

WESTBANK HOMEOWNERS ASSOCIATION, INC.

Monthly Meeting of the Board of Directors

July 18, 2011

1. Establish a Quorum
2. Approval of Minutes
3. Treasurer's Report
4. Security Report
5. Community Awareness Report
6. Old Business
7. New Business
8. Homeowner Input
9. Adjournment of Meeting

WESTBANK HOMEOWNERS ASSOCIATION, INC.
MEETING OF THE BOARD OF DIRECTORS
JUNE 20, 2011

STATE OF TEXAS §

MINUTES

COUNTY OF HARRIS §

The Westbank Homeowners Association's Meeting of the Board of Directors was held on June 20, 2011 at the Association clubhouse, 8303 West Road. Mrs. Paulann Alleman called the meeting to order at 7:30 p.m. after establishing that a quorum of the Directors was present. Other Board Members present at the meeting were Mark Cisneros, Virginia Hurlbut, Shiver Nolan and James Phillips. Also present were Tom Garth and Kathy Okulewicz representing Synergy Management Services.

MINUTES – Ms. Hurlbut made a motion to approve the Minutes of the May 16, 2011 Monthly Meeting as written. The motion was seconded by Mr. Phillips and approved with all in favor.

TREASURER'S REPORT – Mr. Garth reviewed the Profit & Loss, Budget vs. Actual figures for May 2011. Mr. Garth advised that even with several unbudgeted monthly expenses the results were better than budgeted. Mr. Garth provided information on the bank balance and outstanding loans. The cash available at the end of May was greater than at the same period for the past 2 years. The collected rate for 2011 is ahead of the same period for 2009 and 2010. Over 400 certified letters have been sent to homeowners so it is anticipated that the rate will continue to go up.

Ms. Nolan made a motion to approve the Treasurer's Report for May 2011 as read. Ms. Hurlbut seconded, and the motion was approved with all in favor.

NEIGHBORHOOD WATCH REPORT – There was a lengthy discussion regarding recent home burglaries in Carriage Lane. Mrs. Alleman advised that the Department of Homeland Security is looking into this as possible organized crime and they have pulled the police records for the last 2 years to check if connected. The penalties for organized crime are more severe. Mrs.

Alleman advised that the police had rounded up about 17 teenagers considered to be connected to the burglaries, however as they are minors they have probably already been released.

There was a discussion how to get important information out to the residents.

Mrs. Alleman reviewed the Neighborhood Watch Report statistics for May 2011. It was noted by the deputies that most of the burglarized motor vehicles had been left unlocked.

Mrs. Alleman and Mr. Garth provided details of the contract with the Harris County Sheriff's Department, specifically how it is billed and the number/percentage of contract hours the deputies work in Carriage Lane.

Mrs. Alleman urged all residents to call 911 if they see anything suspicious.

OLD BUSINESS - Mr. Garth presented the new Deed Restriction booklets to those present at the meeting. The information is in English and Spanish and has photos to help with clarification. There was a discussion of how the booklets were going to be distributed.

NEW BUSINESS / HOMEOWNER INPUT - The previous "lengthy discussion" regarding the home and car burglaries was continued.

There being no further business, James Phillips moved that the Meeting be adjourned. The motion was seconded by Virginia Hurlbut and passed with all in favor. The Meeting was adjourned at 9:45 p.m.

Secretary

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

June, 2011 & Y.T.D.

	TOTAL							
	Jun 11	Budget	\$ Over Budget	% of Income	Jan - Jun 11	Budget	\$ Over Budget	% of Income
Income								
2011 MFEE INCOME	52,400.00	52,400.00	0.00	0.0%	224,577.00	224,577.00	0.00	0.0%
OTHER INCOME								
Deed Restriction Fines	0.00	625.00	-625.00	-0.96%	0.00	1,250.00	-1,250.00	-0.42%
Service Fee - 3 Payment Option	48.00	32.00	16.00	0.03%	528.00	371.00	157.00	0.05%
MUD Cont. Deputy Income	11,991.00	11,991.00	0.00	0.0%	71,946.00	71,946.00	0.00	0.0%
Interest on Money Market	72.96	41.00	31.96	0.05%	327.93	246.00	81.93	0.03%
Interest on Operating Account	1.08				1.08			
Pool Guest Fees	0.00	75.00	-75.00	-0.12%	0.00	100.00	-100.00	-0.03%
Coke Machine	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Mgmt Collection Fees	360.00	10,000.00	-9,640.00	-14.86%	805.00	10,000.00	-9,195.00	-3.07%
Atty Collection Fees	0.00	7,500.00	-7,500.00	-11.56%	0.00	7,500.00	-7,500.00	-2.5%
Mgmt Deed Rstn Fees	0.00				40.00			
Atty Deed Rstn Fees	0.00	1,000.00	-1,000.00	-1.54%	0.00	1,000.00	-1,000.00	-0.33%
Penalty & Int Income	0.00	540.00	-540.00	-0.83%	90.54	3,240.00	-3,149.46	-1.05%
Mowing Income	0.00	500.00	-500.00	-0.77%	800.00	1,000.00	-200.00	-0.07%
Clubhouse Rental	0.00	166.00	-166.00	-0.26%	600.00	996.00	-396.00	-0.13%
Total OTHER INCOME	12,473.04	32,470.00	-19,996.96	-30.83%	75,138.55	97,649.00	-22,510.45	-7.51%
Total Income	64,873.04	84,870.00	-19,996.96	-30.83%	299,715.55	322,226.00	-22,510.45	-7.51%
Expense								
ADMINISTRATIVE EXPENSE								
Coke Machine	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Sterling OLD Loan Interest	483.00	483.00	0.00	0.0%	2,699.00	2,898.00	-199.00	-0.07%
Sterling NEW Loan Interest	458.00	458.00	0.00	0.0%	2,916.00	2,748.00	168.00	0.06%
Annual Meeting	0.00	0.00	0.00	0.0%	0.00	100.00	-100.00	-0.03%
Bad Debt	48.89	1,666.00	-1,617.11	-2.49%	4,670.63	9,996.00	-5,325.37	-1.78%
Bank Service Charge	103.35	42.00	61.35	0.1%	658.12	252.00	406.12	0.14%
Board Meeting Expense	0.00	0.00	0.00	0.0%	0.00	100.00	-100.00	-0.03%
Postage	0.00	583.00	-583.00	-0.9%	3,334.10	3,498.00	-163.90	-0.06%
Donations	0.00	0.00	0.00	0.0%	0.00	250.00	-250.00	-0.08%
Newsletter Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Office Supplies	0.00	8.00	-8.00	-0.01%	92.19	48.00	44.19	0.02%
Translations-English to Spanish	0.00				77.76			
Total ADMINISTRATIVE EXPENSE	1,093.24	3,240.00	-2,146.76	-3.31%	14,447.80	19,890.00	-5,442.20	-1.82%
Community Improvements								
Events, Projects & Improvements	10,270.62	1,666.00	8,604.62	13.26%	12,887.45	9,996.00	2,891.45	0.97%

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

June, 2011 & Y.T.D.

	TOTAL							
	Jun 11	Budget	\$ Over Budget	% of Income	Jan - Jun 11	Budget	\$ Over Budget	% of Income
Total Community Improvements	10,270.62	1,666.00	8,604.62	13.26%	12,887.45	9,996.00	2,891.45	0.97%
CONTRACT SERVICES								
Exterminating	0.00	0.00	0.00	0.0%	193.76	200.00	-6.24	-0.0%
Patrol Services	15,988.00	15,988.00	0.00	0.0%	95,928.00	95,928.00	0.00	0.0%
Patrol Services - Overtime	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Patrol Services - Equipment	0.00	0.00	0.00	0.0%	0.00	250.00	-250.00	-0.08%
Pool Contract Management	9,200.00	11,419.00	-2,219.00	-3.42%	15,860.00	18,742.00	-2,882.00	-0.96%
Association Management	3,590.00	3,570.00	20.00	0.03%	21,610.00	21,420.00	190.00	0.06%
Mosquito Fogging	0.00	416.00	-416.00	-0.64%	0.00	832.00	-832.00	-0.28%
Total CONTRACT SERVICES	28,778.00	31,393.00	-2,615.00	-4.03%	133,591.76	137,372.00	-3,780.24	-1.26%
DEED RESTRICTION ENFORCEMENT								
Force Mows	240.00	750.00	-510.00	-0.79%	1,040.00	1,150.00	-110.00	-0.04%
Total DEED RESTRICTION ENFORCEMENT	240.00	750.00	-510.00	-0.79%	1,040.00	1,150.00	-110.00	-0.04%
MAINTENANCE EXPENSE								
Groundskeeping Mgmt								
Landscaping Contract	3,800.00	4,300.00	-500.00	-0.77%	17,870.00	17,100.00	770.00	0.26%
Misc. Grounds Maintenance	27.05	212.00	-184.95	-0.29%	2,929.47	1,252.00	1,677.47	0.56%
Shrubbery	0.00	83.00	-83.00	-0.13%	255.00	498.00	-243.00	-0.08%
Total Groundskeeping Mgmt	3,827.05	4,595.00	-767.95	-1.18%	21,054.47	18,850.00	2,204.47	0.74%
Curb Numbering	0.00	0.00	0.00	0.0%	0.00	15,000.00	-15,000.00	-5.01%
Tennis Court	0.00	200.00	-200.00	-0.31%	0.00	400.00	-400.00	-0.13%
Sprinkler System	0.00	292.00	-292.00	-0.45%	1,069.00	1,752.00	-683.00	-0.23%
Recreation Center	0.00	208.00	-208.00	-0.32%	1,449.22	1,248.00	201.22	0.07%
Clubhouse	0.00	125.00	-125.00	-0.19%	363.76	750.00	-386.24	-0.13%
Total MAINTENANCE EXPENSE	3,827.05	5,420.00	-1,592.95	-2.46%	23,936.45	38,000.00	-14,063.55	-4.69%
POOL EXPENSES								
Pool Pump Repair	673.79	208.00	465.79	0.72%	2,243.80	1,248.00	995.80	0.33%
Pool Repairs	0.00	167.00	-167.00	-0.26%	16,001.75	12,831.00	3,170.75	1.06%
Swimming Identification	1,000.00	0.00	1,000.00	100.0%	1,000.00	1,000.00	0.00	0.0%
Pool Expenses	0.00	0.00	0.00	0.0%	2,300.00	500.00	1,800.00	0.6%
Pool Chemicals	0.00	0.00	0.00	0.0%	0.00	1,000.00	-1,000.00	-0.33%
Pool Supplies/Equipment	0.00	0.00	0.00	0.0%	801.10	500.00	301.10	0.1%
Total POOL EXPENSES	1,673.79	375.00	1,298.79	2.0%	22,346.65	17,079.00	5,267.65	1.76%
PROFESSIONAL EXPENSES								
Attorney Collection Fees								

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

June, 2011 & Y.T.D.

	TOTAL							
	Jun 11	Budget	\$ Over Budget	% of Income	Jan - Jun 11	Budget	\$ Over Budget	% of Income
Court Costs	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Title Searches	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Atty Deed Restriction Fee	0.00	1,000.00	-1,000.00	-1.54%	0.00	1,000.00	-1,000.00	-0.33%
Corporate Legal Fees	0.00	0.00	0.00	0.0%	0.00	500.00	-500.00	-0.17%
Atty Collection Fee	0.00	7,500.00	-7,500.00	-11.56%	0.00	7,500.00	-7,500.00	-2.5%
Total Attorney Collection Fees	0.00	8,500.00	-8,500.00	-13.1%	0.00	9,000.00	-9,000.00	-3.0%
Management Collection Fees								
3 Payment Option Service Fees	48.00	32.00	16.00	0.03%	480.00	371.00	109.00	0.04%
Forced Mow Admin Trip Chgs	0.00	500.00	-500.00	-0.77%	0.00	500.00	-500.00	-0.17%
NSF Check Service Fees	0.00	0.00	0.00	0.0%	0.00	150.00	-150.00	-0.05%
Collection Fees	375.00	10,000.00	-9,625.00	-14.84%	1,525.00	10,000.00	-8,475.00	-2.83%
Total Management Collection Fees	423.00	10,532.00	-10,109.00	-15.58%	2,005.00	11,021.00	-9,016.00	-3.01%
Translations	25.00				25.00			
Audit - Tax Preparation	0.00	0.00	0.00	0.0%	0.00	2,400.00	-2,400.00	-0.8%
Dues & Subscriptions	0.00	0.00	0.00	0.0%	75.00	350.00	-275.00	-0.09%
Total PROFESSIONAL EXPENSES	448.00	19,032.00	-18,584.00	-28.65%	2,105.00	22,771.00	-20,666.00	-6.9%
TAX & INSURANCE								
D & O Insurance	333.00	333.00	0.00	0.0%	1,998.00	1,998.00	0.00	0.0%
TCP&P & Umbrella Insurance	1,875.00	1,875.00	0.00	0.0%	11,250.00	11,250.00	0.00	0.0%
Uninsured Auto Insurance	20.00	20.00	0.00	0.0%	120.00	120.00	0.00	0.0%
Fidelity Bond	29.00	29.00	0.00	0.0%	174.00	174.00	0.00	0.0%
Property Tax	0.00	0.00	0.00	0.0%	9.00	30.00	-21.00	-0.01%
Total TAX & INSURANCE	2,257.00	2,257.00	0.00	0.0%	13,551.00	13,572.00	-21.00	-0.01%
UTILITIES								
Elec. Street Lights	5,437.05	6,250.00	-812.95	-1.25%	31,912.85	37,500.00	-5,587.15	-1.86%
Elec. Rec Center	0.00	1,250.00	-1,250.00	-1.93%	4,232.16	7,500.00	-3,267.84	-1.09%
Elec. Sprinklers	15.48	25.00	-9.52	-0.02%	90.89	150.00	-59.11	-0.02%
Water - Rec. Center/Pool	1,449.66	415.00	1,034.66	1.6%	3,043.67	2,490.00	553.67	0.19%
Water - Sprinkler	1,133.27	625.00	508.27	0.78%	3,426.43	3,750.00	-323.57	-0.11%
Telephone	0.00	250.00	-250.00	-0.39%	849.42	1,500.00	-650.58	-0.22%
Total UTILITIES	8,035.46	8,815.00	-779.54	-1.2%	43,555.42	52,890.00	-9,334.58	-3.11%
Total Expense	56,623.16	72,948.00	-16,324.84	-25.16%	267,461.53	312,720.00	-45,258.47	-15.1%
Net Income	<u>8,249.88</u>	<u>11,922.00</u>	<u>-3,672.12</u>	<u>-5.66%</u>	<u>32,254.02</u>	<u>9,506.00</u>	<u>22,748.02</u>	<u>7.59%</u>

Westbank Homeowners Association, Inc.
Balance Sheet
 As of June 30, 2011

	Jun 30, 11
ASSETS	
Current Assets	
Checking/Savings	
Prosperity Bank - MM	187,818.83
Prosperity Bank - OPS	46,106.25
Sterling Sweep Account	
Operating Funds	5,191.33
Reserve Funds	15,000.00
Total Sterling Sweep Account	20,191.33
Sterling Operating	206.44
Southwest Bank of Texas	392.08
Petty Cash	250.00
Total Checking/Savings	254,964.93
Accounts Receivable	
Accounts Receivable	
A/R 1990's	9,185.54
A/R 2000	
A/R MAINTENANCE FEES 2000	277.44
Force mows 2000	210.00
Interest	56.19
Legal/Collection	1,426.69
PrePaid Legal	934.00
Returned Checks	259.39
Synergy Collection Fee	328.06
Total A/R 2000	3,491.77
Maintenance Fees 2001	
Force Mow 2001	395.00
Interest on Outstanding M. Fees	577.02
Maintenance Fees 2001 - Other	980.44
Total Maintenance Fees 2001	1,952.46
Maintenance Fees 2002	
2002 Attorney & Mgmt Col. Fees	935.00
Maintenance Fees 2002 - Other	654.17
Total Maintenance Fees 2002	1,589.17
Maintenance Fees 2003	
2003 Forecd Mows & Admin Chgs	5.00
2003 Penalty & Interest	50.00
Maintenance Fees 2003 - Other	1,652.82
Total Maintenance Fees 2003	1,707.82
Maintenance Fees 2004	
2004 Forced Mows	274.00
2004 Attorney Fees	1,747.32
2004 Synergy Collection Fees	419.20
Maintenance Fees 2004 - Other	2,479.74
Total Maintenance Fees 2004	4,920.26
Maintenance Fees 2005	
2005 NSF Checks	30.00
2005 Attorney Fees	1,062.67
2005 Synergy Collection Fees	1,262.10
Maintenance Fees 2005 - Other	1,835.51
Total Maintenance Fees 2005	4,190.28
Maintenance Fees 2006	
Force Mows	280.00
2006 NSF Checks	1,358.00
2006 Interest	130.00
2006 Attorney Fees	2,562.47

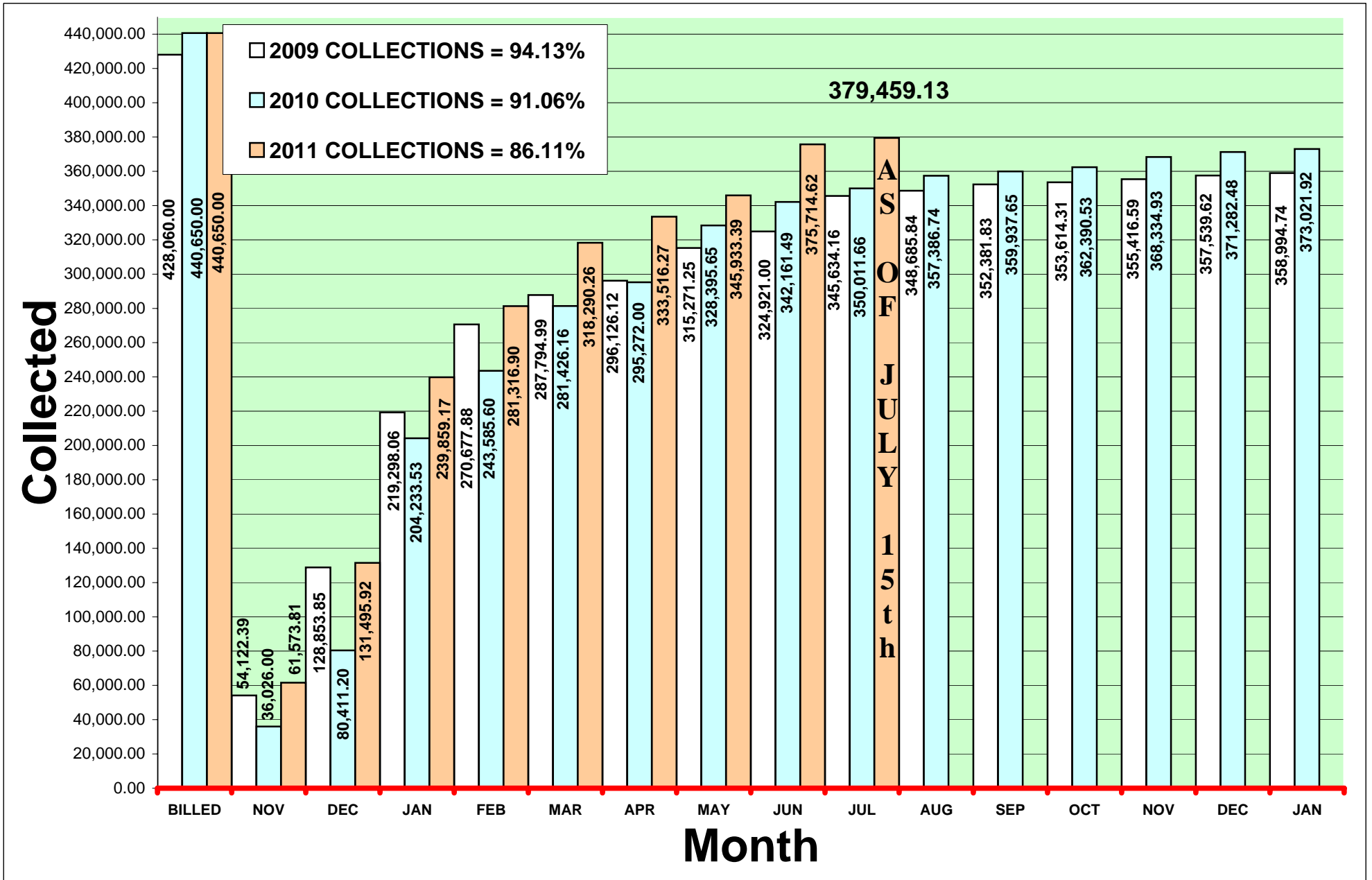
Westbank Homeowners Association, Inc.
Balance Sheet
 As of June 30, 2011

	Jun 30, 11
2006 Synergy Collection Fees	1,122.00
Maintenance Fees 2006 - Other	3,308.70
Total Maintenance Fees 2006	8,761.17
Maintenance Fees 2007	
2007 Attorney's Fees	3,304.76
2007 Collection Fees	1,800.00
2007 Transfer & Collection Fees	1,034.00
2007 Force Mows	1,362.65
Maintenance Fees 2007 - Other	8,221.81
Total Maintenance Fees 2007	15,723.22
Maintenance Fees 2008	
2008 Interest on Account	1,135.18
2008 Forced Mows	2,213.00
2008 Attorney's Fees	17,961.70
2008 NSF	423.24
2008 Synergy - 3 Payment Option	1,334.68
Maintenance Fees 2008 - Other	16,122.46
Total Maintenance Fees 2008	39,190.26
Maintenance Fees 2009	
2009 Interest on Account	1,229.69
2009 Force Mows	2,477.88
2009 - Synergy Collect & Other	240.00
Maintenance Fees 2009 - Other	24,786.14
Total Maintenance Fees 2009	28,733.71
Maintenance Fees 2010	
2010 - Synergy Collect & Other	13,748.12
2010 - Interest on Account	3,939.13
2010 - NSF Checks	480.00
2010 - Attorney's Fees	7,670.22
Maintenance Fees 2010 - Other	37,387.13
Total Maintenance Fees 2010	63,224.60
Atty Collection Trust Accout	-13,939.02
Maintenance Fees 2011	
2011 - Force Mows	495.00
Maintenance Fees 2011 - Other	64,935.38
Total Maintenance Fees 2011	65,430.38
Maintenance Fees 2012	-63.00
Total Accounts Receivable	234,098.62
Total Accounts Receivable	234,098.62
Other Current Assets	
Undeposited Funds	-11,991.00
Total Other Current Assets	-11,991.00
Total Current Assets	477,072.55
Fixed Assets	
Accumulated Depreciation	-206,734.00
Fixed Assets	
Building Remodeling	
Appliances	2,280.00
Building Remodeling - Other	149,841.76
Total Building Remodeling	152,121.76
Building	2,172.32
Clubhouse Furniture	3,406.44
Fence	9,197.00

Westbank Homeowners Association, Inc.
Balance Sheet
 As of June 30, 2011

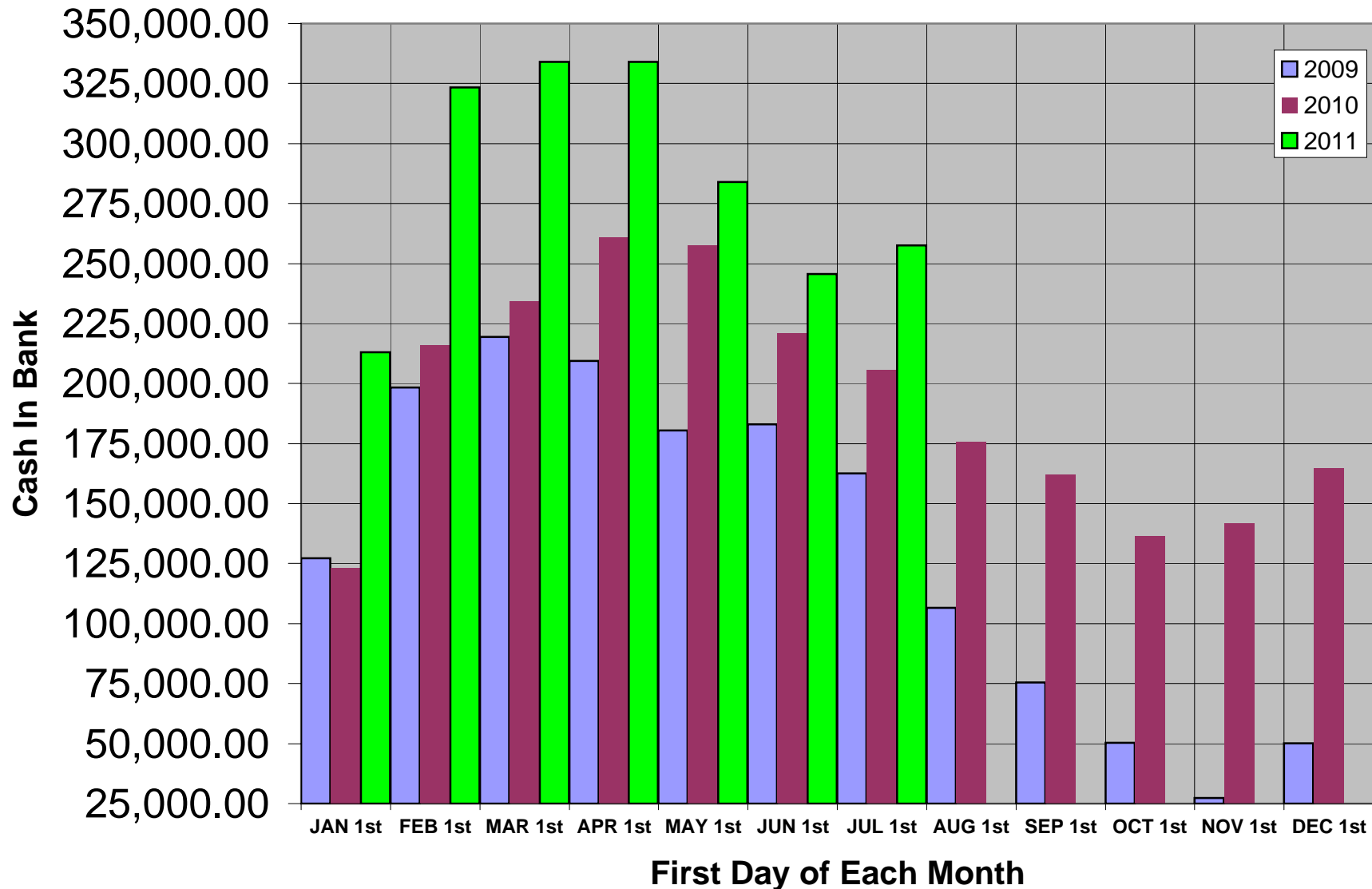
	Jun 30, 11
Gazebo	16,740.00
New Building	4,335.34
Pool Lights	11,546.51
Pool Repairs	148,507.32
Pumphouse	4,350.00
Signs	1,633.05
Swimming Pool (New Pool)	293,359.20
Total Fixed Assets	647,368.94
Total Fixed Assets	440,634.94
Other Assets	
Other Assets	
Pre-Paid Insurance	3,162.44
Total Other Assets	3,162.44
Total Other Assets	3,162.44
TOTAL ASSETS	920,869.93
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-9,700.00
Total Accounts Payable	-9,700.00
Other Current Liabilities	
Current liabilities	
Unearned Income from 2011 MFEES	216,073.00
Total Current liabilities	216,073.00
Total Other Current Liabilities	216,073.00
Total Current Liabilities	206,373.00
Long Term Liabilities	
Long Term Liabilities	
Sterling Bank 100K Loan 7-30-07	76,660.58
Sterling Bank-Loan 1	53,451.64
Total Long Term Liabilities	130,112.22
Total Long Term Liabilities	130,112.22
Total Liabilities	336,485.22
Equity	
Retained Earnings	552,130.69
Net Income	32,254.02
Total Equity	584,384.71
TOTAL LIABILITIES & EQUITY	920,869.93

2011 vs 2010 vs 2009 Maintenance Fee Collections



WESTBANK H.O.A., INC.

Cash in Bank - 2009 - 2010 - 2011 Comparisons



Westbank Homeowners Association, Inc.

Random Collection Process Notes

Prior to beginning actual *legal collection procedures* the law requires 3 types of letters to be sent to delinquent homeowners.

Required Letters	Sent in 2011	Sent in 2010	Difference
First Friendly Reminder Letter (free)	487	523	(36)
Second a Certified Letter (free)	285	339	(54)
Attorney's Initial Demand Letter	117	124	(7)
Cost of each Attorney's Initial Demand Letter	\$88.00	\$111.00	(\$23.00)
Total Cost Paid for Attorney for Letters	\$10,296.00	\$13,764.00	(\$3,468.00)

James had a what I think is a very good idea. Prior to mailing the attorney's letters he suggested that we put a large sign in the median or on the fence at the pool detailing that "attorney's letters going out at cost to you (or words to that effect). During our discussion of the pros and cons of this action, we both agreed that it would increase collections. But upon further consideration we came to believe that such a sign would have an overall negative long term effect as it would tell homeowners that they could wait each year until they saw the warning sign, and then pay their bills. James then suggested a sign on the fence at the pool warning of "Lawsuits to be filed August 15th, Pay Now to avoid EVEN MORE collection fees." I think this is could be a good idea, what do you think? 4X4 sign cost around \$225.00. (cost of a single law suit is > \$500.00).