



Forest Pond Newsletter



Homeowners' Dues—Where does it all go?

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\$49,860 — that is the total that is supposed to be garnered each year from the collection of Homeowners' Dues.

Surprise! That is not what is collected! We will get to more on that later in this issue.

OK, we have all paid our dues and now we wonder what has happened to all of that money. Let's take a look at the simple outline of where all that money goes to. We will use the end-of-year statement — December 31, 2006.

We started off with Revenues of \$49,860 and by adding/subtracting all of the charges, costs and fees, we had a starting point of \$72,267 (rounded to the nearest dollar).

Next we have the Operating Expenses, (what we pay out). This amount totals \$36,675. We subtract that from the total of the Revenues and that leaves us with \$35,592.

Now we have the General and Administrative section (pay outs again). This amount totals \$37,229. It's beginning to look like we are in trouble and we are to the tune of (\$1,637). How did we end up with a negative balance?

Let's go back to the beginning of the year. Last year we attempted to collect \$49,860. We fell short of that goal by the end of the year by \$5,359, how is that possible?

Well, we had 30 homeowners who believed that they did not have to pay their dues and therefore they didn't. Well, that's not fair you say and you are correct!

In order to ensure that we have fairly addressed this issue with all homeowners, we have to go after these individuals via legal channels due to the various federal and state laws governing the collection of debt. According to the Forest Pond By-laws, we are only allowed to charge a \$20 late fee.

We spent \$26,779 trying to obtain \$6,000 owed to us by those 30 homeowners. You see, lawyers want their money upfront before they go after that \$200. That means on average, we have to pay out \$1,326 to collect just \$200.

Of course, we realize that we won't see that money until the current homeowner either relents and pays or tries to sell their home and that is when we get the money owed to the HOA. We have, through the lawyers, put a lien against their home and

those lien(s) must be cleared before they can sell the house.

We did recover a little of those dues and fees this past year, but it went right back out in landscaping fees to drop, chop and haul away trees in the common areas that were a danger to some homeowners.

The impact of a homeowner's refusal to pay their dues is shared by all who pay their dues. Those homeowners who pay their dues and take care of their obligations have no cause for alarm when they want to sell or transfer ownership of their property.

Those who don't pay, find out how much more not paying costs them in the end and that is a costly markup in payment and stress; especially when they really don't need the additional problems at selling time.

Remember, it is only \$180 if you pay on time; if you don't pay, it can quickly rise to \$1,500 or more and you face the possibility of losing your home.

What piece of the pie are you interested in? To see where all of the money went turn to page 2 for totals and percentages.

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True Costs of Non-payment for One Year

Let's break down the total costs of not paying your homeowner's dues of only \$180. (By comparison that is relatively inexpensive, see story page 3).

You look at the calendar and realize that it is Friday, 16 March 2007 and something is nagging you. You look on your desk and there sits the dreaded green envelope. You are now late.

You have already been assessed a \$20 Late Fee which means your HOA Dues are now \$200 or 11% higher.

You say—oh well, what the heck and decide not to pay this year. 90 days later, Friday, 15 June 2007, the HOA turns collection over to the lawyers.

Attorneys Fees are \$975, and they are

required to advertise in the newspaper, Advertising Fees \$245, they are required to file for process in court, Court Costs \$96, and finally, they are required to deliver via Certified Mail, \$10; total costs for HOA to pay lawyers \$1,326. The total you now owe the HOA is \$1,526 or 882% higher.

That is the cost for one homeowner not paying – lets move from our hand held calculator to the big picture.

Last year 30 homeowners decided not to pay their dues, if all of them had forced the HOA to go through the legal channels – we would have paid the lawyers \$45,780 just to collect \$6,000 (\$180 dues plus the \$20 late fee).

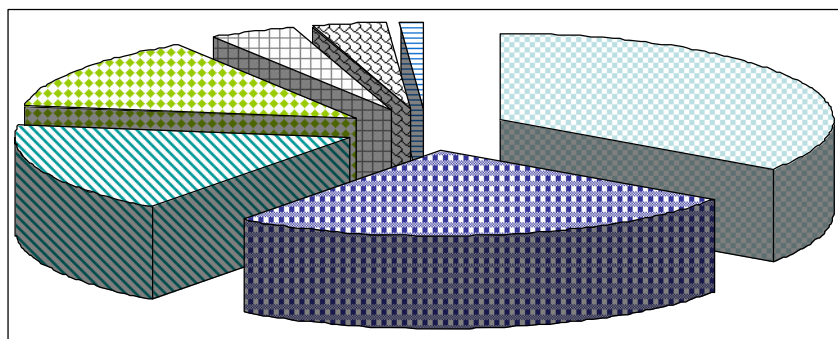
Fortunately, some of them decided to

ask the HOA for a payment plan. Unfortunately, not all of them have paid on time and that is why we were operating in the red at the end of the calendar year for 2006. So we start our new calendar (and fiscal) year with a negative balance of \$1,637 instead of a positive \$3,908.

By not paying your \$180, you just gave away \$1,346 or the equivalent of one week's vacation entertainment value.

So, did you really save yourself anything by not paying your HOA dues? I don't think so; but then, we are talking about your finances and your way of life and not mine. I believe I will continue to pay my dues on time and enjoy my vacation time!

Carving Up The Funds



Landscaping	Repairs & Maint.
Management	Utilities
Bad Debt	Insurance
Legal Expenses	

Landscaping = \$17,353 or 34%

Repairs & Maintenance = \$12,495 or 25%

Management = \$8,700 or 17%

Utilities = \$6,827 or 13%

Bad Debt = \$2,134 or 4%

Insurance = \$1,750 or 3%

Legal Expenses = \$3,908 or 7%**

Our legal expenses were \$26,779, however, we recovered some of the legal fees during the year and we also started 2006 with a positive ledger and ended with a negative balance of (\$1,637).



HOA Dues Comparison

The following is a comparison of HOA Dues within the Charlotte Metro area. These locations are very similar subdivisions; that is: Single Family Detached Homes with the same amenities and comparable coverage areas.

The costs are a sampling based on 2006 annual dues at these subdivisions:

Yorkshire	\$275
Withrow Downs	\$355
Muirfield	\$220

South Windsor	\$260
Wellington	\$375
Monterey	\$300
Hunters Gate	\$200
Hidden Creek	\$260
Country Club Estates	\$320
Brighton Park	\$300
Cardinal Woods	\$200
Colvard Park	\$300

Heatherstone	\$320
Reedy Creek Plantation	\$360

As you can see the average is \$289 annually for our neighbors, while we enjoy a modest \$180 annually.

They also have the same problems that we experience in our subdivision; yet we are confronting and handling those issues with less financial resources. Your HOA board and management company has done well up to this point.

DST Time Change for 2007

This year Daylight Saving Time (DST) extends by approximately four weeks. In compliance with this provision in the Energy Policy Act of 2005, DST dates in the United States and Canada will start three weeks earlier (2:00 A.M. on the second Sunday in March) (11 March 2007) and will end one week later (2:00 A.M. on the first Sunday in November) (4 November 2007).

We are all used to the time change being

at the end of March, not in the middle of the month. Conversely, we are accustomed to changing our clocks on the last Sunday of October, not the first Sunday of November.

Modern computers and other equipment change their times automatically while the majority of these items require that we manually change them ourselves.

If you haven't updated your computer recently—you may want to do so as this

important change in DST was enacted by a change in law during December 2006. Microsoft has recently released an update that will adjust the basic system settings for your computer system.

House clocks, wrist watches, car clocks and other stand alone time pieces need to be set by you as they will not adjust themselves.

Lifetime Reusable Home Air Filters

Do you get tired of throwing away money on disposable air filters for your home? On average, if you change your filter monthly; you spend around \$36-\$40 a year on filters. Plus the time it takes to change them. Don't you wish you could quit at least spending that much money every year?

You can for about \$132 you can purchase 2 reusable permanent 5-stage air

filters that will last a lifetime. I have been using these filters in my house since I bought it—7 years now and all I do is rinse them with water every three months, let them dry and put them right back in the ventilation system.

These filters have now paid for themselves twice over—you can enjoy the same thing by ordering these filters direct from the manufacturer.

Check them out at <http://www.riteair.com>, click on air conditioner filters and then on the Boair 5-stage Filter. They offer one for \$76 shipping included and for \$20 off that price get a second one. Most homes in Forest Pond use 2 air conditioner filters inside the house. The price includes making the filters to your dimensions up to 600 square inches.





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The following information is courtesy of the Energy Star website and is provided as a source of information to help you save money and the environment with the simple act of replacing one incandescent bulb at a time with an Energy Star qualified Compact Fluorescent Light bulb.

If every American home replaced just one light bulb with an ENERGY STAR CFL bulb, we would save enough energy to light more than 2.5 million homes for a year and prevent greenhouse gases equivalent to the emissions of nearly 800,000 cars.

ENERGY STAR qualified CFL bulbs:

Use at least 2/3 less energy than standard incandescent bulbs to provide the same amount of light, and last up to 10 times longer.

Save \$30 or more in energy costs over each bulb's lifetime

Generate 70 percent less heat, so they're safer to operate and can cut energy costs associated with home cooling.

Are available in different sizes and shapes to fit in almost any fixture, for indoors and outdoors.

Where to Use CFL bulbs:

To get the most energy savings, replace bulbs where lights are on the most, such as your family and living room, kitchen, dining room, and porch or garage.

Some CFL bulbs have trouble operating in enclosed fixtures. Check the CFL bulb's packaging for any restrictions on use.

How to Choose the Right Light:

Compact Fluorescent Light Bulbs (CFL)

Matching the right CFL bulb to the right kind of fixture helps ensure that it will perform properly and last a long time. Read the packaging to be sure that the type you choose works for the fixture you have in mind. For example:

If a light fixture is connected to a dimmer or 3-way switch, select a CFL bulb that is labeled for this use.

For recessed fixtures, it is better to use a 'reflector' CFL bulb versus a standard-shaped bulb.

Choose the color that works best for you. For example, while most CFL bulbs are created with warm colors for your home, you could choose a cooler color for task lighting.

To get a CFL bulb with the right amount of light, choose one that offers the same lumen rating as the light you are replacing. The higher the lumen rating, the greater the light output.

Purchasing Tips

Place ENERGY STAR qualified CFL bulbs in the fixtures you use most frequently. CFL bulbs are most efficient when they operate for several hours at a time (2 hours or more).

Certain CFL bulbs are designed to work in dimmable, 3-way fixtures, as well as torchieres. Check the package to be sure you are buying the correct bulb.

Use ENERGY STAR qualified CFL bulbs in the fixtures that are hard to reach such as ceiling fans, other ceiling fixtures, and enclosed outdoor fixtures. Because CFL bulbs last longer, you



enjoy the convenience of buying and changing bulbs less frequently.

ENERGY STAR qualified CFL bulbs come in a multitude of shapes and sizes. Select the best shape and size to fit your needs:

Bare, Mini-spirals, Spirals

Bare, Double, Triple, and Quadruple tubes

Circle-line

Covered A-line

Covered Globe

Covered Bullet or Torpedo

Smaller sizes mean greater compatibility with your fixtures. Today's ENERGY STAR qualified CFL bulbs are designed to be smaller and thinner than earlier models, so you can install them in a wider variety of fixtures, such as wall sconces, ceiling-mounted fixtures, and ceiling fans.

Qualified CFL bulbs are available in a range of color temperatures:

Warm, white light: Look for a color temperature of 2,700–3,000K.

Cooler, white light: Look for a color temperature of 4,500–6,000K.

Recycle CFL bulbs properly. Do not throw CFL bulbs away in your household garbage if better disposal options exist. To find out what to do, first check <http://www.earth911.org> or call 1-877-EARTH-911 for local disposal options.

To find out more about CFL bulbs, visit the Energy Star website at:

<http://www.energystar.gov>

