

## Rinn Valley Ranch HOA Board of Directors – Annual Budget Ratification

It is time for the annual budget ratification meeting; the proposed annual budget is included in this message for review. **The meeting will be held Thursday, August 24<sup>th</sup> at 6:30pm at the Rinn Valley Methodist Church.** Section 4.10 of the covenants explains the budget ratification process. The budget will be ratified unless “67% of the owners present who are entitled to vote reject the budget.” Below is a summary of the proposed budget, the current budget and the projected variance to the current budget.

	Proposed Budget thru August 2007		Budgeted thru August 2006		Actual / Forecast 2006	Variance to Budget 2006
<b><u>Expenses:</u></b>						
Accounting for taxes	\$150	0.5%	\$150	0.6%	\$ 105	\$ 45
Business Registration	\$10	0.0%	\$10	0.0%	\$ 10	\$ -
Church rental - 1x	\$75	0.3%	\$50	0.2%	\$ 100	\$ (50)
General Maintenance	\$400	1.3%	\$1,000	3.8%	\$ -	\$ 1,000
Insurance	\$600	2.0%	\$500	1.9%	\$ 467	\$ 33
Landscaping including field mowing	\$12,000	40.5%	\$6,000	22.5%	\$ 11,219	\$ (5,219)
Legal	\$3,000	10.1%	\$1,000	3.8%	\$ 4,322	\$ (3,322)
Postage / Printing / Envelopes	\$770	2.6%	\$100	0.4%	\$ -	\$ 100
Web site / e-mail	\$240	0.8%	\$0	0.0%	\$ -	\$ -
P.O. Box	\$36	0.1%	\$0	0.0%	\$ -	\$ -
General Accounting	\$3,300	11.1%	\$0	0.0%	\$ -	\$ -
Property Management	\$0	0.0%	\$7,800	29.3%	\$ 6,542	\$ 1,258
Petty Cash	\$250	0.8%	\$0	0.0%	\$ 1,170	\$ (1,170)
Filing Cabinet - fireproof	\$1,000	3.4%	\$0	0.0%	\$ -	\$ -
Sprinkler work	\$500	1.7%	\$1,000	0.0%	\$ -	\$ 1,000
Transfer to Reserves	\$1,000	3.4%	\$1,000	3.8%	\$ -	\$ 1,000
Utilities: Left Hand Water	\$3,800	12.8%	\$5,000	18.8%	\$ 3,810	\$ 1,190
Utilities: United Power	\$2,375	8.0%	\$3,000	11.3%	\$ 2,286	\$ 714
Weld County taxes	\$150	0.5%	\$50	0.2%	\$ 181	\$ (131)
	<b>\$ 29,656</b>	<b>100.0%</b>	<b>\$26,660</b>	<b>100.0%</b>	<b>\$ 30,212</b>	<b>\$ (3,552)</b>
Cost per unit	\$ 200		180			

The proposed budget will increase the annual fee to \$200 per lot, up \$20 from the previous year. The board believes that this increase is a balance between trying to maintain a responsible budget and holding annual dues to a reasonable level. Upon comparison of the current year budget with the proposed budget it will become evident that multiple changes are proposed. The property management company has elected to no longer service HOAs and the board has determined that the HOA will attempt to operate without a management company’s assistance or with minimal management assistance. Accounting for the HOA will be handled by a local accounting service and all other functions will be handled by the board. The benefit of this is that significantly more funds can be allocated to other areas of the budget, such as maintaining the landscaping. The negative aspect is that communications will be either via U.S. mail or a soon to be created web site and e-mail, there will probably not be a telephone number to call. Meetings and

other communications will be placed on the sign board located next to the mail boxes on the North side of Rinn Valley Drive, as well as, the web site and periodically by direct mail. The budget for landscape and mowing is being doubled for the next year, this reflects the reality of this year's costs, along with the anticipated addition of another entrance to be maintained, rising fuel costs and the many concerns residents have expressed regarding the current level of mowing and trail maintenance. The proposed budget also incorporates a one-time expense to acquire a fireproof cabinet to store records that the association is required to retain. Finally, the budget includes \$1,000 to begin to build a small reserve fund. This year the HOA not only did not add to a reserve fund for any future repairs or improvements, but nearly depleted what funds were available. A properly funded HOA will help preserve property values in Rinn Valley Ranch and the lack of a reserve fund for a "rainy day" is detrimental to the perceived health of the HOA.

The agenda for the meeting on August 24<sup>th</sup> will include:

- Attendance
- Open Forum for Budget discussion ( may be limited to a maximum of 3 minutes / resident)
- Vote on Budget Proposal for FY07
- New Business

A covenant enforcement committee was established at the last board meeting and will be making recommendations and working closely with the board going forward. Processes and procedures are being developed and will be published in future newsletters. The committee includes: Ragan Shearing, Troy Krieger and Kyle Higgins.

The election run-off vote between Kay Schmierer and Vic Valadez was completed with Vic receiving 28 votes and Kay receiving 26 votes. Vic has served on the board since that time, but has decided to step down from the board. Kay Schmierer, as the resident with the next highest number of votes, will be filling that seat. Vic's help and support is appreciated.

Finally, several residents have proposed a neighborhood party for Saturday, August 26<sup>th</sup>. Please watch for flyers with additional details. If you would like to volunteer to help please contact Corine Veltine, 303-774-8780.

Regards,

Rinn Valley Ranch Board of Directors