

WEXFORD CONSERVANCY

2012 FISCAL YEAR DRAFT BUDGET

| ACCOUNT INCOME CODE | | 2011 | 2011 | 2012 | COMMENTS |
|----------------------------------------------------|--------------------------------|-------------------|---------------------------|-------------------|------------------------------------------------------------|
| | | APPROVED BUDGET | YEAR END ESTIMATES 3/8/11 | DRAFT BUDGET | |
| | | 159.50 per qtr. | | | |
| 30100 | ASSESSMENT INCOME | \$ 170,984 | \$ 155,215 | \$ 179,560 | 5% max permitted by CCR. \$167.50 per quarter |
| 30171 | LATE FEES | \$ 500 | \$ 2,200 | \$ 1,650 | Recommended waiver of late fees for 1st quarter |
| 06330 | SPECIAL ASSESSMENT INCOME | \$ 41,496 | \$ 27,000 | \$ 14,808 | Remaining balance of special assessment |
| 30260 | MISCELLANEOUS | \$ 1,000 | \$ 1,900 | \$ 1,900 | Violation Charges |
| 30270 | INTEREST INCOME | \$ 3,000 | \$ 400 | \$ 400 | |
| 51092 | LEGAL FEE INCOME | \$ 2,000 | \$ - | \$ 1,000 | Repayment from Delinquent Owners for Legal Fees Expended |
| TOTAL INCOME | | \$ 218,980 | \$ 186,715 | \$ 199,318 | |
| EXPENSES | | | | | |
| ADMINISTRATIVE | | | | | |
| 50400 | BAD DEBT | \$ 3,000 | \$ 548 | \$ 600 | |
| 51020 | POSTAGE | \$ 3,000 | \$ 3,000 | \$ 3,200 | |
| 51027 | OFFICE SUPPLIES | \$ 700 | \$ - | \$ - | Reclass to Office Expenses |
| 51030 | OFFICE EXPENSES | \$ 4,000 | \$ 6,500 | \$ 7,000 | |
| 51042 | PRINTING & COPYING | \$ 3,000 | \$ 750 | \$ 1,000 | Includes printing of newsletters in color |
| 51060 | LICENSES & PERMITS | \$ 400 | \$ 25 | \$ 400 | SCC + CJC Board |
| 51065 | WEBSITE EXPENSES | \$ 500 | \$ 668 | \$ 300 | IPOWER is scheduled for renewal in July 2012. |
| 51090 | LEGAL | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| 51110 | AUDIT/ACCOUNTING/TAX PREP | \$ 1,000 | \$ - | \$ 3,500 | Bills will be due after April 1st |
| 51120 | MANAGEMENT | \$ 22,512 | \$ 22,700 | \$ 23,628 | 5% increase effective Feb 1, 2011 |
| 51200 | BANK CHARGES | \$ 250 | \$ (15) | \$ 50 | |
| 51272 | COMMUNITY ACTIVITIES | \$ - | \$ - | \$ - | Not aware of any |
| 51273 | NEIGHBORHOOD WATCH | \$ - | \$ - | \$ - | |
| 51550 | MISCELLANEOUS ADMINISTRATIVE | \$ 200 | \$ - | \$ - | Do not need-can go to office expenses. |
| TOTAL ADMINISTRATIVE | | \$ 48,562 | \$ 44,176 | \$ 49,678 | |
| MAINTENANCE | | | | | |
| 61180 | GROUNDS CONTRACT | \$ 30,456 | \$ 38,625 | \$ 38,625 | Includes lawn enhancement such as adding plants and shrubs |
| 61200 | PROPERTY REPAIRS | \$ 676 | \$ - | \$ 676 | |
| 61240 | EXTERMINATION | \$ 2,425 | \$ - | \$ - | Cancelled services |
| 61250 | TRASH REMOVAL | \$ 35,314 | \$ 35,314 | \$ 35,828 | Includes monthly fuel charge of \$114 |
| 61361 | UNIFORM SECURITY | \$ - | \$ - | \$ - | Cancelled services |
| 61451 | COMMON AREA MAINTENANCE | \$ 15,500 | \$ 15,935 | \$ 20,000 | Includes tree removal services |
| 61457 | TERRACE/STAIRS REPAIR | \$ 130 | \$ 130 | \$ 130 | |
| 61581 | SNOW PUSHING CONTRACT | \$ 10,865 | \$ 2,705 | \$ 4,000 | |
| TOTAL MAINTENANCE EXPENSE | | \$ 95,366 | \$ 92,709 | \$ 99,259 | |
| UTILITIES AND OTHER | | | | | |
| 71030 | ELECTRIC | \$ 1,500 | \$ 1,734 | \$ 1,800 | |
| 71050 | MASTER INSURANCE | \$ 6,211 | \$ 7,609 | \$ 7,609 | |
| 71140 | INCOME TAXES | \$ 1,000 | \$ 80 | \$ 80 | 20% of Interest Income |
| TOTAL - UTILITIES AND OTHER | | \$ 8,711 | \$ 9,423 | \$ 9,489 | |
| RESERVE EXPENDITURES | | | | | |
| 74010 | OPERATING RESERVE | \$ 947 | \$ 947 | \$ 947 | |
| 90000 | RESERVE CONTRIBUTION | \$ 31,900 | \$ 31,900 | \$ 33,100 | Recommended in Reserve Study |
| 90005 | TRANSFER RESERVE INTEREST | \$ 3,000 | \$ 400 | \$ 400 | Interest income is reserve funds |
| TOTAL RESERVE CONTRIBUTION | | \$ 35,847 | \$ 33,847 | \$ 34,447 | |
| TOTAL EXPENSES & RESERVES | | \$ 188,486 | \$ 180,155 | \$ 192,873 | |
| SURPLUS (LOSS) | | \$ 30,494 | \$ 6,560 | \$ 6,445 | |
| RESERVES FOR IMPROVEMENTS & REPLACEMENT | | | | | |
| 09910 | Reserve Study | \$ - | \$ - | \$ 3,000 | Update study conducted in 2007 |
| 09915 | Seal Coating and Restriping | \$ - | \$ - | \$ 29,000 | Asphalt crack treatment, hot patching, and painting |
| 09911 | Replacement of community signs | \$ - | \$ - | \$ 3,000 | Parts and labor |
| 09920 | Sidewalk Repair | \$ - | \$ - | \$ 21,676 | |
| 09935 | Playground maintenance | \$ - | \$ - | \$ 3,000 | |
| TOTAL RESERVE REQUIREMENTS | | | | \$ 59,676 | |

**WEXFORD CONSERVANCY
2012 Operating Budget Narrative**

TOTAL INCOME \$199,318

| | | |
|-----------------------------------|--------------|--------------------------|
| <u>Monthly Assessments</u> | 30100 | TOTAL = \$179,560 |
|-----------------------------------|--------------|--------------------------|

Estimated income derived from quarterly assessments; \$167.50 per quarter per unit. This is a 5% increase from 2011 fiscal year and is the maximum permitted by the Declaration.

| | | |
|-------------------------|--------------|------------------------|
| <u>Late Fees</u> | 30171 | TOTAL = \$1,650 |
|-------------------------|--------------|------------------------|

Estimate income derived from the late fee of \$10.00 per occurrence is based on historical averages. The estimated amount is less than the amount collected in 2011. This is due to a waiver of late for the first quarter of 2012 due to a delay in getting the budget and coupon books to the homeowners.

| | | |
|-----------------------------------|--------------|-------------------------|
| <u>Special Assessments</u> | 06330 | TOTAL = \$14,808 |
|-----------------------------------|--------------|-------------------------|

Estimate income derived from the remaining balance of 2010. \$156.00 was levied on residents in October 2010 (fiscal year 2011).

| | | |
|------------------------------------|--------------|------------------------|
| <u>Miscellaneous Income</u> | 30260 | TOTAL = \$1,900 |
|------------------------------------|--------------|------------------------|

Estimate income derived from violation charges and other miscellaneous income.

| | | |
|-------------------------------|--------------|----------------------|
| <u>Interest Income</u> | 30270 | TOTAL = \$400 |
|-------------------------------|--------------|----------------------|

Interest income for fiscal year 2012 is based on the Association's current balance of investment accounts, monthly contributions, planned expenditures for 2012 and projected interest rates.

| | | |
|-----------------------------------|--------------|------------------------|
| <u>Legal Reimbursement</u> | 51091 | TOTAL = \$1,000 |
|-----------------------------------|--------------|------------------------|

The estimate for this category is based on trends of 2010 and represents funds returned/credited to the Association by delinquent unit owners who have incurred legal fees.

EXPENSES

| | |
|---------------------------------------|-------------------------|
| <u>ADMINISTRATIVE EXPENSES</u> | TOTAL = \$49,678 |
|---------------------------------------|-------------------------|

| | | |
|------------------------|--------------|----------------------|
| <u>Bad Debt</u> | 50400 | TOTAL = \$600 |
|------------------------|--------------|----------------------|

Estimated expense to write off bad debt and uncollected assessments is based on the Association's 2011 bad debt data.

| | | |
|-----------------------|--------------|------------------------|
| <u>Postage</u> | 51020 | TOTAL = \$3,200 |
|-----------------------|--------------|------------------------|

This category includes postage for newsletters, routine correspondence and Association mailings.

| | | |
|------------------------------|--------------|------------------------|
| <u>Office Expense</u> | 51030 | TOTAL = \$7,000 |
|------------------------------|--------------|------------------------|

This category includes community stationery, parking permits, tennis keys and other miscellaneous administrative expenses.

Printing & Copying 51042 TOTAL = \$1,000
This category includes the costs of printing and copying newsletters, routine correspondence and Association mailings.

Licenses & Permits 51060 TOTAL = \$400
Funds available for annual membership fees to SCC and CIC Board.

Website 51065 TOTAL = \$300
Costs associated with the maintenance of the community website. This amount is less than the amount spent in fiscal year 2011 due to: (1) IPOWER was renewed in July 2010 for two years. Expiration is July 2012. (2) Software to support the design of the website was recently purchased. The estimated \$300 is based upon possible professional maintenance/repair if the site should become infected with malware or spyware.

Legal 51090 TOTAL = \$10,000
The estimate for this category is based on prior experience and represents funds for routine legal counsel, collections, and related work.

Audit & Tax Return 51110 TOTAL = \$3,500
Estimated fee for fiscal year audit and tax preparation by Brown & Uvena. This includes the bill for fiscal year 2011 will be payable after April 1, 2011.

Management Fees 51120 TOTAL = \$23,628
Fees for professional full-service management per the current agreement with RH1 Management. A 5% increase will be effective February 1, 2011.

Bank Charges 51200 TOTAL = \$50
Estimated cost of bank fees for items such as direct debit billing and return check fees.

MAINTENANCE TOTAL = \$99,259

Grounds Contract 61180 TOTAL = \$38,625
Includes cost of turf maintenance, sidewalk edging, leaf removal, shrub trimming, mulching, lawn enhancement (adding plants, shrubs, etc.) and tree trimming.

Property Repairs 61200 TOTAL = \$676
Estimated based upon historical data.

Trash Removal 61250 TOTAL = \$35,828
The actual cost of the trash removal contract based with American Disposal with additional funds for an expected 3% increase along with monthly fuel surcharges of \$114.

Common Area Maintenance **61451** **TOTAL = \$20,000**
 Funds available for common area maintenance and repairs including litter and debris removal services with Carlos General Maintenance and tree removal services. Additional cost includes tree removal of the dead tree.

Terrace/Stairs Repair **61457** **TOTAL = \$130**
 Estimate based upon historical data.

Snow Pushing Contract **61581** **TOTAL = \$4,000**
 The snow removal estimate for 2012 is based upon the estimated snow bill for 2011.

UTILITIES AND OTHER **TOTAL = \$9,489**

Electric **71030** **TOTAL = \$1,800**
 Estimated costs for electric for common area lights based on expected year end figures for 2011.

Master Insurance **71050** **TOTAL = \$7,609**
 Includes premiums for all insurance coverage with State Farm (General Liability, D&O, Fidelity, and Umbrella).

Income Taxes **71140** **TOTAL = \$80**
 This tax is paid only on the income of the Association excluding assessments (e.g., interest received from our invested funds). This is an estimated number based on historical averages. Industry standard is to budget for 20% of your interest income.

REPLACEMENT RESERVE **TOTAL = \$35,047**

OPERATING RESERVE **74010** **TOTAL = \$947**
 Funds available for unanticipated expenses. Funds not used will be continued to the reserves at year end.

RESERVE CONTRIBUTION **90000** **TOTAL = \$33,100**
 Total reserve contribution based on recommendations of the 2007 Reserve Study.

RESERVE INTEREST **90005** **TOTAL = \$400**
 Estimated total of interest earned on reserve fund investments that will be reallocated from the Operating Account to Reserves.

TOTAL EXPENSE AND RESERVES **TOTAL = \$192,873**

NET SURPLUS (LOSS) **TOTAL = \$6,445**

RESERVE REQUIREMENTS

TOTAL = \$59,676

Reserve Study

09910

TOTAL = \$3,000

Estimated cost for update of study that was conducted in 2007.

Seal coating and restripping

09915

TOTAL = \$29,000

Estimated cost for asphalt crack treatment, asphalt hot patching, repainting parking spaces, and curbs.

Replacement of Community Signs

09911

TOTAL = \$3,000

Estimated cost of parts and labor to replace street signs.

Sidewalk Repair

09920

TOTAL = \$21,676

Estimated cost of repair per reserve study.

Playground Maintenance

09935

TOTAL = \$3,000

Estimated cost of mulching playgrounds.