



# FOUNTAIN HILLS COMMUNITY ASSOCIATION

c/o Vanguard Management Associates, Inc.  
P.O. Box 39 • Germantown, Maryland 20875-0039  
(301)540-8600 x3052

March 16, 2011

Dear Fountain Hills Homeowner,

The Board of Directors for the Fountain Hills Community Association (Association) has proposed a budget for the fiscal year beginning July 1, 2011 (FY'12).

The Board of Directors is pleased to announce that there is no increase in the monthly assessment proposed for this fiscal year.

A copy of the budget materials is enclosed for your review. You are encouraged to review the enclosed materials in order to better understand the components of the budget.

MONTHLY ASSESSMENTS:	FY'11	FY'12
General Assessment	\$46.20	\$46.20
Fountain Hills Condominium	\$40.84	\$40.51
Townhouse Supplemental	\$29.00	\$29.00
Total Townhouse	\$75.20	\$75.20
Village Supplemental	\$ 8.00	\$ 8.00
Total Village	54.20	\$54.20


The Board of Directors will entertain written comments on this proposed budget. All Fountain Hills homeowners are invited to submit written comments on the budget as soon as possible. Please try to have written comments returned by March 30, 2011 so that they may be provided to the Board in advance of their April meeting. Comments will be distributed to Board members for review and consideration. Alternatively, oral comments may be made at the upcoming Board meeting as follows:

Thursday, April 7, 2011 - 7:30p.m.  
Up-County Government Services Center • 19200 Middlebrook Road • Germantown, Maryland 20874

The Board will vote to approve the FY'12 assessments and adopt a final operating budget at the May 5, 2011 at the same time and location as noted above.

Thank you for your attention to this matter.

Sincerely,  
FOUNTAIN HILLS COMMUNITY ASSOCIATION

  
Stephen Collins, CMCA®, AMS®  
Community Manager  
E-Mail: [scollins@vanguardmgt.com](mailto:scollins@vanguardmgt.com)

Enclosures

.../FY12.Proposed Budget.wpd

# FOUNTAIN HILLS COMMUNITY ASSOCIATION

## FY 12 OPERATING BUDGET NOTES

### GENERAL ASSOCIATION

Fiscal Year: July 1, 2011 to June 30, 2012

#### I. INCOME:

A. **Residential Assessments:** The total income generated from the monthly assessment charged to all homeowners for the expenses that are common to all homes pursuant to the Declaration of Covenants, Conditions and Restrictions (Declaration).

1. **Single Family and Village Homes:** The homes that are located on the public streets. The "Village" homes also include the private alleys. The public streets and private alleys include:

**Public Streets:**

Cub Run Way  
Fountain Hills Drive  
Lake Placid Lane  
Noble Oak Drive  
Ponsford Place  
Porterfield Way  
Scarlet Mist Way

**Private Alleys:**

Cary Acres Court  
Conlon Ridge Court  
Cornelius Court  
Malcolms Cove Court  
Noble Oak Court  
Scarlet Mist Court  
Scarlet Mist Lane

2. **Townhouses:** The various attached homes throughout the community, including the "piggyback" townhomes that make up the Clopper Hills Condominium and the Harmony Woods Condominium. The townhouse streets include:

**Townhouse Streets:**

Autumn Mist Circle  
Autumn Mist Drive  
Champions Way  
Club Plaza Drive  
Fountain Club Drive  
Hamlet Square Court  
Harmony Woods Lane  
Lake Geneva Way  
Lake Mary Cele Lane  
Little Star Lane

Mediterranean Drive  
Neptune Hollow Lane  
Niagara Falls Court  
Rising Sun Lane  
Rushing Water Way  
Sparkling Water Drive  
Summer Breeze Lane  
Tivoli Fountain Court  
Village Fountain Drive

B. **Late Fee Income:** Estimated funds collected from homeowners as a result of late payment of monthly assessments pursuant to Article VII of the Declaration and approved Association collection policy.

C. **Condominium Dues:** The total income generated from the monthly assessment charged to the Fountain Hills Condominium pursuant to the Declaration. The Condominium assessment covers the same expenses as the assessments charged to all other homeowners less the amount for trash collection.

D. **Interest Income:** Estimated income earned from excess operating funds placed in demand deposits.

#### II. EXPENSES:

A. **Reserve Contributions:** The calculations of the reserve contributions are based upon the combination of a review of the available site plans, consultation with various contractors and the experience of the preparer.

The funding shown in the operating budget spreadsheet is based upon a comprehensive reserve schedule which is an attachment to the operating budget.

1. **Gross Reserve Contribution:** The total gross reserve contribution necessary to meet the funding goals established through the comprehensive reserve schedule which has estimated the expected useful life and replacement cost of each community asset.

2. **Less: Reserve Interest:** Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.

3. **Net Reserve Contribution:** The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

B. **General & Administrative Expenses:**

1. **Management Fee:** The projected expense for professional community management services for property management, financial accounting and consultation services.

2. **Audit:** Expense for the services of a Certified Public Accountant (CPA) for the preparation of all annual tax returns and the conduct of an annual audit of the Association books and records.

OWNERS ARE REMINDED THAT BUDGETS REFLECT AN ESTIMATED PROJECTION OF ANTICIPATED EXPENSES AND REVENUES AND, AS SUCH, ARE SUBJECT TO CHANGE BASED UPON ACTUAL CIRCUMSTANCES.

3. **Legal Fees:** Allowance for retaining general legal counsel for such matters as legal document interpretation, collection assistance, violation enforcement and other legal assistance as may be required.
4. **Postage:** Allowance for miscellaneous postage needs of the Association as well as several community-wide mailings to members for such items as the annual budget and annual meeting notices. An allowance has been made for the announced 2011 U.S. Postal Service rate increase.
5. **Insurance:** The estimated expense for providing all appropriate insurance coverage for the Association including, but not limited to:
  - a. All-Risk/General Liability Coverage in the amount of \$1,000,000.00;
  - b. Directors's & Officer's Liability Coverage in the amount of \$1,000,000.00;
  - c. Fidelity Bond of Officers and Directors in an amount sufficient to cover the amount in the Association's bank accounts.
6. **Bad Debt Expense:** Allowance for uncollectible accounts due to homeowner bankruptcies, mortgage company foreclosures and/or other extraordinary circumstances that may make it impossible to collect amounts due.
7. **Dues & Subscriptions:** Allowance for membership in the Community Associations Institute (CAI), a national educational and advocacy organization for homeowner associations and condominiums as well as an allowance for Board member attendance at various local seminars and conferences held by CAI.
8. **Printing & Reproduction:** Allowance for the printing requirements associated with the budgeted postage needs as described above.
9. **Newsletter:** Allowance for the preparation and printing of a quarterly newsletter for distribution to all homeowners. This item assumes distribution of the newsletter via first class mail.
10. **Coupon Printing:** Allowance for the annual preparation and printing of assessment payment coupons for all homeowners.
11. **Property Taxes:** Allocation for payment of the annual water quality protection charge as assessed by Montgomery County on the common property owned by the Association.
12. **Income Tax:** Allocation for payment of income taxes on non-assessment (primarily interest) income as determined by the independent auditor.
13. **Record Storage:** Allowance for the Archive storage of the Association's historical records.
14. **Web Site:** Allowance for the expense for the web site host and other expenses that may arise in connection with the web site.
15. **Electricity:** Allowance for the operation of the pump equipment for the common amenity fountains.
16. **Water & Sewer:** Allowance for the water and sewer charges incurred for the operation of the common amenity fountains.
17. **Miscellaneous G&A:** Allowance for miscellaneous general & administrative Board expenses.
18. **Social & Recreation:** Allowance for several social events during the year such as pool and holiday events.
19. **Meeting Expense:** Allowance for the expense for the expense of a recording secretary for the monthly Board meetings as well as expenses for meeting room rental costs that may be incurred for rooms in County government facilities.
20. **County Commission:** The allowance for the payment of fees assessed by the Montgomery County Commission on Common Ownership Communities which has been established to provide certain dispute resolution and educational support services to association within the County. Payment of the annual \$2.25 per home annual fee will be made in July as billed by the County.
21. **Bank & Checking Charges:** Expenses related to bank transaction fees, the printing of checks and deposit slips as well as the implementation of direct debit payment. Savings have been realized due to the banking change in October 2010.

C. **Pool Operation:**

1. **Pool Management:** Allowance for the expense of a professional, full service pool management company to provide staff and supplies for the "turn-key" operation of the swimming pool facility based upon the specifications and staffing requirements adopted by the Board of Directors.
2. **Pool Pass Administration:** Allowance for the provision of pool passes and supplies as well as the costs for handling and distribution of the swimming pool passes based upon the new electronic pool pass system being implemented for the 2011 pool season.
3. **Pool Repairs:** Allowance for the pre-season preparation of the swimming pool and bathhouse facilities including such repairs as skimmer replacement, minor caulking, minor plumbing repairs and miscellaneous other repairs to the facilities.

OWNERS ARE REMINDED THAT BUDGETS REFLECT AN ESTIMATED PROJECTION OF ANTICIPATED EXPENSES AND REVENUES AND, AS SUCH, ARE SUBJECT TO CHANGE BASED UPON ACTUAL CIRCUMSTANCES.

4. Pool Supplies: Funds allocated for the purchase of miscellaneous supplies necessary for the operation of the facilities including pens, notebooks, signboard, etc.
  5. Pool Telephone: Allocation of funding for a public, coin operated telephone at the pool facility which is required by local codes.
  6. Pool Electricity: Funding allocated for the electrical consumption of the electric pump motors and the filtration system, lighting and other electricity needs as may be needed for the safe operation of the facility. This allocation has been increased to accommodate the 35% rate increase implemented by PEPCO in late 2006.
  7. Pool Natural Gas: Funding allocated for the natural gas supplied to water heater and to the heater in the equipment room for the winter months.
  8. Pool Water & Sewer: The allocation of the necessary funding for the water needs for the facilities including the spring "fill-up", maintenance of the pool water level during the season and bathhouse needs for showers and toilets.
- D. Site Improvement
1. Landscaping: Allowance of funding for the planting of annual flowers at the entry features and other locations within the community during the spring and fall planting seasons as well as other landscaping improvements which may be determined by the Board of Directors in consultation with the Grounds/Landscaping Committee.
  2. Miscellaneous Improvements: Allowance of funding for non-landscaping type improvements of the common areas and community facilities as may be determined by the Board of Directors.
- E. General Maintenance:
1. Tree & Shrub Maintenance: Allocation of funding necessary for the proper care of trees and shrubs located upon the common areas of the community. Such maintenance includes pruning and fertilization during the proper season, take down of large dead trees and pest management of diseases and insects.
  2. Site Maintenance & Repair: Allocation of funding necessary for miscellaneous maintenance needs throughout the community such as minor lot repair, removal of dead landscaping, trash clean-up, and other miscellaneous grounds repairs. Also included are funds for the annual cleaning and start-up of the community fountains as well as for a semi-annual policing of the green spaces for trash.
  3. Electrical Maintenance & Repair: Allocation of funding for the care and maintenance of the electrical components of the decorative community fountains.
- F. Contract Maintenance:
1. Grounds Maintenance: Funds allocated for the regular maintenance of the common areas including mowing, trimming, edging of common sidewalks, mulching of common area trees and shrubs and a complete chemical application package including fertilization and weed control.
  2. Lot Inspections: Funds allocated for annual maintenance inspections. The Board of Directors has implemented a plan to inspect approximately 225 units, or one third (1/3), of the community per year. Thus all Fountain Hills homes will receive a maintenance inspection on a three (3) year cycle.
  3. Trash Removal: Allocation of funding for providing twice weekly curbside collection of trash for all single family detached and townhouse homeowners (including the "piggyback" townhouse condominiums) based upon current market rates for trash collection. The contract is currently with Potomac Disposal.
- Trash collection for the Fountain Hills Condominium homeowners is to be separately provided by the particular Condominium Association.
4. Snow Clearing: Funding allocated during the winter season for the clearing and sanding of walkways that, based upon Montgomery County law, are the responsibility of the Association to clear. Such sidewalks include both privately owned sidewalks that are not directly in front of an individual home as well as those within the Montgomery County owned rights-of-way.
- The laws requires private homeowners, including those in townhomes, to clear the sidewalks at the front of their homes, even though they may actually be common sidewalks.*
- Snow clearing services for the Fountain Hills Condominium homeowners (Sparkling Water drive) is to be separately provided by the particular Condominium Association.
5. Operating Contingency: Provision for those unexpected expenses encountered by the Association which exceed the above budgeted amounts.

**FOUNTAIN HILLS COMMUNITY ASSOCIATION**  
**FY 2012 OPERATING BUDGET**  
 July 1, 2011 through June 30, 2012  
**GENERAL ASSOCIATION (All Homes) BUDGET SUMMARY**

<b>Monthly Assessment:</b>				
Single Family Detached:	\$46.20	0.00%	Decrease over FY2011	
Townhouses <sup>1</sup> :	\$46.20	0.00%	Decrease over FY2011	
Village Homes:	\$46.20	0.00%	Decrease over FY2011	
Condominiums <sup>2</sup> :	\$40.51	-0.81%	Decrease over FY2011	

	ANNUAL TOTAL:	FY2011 Total	\$ Change	% Change
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**INCOME:****Residential Assessments:**

Single Family & Village Homes	\$98,683.20	\$98,683.20	\$0.00	0.00%
Townhouses <sup>1</sup>	\$261,676.80	\$261,676.80	\$0.00	0.00%
Condominium Dues	\$107,918.64	\$108,371.52	(\$452.88)	-0.42%
Late Fee Income	\$2,940.00	\$2,940.00	\$0.00	0.00%
Interest Income	\$2,825.92	\$2,825.92	\$0.00	0.00%
<b>ADJUSTED INCOME:</b>	<b>\$474,044.56</b>	<b>\$474,497.44</b>	<b>(\$452.88)</b>	<b>-0.10%</b>

**EXPENSES:****Reserve Contributions:**

Gross Contribution	\$48,699.69	\$30,328.47	\$18,371.22	60.57%
<i>Sub-Total:</i>	<i>\$48,699.69</i>	<i>\$30,328.47</i>	<i>\$18,371.22</i>	<i>60.57%</i>
Less: Reserve Interest:	(\$4,241.68)	(\$5,582.69)	\$1,341.00	-24.02%
<b>Net Reserve Contribution:</b>	<b>\$44,458.01</b>	<b>\$24,745.78</b>	<b>\$19,712.22</b>	<b>79.66%</b>

**General & Administrative:**

Management, Audit, Legal, Professional, Banking Fees	\$77,894.25	\$81,079.25	(\$3,185.00)	-3.93%
Postage, Printing, Newsletter, Coupons	\$15,993.52	\$15,871.44	\$122.08	0.77%
Insurance	\$12,000.00	\$12,000.00	\$0.00	0.00%
Bad Debt Expense	\$3,200.00	\$3,200.00	\$0.00	0.00%
Dues & Subscriptions	\$655.00	\$655.00	\$0.00	0.00%
Prop. Taxes/Water Qual. Protection	\$5,000.00	\$5,000.00	\$0.00	0.00%
Income Tax	\$2,931.91	\$2,873.93	\$57.98	2.02%
Record Storage, Miscellaneous, Meetings	\$5,646.00	\$5,238.00	\$408.00	7.79%
Web Site	\$1,040.00	\$1,040.00	\$0.00	0.00%
Utilities: Electricity; Water & Sewer	\$3,564.20	\$3,354.00	\$210.20	6.27%
Social & Recreation	\$2,600.00	\$2,600.00	\$0.00	0.00%
County Commission	\$1,950.00	\$1,625.00	\$325.00	20.00%
<i>Sub-Total:</i>	<i>\$132,474.88</i>	<i>\$134,536.62</i>	<i>(\$2,061.74)</i>	<i>-1.53%</i>

**Pool Operation:**

Management, Pool Pass Admin.	\$73,710.80	\$79,206.33	(\$5,495.53)	-6.94%
Repairs, Supplies	\$7,775.00	\$7,775.00	\$0.00	0.00%
Utilities: Telephone; Electric; Gas; Water & Sewer	\$20,266.00	\$19,151.00	\$1,115.00	5.82%
<i>Sub-Total:</i>	<i>\$101,751.80</i>	<i>\$106,132.33</i>	<i>(\$4,380.53)</i>	<i>-4.13%</i>

**Site Improvement:**

Landscaping Improvements	\$20,000.00	\$20,000.00	\$0.00	0.00%
Miscellaneous Improvements	\$5,374.00	\$5,374.00	\$0.00	0.00%
<i>Sub-Total:</i>	<i>\$25,374.00</i>	<i>\$25,374.00</i>	<i>\$0.00</i>	<i>0.00%</i>

**FOUNTAIN HILLS COMMUNITY ASSOCIATION**  
**FY 2012 OPERATING BUDGET**  
 July 1, 2011 through June 30, 2012  
**GENERAL ASSOCIATION (All Homes) BUDGET SUMMARY**

<b>Monthly Assessment:</b>				
Single Family Detached:	\$46.20	0.00%	Decrease over FY2011	
Townhouses <sup>1</sup> :	\$46.20	0.00%	Decrease over FY2011	
Village Homes:	\$46.20	0.00%	Decrease over FY2011	
Condominiums <sup>2</sup> :	\$40.51	-0.81%	Decrease over FY2011	

	ANNUAL TOTAL:	FY2011 Total	\$ Change	% Change
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**General Maintenance:**

Tree & Shrub Maintenance	\$3,250.00	\$3,250.00	\$0.00	0.00%
Site Maintenance & Repair	\$13,800.00	\$13,800.00	\$0.00	0.00%
Electrical Maintenance & Repair	\$225.00	\$225.00	\$0.00	0.00%
<i>Sub-Total:</i>	<u>\$17,275.00</u>	<u>\$17,275.00</u>	<u>\$0.00</u>	<u>0.00%</u>

**Contract Maintenance:**

Grounds Maintenance	\$67,260.45	\$67,260.45	\$0.00	0.00%
Lot Inspections	\$1,237.50	\$1,237.50	\$0.00	0.00%
Trash Removal	\$44,382.00	\$43,056.00	\$1,326.00	3.08%
Snow Clearing	\$21,000.00	\$21,000.00	\$0.00	0.00%
Operating Contingency	\$18,830.00	\$33,879.76	(\$15,049.76)	-44.42%
<i>Sub-Total:</i>	<u>\$152,709.95</u>	<u>\$166,433.71</u>	<u>(\$13,723.76)</u>	<u>-8.25%</u>

**TOTAL EXPENSES:**

\$474,043.63	\$474,497.44	(\$453.81)	-0.10%
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**NET INCOME/(LOSS)**

<u>\$0.93</u>	<u>\$0.00</u>	<u>\$0.93</u>
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<sup>1</sup> Townhouses include the "piggyback" townhomes condominiums on Harmony Woods Lane (Harmony Woods Condominium) and Rushing Water Way (Clopper Hills Condominium).

<sup>2</sup> The Fountain Hills Condominium

<sup>3</sup> Higher % increase due to lower overall fee because cost of trash collection not included.

# FOUNTAIN HILLS COMMUNITY ASSOCIATION

## FY 12 OPERATING BUDGET NOTES

Fiscal Year: July 1, 2011 to June 30, 2012

### SUPPLEMENTAL TOWNHOUSE<sup>1</sup> BUDGET

(Townhomes Only)

#### I. INCOME:

A. **Residential Assessments:** The total income generated from the monthly assessment charged to all townhouse homeowners pursuant to Article VI of the Declaration of Covenants, Conditions and Restrictions, including the "piggyback" townhomes that make up the Clopper Hills Condominium and the Harmony Woods Condominium.

#### II. EXPENSES:

A. **Reserve Contributions:** The calculations of the reserve contributions are based upon the combination of a review of the available site plans, consultation with various contractors and the experience of the preparer.

The funding shown in the operating budget spreadsheet is based upon a comprehensive reserve schedule which is an attachment to the operating budget.

1. **Gross Reserve Contribution:** The total gross reserve contribution necessary to meet the funding goals established through the comprehensive reserve schedule which has estimated the expected useful life and replacement cost of each community asset.

2. **Less: Reserve Interest:** Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.

3. **Net Reserve Contribution:** The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

#### B. General & Administrative Expenses:

1. **Postage:** Allowance for the postage for the mailing of the annual notice concerning private lot lawn mowing.

2. **Printing & Reproduction:** Allowance for the printing requirements associated with the budgeted postage needs as described above.

3. **Electricity - Street Lighting:** Allowance for operating costs for electricity to the private street lighting within the townhouse areas of the community.

#### C. General Maintenance:

1. **Parking Lot Maintenance:** Allocation for the cleaning of sand and debris from the parking areas after the snow removal season has ended.

2. **Townes at Chestnut Oaks Fee:** Allocation for the payment of a contract fee to the Townes at Chestnut Oaks Homeowners Association (TACO) for shared maintenance expenses (e.g. snow plowing, street lighting and reserves for future resurfacing of the roadway) for that portion of Harmony Woods Lane owned by TACO and over which the Fountain Hills residents of Harmony Woods Lane must travel as access in an out of the Fountain Hills owned portion of Harmony Woods Lane.

3. **Street Light Maintenance:** Allocation of funding necessary for the maintenance of the private street lighting. Such maintenance includes bulb replacement and repair of other electrical components.

4. **Lawn Maintenance:** Allocation for the mowing of the lawns of the private yards for all townhomes at Fountain Hills on a schedule of every 7-10 days. Maintenance does not include tree/shrub care, mulching or fertilization/weed control.

#### SERVICES INCLUDE:

• Mowing of grass will include both front and rear yards.

• Trimming ("weedeating")

EXCEPT: Around HVAC equipment or Where siding on your home is closer than eight inches (8"0 to the ground.

#### SERVICES WILL NOT INCLUDE:

- Tree and/or shrub care.
- Mulching.
- Fertilization and/or weed control.

#### The mowing contractor will NOT:

- Move personal property in your yard.
- Enter your fenced yard if the gate is locked.
- Enter your yard if a pet is there.
- Enter your yard if there is pet excrement.

<sup>1</sup>Townhomes include the condominium homes that are part of the Clopper Hills Condominium and the Harmony Woods Condominium.

OWNERS ARE REMINDED THAT BUDGETS REFLECT AN ESTIMATED PROJECTION OF ANTICIPATED EXPENSES  
AND REVENUES AND, AS SUCH,  
ARE SUBJECT TO CHANGE BASED UPON ACTUAL CIRCUMSTANCES.

5. **Bulk / Excess Trash Removal:** Allocation of funding to remove bulk trash and debris that is “dumped” in Fountain Hills.
6. **Snow Clearing:** Funding has been allocated during the winter season for the plowing and sanding of the streets (drive lanes) and certain sidewalks **that are not directly in front of an individual home** as well as those within the Montgomery County owned rights-of-way.  
**The laws requires all private homeowners, including those in townhomes, to clear the sidewalks at the front of their homes, even though they may actually be common sidewalks.**
7. **Operating Contingency:** Provision for those unexpected expenses, unique to the services afforded to the townhouses, encountered by the Association which exceed the above budgeted amounts.

## FOUNTAIN HILLS COMMUNITY ASSOCIATION FY 2012 OPERATING BUDGET

July 1, 2011 through June 30, 2012

### SUPPLEMENTAL TOWNHOUSE<sup>1</sup> (Townhomes Only) BUDGET SUMMARY

<b>Additional Monthly Assessment:</b>	\$29.00	0.00%	Decrease over FY2011
Total Monthly Assessment:	\$75.20	0.00%	Decrease over FY2011

	ANNUAL TOTAL:	FY2011 Total:	\$ Change	% Change
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#### INCOME:

Residential Assessments	\$164,256.00	\$164,256.00	\$0.00	0.00%
<b>ADJUSTED INCOME:</b>	\$164,256.00	\$164,256.00	\$0.00	0.00%

#### EXPENSES:

##### Reserve Contributions:

Gross Reserve Contribution	\$49,385.00	\$43,463.51	\$5,921.49	13.62%
<i>Sub-Total:</i>	\$49,385.00	\$43,463.51	\$5,921.49	13.62%
Less: Reserve Interest:	(\$13,666.76)	(\$12,107.18)	(\$1,559.58)	12.88%
<b>Net Reserve Contribution:</b>	\$35,718.24	\$31,356.33	\$4,361.91	13.91%

##### General & Administrative:

Postage	\$481.44	\$481.44	\$0.00	0.00%
Bad Debt Expense	\$8,800.00	\$7,460.00	\$1,340.00	17.96%
Printing & Reproduction	\$330.40	\$330.40	\$0.00	0.00%
Electricity - Street Lighting	\$9,228.00	\$9,228.00	\$0.00	0.00%
<i>Sub-Total:</i>	\$18,839.84	\$17,499.84	\$1,340.00	7.66%

##### General Maintenance:

Parking Lot Maintenance	\$5,250.00	\$3,750.00	\$1,500.00	40.00%
Townes @ Chestnut Oaks Fee	\$4,224.00	\$4,224.00	\$0.00	0.00%
Street Light Maintenance	\$2,995.00	\$2,995.00	\$0.00	0.00%
<i>Sub-Total:</i>	\$12,469.00	\$10,969.00	\$1,500.00	13.67%

##### Contract Maintenance:

Lawn Maintenance	\$44,840.30	\$44,840.30	\$0.00	0.00%
Bulk/Excess Trash Removal	\$1,500.00	\$900.00	\$600.00	66.67%
Snow Clearing	\$31,800.00	\$31,800.00	\$0.00	0.00%
Operating Contingency	\$19,089.00	\$26,890.54	(\$7,801.54)	-29.01%
<i>Sub-Total:</i>	\$97,229.30	\$104,430.84	(\$7,201.54)	-6.90%

<b>TOTAL EXPENSES:</b>	\$164,256.38	\$164,256.00	\$0.37	0.00%
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<b>NET INCOME/(LOSS)</b>	(\$0.38)	(\$0.00)	(\$0.38)	
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<sup>1</sup> Townhomes include the "piggyback" townhome condominiums on Rushing Water Way (Clopper Hills Condominium), Harmony Woods Lane (Harmony Woods Condominium)

## FOUNTAIN HILLS COMMUNITY ASSOCIATION FY 2012 OPERATING BUDGET

July 1, 2011 through June 30, 2012

### SUPPLEMENTAL "VILLAGE" BUDGET

<b>Additional Monthly Assessment:</b>	\$8.00	0.00%	Decrease over FY2011
Total Monthly Assessment:	\$54.20	0.00%	Decrease over FY2011

	ANNUAL TOTAL:	FY2010 Total	\$ Change	% Change
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#### INCOME:

Residential Assessments	\$15,648.00	\$15,648.00	\$0.00	0.00%
<b>ADJUSTED INCOME:</b>	\$15,648.00	\$15,648.00	\$0.00	0.00%

#### EXPENSES:

##### **Reserve Contributions:**

Gross Reserve Contribution	\$4,198.00	\$6,485.07	(\$2,287.07)	-35.27%
<i>Sub-Total:</i>	\$4,198.00	\$6,485.07	(\$2,287.07)	-35.27%
Less: Reserve Interest:	(\$1,637.60)	(\$1,469.66)	(\$167.94)	11.43%
<b>Net Reserve Contribution:</b>	\$2,560.40	\$5,015.41	(\$2,455.01)	-48.95%

##### **Maintenance:**

Parking Lot Maintenance	\$3,330.00	\$3,400.00	(\$70.00)	-2.06%
Snow Clearing	\$7,200.00	\$7,200.00	\$0.00	0.00%
Operating Contingency	\$2,557.00	\$0.00	\$2,557.00	
<i>Sub-Total:</i>	\$13,087.00	\$10,600.00	\$2,487.00	23.46%

<b>TOTAL EXPENSES:</b>	\$15,647.40	\$15,615.41	\$31.99	0.20%
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<b>NET INCOME/(LOSS)</b>	\$0.60	\$32.59	(\$31.99)	
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# FOUNTAIN HILLS COMMUNITY ASSOCIATION

## FY 12 OPERATING BUDGET NOTES

Fiscal Year: July 1, 2011 to June 30, 2012

### SUPPLEMENTAL "VILLAGE" BUDGET

The "Village" homes are those homes located on the following streets and private alleys:

Public Streets:

Cub Run Way  
Fountain Hills Drive  
Noble Oak Drive

Ponsford Place  
Porterfield Way  
Scarlet Mist Way

Private Alleys:

Cary Acres Court  
Conlon Ridge Court  
Cornelius Court

Malcolms Cove Court  
Noble Oak Court  
Scarlet Mist Court  
Scarlet Mist Lane

I. INCOME:

A. Residential Assessments: The total income generated from the supplemental monthly supplemental assessment charged to all "Village" homeowners. The supplemental assessment intended to pay those costs attributable to the private paved alleys within the "Village" section of the community, including snow clearing.

II. EXPENSES:

A. Reserve Contributions: The calculations of the reserve contributions are based upon the combination of a review of the available site plans, consultation with various contractors and the experience of the preparer.

The funding shown in the operating budget spreadsheet is based upon a comprehensive reserve schedule which is an attachment to the operating budget.

1. Gross Reserve Contribution: The total gross reserve contribution necessary to meet the funding goals established through the comprehensive reserve schedule which has estimated the expected useful life and replacement cost of each community asset.

2. Less: Reserve Interest: Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.

3. Net Reserve Contribution: The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

B. General Maintenance:

1. Parking Lot Maintenance: Allocation for the cleaning of sand and debris from private Association alleys after the snow removal season has ended.

2. Snow Clearing: Funding has been allocated during the winter season for the plowing and sanding of the private asphalt alleys and certain sidewalks that are not directly in front of an individual home as well as those within the Montgomery County owned rights-of-way.

The laws requires private homeowners, including those in single family homes, to clear the sidewalks at the front of their homes, even though they may actually be common sidewalks.

3. Operating Contingency: Provision for those unexpected expenses, unique to the services afforded to the townhouses, encountered by the Association which exceed the above budgeted amounts.