

The Woods of Wimbledon Civic Association, Inc.

P.O. Box 15109, Spring, Texas 77391-1509

NOTICE OF FEE INCREASE

November 9, 2013

Dear Woods of Wimbledon Homeowners,

We are having to raise your 2014 due. This has been talked about for years at the annual meetings. The last few prior boards have done a great job at re-allocating funds to keep the dues the same. However due to increasing price of services and the implementation of new legislature over the last few year are face with a short fall in the budget.

Currently the WOW has 3 bank accounts. One is the operating fund which receives dues and any other revenue and pays the operating expenses. The second is a contingency fund which serves as a buffer for the operating fund and the third is the capital fund which is money for the repair and maintenance of the perimeter walls around the WOW. Currently, based upon our estimates the operating fund does not have sufficient capital to pay the bills for the remainder of November and those coming due in December. The contingency fund, which is normally used to supplement the operating fund, has been depleted from some \$10,000 to a little over \$1100. The cause is that income has not kept up with costs for the last 2 years.

We are now faced with a dilemma of either keeping the due lower or replacing the contingency fund. This is why we are seeking your input in helping deciding which budget we want to proceed with for 2014. In this packet of information are 2 budgets. One is a budget which raises dues to an amount that would cover the projected operating expense of the WOW and replenish the contingency fund over a period of 1 year. The dues to accomplish this would be a 1 year change to \$600 per household. There is an alternative budget that raises dues to \$500 per household but which would require 5 years to replenish the contingency fund if there were no operating costs which exceeded the estimated budgeted amount.

As president of your board, in conjunction with the other board members we are presenting two variations of the 2014 budget to choose from .We have worked very diligently as a board to help keep the association's expenses as low, and in return to this will keep each homeowner responsible low also. The board voted to recommend the alternative budget but the vote was not unanimous. There are those who feel that the better financial decision would be to go with the larger increase for one year so that the funds would be available to pay the November and December bills next year. The board has agreed that the homeowners must have the final say in the financial path going forward. Both budgets presented to you have key benefits as listed below:

Budget 1

- \$600 annual fee.
- Rebuild the contingency fund in 1 year
- "Moderate" Allows for additional increases in service in 2014.

Budget 2

- \$500 annual fee.
- Rebuild the contingency fund over a 6 years
- "Slim" Allows a 5% inflation for services in 2014.

Sincerely,

Steven Frankoff

President

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