

"Pay in Advance" was Received Well

HCA gave Owners an opportunity to pay their 2018 assessment at the 2017 rate, during the period 10/1/17 - 11/28/17. Since the assessment rates had been unchanged for the past three years (2015-2017), it was likely that the Board of Directors would approve an increase in the 2018 rates - as HCA's expenses had increased during this period of time. The "Pay in Advance" procedure was well received and it gave Owners an opportunity to pay early and save a few dollars.

At their November 28th., Meeting, the HCA Board did approve a slight increase in the rates for 2018. However, the new rates simply go up to the level that existed in 2004. During the past 14 years - the Association has done a very good job of budgeting - and even reducing assessment rates periodically, stated Executive Director Dave Grove, but our budget for next year takes into consideration increased operating costs with more emphasis on improving the common areas, repairing concrete pathways, stricter covenant enforcement and more aggressive collection processes. Assessment funds and money from Programs (mainly from Non Residents)

are the sources of funds received to manage the Association.

The approved 2018 Budget is listed below with copies available at the Community Center's Front Desk. Questions, please contact Dave at 781-2281.

HARBISON COMMUNITY ASSOCIATION

Assessment Calculation for Calendar Year 2018

BASIS OF 2018 CALCULATIONS

The 2018 budget calculations are based upon the following information.

\$225,798,661	Value of 1996 single family residences
148,962,983	Value of apartment complexes, quadraplexes and assisted living facilities
<u>247,904,276</u>	Value of retail/commercial (One-Half of actual value used to calculate proportion of HCA assessment)
\$622,665,920	Total value of Harbison property as used for the HOA assessment calculations.

2018 PROJECTED EXPENSE AND ASSESSMENT CALCULATIONS

\$ 2,600,576.00	Expenses as requested for the budget
\$ (41,428.00)	Less Projected Revenue from Adlerian lease & utilities
\$ (288,720.00)	Less Projected Revenue from operation of the Recreation Center
<u>\$ (100,505.00)</u>	Less Projected Other Revenue (fees & misc)
\$ 2,169,923.00	Amount needed from assessments to meet projected expenses for 2018

\$ 786,883.77	Amount to be assessed to single family residences
\$ 519,119.79	Amount to be assessed to apartment complexes
<u>\$ 863,919.44</u>	Amount to be assessed to retail/commercial
\$ 2,169,923.00	Matches amount needed as shown above

2018 PROPOSED ASSESSMENT RATES

0.0018 Proposed decimal assessment rate per dollar of assessed value of residential
\$168 Proposed proportionate fee for single family residences

2018 assessment formula for single family residences is as follows:

0.0018 X appraised value + \$168 proportionate fee

0.0036 Proposed decimal assessment rate per dollar of assessed value of apartments

0.0018 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 units pay..
The results are hypothetical only, but use the source numbers to determine revenue from each category.

\$741,766	Computed income from single family residences
\$536,267	Computed income from apartments
<u>\$892,455</u>	Computed income from retail/commercial (whole value x assessment rate)
\$2,170,488	Projected total income if all units paid as set above

2018 PROJECTED BUDGET SURPLUS/DEFICIT

\$2,170,488	Yearly income for all units billed as set above
<u>\$2,169,923</u>	Amount needed to cover association's projected expenses
\$565	Excess (shortfall) caused by rounding factors

Budget Inc & Exp yr comparison YTD projections for Annual Budget

	Budget 2018	Projected 2017	Budget 2017	\$ Change Budget 2018 to Projected 2017	% Change Budget 2018 to Projected 2017
INCOME					
Assessment Income	\$2,170,488	1,940,748.00	1,934,404	229,740	12%
Late Fee & Penalty Income	35,000.00	44,186.67	20,000	(9,187)	-21%
NSF Income	250.00	233.33	500	17	7%
Lease Income	41,428.00	41,424.00	41,428	4	0%
Interest Income	62,255.00	61,835.78	50,000	419	1%
Membership Income	86,400.00	86,120.00	89,000	280	0%
Program Income	173,520.00	175,920.00	165,000	(2,400)	-1%
Facility & Equip Rental Income	28,800.00	28,694.67	20,000	105	0%
Concession & Vending Machine	-	-	500	-	0%
Other Miscellaneous Income	3,000.00	4,626.67	25,000	(1,627)	-35%
	<u>\$ 2,601,140.72</u>	<u>\$ 2,383,789.11</u>	<u>2,345,832</u>	<u>217,352</u>	<u>9%</u>
EXPENSES					
PERSONNEL EXPENSES					
Payroll - Wages & Bonuses	1,140,829.00	994,488.00	936,000	146,341	15%
Payroll Taxes - Employer	108,379.00	96,532.00	84,617	11,847	12%
Employee Group Benefits	193,263.00	132,612.00	142,200	60,651	46%
Add'l Employee Benefits	4,000.00	5,938.67	3,660	(1,939)	-33%
Payroll Processing Expense	5,750.00	5,553.33	4,500	197	4%
Employee Business Expenses	15,960.00	16,309.33	18,000	(349)	-2%
Board Meeting Expenses	600.00	526.67	650	73	14%
Conventions & Travel	2,000.00	3,385.33	5,000	(1,385)	-41%
Other Reimbursements	1,800.00	9,185.33	5,000	(7,385)	-80%
TOTAL PERSONNEL EXPENSES	<u>\$ 1,472,581.00</u>	<u>\$ 1,264,530.67</u>	<u>1,199,627</u>	<u>208,050</u>	<u>16%</u>
ADMINISTRATIVE EXPENSES					
Administrative Expenses		-	-	-	0%
Professional Services	35,000.00	41,674.67	50,000	(6,675)	-16%
Collection & Lien Expense	36,000.00	15,402.67	12,000	20,597	134%
Management Fees		-	-	-	0%
Employment Expenses	1,160.00	2,956.00	3,000	(1,796)	-61%
Bank Charges	525.00	980.00	1,000	(455)	-46%
Insurance Expenses	195,000.00	176,604.00	170,000	18,396	10%
TOTAL ADMIN EXPENSES	<u>\$ 267,685.00</u>	<u>\$ 237,617.33</u>	<u>236,000</u>	<u>30,068</u>	<u>13%</u>
OPERATING EXPENSES					
Contract Services	143,000.00	122,696.00	155,420	20,304	17%
Office & Operating Supplies	50,000.00	42,093.33	91,200	7,907	19%
Utilities	180,000.00	180,021.33	165,000	(21)	0%
Telephone & Internet	2,700.00	2,698.67	8,136	1	0%
Postage & Printing	36,320.00	37,556.00	26,400	(1,236)	-3%
Dues & Subscriptions	180.00	917.33	180	(737)	-80%
Rent & Lease Expenses	12,000.00	10,868.00	10,000	1,132	10%
Bldg & Grounds Maintenance	90,400.00	68,488.00	55,000	21,912	32%
Technology Maintenance	13,460.00	29,312.00	13,500	(15,852)	-54%
Other Operating Expenses	34,000.00	56,761.33	75,000	(22,761)	-40%
Bad Debts & Write-offs	10,000.00	5,312.00	3,600	4,688	88%
Depreciation Expense	156,000.00	154,206.67	170,000	1,793	1%
Taxes & Other Fees	1,500.00	1,246.67	2,400	253	20%
Miscellaneous Expenses	5,750.00	22,220.00	6,000	(16,470)	-74%
Reserve Contributions	125,000.00	125,000.00	125,000	-	0%
TOTAL OPER EXPENSES	<u>\$ 860,310.00</u>	<u>\$ 859,397.33</u>	<u>906,836</u>	<u>913</u>	<u>0%</u>
TOTAL EXPENSES	<u>\$ 2,600,576.00</u>	<u>\$ 2,361,545.33</u>	<u>2,342,463</u>		
NET INCOME	<u>\$ 564.72</u>	<u>\$ 22,243.78</u>	<u>3,369</u>		