000	(172)	-5%
Depreciation Expense	170,000.00	162,705.33	155,000	7,295	4%
Taxes & Other Fees	2,400.00	2,686.67	2,150	(287)	-11%
Miscellaneous Expenses	6,000.00	6,274.67	33,455	(275)	-4%
Reserve Contributions	125,000.00	177,870.00	180,000	(52,870)	-30%
TOTAL OPER EXPENSES	<u>\$ 906,836.00</u>	<u>\$ 949,730.00</u>	<u>901,353</u>	<u>(42,894)</u>	<u>-5%</u>
TOTAL EXPENSES	<u>\$ 2,342,463.00</u>	<u>\$ 2,189,059.33</u>	<u>2,174,856</u>		
NET INCOME	<u>\$ 4,959.37</u>	<u>\$ 209,910.11</u>	<u>114,003</u>		