

# 2020 Assessment Variables; Assessment Due Date, Delinquency Rules, Payment Plans

At the November 26, 2019 Regular Meeting - the HCA Board of Directors approved the following:

1. The annual assessment formulas for the year 2020 for properties located in the Harbison Community Association, per dollar of assessable property, are as follows:
  - a. Single family residential: (Property value x .0019) + flat rate of \$175
  - b. Apartments/Multiple family residential: Property value x .0038
  - c. Commercial: Property value x .0019
2. Statements for annual assessments are mailed in the first week of January. Payment in full is due by June 30, 2020. A payment reminder will be sent to all owners with a balance due in the first week of June.
3. Any balance not paid by June 30 become delinquent.
4. Delinquent accounts will be charged 12% interest on July 1, 2020.
5. An administrative charge of \$48 will be added to any owner account with a balance over \$100 on July 1.
6. At the end of July, certified letters will be sent to notify delinquent owners of intent to file a lien with the county and/or complaint with the local magistrate court.
7. Additional Fees for filing documents with the county and local magistrate courts:
  - a. \$25 per Lien filed on property of owners with delinquent balance over \$100
  - b. \$80 per Complaint filed against owner with delinquent balance over \$100
8. If an owner with a delinquent balance over \$100 signs a payment plan with a minimum monthly payment of \$100, then the Association will not proceed with the collection actions mentioned in #7 (a & b).
  - a. Monthly payments for payment plans are due on the 5<sup>th</sup> of each month.
  - b. There is a \$25 fee for late monthly payments.
  - c. If a monthly payment is not received by the 15<sup>th</sup> of the month, the Association will cancel the payment plan and proceed with the collection actions mention in #7 (a & b).
9. A payment plan with a monthly payment under \$100 must be approved by the Executive Director. A lien will still be filed (#7a), but the Association will not proceed with a complaint at the local magistrate court (#7b) while the payment plan is in good standing.
10. Any delinquency case may be turned over to attorneys at the discretion of the Association's Executive Director. Based on legal advice, an analysis of the property, and considering known circumstances regarding the delinquency, the Executive Director will make the final decision on whether to initiate a foreclosure proceeding on any property. The owner could be held liable for any resulting legal fees.

# HARBISON COMMUNITY ASSOCIATION

## BASIS OF 2020 CALCULATIONS

The 2020 budget calculations are based upon the following information.

\$245,615,018	Value of 1997 single family residences
156,725,283	Value of apartment complexes, quadraplexes and assisted living facilities
<u>272,831,271</u>	Value of retail/commercial (One-Half of actual value used to calculate proportion of HCA assessment)
\$675,171,572	Total value of Harbison property as used for the HOA assessment calculations.

## 2020 PROJECTED EXPENSE AND ASSESSMENT CALCULATIONS

\$ 2,813,402	Expenses as requested for the budget
\$ (43,500)	Less Projected Revenue from Adlerian lease & utilities
\$ (218,475)	Less Projected Revenue from operation of the Recreation Center
<u>\$ (104,850)</u>	Less Projected Other Revenue (fees & misc)
\$ 2,446,577	Amount needed from assessments to meet projected expenses for 2020

\$ 890,020	Amount to be assessed to single family residences
\$ 567,916	Amount to be assessed to apartment complexes
<u>\$ 988,642</u>	Amount to be assessed to retail/commercial
\$ 2,446,577	Matches amount needed as shown above

## 2020 PROPOSED ASSESSMENT RATES

0.0019	Proposed decimal assessment rate per dollar of assessed value of residential
\$175	Proposed proportionate fee for single family residences

2020 assessment formula for single family residences is as follows:

$$0.0019 \times \text{appraised value} + \$175 \text{ proportionate fee}$$

0.0038	Proposed decimal assessment rate per dollar of assessed value of apartments
0.0019	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.

\$816,144	Computed income from single family residences
\$595,556	Computed income from apartments
<u>\$1,036,759</u>	Computed income from retail/commercial (whole value x assessment rate)
\$2,448,458	Projected total income if all units paid as set above

## 2020 PROJECTED BUDGET SURPLUS/DEFICIT

\$2,448,458	Yearly income for all units billed as set above
<u>\$ 2,446,577</u>	Amount needed to cover association's projected expenses
\$1,881	Excess (shortfall) caused by rounding factors

Budget Inc & Exp yr comparison YTD projections for Annual Budget

	Budget 2020	Projected 2019	Budget 2019	\$ Change Budget 2020 to Projected 2019	% Change Budget 2020 to Projected 2019
Assessment Income Total	2,448,458	2,296,688	2,296,705	151,770	7%
Late Fee & Penalty Income Total	30,000	40,711	30,000	(10,711)	-26%
NSF Income Total	350	420	250	(70)	-17%
Lease Income Total	43,500	43,260	43,489	240	1%
Interest Income Total	66,500	66,159	70,000	341	1%
Membership Income Total	72,600	70,437	64,000	2,163	3%
Program Income Total	128,875	166,864	117,600	(37,989)	-23%
Facility & Equip Rental Income Total	17,000	22,170	20,000	(5,170)	-23%
Concession & Vending Machine Total	-	-	-	-	0%
Other Miscellaneous Income Total	8,000	8,737	3,600	(737)	-8%
<b>TOTAL INCOME</b>	<b>2,815,283</b>	<b>2,715,447</b>	<b>2,645,644</b>	<b>99,836</b>	<b>4%</b>
Payroll - Wages & Bonuses Total	1,159,050	1,068,444	1,054,774	90,606	8%
Payroll Taxes - Employer Total	95,700	93,768	87,000	1,932	2%
Employee Group Benefits Total	165,000	126,530	140,967	38,470	30%
Add'l Employee Benefits Total	3,800	2,976	5,693	824	28%
Payroll Processing Expense Total	5,000	4,818	6,000	182	4%
Employee Business Expenses Total	21,750	17,054	32,940	4,696	28%
Board Meeting Expenses Total	5,900	2,307	2,000	3,593	156%
Conventions & Travel Total	1,900	7,287	3,600	(5,387)	-74%
Other Reimbursements Total	9,270	7,965	8,850	1,305	16%
<b>TOTAL PERSONNEL EXPENSES</b>	<b>1,467,370</b>	<b>1,331,149</b>	<b>1,341,824</b>	<b>136,221</b>	<b>10%</b>
Administrative Expenses Total	-	-	3,600	-	0%
Professional Services Total	46,600	44,448	26,000	2,152	5%
Collection & Lien Expense Total	30,000	13,172	30,000	16,828	128%
Management Fees Total	-	-	-	-	0%
Employment Expenses Total	7,700	7,009	1,060	691	10%
Bank Charges Total	9,000	8,944	9,000	56	1%
Insurance Expenses Total	223,500	201,077	229,000	22,423	11%
<b>TOTAL ADMIN EXPENSES</b>	<b>316,800</b>	<b>274,650</b>	<b>298,660</b>	<b>42,150</b>	<b>15%</b>
Contract Services Total	62,680	43,332	51,500	19,348	45%
Office & Operating Supplies Total	36,250	41,272	33,000	(5,022)	-12%
Utilities Total	174,000	154,913	159,620	19,087	12%
Telephone & Internet Total	12,000	9,831	12,000	2,169	22%
Security Monitoring Service Total	1,100	1,031	-	69	7%
Postage & Printing Total	24,000	23,179	30,000	821	4%
Dues & Subscriptions Total	850	643	1,200	207	32%
Rent & Lease Expenses Total	21,000	16,084	15,000	4,916	31%
Bldg & Grounds Maintenance Total	278,552	340,234	214,750	(61,682)	-18%
Technology Maintenance Total	40,000	39,381	15,000	619	2%
Other Operating Expenses Total	52,550	51,252	15,200	1,298	3%
Bad Debts & Write-offs Total	20,000	24,504	40,000	(4,504)	-18%
Depreciation Expense Total	159,000	156,522	160,000	2,478	2%
Taxes & Other Fees Total	2,600	2,711	1,200	(111)	-4%
Miscellaneous Expenses Total	4,650	4,557	9,500	93	2%
Reserve Contributions Total	140,000	180,000	240,000	(40,000)	-22%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,029,232</b>	<b>1,089,445</b>	<b>997,970</b>	<b>118,158</b>	<b>4%</b>
<b>TOTAL EXPENSES</b>	<b>2,813,402</b>	<b>2,695,244</b>	<b>2,638,454</b>	<b>118,158</b>	<b>4%</b>
<b>NET INCOME</b>	<b>1,881</b>	<b>20,203</b>	<b>7,190</b>	<b>(18,322)</b>	<b>-91%</b>