

2021 Silverhawk HOA Budget

Silverhawk Annual Income/Expense Estimate

General

This information contained here is the 2021 Silverhawk HOA Budget anticipated income and ordinary/non-discretionary expenses. This anticipated budget is in line with the 2020 budget, with adjustments to inflation and increased rates. The budget estimate is approximately \$11,000 higher than 2020. This is not because expenses are higher, but more expenses were captured that were carried as over and above expenses that should have been considered non-discretionary.

Estimate assumes HOA dues are not increased for 2021, remaining at \$410.00/lot.

The explanation of what each expense line covers are listed in the following tables. These are something the board should consider non-discretionary expenses since they are those things that keep the neighborhood maintained and in good running order.

Approximately 10% of homeowners do not pay their annual assessments on time by the end of the year. As of the November NSI report, there were still approximately \$12,000 in unpaid 2020 assessments. That does not include those delinquent from prior years. Total delinquent as of the latest report is just over \$16,000. This represents money that the HOA Board cannot invest in the neighborhood.

Budget Summary:

Anticipated 2021 income	=	\$151,060.00
<u>Anticipated non-discretionary expenses</u>	=	<u>\$116,963.31</u>
Anticipated Discretionary Funds	=	\$ 34,096.69

Discretionary Funds Summary:

Total Accounts Balance EOY 2020 (Est)	=	\$80,000.00
<u>Total 2021 Discretionary Funds (Est)</u>	=	<u>\$34,096.69</u>
Subtotal	=	\$114,096.69
Delinquent Assessments Adjustment	=	(\$14,000.00)
New Year Reserve Adjustment	=	(\$20,000.00)
<u>Emergency Reserve Adjustment</u>	=	<u>(\$20,000.00)</u>
Subtotal Reserves	=	(\$54,000.00)
<u>Total Est Discretionary Funds Available</u>	=	<u>\$60,096.69</u>

2021 Silverhawk HOA Budget

December 20, 2020

Silverhawk HOA Income - \$150,110

<i>Item</i>	<i>Amount</i>	<i>Rationale</i>
HOA Dues	\$148,830	\$410 x 363 houses.
Access Card Fees	\$350	Based on actuals from 2020. Anticipated total of 10 card replacements due to reduced swimming from COVID-19.
Clubhouse Rental Income	\$200	Based on actuals from 2020.
Interest – Bank	\$80	Based on actuals from 2020.
Interest – Homeowners	\$800	Based on actuals from 2020. Homeowner interest paid for late annual HOA assessments and fees.

2021 Silverhawk HOA Budget

December 20, 2020

Silverhawk HOA Non-Discretionary Expenses - \$116,963.31

<i>Item</i>	<i>Amount</i>	<i>Rationale</i>
Administrative	\$2,179.16	
Filing Fees (Liens)	\$714.00	Based on 2020 actual expenses. These are what the HOA pays to the county to file liens against delinquent property owners. These fees are recovered when the homeowner pays, but it is an expense until that occurs.
Website Maintenance	\$1465.16	Based on 2020 actual expenses. This is the cost of maintaining the website, domain name, and DropBox.
Communications	\$2,910.00	
Community Events	\$700.00	No bases of estimate. Cost to hold meeting. No meetings were held in 2020.
Postage & Copies	\$2,210.00	Based on 2020 actual expenses. This is the cost for the HOA Board and Neighborhood Services for copy and mail expenses.
Insurance	\$4,500.00	
Insurance	\$4,500	Based on 2020 actual expenses. This is the cost of the insurance policy the HOA has with Farmer's Insurance.
Utilities	\$15,409.15	
Electric Service	\$6,428.93	Based on 2020 actual expenses. Five meters are located at the clubhouse, 178 th entrance, Penn entrance, inside the pump jack area, and the Shift garden.
Gas Service	813.04	Based on 2020 actual expenses. Gas services is only supplied at the clubhouse.
Water Service	\$6,403.18	Based on 2020 actual expenses. There are four water meters located at the clubhouse, Penn entrance, 178 th entrance, and the Shift garden area. 3 are classified as sprinkler systems, and 1 is classified as a building.
Telephone Service	\$900.00	Based on 2020 actual expenses. This is line provides 2 services. First, the telephone located on the pool wall, required for safety reasons. The second service is for the Door King key card access system for the pool gates and clubhouse entrance.
Internet Service	\$864.00	Based on 2020 actual expenses. Internet access is for remote access of the clubhouse camera system.
Landscaping	\$43,917.00	
Grounds & Landscaping Contract	\$34,917.00	This is based on the 2020 actuals, plus anticipated 5% increase in lawn contract for 2021-2022 season. The current contract runs from 1 Apr – 31 Mar.
Landscaping – Other	\$9,000	This is based on anticipated landscaping maintenance and repairs for existing landscaping. It does not include any cost for re-landscaping or other upgrades.
Irrigation	\$2050.00	

2021 Silverhawk HOA Budget

Irrigation Repair & Maintenance	\$2,050.00	Based on 2020 actual expenses. As the system ages, costs for upkeep have been increasing with broken lines, etc. If the cost is added to the new Grounds & Landscaping Contract, this number may be offset by the cost increase associated with the new contract.
Operations	\$125.00	
Permits & Licenses	\$125.00	Based on 2020 actual expenses. This is the cost of City and County permits to operate a public pool.
Contracted Services	\$15,804.00	
Storage Unit	\$1,092.00	Based on 2020 actual expenses. This is for the non-climate controlled storage unit at SecurCare Self Storage, 600 NW 178 th St, Edmond, OK 73012. Unit #502.
Clubhouse Cleaning Contract	\$4,800.00	Based on 2020 actual expenses. The current cleaning contract provides cleaning services bi-weekly at \$185. Janitorial Supplies are not included.
Clubhouse Pest Control Contract	\$412.00	Based on 2020 actual expenses. This is quarterly service provided by A+ Pest Control priced at \$103.00 for each visit, plus it covers problems discovered between visits.
Pool Operations & Maintenance	\$9,500.00	Based on 2020 estimated expenses. The board choose a provider that was 50% cheaper than the budget. The peril of this decision was being shutdown by the Health Department, several closures due to cloudiness, and constant complaints by pool users. Recommend that the board NOT use price as the sole determinant for this or any other service.
Repair & Maintenance	\$18,150.00	
Clubhouse Repair & Maintenance	\$1,800.00	Based on 2020 actual expenses. As the clubhouse ages, it needs more care and feeding. This should cover anticipated non-mechanical systems repair. If the water heater, A/C system, or some other major mechanical system would require replacement, it won't be covered under this budget line.
Common Areas Repair & Maintenance	\$6,000	Based on 2020 actual expenses. This includes cleanup of playground and Shift garden areas. It also includes installation and removal of the annual holiday lights at the entrances.
Fence Repair & Maintenance	\$6,000	Based on 2020 actual expenses. This includes the white fence at the entrance of 178 th , the fence behind the clubhouse, the fence around the Shift garden, and the Penn wall.
Janitorial Supplies	\$400.00	Based on 2020 actual expenses. This is for the cleaning supplies for the clubhouse. The cleaning contract does not include supplies.
Pool Supplies/Repair & Maintenance	\$750.00	Based on 2020 actual expenses. This is for pool chemicals and supplies not covered by the pool operation and maintenance contract. If the contract executed includes these costs, this line may be deleted.
Pond Maintenance	\$3,000.00	Based on 2020 actual expenses. The ponds require additional care and feeding, including the fountain, to keep it healthy and clean.
Signage Repair & Maintenance	\$200.00	Based on 2020 actual expenses and known issues. The signage associated with the pool and clubhouse will need to be updated/replaced this year.
Professional Services	\$9,295.00	

2021 Silverhawk HOA Budget

Audit & Tax Services	\$175.00	Based on 2020 actual expenses. This is the cost for Neighborhood Services to process our tax forms.
Management Fees	\$7,680.00	Based on 2020 actual expenses. This is the cost for Neighborhood Services to manage the neighborhood. We are a top-tier customer that provides full spectrum services.
Professional Fees	\$1,440.00	Based on 2020 actual expenses. This is the costs associated with using Winton Law to provide legal services and counsel to the HOA Board of Directors in the enforcement of the HOA By-Laws and Covenants. It also includes some reimbursable fees associated with small claims court fillings for overdue assessments.
Taxes	\$2,354.00	
Property/Real Estate Tax	\$2,354.00	Based on 2020 actual expenses. This is for the six parcels (separate accounts) owned by the HOA. Since Oklahoma law allows for up to 5% increase in tax assessments, this amount is the 2020 assessment + 5%. Actual taxes may be lower.