

Silverwood Plantation Homeowners Association, Inc.

2019 Budget Proposal

1. Beginning in June 2018, the SPHA Board of Directors conducted three community meetings focused entirely on the 2019 budget. The purpose of these meetings was to ensure that all members of the community had an opportunity to review and provide input to the proposed budget. After each meeting, the SPHA Board revised the budget proposal to reflect the needs highlighted by residents. The enclosed budget proposal represents the culmination of this year's budget process.

2. Limiting Factors:

- Since only part of SPHA 2018 expenses have been incurred, an accurate review of 2018 total annual expenses is not possible. Expenses for 2018 appear very similar to expenses for 2016 and 2017. A complete record of 2018 expenses is available at the SPHA Clubhouse for review at any time.
- While the following table provides information on past expenses, it cannot predict future unanticipated situations. To account for unplanned budgetary requirements, it might be helpful to build into each general budget category a surplus. For instance, if it appears that \$100.00 is typically what is needed for a specific line item, the SPHA could build into the category an extra 10% and place \$110.00 in that line item.
- This document reviews common recurring expenses and special projects highlighted at previous budget meetings. Determining priorities and funding levels for future projects (road repairs, dam tree removal, etc.) requires input from the respective SPHA committee responsible for each type of project. All homeowners are encouraged to serve on any committee in which they have interest. Please contact a member of the SPHA Board for more information on how to serve on one of these committees.

3. 2019 Projected Revenue: \$246,168.00

4. 2019 General Fund Proposed Budget: \$302,015.00

5. 2019 Road Fund Proposed Budget: \$20,000.00

6. 2019 Drainage Fund Proposed Budget: \$111,000.00

- Design and construct new drainage system to eliminate water entering clubhouse bottom floor.
- Repair water damage to clubhouse.
- Continue ongoing SPHA drainage system maintenance project

7. 2019 Special Projects Fund Proposed Budget: \$9,500.00

- Purchase and install new playground equipment/Rubber mulch
- Reserve Study

8. 2019 **Estimated** Fund Reserves:

- General Fund: \$100,000.00
- Road Fund: \$100,000.00
- Drainage Fund: \$400.00
- Special Projects Fund: \$400.00

9. The exact amount of reserves may change between now and 2019 because of unanticipated expenses. The existence of financial reserves has been a prudent strategy employed by past boards. The SPHA is responsible for the clubhouse, roads, ditches, dams, and common areas in our community and we must be prepared to maintain and repair these assets in case of emergency. It is imperative that the budget addresses how much funding should be maintained in reserve and how much should be spent for 2019 projects.

**General Fund
Recurring Expenses**

BUDGET CATEGORIES	2016 Annual Expenses	2017 Annual Expenses	Proposed 2019 Budget
CLUBHOUSE			
Gas	\$ 869.41	\$ 808.70	\$ 900.00
Water	219.89	757.19	800.00
Electricity	1,442.53	1,223.34	1,500.00
Cleaning	4,900.00	4,800.00	5,000.00
Pest Control	-	820.00	1,000.00
Maintenance and Supplies	2,985.19	4,402.36	4,500.00
SUBTOTAL	\$ 10,417.02	\$ 12,811.59	\$ 13,700.00
TENNIS COURTS			
Electricity	2,928.76	2,483.76	2,900.00
Maintenance	3,400.00	-	500.00
SUBTOTAL	\$ 6,328.76	\$ 2,483.76	\$ 3,400.00
GATE AND GUARDHOUSE			
Electricity	1,202.23	719.28	1,200.00
Gate Cards and Decals	1,218.25	1,879.68	2,000.00
Maintenance	9,251.11	4,838.57	2,000.00
SUBTOTAL	\$ 11,671.59	\$ 7,437.53	\$ 5,200.00
LAKES			
Electricity	8,287.95	7,952.67	8,400.00
Treatment	2,750.00	1,500.00	8,000.00
Maintenance	3,048.13	16,788.75	1,000.00
SUBTOTAL	\$ 14,086.08	\$ 26,241.42	\$ 17,400.00
COMMON GROUNDS			
Lawn Care	24,150.00	24,150.00	25,000.00
Pruning and Tree Removal	6,125.00	5,875.00	6,000.00
Planting and Supplies	2,215.75	2,014.55	2,200.00
Lamp Posts, Lens and Panels	272.00	1,419.17	500.00
Water Irrigation	203.86	772.17	800.00
Electricity	12,574.72	12,519.80	13,000.00
Maintenance	11,181.77	2,707.01	20,000.00
SUBTOTAL	\$ 56,723.10	\$ 49,457.70	\$ 67,500.00

ADMINISTRATIVE			
Accounting Fees	9,935.00	9,955.00	10,000.00
Legal Expenses	2,752.14	2,688.72	3,000.00
Lien Fees	-	60.00	100.00
Accounting Fees - Collections	840.00	840.00	900.00
Office Supplies and Expenses	294.77	1,658.52	1,000.00
Bank Fees	22.00	8.48	15.00
Copying and Printing	2,177.05	2,391.13	2,500.00
Postage and Mail Box Rental	507.20	1,182.24	1,200.00
Christmas Gifts	-	102.13	-
Administrative Support	14,200.44	14,200.44	16,000.00
Telephone	4,565.13	4,658.42	4,700.00
Website	-	228.96	250.00
Social Activities	744.17	502.86	700.00
SUBTOTAL	\$ 36,037.90	\$ 38,476.90	\$ 40,365.00
GENERAL			
Insurance	11,681.00	11,801.00	12,000.00
Property Taxes	1,049.46	1,222.99	1,300.00
State Taxes	15.00	19.00	20.00
Federal Taxes	75.00	95.00	100.00
Registration Fee	30.00	30.00	30.00
Road Fund	12,600.00	12,600.00	32,000.00
Drainage Fund	14,724.00	14,724.00	102,000.00
Special Projects Fund	14,400.00	14,400.00	7,000.00
SUBTOTAL	\$ 54,574.46	\$ 54,891.99	\$ 154,450.00
TOTAL RECURRING EXPENSES	\$189,838.91	\$191,800.89	\$ 302,015.00

Drainage Fund	Proposed 2019 Budget
Revenue	
Current Balance	\$ 9,389.82
Annual Transfer from General Fund	12,000.00
Additional Transfer from General Fund Reserve	90,000.00
Available Revenue	\$ 111,389.82
Expenses	
Drainage Fund Reserve	\$ -
Drainage Ditch Repair	30,000.00
Clubhouse Drainage Repair	81,000.00
Roadside Swale Repair	-
Dam Swale Repair	-
Dam Inspection	-
Dam Tree Repair	-
Walking Trail	-
SUBTOTAL	\$ 111,000.00
Estimated 2019 Reserve	\$ 389.82

Road Fund	Proposed 2019 Budget
Revenue	
Current Balance	\$ 87,295.96
Annual Transfer from General Fund	12,000.00
Additional Transfer from General Fund Reserve	20,000.00
Available Revenue	\$ 119,295.96
Expenses	
Road Fund Reserve	-
Road Repair	20,000.00
Road Resurfacing	-
Speed Control	-
Chimney Road Gate	-
SUBTOTAL	\$ 20,000.00
Estimated 2019 Reserve	\$ 99,295.96

Special Project Fund	Proposed 2019 Budget
Revenue	
Current Balance	\$ 2,853.96
Annual Transfer from General Fund	-
Additional Transfer from General Fund Reserve	7,000.00
Available Revenue	\$ 9,853.96
Expenses	
Reserve Study	\$ 5,000.00
Playground Equipment, etc.	4,500.00
SUBTOTAL	\$ 9,500.00
Estimated 2019 Reserve	\$ 353.96

SPECIAL NOTES:

- 1. ROAD** – The SPHA has implemented a multi-year plan to repair all damage to roads caused by tree roots. Funding for 2019 is \$20,000.00.
- 2. DRAINAGE** – The SPHA has implemented a multi-year plan to upgrade the community's drainage system. Funding for 2019 is \$30,000.00.
- 3. CLUBHOUSE DRAINAGE** – Water is leaking into the basement of the clubhouse and causing significant damage. \$81,000.00 is dedicated to fixing this problem. Any money remaining after all repairs are completed will be transferred to the Road Fund and used for repairing damage to the roads caused by tree roots.
- 4. GATE AND GUARDHOUSE** – The high maintenance costs associated with this line item should be eliminated now that a new gate system has been purchased. One thousand dollars (\$1,000.00) is left in this maintenance line item for possible guardhouse/gate maintenance.
- 5. LAKES** – Treatment expenses are expected to rise because a new contract has been awarded that will improve the condition of the SPHA lakes. Maintenance expenses are expected to decrease because all of the fountains were recently replaced and are under warranty.
- 6. COMMON GROUNDS** – The large increase in this line item is to repair and maintain SPHA facilities and equipment. Examples of projects that are targeted include the following:
 - A. Repair, clean, and / or paint as needed:
 1. Chimney Road fence.
 2. Fences at SPHA lakes.
 3. Clubhouse exterior.
 4. Gazebo.
 - B. Pressure wash tennis court, basketball court, and playground equipment.