



s we get through the tail-end of spring, I hope all of you Are gearing up for a great summer with your families and friends. Our RealManage Ambassadors have been working tirelessly to help your communities get prepared for another exciting summer. I would like to take a moment to talk about the core of RealManage.

often refer to the core as a foundation made up of **■** values. Our values include Integrity, Respect, Selflessness, Personal Relationships, and Always Improving. Our definition of integrity is always doing the right thing, regardless of the circumstances. Mutual respect is the foundation for every relationship and disrespect has no place in our family internally and externally. Selfless individuals do not care about who gets the credit, but instead, put the needs of our clients and organization above everything else. We are in the business of professional services and everything we do is driven by relationships with our clients. If we are not getting better, then we are getting worse; There is absolutely no such thing as staying the same.

Tf you see any great examples of one of our Ambassadors Lexhibiting our core values please let me know by emailing:

clientsatisfaction@realmanage.com. I hope you and your family have an amazing spring season and look forward to what the summer will bring!



**Chris Ayoub** President, RealManage

### **EMPLOYEE SPOTLIGHT**

# **Emily Francis**

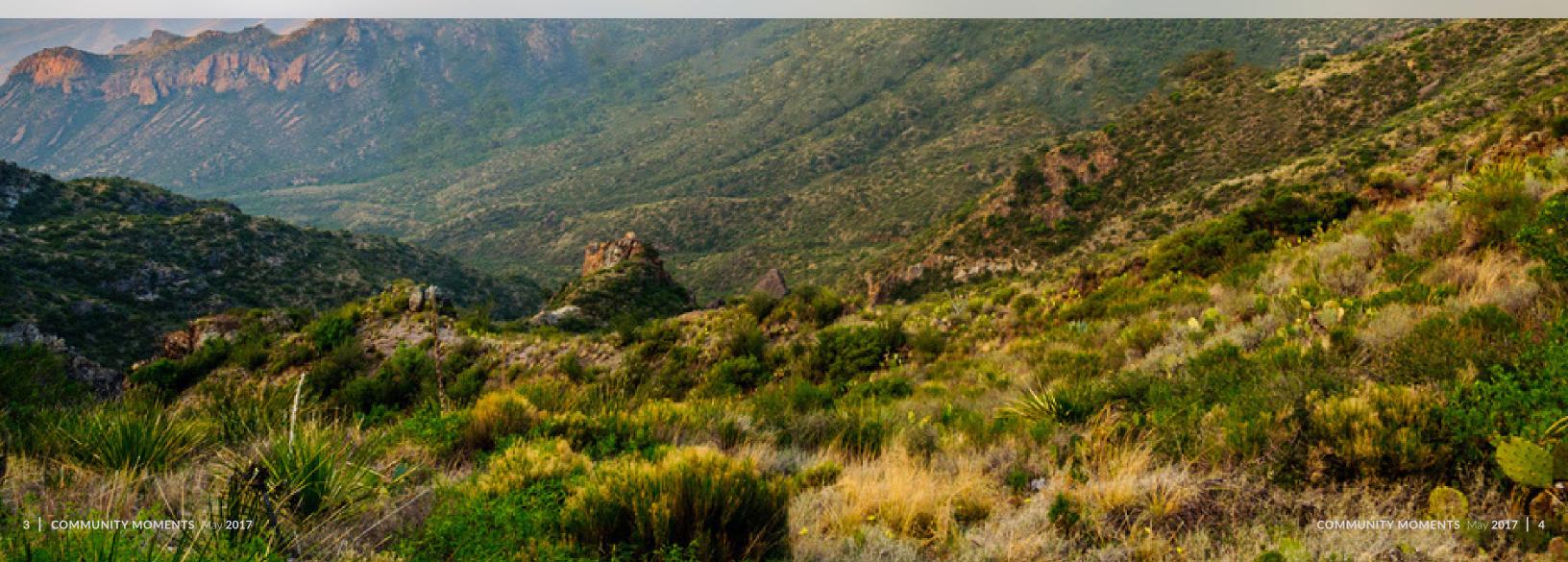
COMMUNITY ASSOCIATION MANAGER



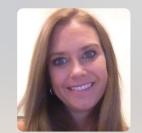
mily Francis joined the RealManage family in 2015 and is one of our foremost portfolio management experts. Backed by 8 years of management experience, she currently manages 12 community relationships from our South Austin office that represent over 4,200 homes at buildout and does it all with a smile on her face. Through her relationship building

efforts she has been able to consistently delight her customers in every way. She receives constant accolades from her board members and has created numerous reference accounts. One example of great feedback came from an Austin area board president, "I'd like to mention first and foremost I'm very happy with my current property manager, Emily, she has been a real rock star!" Not only does she have a massive portfolio, she also supports the Division President in business development, serving as a subject matter expert at sales presentations. Throughout her career at RealManage, Emily has contributed all of these efforts with a positive, proactive attitude which makes working with her an absolute pleasure. Because

of her great performance, she recently received the RealManage Portfolio Manager of the Year Award. We are so honored and inspired to work alongside high performers like Emily Francis. It is team members like her that give RealManage the ultimate competitive advantage.



# Heron Lake Townhome Association











Susan

Henry

Tim

Greg

Thomas

he Heron Lake Townhome Association, Inc., is represented by Tim Wiggins (Board President), Susan Granberry (Treasurer), Henry Green (Secretary), Gregory Goode (Director), and Dr. Thomas Albright (Director). This month we decided to highlight this impressive Board of Directors because of their dedication and their hands-on approach with their Community. They go above and beyond to ensure their Townhome Community looks great, homeowners are happy, and to ensure the property value stays as high as possible.

Heron Lake Townhome Association has been with RealManage since 2009, and this beautiful Community offers a lifestyle all their own. This Northwest Houston property is just steps from the 18-hole Heron Lake Golf Course, close to a nature walk, and near the Sam Houston Race Park. While there is much to do in the surrounding area, it is the people who live in this 84-unit Townhome Community that make this Houston Community worth highlighting.

The HOA Board President, Tim Wiggins, has been on the Board for seven years and he has lived in the Community since it was built back in 2001. He grew up in North Louisiana on a farm, and he really enjoys outdoor activities and traveling to different countries. Tim is a Louisiana State University (LSU) Graduate with a Bachelor of Science in Chemical Engineering and a Masters Degree as well. Tim has spent the last 21 years of his professional life as a Global Account Manager for a global chemical company, while also taking a lot of pride as a very active member on the Board in his Community. Tim is a great community leader!

Susan Granberry, the Board Treasurer, has been working in the multifamily business for nearly 20 years in the development, construction and property management aspects. She is directly responsible for estimating, contract negotiations and job cost accounting. Susan takes ownership of the HOA financials and this Community puts a lot of trust in her abilities. Many projects that the Board is doing around the Community are saving the Association money and Susan is very involved with making this happen. Her experience with property management has added depth and value to the Association.

The HOA Board Secretary, Henry Green, is in the second year of his first three-year term. Henry ran for a position on the Board to assist with efforts to maintain a safe living environment and to protect property values for all homeowners. He holds a BSBA degree and has been a Business Development Manager for an international services company for the last six years. Henry enjoys traveling with his family, mystery movies, and brain teasers. Henry is always thinking of new ideas and thinking outside of the box regarding HOA projects. His approach is valuable and adds to the dynamic of this Board member team.

Gregory Goode, Director, may not have a lot to say but don't let that fool you. He is a United States Air Force Veteran and a Retired FBI agent. The Retired life was very different than what he was used to, so he joined the Board of Directors and is an active member to help the Community. He says, "The rest is history." Because of his previous professional life, he is the go-to neighbor that homeowners seek for advice or to speak to about safety and security topics. Gregory is very approachable and a true asset to this Community.

Last, but certainly not least, is Doctor Thomas Albright, Director. Thomas is a Professor Emeritus at the University of Houston. His current research interests are directed towards theoretical organometallic chemistry. He is the author or coauthor of eight books and 114 journal articles. Dr. Albright is a Director on the HOA Board and writes a quarterly newsletter for the neighborhood. Thomas' newsletter is fun to read, quirky, and enjoyed by the Community. Thomas is truly a talented writer and it's great to see him share this talent with his neighborhood. He is also an avid fan of Latin jazz and tries to play the congas.

Edith Ernwall is the Community Association Manager and truly enjoys working with the Heron Lakes HOA Board. "It's wonderful to work with such a supportive group of individuals who care so much about their Community. I love that we are a team and that we can tackle projects together!"

Written by **Nicole Mancos Senior Vice President**, RealManage Houston



# Understanding HOA Financial Reports

Homeowners association fees help to maintain the property of community residents and to improve the overall quality of the surrounding environment. It is important to understand the financial reports of your HOA in order for you to keep track of your contributions and the overall use of association money.

Listed below are the basic documents that are included in most HOA financial reports along with an explanation of what each document means.

### BALANCET

A Balance Sheet is a financial document that shows the amount of money that is present in your accounts. It monitors the expenditures and income of your account over a specified period (in this case on the month). Understanding how to read a balance sheet allows you to compare the expenditures that your HOA incurred against the income that it collected.

### STATEMEN T

An Income Statement is a more focused financial document that specifically tracks all the income that has been received by your HOA. Income can come from investments, payments from prior services offered, and other sources of revenue. The primary purpose of the income statement is to show if the HOA made a profit or loss based on the activities that they carried out.

### RECEIVABLES

Accounts Receivables show all the money that is owed to the HOA and has not yet been collected. Accounts receivable include collections, credits from vendors and any other payments for services offered by the HOA. Understanding the account receivables document can give you a better understanding of the activities to which your community has been engaged.

#### **BANK** STATEMENTS

The Bank Statement, as you are probably already aware, shows all the transactions that have been carried out on your HOA's bank account. The HOA bank account is probably where the majority of the cash flow is maintained, and therefore it is important to keep track of the bank transactions and overall balance.

In conclusion, understanding your HOA's monthly financial reports gives you more independence and control over the activities of your association. You can carefully follow up on payments and expenditures, suggest areas of improvement, and be more involved in decision making. In the end, you are protecting your homeowner association's funds and serving your fiduciary responsibilities to the highest level.

# Get Residents More Involved

The HOA board and community association management company for your community are tasked with handling its official business, but residents still play a vital role in the development and maintenance of the neighborhood. Volunteer committees, neighborhood watch programs, and reporting violations all require the participation of residents in order to be effective.

If your neighborhood is looking for ways to get residents more involved in the community's business, below are some highly effective ways to do it.

# SEND OUT NEWSLETTERS

Sending out newsletters is a good way to keep residents apprised of opportunities to attend meetings, volunteer, attend social events, etc. In the winter months, it isn't uncommon for community participation to hit a lull, as residents prefer to stay inside where it's warm. Even so, your community can schedule fun winter events that break this trend, such as decorating a community Christmas tree, ice skating parties, and sledding parties, to name a few.

### HOLD SOCIAL GATHERINGS

Some communities hold a few social gatherings but still expect residents to be involved with the community. More often than not, the more community members are involved with each other, the more likely they are to be involved with the community at large. If you need ideas for holding fun social events, seek out the help of an event planning company. If you need help managing the events, request the help of your homeowners association management company.

# TO BOARD MEETINGS

For residents, perhaps the greatest feeling of uninvolvement comes from feeling disconnected from community business, which inevitably happens when they don't attend board meetings. As much as possible, publicize the dates, times, and locations of board meetings; and do so as far in advance as possible. If necessary, offer beverages and snacks to help bring people out. The more board meetings residents attend, the more they really feel like residents of the community.

# FOR VOLUNTEERS

Sometimes receiving participation from residents is all in how you ask. Some effective strategies for recruiting volunteers are: developing volunteer opportunities important to residents, asking people personally to volunteer, providing training to volunteers, and holding volunteer appreciation events.

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In September 2012, the California Department of Real Estate (DRE) was sufficiently concerned about the number of Homeowner's Associations (HOAs) experiencing financial problems that they decided to issue a special consumer warning. That alert read, in part:

"The California Department of Real Estate (DRE) has issued this warning as a result of the growing number of homeowners associations (HOAs) that do not have sufficient funds or reserves to adequately maintain the common areas in the housing developments for which the HOA is responsible."

DRE went on to explain some of the causes of insufficient funds for the state's HOAs, including foreclosures, which left an increasing number of homeowners unable to pay their assessment payments, and "inadequate planning" on the part of HOA Boards. They also pointed to the several negative effects of insufficient funds, from unexpected expenses for homeowners to a decline in home values due to inadequately maintained common areas.

The financial problems experienced by HOAs are not limited to California. Similar problems in a growing number of states and municipalities have highlighted the importance of adequate budget planning and preparation for every HOA. We have 7 important steps HOAs need to take to prepare realistic budgets:

#### 1. Create a Careful Business Plan

Your HOA business plan should include all your goals for the coming year. Best practice is to outline annual goals by month; so that you know what should be included in the budget. The business plan should ideally be reviewed no later than summer time to ensure approval of the plan in a timely manner.

#### 2. Send out Requests for Proposals (RFPs)

You don't want to estimate vendor costs in your budget. To ensure accuracy, send out RFPs for all your contracted services, including those for pool management, lawncare and landscaping, snow and trash removal, insurance policies, audits and tax preparations.

### 3. Assess Maintenance and Utility Costs

The best way to accurately assess the coming year's expenses for maintenance, repair and utilities is to look at what those costs were in the previous year. Add to this any new costs you expect in the coming year, such as anticipated increases in utility costs or new repair items you're likely to incur due to deteriorating conditions.

#### 4. Analyze Your Reserve Fund

In general, it's prudent to conduct a thorough reserve fund analysis. Check your state regulations regarding the frequency in which reserve studies should be conducted. Regularly updating your reserve fund analysis ensures that members of the community are contributing enough to cover both expected and unanticipated fund expenditures for things like paving, roofs, and playground equipment.

#### 5. Plug in Your Numbers

After you've received responses to the RFPs and assessed likely expenses for maintenance, repairs, utilities and reserve fund needs, enter your figures into either an Excel spreadsheet or a budgeting tool. For added clarity, it's a good idea to keep notes on your budget assumptions and calculation methods as line item explanations.

#### 6. Calculate Anticipated Income

To arrive at your figure for the amount each homeowner must pay in assessment fees, you need to calculate all other sources of income. Since HOAs typically practice zero-based budgeting, you should not include monies left over from previous years. You should, however, include late fee income, as well as any other reliable income source.

With figures for expenses and other sources of income in hand, you can calculate the amount of your assessment payments.

### 7. Share Your Budget with Community Members

Once the budget is approved, distribute to the homeowners based on your respective state guidelines. Homeowners have the expectation, and the right, to see the budget. Remember that the heart of a thriving HOA is transparency, cooperation and collaboration.

Preparing an accurate budget for your HOA can seem like an overwhelming task, but you can simplify that task by giving yourself sufficient time to do the necessary work, and by taking it one step at a time. As much as possible, involve all members of the community in the process whenever appropriate. If you budget carefully, taking into account both anticipated and unexpected expenses and accurately assessing sources of income, you can avoid problems and ensure financial stability for your HOA.

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step at

a time

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