

2007 Budget Assumptions

Income

Assessments -- assumes 2 lots still in builder's hands. Estimated income based on 206 lots X current assessment of \$200 per lot equals \$41,200, 2 lots X \$50 equals 100, total equals \$41,300.

Interest -- \$750 **Cash Reserve (C/Y income invested for 6 mos.)**

Assuming that all assessments are paid on time we will have approximately \$30,000 that can be invested in a short term CD (6 mos.) at a minimum of 5% will earn \$750.

Withdrawal with out penalty can be made once a month as needed. At expiration of the term the remaining amount will be transferred to the checking account or reinvested.

Expenses

Used inflation factor of 3%

Audit & Tax Filling Fees – Based on a Financial Review rather than a full audit.

Postage –Newsletters will be electronically mailed in 2007, 21st class mailings @ \$.42 (Assessment Notice & Annual meeting), Monthly mailings \$323.

Utilities -- Inflation

Sprinkler System – Maintenance Contract of \$67 per mo.(includes start-up and winterize plus 6 mo. maintenance visits) = \$566, plus \$1,500 for Repairs; Total est. \$2,266.

Front Entrance Maintenance (Apr – Nov)

Lawn cutting 21 X \$145 per = \$3,045

Mulching \$600 (possible separate contract)

Pruning \$500

Leaf Removal/spring clean up \$500

Weed, feed, seed, lime & aerate \$2,000

Total contract \$6,645

Flowers & weeding \$4,000 (spring & fall) **Separate Contract.**

Nonrecurring Expenses:

Site Improvements – Front entrance seeding of bare spots on outbound side - \$12,000.
(Funding will be taken from Cash Reserve Account)

Reserve Accounts:

Capital Reserve

We have \$10,238 in a CD which is accruing interest at a minimum of .041% that is projected to grow to \$11,968 (\$210 – interest and \$1520 –reserve set-a-side) by year end 2006. Reinvesting these funds in another CD for 12 mos. at a minimum of 5% will earn \$598.(these funds are identified for accountability only since they are consider not to be spend for current year expenses)

Cash Reserve (P/Y retained earnings)

We have \$23,446 in a CD which is accruing interest at a minimum of .041% that is projected to grow by \$481to \$23,927 by year end 2006. Reinvesting these funds in another CD for 12 mos. at a minimum of 5% will earn \$1,196. (These funds are available to cover one time non recurring expenses, such as Site Improvements.)