

GREENSBROOK HOMEOWNERS ASSOCIATION, INC.**2025 – 2026 Projected Operating and Maintenance Budget/Balance Sheet as of 03/01/25****2024 – 2025 Expenditures:**

Operating	Description	2024 Budget / 2024 Actual		Current Year 2025
	Salaries	\$0.00	\$0.00	\$0.00
	Management	\$0.00	\$0.00	\$0.00
	Legal, Compliance, Admin	\$25,500	\$33,587.50	\$40,000.00
	State, County and Federal Filings	\$5375.17	\$5,375.17	\$800.00
	HOA Enforcement (Liens, Foreclosures)	\$10,000	\$0.00	\$1,000.00
	HOA Collections Gregg & Gregg PC	\$0.00	\$0.00	\$30,000.00
	Sheldon ISD Taxes	\$497.97	\$497.97	\$497.97
	MUD Taxes	\$406.72	\$406.72	\$425.00
	Harris County Tax Assessor	\$2,097.00	\$2,097.00	\$
	Ad Valorem Lawsuits	\$2,500.00	\$0	\$0.00
	Independent Real Estate Appraisal	\$1000.00	\$0	\$1,000.00
	PO Box	\$190.00	\$200	\$200.00
	Business Email Account / Tech Services	\$0.00	\$758.88	\$500.00
	Bank Fees and Service Charges	\$100.00	\$60	\$100.00
	Postage and Print Services	\$4000	\$6865.72	\$4,000.00
	General Liability Ins and D&O	\$7012 .00	\$7012.00	\$7,000.00
	Streetlights (Reserve Fund)	\$0	\$0	\$6,100.00
	HOA Events (Camp)	\$4000.00	\$4573.31	\$3,000.00
	Miscellaneous	\$500.00	\$400.00	\$500.00
	Annual Meeting Expenses	\$0	\$428.40	\$500.00
	Translation Services	\$0	\$250.00	\$0.00
		\$63,178.86	\$62,512.67	\$95,622.97

Maintenance	Description	2024 Budget / 2024 Actual		Current Year 2025
	Mowing, Tree Trimming, Trash and Debris Removal on Easements & Lots	\$5,000.00	\$10,000.00	\$20,000.00
	Tire Disposal @ \$25 each	\$500.00	\$500.00	\$500.00
	HOA Announcements / Signage	\$500.00	\$500.00	\$200.00
	Private Signage Prohibiting CommVehicles	\$0	\$0	TBD
	Speed Bump Installation	\$0	\$0	TBD
	Replace Entryway Signage w/ Solar Lights	\$25,000	\$25,000	\$1,000.00
	Mowing / Boarding Abandoned Properties	\$2000.00	\$6,270*****	\$2,500.00
	Clean-Up Day Expenses	\$700.00	\$0.00	\$700.00
	Dumpster / POP Rentals	\$400.00	\$0	\$400.00
	Miscellaneous	\$500.00	\$100.00	\$500.00
		\$34,100.00	\$42,370.00	\$25,800.00

NOTES:

Legal, Compliance, Administration expenses encompass all day-to-day operations of the HOA as follows: assessment and maintenance invoicing and billing; accounting; homeowner communications; federal, state and local filings; Association mail-outs; title transfer transactions; title research; lawsuits; inspections; collections; legal and compliance review; contract review; board meetings; Association events; and communications regarding municipal and county services in the subdivision. The legal, compliance, administration of the HOA is considered a full-time responsibility.

IRS Filing as a 501(c)(4). As of 2019, the Association is compliant and operating as Texas domestic non-profit organization. However, the organization failed to register as a federally tax-exempt organization when it was formed, although it qualifies as a 501(c)(4). In 2024, the HOA paid back federal taxes owed for the years it was dormant, an amount totaling \$5,2745.17 and is seeking professional tax advice to correct the IRS identification of the entity as an S Corp for federal tax purposes. We anticipate additional (minor) filing penalties of around \$800 in 2025 to correct the classification of the HOA as a 501(c)(4).

Deed Enforcement. The HOA has been actively engaged in deed enforcement since 2023 when it began a routine of periodic monthly inspections of the community. The HOA began addressing the most severe violations first by sending Violations Notices consistent with Texas law. After the second violation notice, the HOA has attached a fine of \$20 per day against the offending property. Expenses relating to deed enforcement include periodic inspections and certified mailings of notices. Additional attorneys fees will be incurred when liens are filed in court for a handful of properties in 2025.

Gregg & Gregg, PC is an experienced law-firm specializing in HOA collections. Beginning in March, 2025, the HOA contracted with experienced HOA attorneys Gregg & Gregg to assist in the collections of over \$200,000 in past due assessments from 2019 – 2025. The HOA is charged an initial fee of \$125 per collections letter sent plus fees for postage and title research. All amounts collected by Gregg & Gregg are distributed back to the HOA and reported as Assessment Income.

Sheldon ISD, MUD #148 and Harris County Property Taxes. In 2023, the HOA paid to back taxes to Sheldon ISD and MUD #148 for previous tax years during the HOA's dormancy. Likewise, in 2024, the amounts reflected as paid to Harris County Tax Assessor reflect back taxes owed from 2012 onward. As of January 2024, the Association is proud to announce that it is paid in full with all taxing authorities in Harris County.

Reserve Funds are set aside for future expenses. It is important that a HOA has a healthy reserve fund in order to meet the future financial burdens of utilities and growing need for nuisance abatement. In 2023, the Board approved the creation of a separate GHOA Reserve Fund of \$10K in the form of a Comerica Bank savings account. As a rule of thumb, reserves should be funded at a minimum of 10% of the assessment income. Currently, our disclosure statements state that we maintain \$10,000 in reserves but we have successfully reserved over \$16,000 in a Business Savings Account for emergency expenses.

Maintenance on Private Properties and Lots. This entry reflects what the HOA spent in 2024 on the maintenance of privately-owned lots and boarding up abandoned structures, especially during the summer months and growing seasons. These amounts are billed back to the homeowner as reimbursable expenses or collected at closing during a title transfer.

Illegal Dumping. The HOA has increased its budget for maintenance of easements and sidewalks and rights-of-way to address the prolific amounts of illegal dumping of debris, hazardous materials, tires, construction debris, furniture and household trash. The HOA is advocating to have easements and rights-of-way better maintained by Harris County.

A Board vote was taken to accept the 2025-2026 Budget as written.

GREENSBROOK HOMEOWNERS ASSOCIATION, INC.**Balance Sheet / Assets, Liabilities as of 03/01/2025****ASSETS****Current Assets**

Cash or Cash Equivalent	\$73,395.72 (Business Checking)
	\$16,638.47 (Business Savings)
Assessments in Collections Status	\$241,465.44

Real Estate Holdings

11851 Greencanyon	\$39,600 HCAD (Independent Real Estate Appraisal Required)
12030 KLF	\$267,944 HCAD (Independent Real Estate Appraisal Required)
Buildings	None
Equipment	None

Intangible Assets

Volunteer Board Management	TBD
Pro Bono Services	\$50,000 Annually
MUD #148 Streetlights	\$15,000 Annually
Goodwill	\$20,00 Annually

LIABILITIES

The Association does not have any known liabilities or unpaid debts at this time.

RE-OCCURRING EXPENSES

Reserve Fund (Restricted)	\$16,638.47 (Business Savings)
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Professional Management, Violation Enforcement, Liens and Foreclosures

Management Fees	TBD
Collection Fees	\$30,000 (Initial Collection Letters Only)
Attorneys Fees Court Costs	TBD

Legal, Compliance, Admin Fees	\$40,000 Annually for General All-Inclusive Services
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Taxes	\$3,021.78 (MUD #148 / Sheldon ISD / Harris County /
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General Liability Ins. D&O	\$7,000.00 Annually
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General Maintenance	\$25,000 Annually
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PENDING EXPENSES BUDGETED FOR 2024

In March 2024, the HOA contracted with Gregg & Gregg PC, a law firm specializing in HOA collections . Approximately 159 accounts were turned over. The HOA pays an hourly rate up front for collection letters and payment plans for qualifying homeowners. All amounts collected by Gregg & Gregg are sent directly to the HOA. We anticipate an annual collections expense of about \$30,000 for the next two years until all accounts are brought into compliance.

Attorneys Fees and Court Costs will need to be determined. The HOA will incur expenses when it elects to file a foreclosure lien. We anticipate filing foreclosure liens in 2026 for non-compliant properties.