

**CORNERSTONE PLACE HOMEOWNERS ASSOCIATION
2014 ANNUAL MEETING OF MEMBERS
JANUARY 9, 2014**

AGENDA

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- 6:30 I. Sign In**
- 7:00 II. Open Meeting**
 - A. Introductions**
 - B. Verification of Quorum**
- 7:05 III. Approval of Minutes of the 2013 Annual Meeting of Members**
- 7:10 IV. Election of Directors**
 - A. Nominations**
 - B. Introduction of Nominee's**
 - C. Cast Votes**
 - D. Announcement of Election Results**
- 7:30 V. Financial Report**
- 8:00 VII. New Business**
- 8:30 VIII. Adjournment**

**CORNERSTONE PLACE HOMEOWNERS ASSOCIATION
ANNUAL HOMEOWNERS MEETING
JANUARY 10, 2013**

MINUTES OF THE CORNERSTONE PLACE HOMEOWNER'S ASSOCIATION, INC. ANNUAL MEETING OF MEMBERS HELD ON JANUARY 10, 2013, AT THE CREEKSTONE CLUBHOUSE FACILITY, LOCATED AT 22002 EAGLE MEADOW DRIVE, KATY, TEXAS 77450.

BOARD MEMBERS IN ATTENDANCE:

Anthony Adams	President
Max Hughes	Vice-President
Michael Chittwood	Treasurer
Phyllis George	Secretary

ABSENT:

Sara Poznanski	Parliamentarian
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OTHERS ATTENDING:

John Irwin	Property Manager/Irwin Community Management
Sgt. J. Higginbotham	Harris County Constables Department

OPEN MEETING:

Anthony (Tony) Adams President, called the meeting to order at 7:06 P.M. John Irwin recorded the minutes.

INTRODUCTIONS:

Tony Adams, President introduced the Directors in attendance and Property Manager John Irwin.

VERIFICATION OF QUORUM:

Property Manager John Irwin verified that a quorum of Directors and property owners were present in person or by proxy allowing the meeting to convene with official business.

APPROVAL OF MINUTES

The Association's 2012 Annual Meeting of Members Meeting Minutes were read and duly approved by those in attendance.

GUESTS

Tony Adams introduced the Associations current security contract supervisor Sergeant Jody Higginbotham to the homeowners in attendance. Sgt. Higginbotham answered questions concerning security and security patrol services provided by the Constables Department and the current contract structure secured by the homeowners associations participating in Contract 80.

ELECTION OF DIRECTORS

President Tony Adams announced that there were two director's terms expiring and up for consideration at this election; the position held by Director Phyllis George who was running for re-election and Sara Poznanski who was unable to run again due to an increase in work related responsibilities. Mr. Adams informed residents that homeowner Loyd Henderson has volunteered to run for the position being vacated by Sara Poznanski and asked if there were any nominations from the floor. There being no nominations from the floor, nominations were closed. John Irwin passed out election ballots and requested the members of the Association cast their votes for the election. The election ballots were collected and tabulated with Loyd Henderson receiving twenty-five, (25) votes and Phyllis George receiving twenty-four, (24) votes in favor of election to the Board of Directors, with no votes cast against the two nominees.

FINANCIAL REPORT

The Directors reviewed and discussed the Association’s end of the year 2012 Financials with the homeowners present with the following items noted:

- The Association’s 2012 and 2013 Budgets were reviewed and discussed. The Association’s 2013 Budget requirements did not require and increase in the annual assessment rate.
- The Association’s Reserve Project Funding Status Sheet was reviewed and discussed. The Association’s current reserve funds provide 22.9% of the funds needed for all future projects.

The Association’s 2012 year end financials were reviewed and approved by the members in attendance.

NEW BUSINESS

The meeting was opened to any new business or questions from the floor. Items discussed included the following:

- Trash Service/trash removal costs- John Irwin answered questions concerning trash service in the community. Trash service is now being provided by Cornerstones Municipal Utility District.
- Homeowner William Bundy thanked the Board of Directors for their leadership, time, and volunteer efforts on behalf of the Association.
- Pool Operation- Homeowner William Leitch requested copies of the Association’s 2012 pool usage/attendance reports. John Irwin agreed to provide the reports to Mr. Leitch.
- Homeowner Milton Hines discussed utility easements and security related questions with the Board, Management, and Officer Higginbotham.
- Request by a young member of the community to add an additional bicycle rack at the pool facility, and the possibility of distributing a survey to residents to determine what young residents would like to have added to the community amenities was discussed.

ADJOURNMENT:

There being no further business, the 2013 Annual Meeting of Members was adjourned at 8:16 P.M.

Presented by John Irwin, Property Manager

Minutes

Approved: _____ Date: _____

Board Member

CORNERSTONE PLACE COMMUNITY ASSOC.

Balance Sheet

As of 12/31/13

ASSETS

PROSPERITY OPER	\$	62,261.04	
PROSPERITY MMA		10,321.54	
STERLING MMA		52,949.81	
ACCOUNTS RECEIVABLE		1,675.52	
PREPAID INSURANCE		2,105.72	
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TOTAL ASSETS			\$ 129,313.63
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LIABILITIES & EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$	3,464.00	
PREPAID ASSESSMENTS		65,617.52	
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Subtotal Current Liab.			\$ 69,081.52

EQUITY:

ASSOCIATION EQUITY	\$	2,529.07	
RESERVE		63,271.35	
Current Year Net Income/(Loss)		(5,568.31)	
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Subtotal Equity			\$ 60,232.11
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TOTAL LIABILITIES & EQUITY			\$ 129,313.63
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CORNERSTONE PLACE HOMEOWNERS ASSOCIATION
2013 Income/Expense Statement

INCOME		Actual	Yearly Budget
40100	ASSESSMENT INCOME	119,400.00	119,400.00
42000	LATE FEES	540.00	200.00
44000	INTEREST	361.25	200.00
44400	BANK INTEREST	34.16	200.00
48000	MISCELLANEOUS	0.00	0.00
	Subtotal Income	120,335.41	120,000.00
EXPENSES			
UTILITIES			
80100	ELECTRICITY - COMMON AREA/POOL	5,054.36	5,900.00
80200	STREET LIGHTS	8,185.39	9,600.00
80300	WATER & SEWER	1,283.52	1,800.00
80400	TELEPHONE	615.40	636.00
		15,138.67	17,936.00
CONTRACT SERVICES			
81100	POOL SERVICE	36,163.72	38,175.00
81200	YARD MAINTENANCE	-90.00	
81300	GROUNDS MAINTENANCE	11,095.68	11,095.68
81500	CONSTABLE CONTRACT	18,625.92	19,000.00
81501	MANAGEMENT FEE	9,600.00	9,600.00
81600	PEST CONTROL	994.09	900.00
		76,389.41	78,770.68
REPAIRS & MAINTENANCE			
83210	LANDSCAPE R&M	0.00	500.00
83211	MONUMENT R&M	0.00	300.00
83215	GAZEBO R&M	1,395.59	120.00
83250	IRRIGATION R&M	753.98	0.00
83400	MOWING-DEED RESTRICTIONS	90.00	
83700	PARK & PLAYGROUND R&M	0.00	60.00
8500	POOL R&M	314.29	1,000.00
85100	POOL EQUIPMENT	304.72	500.00
85101	MISCELLANEOUS	138.79	0.00
		2,997.37	2,480.00
EVENT FUNDING			
85700	YARD OF THE MONTH	50.00	150.00
85705	POOL EVENTS	0.00	150.00
85708	FOURTH OF JULY PARADE/PICNIC	442.38	400.00
85709	TEXAS NIGHT OUT	90.22	100.00
85710	HALLOWEEN PARTY	273.95	300.00
85720	CHRISTMAS DECORATIONS- COMMONS	165.70	200.00
85740	CHRISTMAS DECORATING CONTEST	50.00	50.00
85741	ANNUAL MEETING	0.00	25.00
85750	VOLUNTEER RECOGNITION AWARDS	150.00	150.00
85990	MISCELLANEOUS	0.00	0.00
		1,222.25	1,525.00

CORNERSTONE PLACE HOMEOWNERS ASSOCIATION
2013 Income/Expense Statement

ADMINISTRATION		Actual	Yearly Budget
87200	NEWSLETTER	1,290.60	900.00
87500	BANK CHARGES	0.00	6.00
87600	MEMBERSHIP DUES	100.00	100.00
87800	PROPERTY TAXES	5.24	9.00
88000	LEGAL SERVICES	440.22	1,500.00
88030	MAILING EXPENSES	96.25	200.00
88050	RESIDENCE DIRECTORY	0.00	0.00
88100	AUDIT & TAX PREPARATION	2,544.38	2,000.00
88900	OFFICE EXPENSES	1,152.31	1,000.00
89200	MISCELLANEOUS	0.00	0.00
89500	INSURANCE	5,940.91	5,500.00
		<u>11,569.91</u>	<u>11,215.00</u>
	TOTAL EXPENSES	107,317.61	111,926.68
	CURRENT YEAR NET INCOME/LOSS	<u><u>13,017.80</u></u>	
RESERVES		Actual	Yearly Budget
90001	CAPITAL EXPENDITURES	3,464.00	0.00
90002	RESERVE CONTRIBUTIONS	8,073.32	8,073.32
90010	TREE SHRUBBERY REPLACEMENT	-3,464.00	566.00
90030	ENTRY MONUMENT RENOVATION		3,015.00
90040	GAZEBO RENOVATION		2,772.00
90045	GAZEBO/ENTRANCE ELECTRICAL	1,775.00	2,315.00
90050	POOL RENOVATION		977.00
90060	POOL MECHANICAL REPLACEMENT	150.47	1,276.00
90062	POOL BUILDING RENOVATION		1,955.00
90064	POOL IRON FENCE RENOVATION		4,200.00
90066	KRAFTSMAN PLAY SET REPLACEMENT		670.00
90070	PLAYGROUND EQUIP REPLACEMENT		2,431.00
90075	COMMON AREA FENCE REPLACEMENT		689.00
90080	PARK AREA TRAFFIC BARRIER REP	1,006.32	495.00
90100	PARK AREA DRAINAGE SYS RENOVATION		332.00
90110	PARK-PICKNIC AREA RENOVATION	6,231.00	212.00
90115	PARK AREA LIGHTING IMPROVEMENTS		3,675.00
90120	ENTRY MONUMENT ON BROOK GROVE		2,279.00
90125	WOOD FENCE REPAIRS- PARK AREA	1,350.00	0.00
		<u>18,586.11</u>	<u>35,932.32</u>
	CURRENT YEAR NET INCOME/LOSS	<u><u>-5,568.31</u></u>	

CORNERSTONE PLACE 2013-2014 ANNUAL BUDGET COMPARISON

		PRY/YR BUDGET	2014 BUDGET	DIFFERENCE
INCOME				
I	Residential 199 HOMES @ \$600.00	\$119,400.00	\$119,400.00	
N	Late Fees	\$200.00	\$200.00	
C	Interest	\$200.00	\$200.00	
O	Bank Interest	\$200.00	\$200.00	
M	Miscellaneous	\$0.00	\$0.00	
E	TOTAL INCOME	\$120,000.00	\$120,000.00	
EXPENSES				
U	Electricity - Entrance/Pool	\$5,900.00	\$5,900.00	
T	Electricity - Street Lights	\$9,600.00	\$9,600.00	
I	Water & sewer	\$1,800.00	\$1,800.00	
L	Telephone	\$636.00	\$636.00	
	Total Utility Expenses	\$17,936.00	\$17,936.00	
C	Pool	\$38,175.00	\$38,175.00	
O	Landscaping	\$11,095.68	\$11,095.68	
N	Security	\$19,000.00	\$19,000.00	
T	Management	\$9,600.00	\$9,600.00	
R	Pest Control	\$900.00	\$900.00	
	Total Contracted Services	\$78,770.68	\$78,770.68	
	Landscape/Irrigation R & M	\$500.00	\$500.00	
	Monument R & M	\$300.00	\$300.00	
M	Gazebo R & M	\$120.00	\$120.00	
A	Pool Furniture	\$500.00	\$500.00	
I	Park & Playground R & M	\$60.00	\$60.00	
N	Pool R & M	\$1,000.00	\$1,000.00	
T	Miscellaneous	\$0.00	\$0.00	
	Total Repair & Maintenance	\$2,480.00	\$2,480.00	
	Yard of the Month	\$150.00	\$150.00	
	Community Events	\$150.00	\$150.00	
E	Fourth of July	\$400.00	\$400.00	
V	Halloween	\$300.00	\$300.00	
E	Christmas Decorations	\$200.00	\$200.00	
N	Christmas Contest	\$50.00	\$50.00	
T	Annual Meeting	\$25.00	\$25.00	
S	Volunteer Recognition/Awards	\$150.00	\$150.00	
	Texas Night Out	\$100.00	\$100.00	
	Membership Dues	\$100.00	\$100.00	
	Total Event Funding	\$1,625.00	\$1,625.00	
	Newsletter	\$900.00	\$900.00	
	Directory	\$0.00	\$1,100.00	\$ 1,100.00
A	Bank Charges	\$6.00	\$6.00	
D	Property Taxes	\$9.00	\$9.00	
M	Legal Services	\$1,500.00	\$1,500.00	
I	Mailing Expenses	\$200.00	\$200.00	
N	Audit & Tax Preparation	\$2,000.00	\$3,000.00	\$ 1,000.00
	Office Expenses	\$1,000.00	\$1,000.00	
	Insurance	\$5,500.00	\$5,500.00	
	Total Administration Expenses	\$11,115.00	\$13,215.00	
	TOTAL EXPENSES	\$111,926.68	\$114,026.68	
	Reserve Funding Account Transfer	\$8,073.32	\$5,973.32	
	TOTAL EXPENSES	\$111,926.68	\$114,026.68	
	TOTAL INCOME	\$120,000.00	\$120,000.00	
	NET INCOME	\$0	\$0	

CORNERSTONE PLACE HOMEOWNERS ASSOCIATION Reserve Project Funding Status

Revised: 7/3/2012

Project	2012 Cost	Years to Need	Estimated Future Cost @ 5% C/I	2012 Reserve Requirement
Entry Monument Renovation	\$50,000	6.0	\$67,005	\$11,167
Gazebo Renovation	\$10,000	10.0	\$16,289	\$1,629
Pool Replastering	\$20,000	10.0	\$32,578	\$3,258
Pool Mechanical Replacement	\$5,000	3.0	\$5,788	\$1,929
Pool Building Renovation	\$20,000	10.0	\$32,578	\$3,258
Kraftsman Play Set Replacement	\$50,000	4.0	\$60,775	\$15,194
Playground Equipment Replacement	\$20,000	7.0	\$28,142	\$4,020
Common Area Fence Replacement	\$6,000	10.0	\$9,773	\$977
Park Area Traffic Barrier Replacement	\$3,500	5.0	\$4,467	\$893
Park Area Picnic Area Renovation	\$1,500	10.0	\$2,443	\$244
Greenbelt Fence Cleaning	\$5,000	1.0	\$5,250	\$5,250
Restore Safety Mulch in Playground	\$4,000	1.0	\$4,200	\$4,200

Total Estimated Reserve Requirement	\$269,289
Reserve Funds Available January 2012	\$53,731
Calculated 2012 Addition	\$8,069
Total Available Reserve Funds	\$61,800
Reserve Percent Funded	22.9%