



HOMEOWNERS ASSOCIATION

# TOWNHALL MEETING

**Thursday, December 19<sup>th</sup>,  
2024, at 6:30 p.m.**

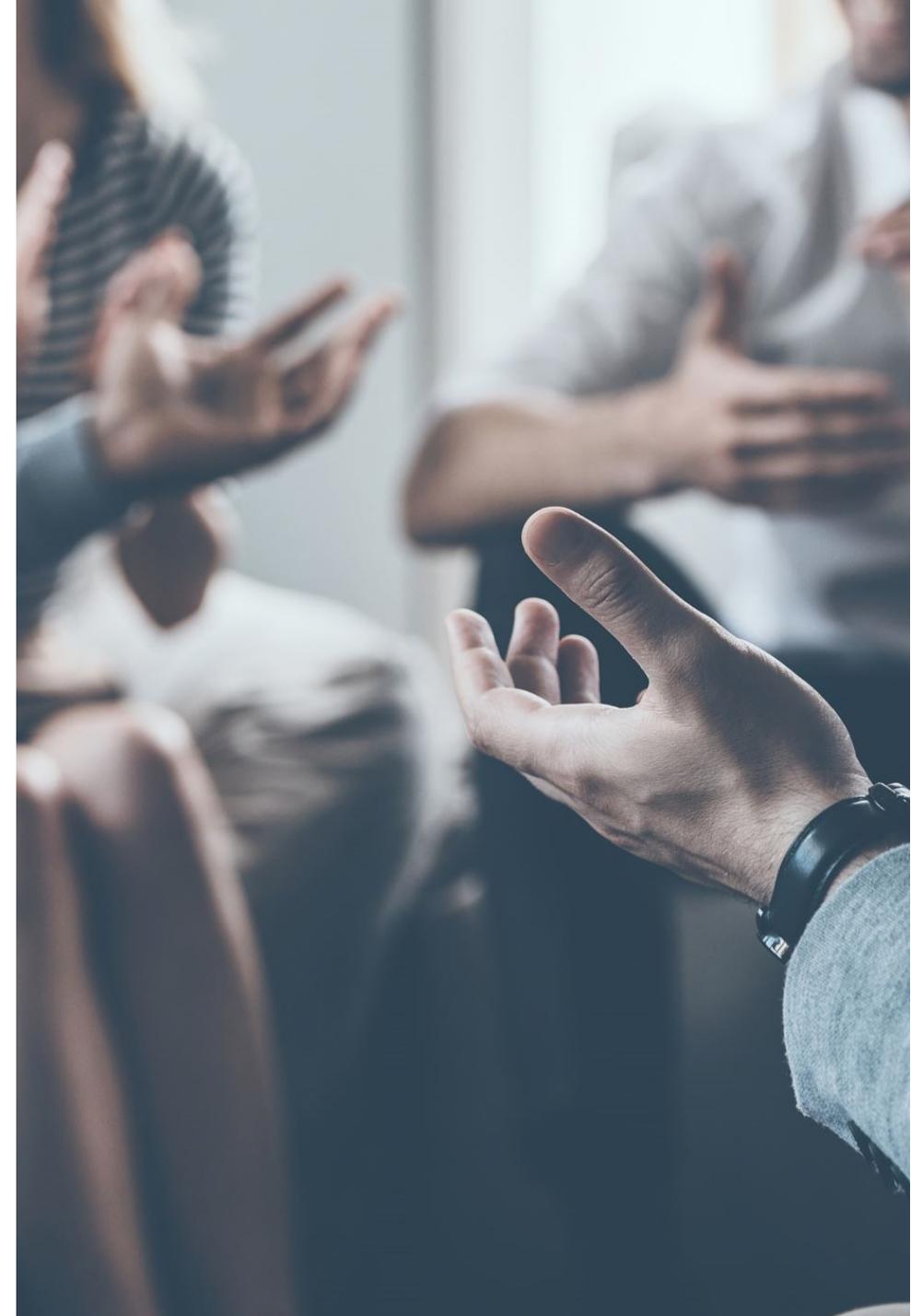
**Location  
8 Lounge Club  
1818 Rodeo Drive, Mesquite  
Tx 75149**

# AGENDA

- **Call Meeting to Order**
- **Introduction of Board of Directors**
  - **Perla Bouche, President**
  - **Shacquerra Hamilton, Vice President**
  - **Francisco Prieto, Secretary**
- **Introduction of Essex Association Management, L.P. Representatives**
  - **Sean Corcoran, Director of Operations**
  - **Victor Corcoran, Assistant Association Manager**
  - **Essex Support Staff**
- **For Discussion Only- 2025 Budget Analysis**
- **Questions & Answers**
- **Adjournment**

# MEETING CONDUCT

- **Respectful Participation:** All attendees should speak respectfully, listen to others without interruption, and avoid personal attacks or disruptive behavior.
- **Time Limits:** Each speaker will be given a specific amount of time to share their comments or ask questions (e.g., 2-3 minutes) to ensure everyone has an opportunity to participate.
- **Stay on Topic:** Comments and discussions should remain relevant to the agenda items or community issues to ensure productive conversations.
- **One Speaker at a Time:** Attendees should wait for their turn to speak and use a microphone (if available) to ensure clarity for all participants.



# WHAT IS A BUDGET?

A budget for a Homeowners Association (HOA) is a financial plan that outlines the **projected income and expenses** necessary to manage and maintain the community's common areas and services for a specified period, typically one year. The budget ensures that the HOA has sufficient funds to meet its operational and maintenance obligations, while also helping to manage assessments (fees) paid by residents.

Variance refers to the differences **between the budgeted or expected amounts and the actual amounts spent or received**. In the context of financial management, variances are used to assess how well an organization, such as a Homeowners Association (HOA), is managing its finances compared to its planned budget.



# BUDGET ANALYSIS

**Income and Expenses Overview:** The budget was carefully reviewed by examining both income sources (e.g., assessments, miscellaneous income) and the various expenses incurred, ensuring alignment with financial goals.

**Segregation of Miscellaneous Income:** Miscellaneous income was separated from regular assessments to provide a clearer understanding of the sources of funds and to improve the accuracy of budget allocation.

**Allocation of Common Expenses:** All common area expenses, such as maintenance and utilities, have been equally distributed among the 336 units, ensuring each unit's share of the collective costs is appropriately accounted for.

**Unit-Specific Expenses:** Expenses specific to certain unit types have been delineated based on the number of each unit type in the community, allowing for accurate budgeting and cost allocation for each unit group.

**Shared Maintenance Reimbursement:** The expense related to shared maintenance easements has been calculated, factoring in both the total cost and any necessary adjustments, with the reimbursement appropriately reflected in the budget to account for variances.

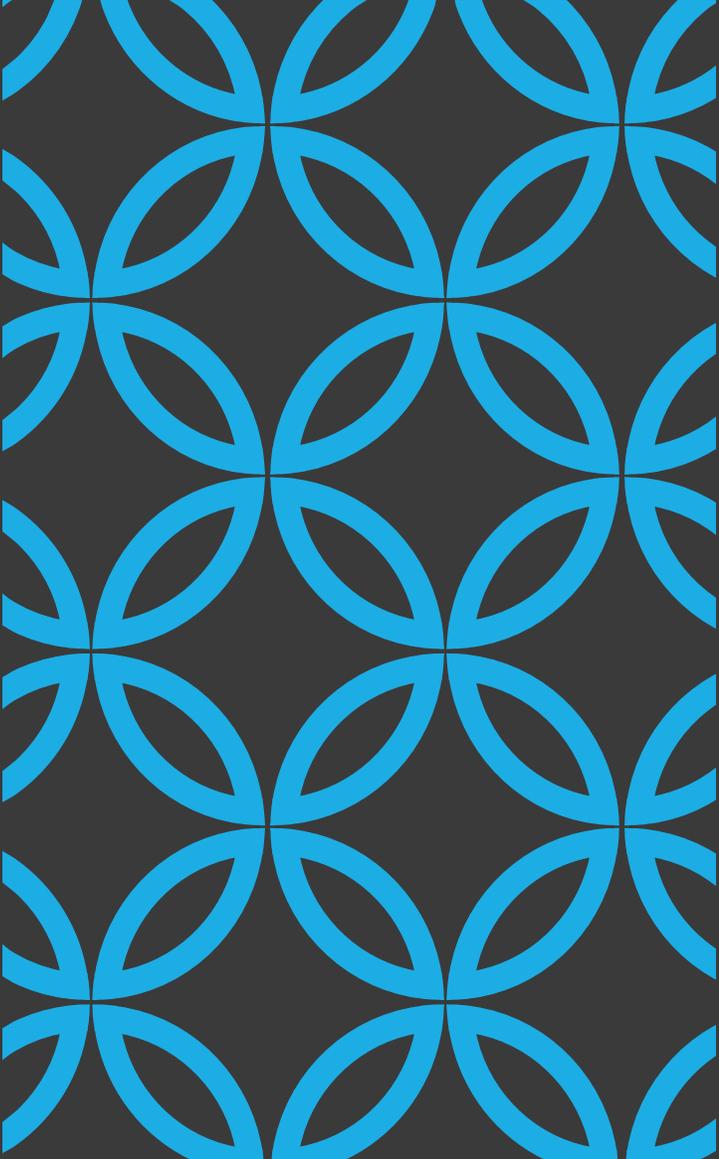
# **CALCULATION OF ESTIMATED INCOME 1 OF 2**

**The calculation of income for the association involves close collaboration between the Management and Board to ensure accurate budgeting and allocation of resources. This process begins with an analysis of expected income, including assessments from all units, as well as other potential sources such as miscellaneous income.**

**Through this collaborative process, both Management and the Board ensure that all income and expenses are estimated accurately, allowing for a sustainable financial plan that meets the community's needs while maintaining financial stability.**

# CALCULATION OF ESTIMATED INCOME 2 OF 2

- **Collaboration Between Management and Board:** The Board and Management work together to review historical data, anticipated needs, and current financial goals. Management provides detailed estimates of operating expenses, while the Board offers strategic input on fee structures and financial priorities. This collaboration ensures that both expected income and necessary expenses are accurately accounted for.
- **Estimation of Expenses per Unit Type:** The total expenses for the community are broken down into common area expenses and unit-specific expenses. Common area expenses (e.g., landscaping, maintenance, utilities) are shared equally among all 336 units. Unit-specific expenses (e.g., for specific unit types such as townhomes, villas etc.) are allocated according to the number and type of units, ensuring that each unit type's expenses are proportionately covered.
- **Common Area Expenses:** These expenses are shared equally across all units, and the total cost is divided among the 336 units. The calculation accounts for typical community-wide expenses such as general maintenance, insurance, and utilities.
- **Unit-Specific Expenses:** For unit-specific costs, the expenses are further broken down by the number of units of each type. Each unit type is assigned a share of the expenses based on its proportionate representation within the community, ensuring that the costs are fairly distributed according to the unique needs and characteristics of each unit type.



**UNIT-TYPE  
SPECIFIC  
EXPENSES  
VS.  
COMMON  
EXPENSES**

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# UNIT-TYPE SPECIFIC EXPENSES

**These are costs that are directly related to the maintenance, operation, or repair of individual unit types within the community. Unit-type specific expenses vary depending on the type of unit and are generally the responsibility of the individual unit owner. Examples include:**

- **Repairs and Maintenance specific to a unit-type, such as exterior of building/roof or irrigation repairs.**
- **Insurance premiums for exterior of building/roof of Townhomes.**
- **Utility costs that are associated with the irrigation of Townhomes.**
- **Personalized services like pest control, landscaping or window washing for specific units.**

**These expenses are unique to each unit and are not shared with other residents in the community.**

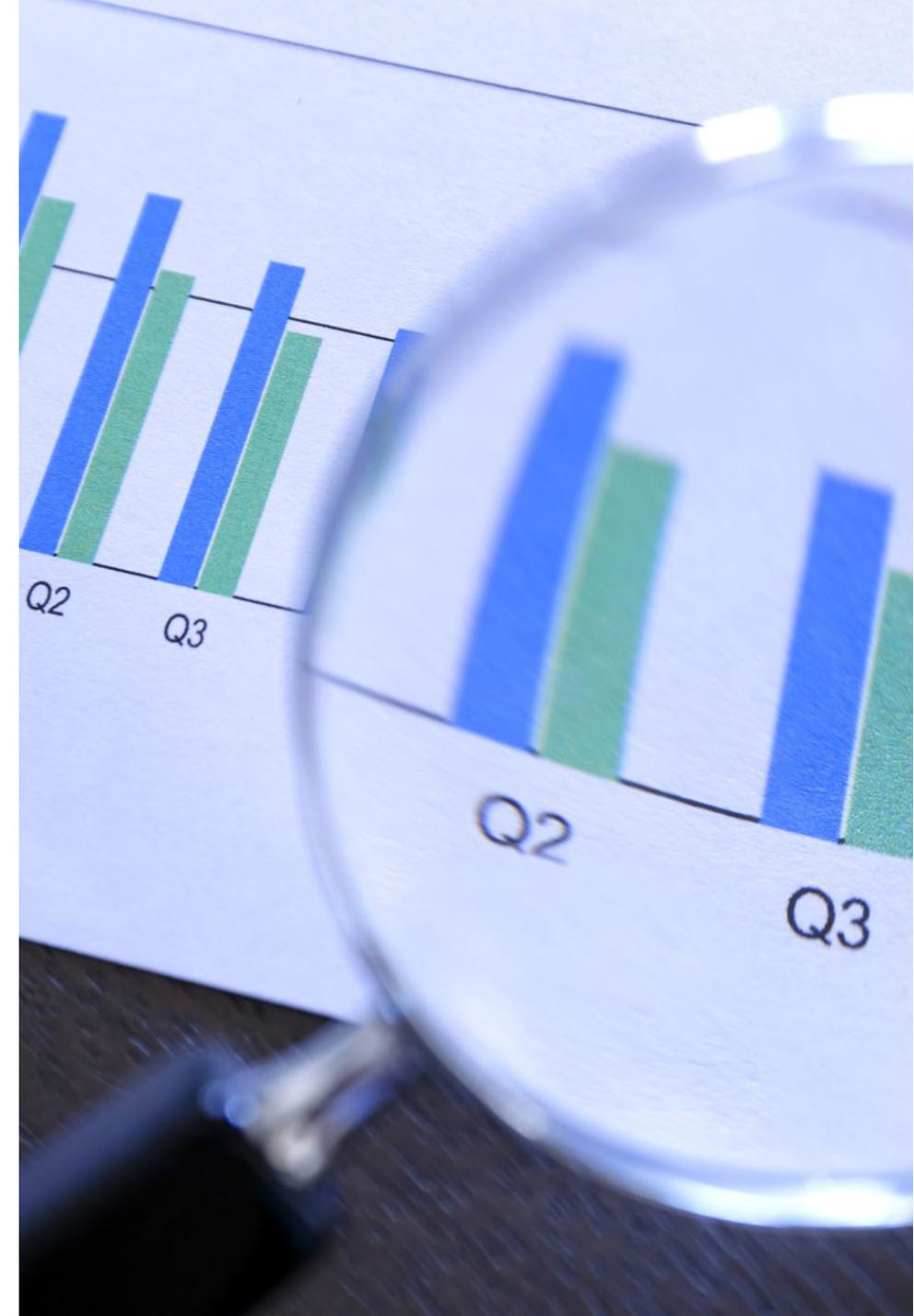
# COMMON EXPENSES

**These are costs associated with the upkeep and maintenance of shared areas and services that benefit the entire community. Common expenses are generally distributed among all units in the association, either equally or based on each unit's share of ownership. Examples include:**

- **Landscaping and general maintenance for common areas like open spaces, and entrances.**
- **Utilities for common areas, such as electricity for fountain or monuments, or water for irrigation.**
- **Insurance covering common areas or shared liability.**
- **Management fees for the overall administration of the community.**
- **Pool maintenance or cleaning services for shared amenities.**
- **Common expenses are typically shared equally among all units or proportionally based on the size or type of unit, and they contribute to the overall functioning and appearance of the community.**

# VARIANCE POTENTIAL G&A

**In reviewing the General and Administrative (G&A) expenses, particularly for Postage, Printing & Reproduction, Collection Facilitation Billed Back, Property Inspections, and Legal Fees, the association recognizes that these categories have a potential for variance due to their nature and the unpredictability of specific needs.**



# VARIANCE POTENTIAL G&A

## 1 OF 3

**Postage:** The estimated postage costs are based on expected communication needs, such as notices and correspondence to residents. However, variance may occur if there is an unexpected increase in mailings due to additional communications or special projects. Additionally, changes in postal rates or an increased volume of mail can contribute to higher-than-anticipated costs.

**Printing & Reproduction:** Printing and reproduction costs are projected based on routine documentation, such as meeting materials, and other necessary printing for residents. Variance potential arises if additional documents are required throughout the year (e.g., emergency notices or special reports), or if printing prices fluctuate due to changes in suppliers or paper costs.

# VARIANCE POTENTIAL G&A

## 2 OF 3

**Property Inspections:** Property inspection costs are estimated based on scheduled inspections of the community. However, variance may occur if there are more frequent inspections needed due to non-compliance to CCR regulations or investigate complaints.

**Legal Fees:** Legal fees are projected based on anticipated legal services, such as contract review, compliance issues, and dispute resolutions. However, these costs can fluctuate significantly depending on any legal matters that arise during the year, such as litigation or complex legal advice. As a result, the actual expenses may vary from the estimate if unexpected legal challenges occur.

# VARIANCE POTENTIAL G&A 3 OF 3

**In summary, while the association provides an estimate for each of these categories, actual expenses can vary due to factors such as increased workload, external price changes, or unanticipated events requiring additional services. The association will continue to monitor these areas closely to adjust for any significant variances.**



# VARIANCE POTENTIAL COMMON EXPENSES

**The common expenses for the HOA include several categories with potential for variance, particularly in areas such as non-contractual replacement costs for landscaping, mechanical or electrical items related to the irrigation system, pool, and utilities.**

**While estimates for common expenses are made, there is significant potential for variance due to non-contractual replacement needs, fluctuating utility costs, and the impact of external factors like weather or emergency repairs. The lack of complete historical data for newer amenities like the pool adds another layer of uncertainty, which will be addressed once comprehensive financial data is available after a full year of pool operation.**

## **NON-CONTRACTUAL REPLACEMENT COSTS (LANDSCAPING, MECHANICAL, AND ELECTRICAL ITEMS)**

**Non-contractual replacement costs for landscaping and mechanical/electrical components (such as for the irrigation system or pool equipment) can fluctuate significantly based on the condition of equipment or unforeseen maintenance needs. For instance, if irrigation systems require emergency repairs or pool equipment experiences unexpected failure, these costs can exceed initial estimates. As these expenses are often unpredictable and not part of regular contractual obligations, they present a substantial variance potential in the budget.**

# UTILITY COSTS

**Utility costs related to irrigation and the pool can fluctuate due to various factors. Weather conditions, such as extended periods of drought or high temperatures, can increase irrigation demand, resulting in higher water usage and related costs. Additionally, since the pool is a recent addition to the HOA's financial responsibilities, there is no historical data to fully account for its utility usage, including water and electricity. These costs may vary depending on pool usage, the time of year, and maintenance needs, making it challenging to accurately estimate utility expenses in the first year of the pool's operation.**

# **HISTORICAL DATA AND POOL EXPENSES**

**Currently, the association's historical financial data does not fully reflect the actual usage for all amenities, especially for newer additions like the pool. Since the pool is a recent addition to the HOA's financial responsibilities, there is limited data on its operational costs, such as electricity, water usage, chemical treatments and monitoring. Comprehensive data for the pool's expenses will not be fully realized until at least one year of usage, making it challenging to accurately forecast future budgets for this amenity. As a result, the first year of the pool's operation will serve as a baseline for more accurate financial projections in future budgets.**

# **VARIANCE POTENTIAL COMMON EXPENSES SUMMARY**

**In summary, while estimates for common expenses are made, there is significant potential for variance due to non-contractual replacement needs, fluctuating utility costs, and the impact of external factors like weather or emergency repairs. The lack of complete historical data for newer amenities like the pool adds another layer of uncertainty, which will be addressed once comprehensive financial data is available after a full year of pool operation.**

# Income And Expense Variance Table

Quarterly Assessments		Expense Allocation		Quarterly	Total Quarterly Including Common Area Expense	Total less than Income other than Assessments	Quarterly Variance	
\$374.76	Bungalows	28.00	81.00	\$548.52	\$137.13	\$381.80	\$371.98	\$2.78
\$374.76	Bungalows AR	23.00		\$548.52	\$137.13	\$381.80	\$371.98	\$2.78
\$374.76	Villas	30.00		\$548.52	\$137.13	\$381.80	\$371.98	\$2.78
\$341.09	Row Homes	57.00		\$428.71	\$107.18	\$351.85	\$342.03	(\$0.94)
\$408.57	Townhomes	198.00		\$698.32	\$174.58	\$419.25	\$409.43	(\$0.86)
\$285.00	All	336.00		\$978.70	\$244.67			
\$8.32	Reimburse expense							

# 2025 Budget (Approved) 1 Of 3 Income (Assessments & Misc. Income)

GL	Income	January	February	March	April	May	June	July	August	September	October	November	December	Total
4100	Assessments - Bungalows	\$ 10,493.00	\$ -	\$ -	\$ 10,494.00	\$ -	\$ -	\$ 10,493.00	\$ -	\$ -	\$ 10,493.12	\$ -	\$ -	\$ 41,973.12
4101	Assessments - Bungalow Age Restricted	\$ 8,619.48	\$ -	\$ -	\$ 8,619.48	\$ -	\$ -	\$ 8,619.48	\$ -	\$ -	\$ 8,619.48	\$ -	\$ -	\$ 34,477.92
4102	Assessments - Villas	\$ 11,242.80	\$ -	\$ -	\$ 11,242.80	\$ -	\$ -	\$ 11,242.80	\$ -	\$ -	\$ 11,242.80	\$ -	\$ -	\$ 44,971.20
4103	Assessments - Urban ROW Homes	\$ 19,442.13	\$ -	\$ -	\$ 19,442.13	\$ -	\$ -	\$ 19,442.13	\$ -	\$ -	\$ 19,442.13	\$ -	\$ -	\$ 77,768.52
4104	Assessments - Townhomes	\$ 80,897.00	\$ -	\$ -	\$ 80,897.00	\$ -	\$ -	\$ 80,897.00	\$ -	\$ -	\$ 80,896.44	\$ -	\$ -	\$ 323,587.44
4106	Insurance Assessment - Townhomes	\$ 56,430.00	\$ -	\$ -	\$ 56,430.00	\$ -	\$ -	\$ 56,430.00	\$ -	\$ -	\$ 56,430.00	\$ -	\$ -	\$ 225,720.00
4190	Reimbursed Expenses/Shared Easement-30%	\$ 2,795.86	\$ -	\$ -	\$ 2,795.86	\$ -	\$ -	\$ 2,795.86	\$ -	\$ -	\$ 2,795.86	\$ -	\$ -	\$ 11,183.43
4200	Late/NSF Fee	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
4250	Collection Fee Charge	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 2,880.00
4410	Demand Letter Income	\$ -	\$ 105.00	\$ -	\$ -	\$ 105.00	\$ -	\$ -	\$ 105.00	\$ -	\$ -	\$ 105.00	\$ -	\$ 420.00
4500	Interest Income	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 96.00
4801	CAP Fees	\$ 417.00	\$ 416.00	\$ 417.00	\$ 417.00	\$ 417.00	\$ 416.00	\$ 417.00	\$ 417.00	\$ 416.00	\$ 417.00	\$ 417.00	\$ 416.00	\$ 5,000.00
	<b>Income total</b>	<b>\$ 190,985.27</b>	<b>\$ 1,169.00</b>	<b>\$ 1,065.00</b>	<b>\$ 190,986.27</b>	<b>\$ 1,170.00</b>	<b>\$ 1,064.00</b>	<b>\$ 190,985.26</b>	<b>\$ 1,170.00</b>	<b>\$ 1,064.00</b>	<b>\$ 190,984.83</b>	<b>\$ 1,170.00</b>	<b>\$ 1,064.00</b>	<b>\$ 772,877.63</b>

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## Common Expense

5100	Administrative Expenses	\$ 75.00	\$ 435.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 90.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 1,275.00
5101	Postage	\$ 108.00	\$ 109.00	\$ 108.00	\$ 108.00	\$ 109.00	\$ 108.00	\$ 108.00	\$ 109.00	\$ 108.00	\$ 108.00	\$ 109.00	\$ 108.00	\$ 1,300.00
5104	Printing & Reproduction	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 600.00
5105	Website Expense	\$ 103.00	\$ -	\$ -	\$ 102.00	\$ -	\$ -	\$ 103.00	\$ -	\$ -	\$ 102.00	\$ -	\$ -	\$ 410.00
5106	Homeowner Functions	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 7,500.00
5109	Licenses, Permits, & Fees	\$ -	\$ -	\$ -	\$ -	\$ 40.00	\$ -	\$ -	\$ -	\$ 40.00	\$ -	\$ -	\$ 40.00	\$ 120.00
5110	Professional Management	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 1,750.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 23,000.00
5120	Collection Facilitation Billed back	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 2,880.00
5121	Property Inspections	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 1,200.00
5176	Legal Fees	\$ -	\$ 250.00	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ 250.00	\$ 1,000.00
5181	Tax Preparation	\$ 393.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785.00
5182	Signs	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
	<b>G&amp;A Total</b>	\$ 3,319.00	\$ 2,834.00	\$ 2,323.00	\$ 2,425.00	\$ 4,114.00	\$ 3,838.00	\$ 4,818.00	\$ 2,574.00	\$ 2,863.00	\$ 4,425.00	\$ 3,074.00	\$ 4,363.00	\$ 41,070.00
5310	General Liability\Property Ins	\$ -	\$ 3,950.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,950.00
5320	Directors & Officers Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700.00	\$ -	\$ 2,700.00
	<b>Insurance Total</b>	\$ -	\$ 3,950.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700.00	\$ -	\$ 6,650.00
6010	Electric	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
6020	Water/Sewer	\$ 1,999.00	\$ 2,002.00	\$ 1,999.00	\$ 1,999.00	\$ 2,002.00	\$ 1,999.00	\$ 1,999.00	\$ 2,002.00	\$ 1,999.00	\$ 1,999.00	\$ 2,002.00	\$ 1,999.00	\$ 24,000.00
	<b>Utilities Total</b>	\$ 2,149.00	\$ 2,152.00	\$ 2,149.00	\$ 2,149.00	\$ 2,152.00	\$ 2,149.00	\$ 2,149.00	\$ 2,152.00	\$ 2,149.00	\$ 2,149.00	\$ 2,152.00	\$ 2,149.00	\$ 25,800.00
6100	Oversight Reimbursable Charges	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250.00
6210	Fence Repairs	\$ 83.33	\$ 83.34	\$ 83.33	\$ 83.33	\$ 83.34	\$ 83.33	\$ 83.33	\$ 83.34	\$ 83.33	\$ 83.33	\$ 83.34	\$ 83.33	\$ 1,000.00
6250	Pest Control	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 900.00
6260	Electrical Repairs & Maintenance	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00
6290	Common Area Maintenance/Cleaning	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 730.00	\$ 8,760.00
6291	General Repairs & Maintenance	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	\$ 6,000.00
6345	Common Area Porter Service	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 9,144.00
6347	Pet Porter Service	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 729.00	\$ 8,748.00
6510	Pond Maintenance - Contract	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 2,520.00
6511	Pond Maintenance - Non Contract	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
6513	Retention Pond Maintenance	\$ -	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ 500.00
	<b>Infrastructure &amp; Maintenance Total</b>	\$ 4,089.33	\$ 4,214.34	\$ 2,839.33	\$ 2,589.33	\$ 3,214.34	\$ 4,089.33	\$ 2,589.33	\$ 3,214.34	\$ 4,089.33	\$ 2,589.33	\$ 2,714.34	\$ 4,089.33	\$ 40,322.00
6240	Amenity Center Maint/Repairs	\$ -	\$ -	\$ -	\$ 333.00	\$ -	\$ 334.00	\$ -	\$ 333.00	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
6270	Pool Gate Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
6310	Pool Key Expense/Access System	\$ -	\$ -	\$ -	\$ 600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600.00
6320	Pool Contract Maintenance	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 1,505.00	\$ 18,060.00
6331	Pool Emergency Phone	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ -	\$ 125.00	\$ -	\$ -	\$ 500.00
6330	Pool Supplies/Equipment	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
6340	Pool Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ 500.00
6346	Pool Porter	\$ -	\$ -	\$ -	\$ -	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00	\$ 1,312.00	\$ -	\$ -	\$ 6,560.00
6360	Pool Monitoring Service	\$ -	\$ -	\$ -	\$ -	\$ 754.00	\$ 753.00	\$ 754.00	\$ 753.00	\$ 754.00	\$ 754.00	\$ -	\$ -	\$ 3,768.00
	<b>Pool Total</b>	\$ 1,630.00	\$ 1,505.00	\$ 1,505.00	\$ 2,563.00	\$ 4,571.00	\$ 4,154.00	\$ 3,696.00	\$ 4,153.00	\$ 3,571.00	\$ 1,630.00	\$ 1,505.00	\$ 1,505.00	\$ 31,988.00

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## Landscaping, Unit-type Specific, Shared Easement & Reserves

6400	Landscape Contract Services-Common Area	\$ 12,978.00	\$ 12,978.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 97,956.00
6401	Landscape Contract - Villas/Bungalows	\$ 4,490.00	\$ 4,490.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 3,545.00	\$ 44,430.00
6402	Landscape Maint & Imprv non-contractual	\$ -	\$ -	\$ -	\$ -	\$ 3,750.00	\$ -	\$ -	\$ -	\$ -	\$ 3,750.00	\$ -	\$ -	\$ -	\$ 7,500.00
6406	Landscape Contract - Row Homes	\$ 1,587.00	\$ 1,587.00	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 2,066.25	\$ 24,436.50
	<b>Landscape Total</b>	\$ 19,355.00	\$ 19,355.00	\$ 12,811.25	\$ 12,811.25	\$ 16,561.25	\$ 12,811.25	\$ 12,811.25	\$ 12,811.25	\$ 16,561.25	\$ 12,811.25	\$ 12,811.25	\$ 12,811.25	\$ 12,811.25	\$ 174,322.50
6500	Irrigation	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 7,500.00
	<b>Irrigation Total</b>	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 7,500.00
6701	Electric - Easement	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
6702	Water/Sewer - Easement	\$ 292.00	\$ 291.00	\$ 292.00	\$ 292.00	\$ 291.00	\$ 292.00	\$ 292.00	\$ 291.00	\$ 292.00	\$ 292.00	\$ 292.00	\$ 291.00	\$ 292.00	\$ 3,500.00
6705	Landscaping(Contract) - Easement	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 3,552.43	\$ 42,629.16
6706	Landscape Maint/Improvements - Easement	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 1,000.00
6708	Irrigation - Easement	\$ -	\$ -	\$ -	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ 500.00
6711	Fountain Maint(Contract) - Easement	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 2,520.00
6712	Fountain Maint(Non-Contract) - Easement	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
6713	Common Area Repairs/Maint - Easement	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
	<b>Shared Easement Total</b>	\$ 4,204.43	\$ 4,403.43	\$ 4,704.43	\$ 4,504.43	\$ 4,553.43	\$ 4,504.43	\$ 4,554.43	\$ 4,503.43	\$ 4,204.43	\$ 4,404.43	\$ 4,203.43	\$ 4,204.43	\$ 4,204.43	\$ 52,949.16
5350	Townhome Insurance	\$ -	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 28,530.00	\$ 225,720.00
6220	Roof and Gutter Repairs	\$ -	\$ -	\$ -	\$ 1,250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250.00	\$ -	\$ -	\$ 2,500.00
6221	Building Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 1,250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250.00	\$ -	\$ 2,500.00
6251	Pest Control (Townhomes)	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -	\$ -	\$ -	\$ 2,400.00
6405	Landscape Contract - Townhomes	\$ 8,064.00	\$ 8,064.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 8,065.00	\$ 98,658.00
6410	TH Landscaps Maint&Repairs-Non-Contract	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 12,000.00
6411	TH Irrigation Repairs	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 6,000.00
	<b>Townhome expense Total</b>	\$ 10,304.00	\$ 30,124.00	\$ 29,185.00	\$ 34,035.00	\$ 33,435.00	\$ 32,185.00	\$ 29,785.00	\$ 29,185.00	\$ 32,185.00	\$ 31,035.00	\$ 29,835.00	\$ 28,585.00	\$ 28,585.00	\$ 349,778.00
6001	Reserve Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,156.50
6002	Reserve - Townhomes	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 1,183.99	\$ 1,184.00	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 14,207.94
	<b>Reserve(s) Total</b>	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 1,183.99	\$ 1,184.00	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 1,184.00	\$ 1,183.99	\$ 23,340.49	\$ 36,364.44
8000	Contingency	\$ 511.00	\$ 511.00	\$ 511.00	\$ 512.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.53	\$ 6,133.53
	<b>Contingency Total</b>	\$ 511.00	\$ 511.00	\$ 511.00	\$ 512.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.00	\$ 511.53	\$ 6,133.53
	<b>Total</b>	\$ 47,270.76	\$ 70,957.76	\$ 57,837.01	\$ 63,398.00	\$ 70,921.01	\$ 66,051.01	\$ 62,723.01	\$ 60,913.01	\$ 67,943.01	\$ 61,364.00	\$ 61,315.02	\$ 61,315.02	\$ 61,315.02	\$ 82,184.03
	<b>Net Income/Loss</b>	\$ 143,714.51	\$ (69,788.76)	\$ (56,772.01)	\$ 127,588.17	\$ (69,751.01)	\$ (64,987.01)	\$ 128,282.25	\$ (59,743.01)	\$ (66,879.01)	\$ 129,620.83	\$ (56,145.02)	\$ (56,145.02)	\$ (56,145.02)	\$ 50.00

# AMENDING THE BUDGET 1 OF 4

**Amending an HOA budget involves a structured process to adjust financial plans due to unforeseen circumstances, changes in projected income or expenses, or new needs within the community. The steps for amending an HOA budget typically follow a formal procedure that ensures transparency, accountability, and proper approval by the board and, in some cases, the homeowners. Below is a general approach to amending an HOA budget.**

# AMENDING THE BUDGET 2 OF 4

- **Identify the Need for an Amendment:** The need for an amendment can arise from various factors, such as unexpected maintenance costs, changes in utility rates, unanticipated revenue, or adjustments in projected expenses. A variance analysis may reveal discrepancies between the budgeted and actual amounts, prompting the need for a revision.
- **Review Governing Documents:** Before making any changes, review the HOA's governing documents (e.g., the Declaration of Covenants, Conditions, and Restrictions (CC&Rs), Bylaws, or Articles of Incorporation). These documents may outline the specific procedures for amending the budget, including required approvals, notice periods, and member involvement.
- **Prepare the Proposed Amendment:** The Board of Directors, with input from the property management company or finance committee, prepares the proposed amendment to the budget. This could involve re-allocating funds between categories (e.g., shifting money from landscaping to pool maintenance) or adjusting for new expenses or unexpected income. The revised budget should include:
  - A detailed breakdown of the revised income and expense categories.
  - Justifications for each change, whether it's due to increased costs, new projects, or adjustments in reserve contributions.
  - Updated financial projections that reflect the changes.

# AMENDING THE BUDGET 3 OF 4

- **Approval by the Board:** The proposed amendment is typically reviewed and discussed by the HOA Board of Directors in a scheduled meeting. The Board will evaluate the rationale behind the proposed changes and ensure they align with the HOA's long-term financial goals. The amendment may require a vote by the Board, and in many cases, it must be approved by a majority before it becomes final.
- **Notice to Homeowners:** After the Board has approved the amendment, the HOA must notify homeowners of the changes, especially if the amendment affects their assessments or financial obligations. In Texas, this may involve sending written communication, such as a notice or a copy of the amended budget, to all residents. Depending on the governing documents, a formal meeting may be required to approve major changes, and homeowners may be given the opportunity to ask questions or voice concerns.
- **Implement the Changes:** Once the amendment is finalized and approved, the updated budget is implemented. This could involve adjusting the collection of assessments, reallocating reserve funds, or authorizing new contracts or expenditures based on the revised financial plan. The HOA's financial records will reflect the changes, and ongoing monitoring will ensure that the amended budget is adhered to.
- **Ongoing Monitoring and Reporting:** After the budget amendment is adopted, the Board and management will continue to track expenses and income to ensure that the revised budget is being followed. Regular updates and variance analyses should be conducted to ensure the community remains financially healthy and that any future amendments are based on sound financial information.

# AMENDING THE BUDGET 4 OF 4

**In summary, amending an HOA budget is a methodical process that requires careful planning, board approval, and communication with homeowners. By following a transparent process, the HOA can address financial changes effectively while maintaining trust and accountability within the community.**



**Q&A**

**Discussion  
with  
Homeowners**

