

FOLLOW THE MONEY: How to Read the HOA Budget

SNOWDEN POND at MONTPELIER HOA, INC.
ANNUAL BUDGET
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

INCOME			
Assessments Billed			30,132.00
Less Contribution to Reserves			<u>3,000.00</u>
Net Assessments for Operations			27,132.00
Interest Earned			-
Other Income(Snowden Pond II)			-
Late Charges			-
Snowden Pond II Contribution			<u>1,452.00</u>
TOTAL OPERATING INCOME			28,584.00
EXPENSES			
Grounds - Maintenance		10,896.00	
Grounds - Improvements & Repairs		2,500.00	
Snow Pushing		1,000.00	
Attorneys Fees		400.00	
Management		9,311.00	
Administrative Expenses		1,000.00	
Audit & Tax Filing		1,200.00	
Insurance - Liability		1,550.00	
Insurance - D & O		600.00	
Insurance - Fidelity		350.00	
Communications Committee		500.00	
Social Committee		2,500.00	
TOTAL OPERATING EXPENSE			31,807.00
EXCESS/(deficit) from Current Year Operations			(3,223.00)
Undesignated Equity Allocated to Operations			<u>3,223.00</u>
		NET	-
ASSESSMENT INCOME			
ASSESSMENT	UNITS	PAYMENTS	TOTAL
27.00	93	12	30,132.00
SNOWDEN POND RESERVE ANALYSIS			
Opening Balance			
General Reserve Fund			<u>38,155.00</u>
TOTAL OPENING BALANCE			38,155.00
Contributions from Assessments			
General Reserve Fund			<u>3,000.00</u>
TOTAL CONTRIBUTIONS from ASSESSMENTS			3,000.00
Other Contributions			
General Reserve Fund			-
TOTAL OTHER CONTRIBUTIONS			-
Expenditures from Reserves			
General Reserve Fund			-
TOTAL EXPENDITURES from RESERVES			-
Closing Balances			
General Reserve Fund			<u>41,155.00</u>
TOTAL CLOSING BALANCE			41,155.00

Assessments Billed should match Assessment Total under Assessment Income.

Contribution to Reserves should match Contributions from Assessments under Reserve Analysis.

Monitor Grounds Maintenance from year to year. Expect reasonable increases.

Expect large variations in Improvements & Repairs and Snow Pushing from year to year.

Monitor Management & Administrative Expenses from year to year. Expect reasonable increases.

Money not spent drops into Undesignated Equity.

Apply a portion of Undesignated Equity to Current Year Operations. Use these excess funds to help keep Assessments low.

The HOA Board is only allowed to increase annual assessments up to a maximum of 10% each year. Increases greater than 10% or special assessments require written approval by 66% (59 lots) of the members.

Monitor Reserves from year to year. Ensure that last year's Closing Balance is equal to this year's Opening Balance unless funds were spent to replace equipment at either the Snowden Pond Park or the Entrance Monument.

No HOA funds should be spent on road maintenance or on cleaning debris out of the storm water management pond. Those are the responsibility of Prince Georges County. You are already paying for them in your property tax bill.

Look for your copy of the Snowden Pond HOA Budget Notice at the beginning of December each year. If you save your copies of the Budget Notice from year to year, you should be able to "follow the money".