

Arapahoe Ridge Homeowners Association

Budget 2008

**Ratified October 22, 2007
By Hammersmith Management, Inc**

ARAPAHOE RIDGE 2008 BUDGET													
INCOME	January	February	March	April	May	June	July	August	September	October	November	December	BUDGET 2008
ASSESSMENTS	147,600						147,600						295,200
OTHER INCOME, FINES				50	75	75	25	25					250
LATE FEES INCOME/FEES	320	320	320	320	320	320	320	320	320	320	320	320	3,840
LATE FEES INTEREST INCOME	48	48	48	48	48	48	48	48	48	48	48	48	576
LEGAL FEES-COLLECTION INCOME	125	125	125	125	125	125	125	125	125	125	125	125	1,500
CLUBHOUSE RENTALS	250	250	250	250	250	250	250	250	250	250	250	250	3,000
INTEREST-OPERATING	290	290	290	290	290	290	290	290	290	290	290	290	3,480
INTEREST - RESERVES	1,333	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,333	16,006
TOTAL	149,966	2,367	2,367	2,417	2,442	2,442	149,992	2,392	2,367	2,367	2,367	2,366	323,852
EXPENSES													
ADMINISTRATIVE													
MANAGEMENT	2,950	3,100	2,950	3,100	3,100	2,950	3,100	2,950	3,100	2,950	3,100	2,950	36,300
LEGAL-GENERAL	250	250	250	250	250	250	250	250	250	250	250	250	3,000
LEGAL-COLLECTION	285	285	285	285	285	285	285	285	285	285	285	285	3,420
LIEN FILING			100			100			100			100	400
COLLECTION EXPENSE	1,250	500	200	100	50	40	1,250	500	200	100	50	40	4,280
INSURANCE	500						10,031						10,531
AUDIT/TAXES							2,400						2,400
ADMINISTRATIVE	450	450	450	450	2,500	450	450	450	1,200	450	750	2,500	10,550
BAD DEBT EXPENSE				250				250					500
WEB SITE			60					60					120
MISCELLANEOUS EXPENSE	30			30			30			30			120
TOTAL ADMINISTRATIVE EXPENSES	5,715	4,585	4,295	4,465	6,185	4,075	17,796	4,745	5,135	4,065	4,435	6,125	71,621
GROUNDS MAINTENANCE													
COMMON AREA IMPROVEMENT					420	420	420	420	420	420			2,520
LANDSCAPE CONTRACT	1,850	1,850	1,850	1,850	4,200	1,850	1,850	4,200	1,850	1,850	1,850	1,850	26,900
LANDSCAPE REPAIRS					500			500					1,000
SPRINKLER REPAIRS				1,285	1,285	1,285	1,285	1,285	1,285	1,285			8,995
PLANTS, TREES & SHRUBS				500	500		500	500					2,000
WINTER WATERING	800										800		1,600
TRASH	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
SNOW REMOVAL	500	500	200							100	200	250	1,750
FENCE REPAIR/MAINTENANCE				100	100	100	100	100	1,800				2,300
LIGHTING	125	125	125	125	125	125	125	125	125	125	125	125	1,500
TOTAL GROUNDS MAINTENANCE	8,775	7,975	7,675	9,360	12,630	9,280	9,780	12,630	10,980	9,280	8,475	7,725	114,565
RECREATION MAINTENANCE													
POOL CONTRACT						9,010	9,010	9,010	9,010	9,010			45,050
POOL REPAIRS						520	520	520	520	520			2,600
POOL CHEMICALS / SUPPLIES						800	800	800	800	800			4,000
POOL FURNITURE/EQUIPMENT				2,000			2,000						4,000
POOL TELEPHONE	120	120	120	120	120	120	120	120	120	120	120	120	1,440
CLUBHOUSE (REPAIRS)	250	250	250	250	250	250	250	250	250	250	250	250	3,000
CLUBHOUSE (SUPPLIES)	20	20	20	20	20	20	20	20	20	20	20	20	240
CLUBHOUSE (CLEANING)	230	230	230	230	370	370	510	370	370	370	230	230	3,740
CLUBHOUSE (MAINTENANCE)	35	35	35	35	35	35	35	35	35	35	35	35	420
CLUBHOUSE ALARM	30	30	30	30	30	30	30	30	30	30	30	30	360
CLUBHOUSE MONITORING	200	100	200	100	200	300	300	300	200	200	100	200	2,400
MISC. RECREATIONAL EXPENSE				250	100		250	100					700
SPECIAL EVENTS (SOCIAL)	800	175	175	175	175	800	175	175	175	175	1,000	1,000	5,000
TOTAL RECREATION MAINTAINENCE	1,685	960	1,060	3,210	1,300	12,255	14,020	11,730	11,530	11,530	1,785	1,885	72,950
UTILITIES													
ELECTRICITY	650	750	750	550	500	350	4,000	2,500	2,400	2,800	400	450	16,100
WATER & SEWER				590	590	590	590	590	590	590	590	590	4,720
TOTAL UTILITIES	650	750	750	1,140	1,090	940	4,590	3,090	2,990	3,390	990	450	20,820
Subtotal - Expenses	16,825	14,270	13,780	18,175	21,205	26,550	46,186	32,195	30,635	28,265	15,685	16,185	279,956
TRANSFER TO RESERVES	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	43,896
TOTAL EXPENSES	20,483	17,928	17,438	21,833	24,863	30,208	49,844	35,853	34,293	31,923	19,343	19,843	323,852
NET OPERATING INCOME	129,483	(15,561)	(15,071)	(19,416)	(22,421)	(27,766)	100,148	(33,461)	(31,926)	(29,556)	(16,976)	(17,477)	0

Arapahoe Ridge Homeowners Association

2008 Budget Assumptions

INCOME

Assessments

Monthly dues collected by the Association on a semi-annual basis, based on the ratified budget.

Other Income, Fines

Anticipated income from unknown sources, such as covenant violation fines and lost pool keys.

Late Fee Income/Fees

Anticipated income that directly correlates to the collection expense and delinquency policy.

Late Fee Interest Income

Anticipated income based on interest collected on delinquent accounts.

Legal Fees – Collection Income

Anticipated income that directly correlates to the legal collection expense on accounts that have been turned over to the Association's attorney for collection.

Clubhouse Rentals

Anticipated income from clubhouse rentals.

Interest Operating

Interest expected to be earned on funds in the Association's operating account.

Interest Reserves

Interest expected to be earned on funds in the Association's reserve account.

EXPENSES

Administrative Expenses

Management

Fees paid to the managing agent based on the current contract rate.

Legal – General

Attorney's fees for general legal advice.

Legal – Collections

Expense for delinquent accounts that directly correlates to legal fees – collection income.

Lien Filing

Expense related to filing liens on delinquent accounts in accordance with the delinquency policy.

Collection Expense

Expense for delinquent accounts that directly correlates to late fee income/fees.

Insurance

Association insurance that covers the Directors & Officers of the Board of Directors, general liability, property, umbrella and workers comp policies. 2008 anticipated increase is 5%.

Audit/Taxes

Expense to have a financial audit performed for 2007.

Administrative Expenses

Expense associated with the administrative functions of the Association. ie; newsletters, special meetings, copies, postage, envelopes, etc... In addition, the expenses to holding the Annual Membership Meeting and Budget Ratification Meeting. Includes meeting room fees, signs, food & beverage.

Bad Debt Expense

Expense related to bad-debt write off for bankruptcies, foreclosures, etc...

Web Site

Expense for website hosting of the Association website.

Miscellaneous

Unforeseen expenses or expenses that do not apply to other areas of administrative expenses.

Grounds Maintenance Expenses

Common Area Improvement

Expenses related to making improvements on common area properties.

Landscape Contract

Fees paid to the grounds maintenance contractor based on the proposed 2008 contract. In addition, expense to fertilize turf areas, spray for broadleaf weed control, pre-emergent and post-emergent in mulch and rock beds.

Landscape Repairs

Expense for minimal repairs made to landscaping.

Sprinkler Repairs

Expense associated with the maintenance and repair of the irrigation system.

Plants, Trees & Shrubs

Funds allocated to remove or replace dead or dying plants, trees and shrubs.

Winter Watering

Expense to water trees during drought conditions in the winter months when the irrigation system is not operating.

Trash

Fees paid to the trash contractor based on the current contract rate with an anticipated increase of 5%.

Snow Removal

Expense to perform snow removal at the clubhouse and parking lot area.

Fence Repair/Maintenance

Expense for repairs made to the perimeter fencing.

Lighting

Expenses related to lighting in the community, including the entry monuments, pool and clubhouse.

Recreation Maintenance Expenses

Pool Contract - Maintenance & Lifeguarding

Fees paid to the pool contractor based on the current contract rate.

Pool Repairs

Expenses for routine repairs made to the pool.

Pool Chemicals/Supplies

Expenses for pool chemicals and supplies.

Pool Furniture/Equipment

Expense to repair/replace pool furniture and equipment.

Pool Telephone

Expenses for the pool/clubhouse telephone.

Clubhouse (repairs)

Expenses for routine repairs to the clubhouse.

Clubhouse (supplies)

Expenses for clubhouse supplies. Paper products, cleaning agents, etc...

Clubhouse (cleaning)

Fees paid to the cleaning contractor based on the current contract rate. In addition, the monthly rate to have the exterior, public restroom cleaned, a deep clean performed on the pool restrooms twice per year and regular cleanings on the pool restrooms.

Clubhouse (maintenance)

Expenses for routine maintenance to the clubhouse.

Clubhouse Alarm Monitoring

Expenses for clubhouse alarm monitoring.

Misc. Recreational Expense

Unforeseen expenses or expenses that do not apply to other areas of recreational expenses.

Special Events (social)

Expenses for social events, including the Halloween party, pool opening, 4th of July, etc...

Utility Expenses

Electricity

Utility expense to operate street lights, monument signs and irrigation system.

Water & Sewer

Expense to irrigate turf areas throughout the community.

Reserve Additions

Transfers to the reserve account based on the recommendation of the professional reserve analysis performed for the community for expenses anticipated by the plan.

Arapahoe Ridge 2008 Annual Budget

This chart and graph show the main budget categories and the percentage of expense in each category. The breakdown of Per Unit/Month details where the average monthly assessment is spent.

Income	Total Budget	Per Unit/Month	
ASSESSMENTS	295,200	40.00	<i>Average</i>
Other Income	28,652	3.88	
	<u>323,852</u>	<u>43.88</u>	
Expenses	Total Budget	Per Unit/Month	%
MANAGEMENT	36,300	4.92	11.2%
INSURANCE	10,531	1.43	3.3%
ADMIN EXPENSES	24,790	3.36	7.7%
LANDSCAPE EXPENSES	48,565	6.58	15.0%
TRASH	66,000	8.94	20.4%
POOL EXPENSES	57,090	7.74	17.6%
CLUBHOUSE	10,860	1.47	3.4%
UTILITIES	20,820	2.82	6.4%
SOCIAL EVENTS	5,000	0.68	1.5%
TRANSFER TO RESERVES	43,896	5.95	13.6%
	<u>323,852</u>	<u>43.88</u>	<u>100.0%</u>

