

WOODBROOK VILLAGE HOMEOWNERS ASSOCIATION INC.

POLICY RESOLUTION 2018-1

EXCESS FUNDS FROM PRIOR FISCAL YEAR

WHEREAS, The Woodbrook Board of Directors has determined the need to establish guidelines for the use of the Woodbrook Village excess operating funds that exceed the operating budget in given year.

WHEREAS, it is recommended by auditors and accountants working with association finances that excess operating funds be returned to the homeowner by placing excess funds in the Operating Reserve or in the Capital Reserve Account, thus returning the funds to the homeowner.

WHEREAS, it is in the best interest of Woodbrook Village and its members to adopt a policy to establish guidelines for the use of excess operating funds from the prior fiscal year.

NOW THEREFORE BE IT RESOLVED that the Board adopts the following Excess Operating Funds Policy:

1. Under the supervision of the Treasurer, the excess operating funds from the prior fiscal year will be placed in the Operating Reserve. The Operating Reserve must maintain a minimum balance of 10% of the current operating budget total and up to a maximum of 20% of the current year operating budget.
2. Excess monies from a prior fiscal year may be placed in the Operating Reserve, exceeding the 20% limit, for use during the next fiscal year for a community project. The excess funds from the prior fiscal year must be used within the next fiscal year.
3. Excess funds not used for a community project or to cover an unexpected expense during the following fiscal year will be placed at the end of the following fiscal year in the Woodbrook Village Capital Reserve Account (CRA). Any excess operating funds from a prior year placed in the Capital Reserve Account shall reduce the homeowners' required contribution to the CRA during the following fiscal year by the amount of the total excess funds transferred from the Operating Reserve to the Capital Reserve Account.

The effective date for this resolution shall be May 8, 2018

The Resolution was adopted and approved by the Board of Directors of Woodbrook Village Homeowners Association on this day of April 3, 2018

Erick Abadie, President
Erick Abadie

Attest: Vera M. Piper, Treasurer
Vera Piper