

10/31/06 10:05 AM  
 Operating Budget Summary  
 Ridge Crest Homeowners Association, Inc.  
 FY 2007 Budget

Description	2007 Budget
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Income	
Assessments - Homeowners	154,524.00
Working Capital	0.00
Interest - Operating Fund	185.00
Legal Fee	0.00
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Total Income	154,709.00
Expenses	
Water/Sewer	16,540.00
Electricity	1,555.00
Website Maintenance	646.00
Management	20,850.00
A/R Processing Fees	7,100.00
Lien Fees	2,500.00
Postage	2,500.00
Administrative	5,050.00
Audit/Tax Preparation	250.00
Insurance	7,971.00
Grounds Maintenance	17,500.00
Grounds Improvements	0.00
Fertilization/Weed/Insect Control	2,496.00
Winter Watering	7,700.00
Grounds Repairs - Sprinklers	5,000.00
Grounds Repairs - Other	1,500.00
Pet Waste Clean Up Bags	1,200.00
Snow Removal	3,250.00
Fence Maintenance	500.00
Taxes	800.00
Legal Fees - General	38,000.00
Transfer to Reserves	13,123.00
Special Meeting Expense	250.00
Miscellaneous	1,500.00
Grants/Donations	1,000.00
Bad Debt	9,000.00
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Total Expenses	167,781.00
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Net	-13,072.00

**RIDGE CREST HOMEOWNERS ASSOCIATION INC.  
FY2007 BUDGET**

**INCOME ACCOUNTS**

**Assessment (Homeowners)**

This budget is based on assessments being increased from the current level of \$69 per quarter to \$96 per quarter.

**Interest**

This is based on FY2006 actual intake and the current interest rate of .25% earned on the operating bank account.

**EXPENSE ACCOUNTS**

**Water/Sewer**

This is based on FY2006 actual expenses plus an anticipated 10% rate increase in water. This is water for the irrigation system.

**Electricity**

This is based on actual expenses for FY2006 with 5% expected increase. This is for electricity for the irrigation system.

**Community Website**

This line item includes the website hosting for the Association's current website, as well as the \$20 per month maintenance costs that will be incurred with the MSI website.

**Management**

This is based on \$3.50 per unit per month with an approximate increase of 3% in 2007, to be determined beginning in July.

**A/R Processing Fees**

This is based on FY2006 actual expenses. A fee of \$10.00 per delinquent account per month will be charged for processing delinquent accounts, chargeable the month in which the account becomes one month or more delinquent. The charge is added to the homeowners account, but initially paid by the Association. Reimbursement to the Association occurs when payment from delinquent homeowner results in resolution of the account.

**Lien Fees**

This is an allowance based on FY2006 actual expenses. This occurs when liens are placed and released as necessary in the delinquency process. This charge is added to the homeowner's account, but initially paid by the Association. The current charge is \$75 per lien.

**Postage**

This is an allowance based on actual FY2006 expenses, plus taking into consideration that newsletters will come out once a month, rather than quarterly.

**Administrative**

This is an allowance based on actual FY2006 expenses, also plus the monthly newsletter addition. This is for copies, faxes, and other administrative expenses.

**Audit/Tax Prep**

This is an allowance to cover the expense of filing the Association's year-end taxes.

**Insurance**

This is based on FY2006 actual figures, and a 5% increase in 2007. The policy renews in February of 2007.

### **Grounds Maintenance**

This is for Ground's Maintenance contract payments. This figure is based on an average of the bids that have been submitted to the Board for a decision.

### **Fertilization/Weed/Insect Control**

This is for contract payments for chemical applications. This includes fertilization of turf, trees, and shrubs and insect control. This figure is based on an average of the bids submitted to the Board for a decision.

### **Winter Tree Watering**

This amount is based on the one winter watering done in FY2006. This includes winter watering for October 2006 through March 2007, as grounds maintenance contractors recommend once a month watering for each of these 6 winter months.

### **Grounds Repairs (Sprinkler)**

This is an allowance based on actual expenses for FY2006 for repairs to the sprinkler system. Examples include broken heads or lines.

### **Grounds Repairs (Other)**

This allowance is for repair to the grounds, other than the sprinkler system. Examples include tree/shrub replacement or sod repair.

### **Pet Waste Clean Up**

This is a small amount to cover the cost of doggie bags and the purchase of, perhaps, one more station.

### **Snow Removal**

This is an allowance to cover snow removal on common area sidewalks when snow fall exceeds 2 inches on common area sidewalks.

### **Fence Maintenance**

This is an allowance for common area fence repairs, such as replacing a broken picket or post.

### **Taxes**

This allowance is for payment of year-end taxes.

### **Legal**

This is an allowance based on actual expenses for FY2006, with an increase based on a growing number of issues being turned over to the Association's attorney for legal remedy. This is for legal expenses that could be attributed to collection of assessments or covenant enforcement.

### **Transfer to Reserves**

This is based on the twenty year plan updated by MSI each year. This plan projects future needs for capital improvements or major non-annual recurring expenses.

### **Special Meeting Expense**

This is based on the fact that the HOA has paid through July 2007, with an projected increase to \$50 per month for a meeting room at the Sable Landing Event Center, where monthly Board Meetings are held.

### **Miscellaneous**

This is a nominal amount budgeted for expenses not attributable to any other account.

**Grants/Donations**

This is an allowance, based on amounts donated historically, to cover donations made to the City of Firestone for the Fourth at Firestone, the Neighborhood Watch Program, the City of Firestone Police Dept., for Halloween Fun Night, etc.

**Bad Debt**

This is an allowance based on FY2006 actual figures.