



BUDGET 2010

BUDGET OBJECTIVES AND EXPLANATION:

First Colony Community Association's Board of Directors has approved the following budget for the 2010 fiscal year. The budget is one of several planning tools utilized by the Board and staff to help establish Association-wide goals, services and programs that strive to enhance the quality of life for residential and business members in our community. The budget includes the annual appropriation necessary to accomplish specified functions, programs, objectives and services. Through the budget our members can learn more about who we are, what we do and how much it costs. The budget is the result of a combination of Board and staff planning efforts that include the Comprehensive Master Plan, Strategic Planning outcomes, the Annual Work Plan, member input, Committee and Task Force recommendations and Association policies. The budget is reflective of the Association's Strategic Vision focusing resources on the goals of the organization.

Objectives for the 2010 Budget process:

- Hold assessment rates for 2010 at the 2009 level.
- Continue to be fiscally responsible.
- Board to provide staff with clear direction and objectives for budget preparation.
- View the process as a strategic, multi-year decision making process.
- Link budget requests to existing planning tools and the Association's "Strategic Vision."

WHERE OUR FUNDING COMES FROM:

Most of FCCA's income is generated through the annual assessment to property owners, both commercial and residential. There are more than 9,700 residential units and 3,500 commercial units in FCCA. Each commercial unit is defined as 7,500 square feet of land (a commercial property is typically comprised of multiple units).

Assessment Components are:

General	\$538
Recreation	\$141
Trash Services (paid by Missouri City Residents only)	\$200

In addition to Assessment Income, Other Income includes collection fees, transfer fees, interest on past due accounts and invested funds. We also receive rebates for streetlight electricity and maintenance where we have ornamental light poles instead of the typical light standards. Production expenses of our monthly newsletter are offset by advertising revenue. Our Compliance Department expenses are offset, in part by income received for New Construction Committee (NCC) submittals, deed restriction and NCC fines, and Certificate of Compliance fees.

Income is also generated through the various leisure programs, classes and events scheduled throughout the year, which help offset Recreation related expenses. With our facilities, we generate income to help offset facility expenses through "user" fees such as private pool parties, room rentals and rental fees for competitive swim teams.

WHERE THE MONEY GOES:

The Association has General, Recreation and Neighborhood Expenses. General, or Common Expenses, generally include maintenance of the common areas and deed restriction enforcement. The Recreation and Neighborhood Expenses generally include expenses relating to recreation facilities, programs and trash removal.

GENERAL EXPENSES:

Landscape costs include the maintenance of all common areas; the contribution to the Associations of First Colony; irrigation repairs; horticultural consulting; and landscape personnel. Currently, we maintain approximately 600+ acres of green space. The City of Sugar Land shares the cost of landscape maintenance along several roadways in First Colony. Our landscape maintenance budget reflects this reimbursement. Other common expense items include lake maintenance for 7 lakes; common area utilities including electricity for streetlights, irrigation controllers, monument signs, and irrigation water. Common area maintenance is also a general expense component and addresses fence, sidewalk and monument repairs; maintenance personnel; and ornamental light costs, architect fees for NCC, and minor repair costs, net of reimbursements collected. Office building operating costs, our monthly newsletter, website, office related expenses, management personnel, professional fees for items such as audits and corporate legal fees, and meeting and committee expenses are included in the general expenses.

RECREATION EXPENSES:

Recreation program expenses are primarily comprised of leisure class instructor payments, community event expenditures and program personnel. However, user fees and sponsorships generate the income necessary to offset the direct costs associated with providing the programming. Recreation facility expenses include pool and tennis court maintenance and operations. Expenditures such as electricity, water sewer, telephones, chemicals, lifeguards and general maintenance are addressed in this area. The Association operates 10 swimming pools and 5 tennis courts that are located throughout the community.

CONTRIBUTIONS TO RESERVE AND CAPITAL FUNDS:

In 2010 we will contribute \$1,092,939 to our Reserve Fund, and we plan to spend approximately \$557,012 from that fund.

Some of the more significant items to be funded from reserves are:

- Replace/repair various wood, pre-cast and wrought iron fencing.
- Replace/repair various lake and irrigation equipment.
- Replace/repair various office equipment.
- Replace/repair various park equipment and play surfaces.
- Replace dead or dying plant materials in common areas and entryways.
- Partial replenishment of the Landscape Reserve Fund's Emergency Category after use to mitigate Hurricane Ike's damage.
- Replace/repair various pools and recreational facilities or upgrade to mandated standards.

The Association will contribute \$523,244 to our Capital Fund and plan to spend \$36,500 for items such as:

- Funding for a small display garden at the FCCA office to help owners visualize proper plant spacing and coverage.
- Funding to operate a kayak/canoe concession at Oyster Creek Boathouse.
- Neighborhood Matching Funds Program.
- \$278,151 will be set aside toward future upgrades of community amenities. Traditionally, the Board also sets aside any operating surplus toward future capital needs.

First Colony Community Services Association, Inc. OPERATING BUDGET For the year ending December 31, 2010			First Colony Community Services Association, Inc. RESERVE AND CAPITAL BUDGETS For the year ending December 31, 2010	
	2009 Projection	2010 Budget	<u>RESERVE BUDGET</u>	
<u>INCOME</u>			General	
Assessment	8,983,993	8,957,362	Contributions	680,438
Other	218,808	270,265	Interest Earned	43,682
Total Income	<u>9,202,801</u>	<u>9,227,627</u>	Disbursements	(318,826)
<u>EXPENSES</u>			NET	405,294
General			<i>Opening Fund Balance</i>	<u>2,003,304</u>
Landscaping	3,172,968	3,241,606	<i>Ending Fund Balance</i>	<u>2,408,598</u>
Lake Maintenance	133,637	133,865	<u>Landscape</u>	
Park Maintenance	27,541	27,488	Contributions	229,004
Common Area Utilities	529,399	535,620	Interest Earned	6,611
Other Common Area Maintenance	229,769	248,099	Disbursements	(103,004)
Information Center and Communications	182,256	176,436	NET	132,611
Compliance	516,945	540,760	<i>Opening Fund Balance</i>	<u>267,564</u>
Administration	938,444	1,003,846	<i>Ending Fund Balance</i>	<u>400,175</u>
Professional Services	184,163	172,465	<u>Recreation</u>	
Insurance and Taxes	201,138	211,195	Contributions	183,497
Contingency	5,000	65,449	Interest Earned	11,447
Total General Expenses	<u>6,121,261</u>	<u>6,356,829</u>	Disbursements	(135,182)
Recreation			NET	59,762
Programs	69,060	75,105	<i>Opening Fund Balance</i>	<u>548,178</u>
Facilities	751,217	688,776	<i>Ending Fund Balance</i>	<u>607,940</u>
Contingency	0	9,231	<u>CAPITAL BUDGET</u>	
Total Recreation	<u>820,277</u>	<u>773,112</u>	General	
Trash/Recycling	<u>471,762</u>	<u>481,502</u>	Contributions	208,593
Total Expenses	<u>7,413,300</u>	<u>7,611,444</u>	Interest	40,386
Net Operating Surplus	<u>1,789,501</u>	<u>1,616,183</u>	Disbursement	(920,000)
Reserve and Capital			NET	(671,021)
<u>Contributions</u>			<i>Opening Cash Balance</i>	2,375,000
General Reserve	657,428	680,438	<i>Ending Cash Balance</i>	1,703,979
Landscape Reserve	219,176	229,004	<u>Landscape</u>	
Recreation Reserve	184,327	183,497	Contributions	6,000
General Capital	206,050	208,593	Interest	30
Landscape Capital	0	6,000	Disbursement	(6,030)
Recreation Capital	310,927	308,651	NET	0
Total Contributions	<u>1,577,908</u>	<u>1,616,183</u>	<i>Opening Cash Balance</i>	<u>0</u>
NET	<u>211,593</u>	<u>0</u>	<i>Ending Cash Balance</i>	<u>0</u>
			<u>Recreation</u>	
			Contributions	308,651
			Interest	38,275
			Disbursements	(385,500)
			NET	(38,574)
			<i>Opening Cash Balance</i>	<u>1,952,190</u>
			<i>Ending Cash Balance</i>	<u>1,913,616</u>

*Projections based on actuals through July 30, 2009

