



BUDGET 2012

BUDGET OBJECTIVES AND EXPLANATION:

First Colony Community Association's Board of Directors has approved the following budget for the 2012 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 2012 Budget process:

- Minimize assessment rate increase after 3 years at same rate.
- 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	\$562
Recreation	\$151
Trash Services (paid by Missouri City Residents only)	\$207

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 2012 we will contribute \$1,093,970 to our Reserve Fund, and we plan to spend approximately \$518,604 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.
- Replenishment of the Landscape Reserve Fund Emergency Category after use to mitigate freeze and storm damage.
- Various pool and recreational facility repairs or component replacement.

The Association will contribute \$293,508 to our Capital Fund and plan to spend \$439,701 for items such as:

- Modification of the waterway at The Oval to control well use.
- LED light fixture conversion pilot project.
- Continuation of Phase I Amenities Project including: Edgewater Park, Heritage Colony Pool and Aquatic Center Leisure Pool.

Note: Traditionally, the Board also sets aside any operating surplus toward future capital needs.



PAYING YOUR ASSESSMENT: 2012

VOLUNTARY CONTRIBUTIONS:

If your statement includes an amount for “Voluntary Contribution,” this is an amount determined and requested by your Neighborhood Representatives and will be used exclusively for special events or projects within your neighborhood. **Payment is optional.** See the special insert or call your Neighborhood Representative for details.

SPECIAL COMMENTS:

1. If you think your mortgage company is paying your assessment, please verify this with them. FCCA only sends statements to property owners, so if your mortgage company escrows for these assessments, you will need to forward a copy of your statement to them. If your mortgage company’s payment is late, you are still responsible for interest and administrative charges.
2. Any correspondence should be sent to the Association’s physical address, not the Lockbox (P.O. Box).

SUMMARY OF 2012 ASSESSMENTS:

City of Sugar Land Single Family Residences:	\$713
City of Missouri City Single Family Residences: <i>(Includes \$207 Trash Service)</i>	\$920
Townhomes/Condominiums:	\$562
Commercial Tract (per unit): <i>(Each unit is 7,500 sq. ft. of land area)</i>	\$562

(See related insert for budget and details)

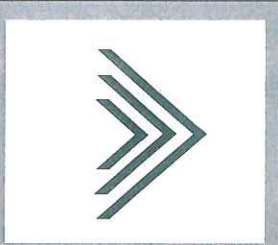


New for 2012 – Pay Online!

Pay by credit card or e-check
Please visit our Website for more
information about this service and
the link for online payments.

www.firstcolony.org

For Assistance, please contact the
Finance Department
at (281)634-9589



PAYING YOUR ASSESSMENT: 2012

PAYING YOUR FCCA ASSESSMENT:

FCCA Assessments are billed annually and due in advance of the upcoming year. The assessment statement is mailed in mid-November and is due January 1st, 2012. Full payment must be postmarked by January 31st, 2012, to avoid interest and late charges and the envelope must be marked with the owner's return address and account number.

CRITICAL DATES:

January 1, 2012	Assessment is DUE
January 31, 2012	Grace period ends. Payments must be post-marked by January 31, 2012, otherwise the payment is late. Administrative charge is \$15 and interest is 10% per annum on the unpaid balance. Both are posted monthly as applicable.
After January 31, 2012	Administrative charge of \$15 and interest charged. Second notice sent.
After February 28, 2012	Additional administrative charge of \$15 and interest charged. Third notice, sent by certified mail.
After March 31, 2012	Title searches requested, account charged \$25 for Title search. Additional administrative charge of \$15 and interest charged. Fourth notice sent.
After April 30, 2012	Sent to attorney for demand letter. Account charged approximately \$85 for demand letter, late charge of \$15, and interest charged.
June 2012 and forward	Proceed with judicial foreclosure. Account charged for all attorneys' fees, administrative charges of \$15/month and interest. Attorney fees will be added to account balance.

WHERE TO PAY:

Mail Payment to Lockbox

Assessment should be paid through the lockbox at:

Prosperity Bank
 P.O. Box 67
 Sugar Land, TX 77487-0067

This is the return address reflected on the assessment statement and the return envelope provided for your convenience.

Mail or Bring to FCCA Office

Assessments are accepted at the FCCA Offices (4350 Austin Parkway Sugar Land, TX 77479) during normal business hours, Monday-Friday, 8:00AM-5:00PM. However, we strongly encourage you to send your payment to the Prosperity Bank lockbox.

PAYMENT PLAN OPTIONS:

- Payment Plan Form must be approved *in writing* by FCCA.
- Maximum period of 4 consecutive months (unless hardship is proven) and first installment must accompany Payment Plan request.
- For members over the age of 65; longer payment plan terms may be available, but cannot extend beyond the current assessment year.
- Members with a history of late payments, defaulted payment plans, outstanding deed restriction fines, or legal fees on their account are not eligible for payment plans.
- Interest continues to be charged at a 10% per annum on unpaid balance at the end of each month.
- 5% per month administrative charge when Payment Plan terms are being fulfilled.
- \$25 per month administrative charge, if terms of Payment Plan are not fulfilled.
- The Association has the authority to deny any payment plan request submitted. If terms of the plan are not met, the plan becomes null and void.
- Payment Plan Request Forms are available on The Association's website at www.firstcolony.org under "Online Forms". Once the application and the first payment are received, FCCA will respond within 5 business days.
- The Payment Plan Form can also be downloaded from the website's "Resource Center" under Forms folder.
- Payment Plan Form and first payment must be submitted together in order to be considered for approval.