

2008 Budget Summary

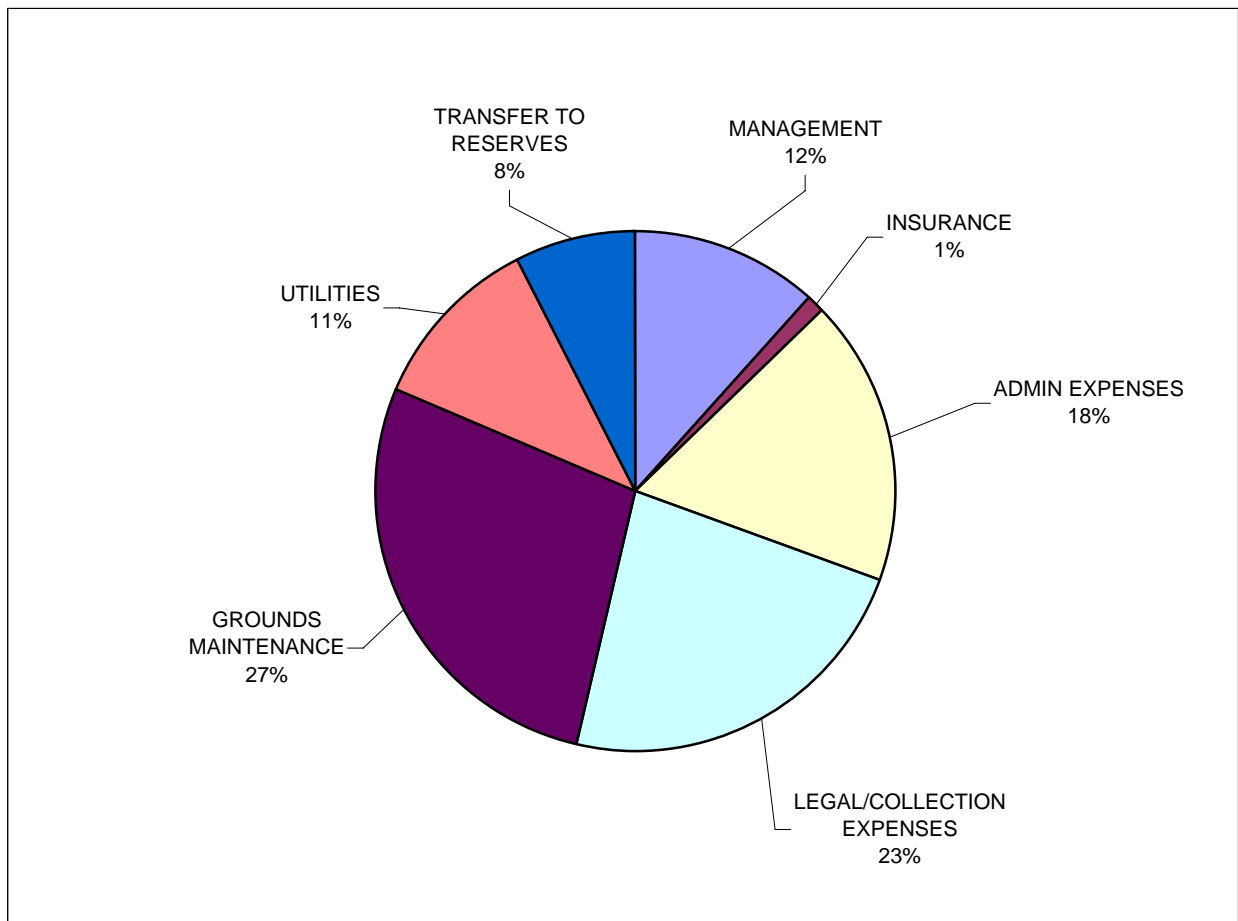
INCOME	2008	12-Mo	2007
ASSESSMENTS	\$154,524	\$154,524	\$154,524
OTHER INCOME, FINES	\$300	\$379	\$0
LATE FEE INCOME/FEES	\$7,200	\$9,403	\$0
LATE FEE INTEREST INCOME	\$1,200	\$0	\$0
LEGAL FEES - COLLECTION INCOME	\$12,000	\$15,784	\$0
TOTAL INCOME	\$175,224	\$180,090	\$154,524
 EXPENSES			
ADMINISTRATIVE EXPENSE			
MANAGEMENT	\$20,580	\$22,817	\$20,850
LEGAL - GENERAL	\$1,000	\$884	\$1,140
LEGAL - COLLECTION	\$24,000	\$21,872	\$29,260
LEGAL—COVENANT ENFORCEMENT	\$6,000	\$5,582	\$7,600
LIEN FILING	\$2,400	\$1,050	\$2,500
COLLECTION EXPENSE	\$7,200	\$6,385	\$7,100
INSURANCE	\$1,706	\$1,551	\$7,971
AUDIT & TAX PREP	\$2,464	\$275	\$250
ADMINISTRATIVE EXPENSES	\$9,600	\$10,761	\$5,300
POSTAGE	\$3,520	\$4,141	\$2,500
GRANTS/DONATIONS	\$1,000	\$0	\$1,000
BAD DEBT	\$9,000	\$9,559	\$9,000
WEBSITE	\$744	\$737	\$646
MISCELLANEOUS	\$4,500	\$2,092	\$1,500
 GROUNDS MAINTENANCE			
PET PICK-UP	\$600	\$301	\$1,200
LANDSCAPE CONTRACT	\$24,000	\$14,263	\$17,500
LANDSCAPE REPAIRS	\$9,100	\$9,006	\$1,500
SPRINKLER REPAIRS	\$5,040	\$4,689	\$5,000
WINTER WATERING	\$4,000	\$0	\$7,700
SNOW REMOVAL	\$5,500	\$9,160	\$3,250
FENCE REPAIR/MAINTENANCE	\$500	\$246	\$500
 UTILITIES			
ELECTRICITY	\$2,100	\$1,925	\$1,555
WATER AND SEWER	\$17,070	\$15,697	\$16,540
 RESERVE ADDITIONS			
TRANSFER TO RESERVES	\$13,200	\$17,200	\$13,123
TOTAL EXPENSES	\$175,224	\$160,193	\$165,285
 NET OPERATING INCOME	 \$0	 \$19,897	 \$(10,761)

Ridge Crest 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	154,524	26.33 <i>Average</i>
Other Income	20,700	3.53
	<u>175,224</u>	<u>29.86</u>

Expenses	Total Budget	Per Unit/Month	%
MANAGEMENT	20,580	3.51	11.7%
INSURANCE	1,706	0.29	1.0%
ADMIN EXPENSES	31,228	5.32	17.8%
LEGAL/COLLECTION EXPENSES	40,600	6.92	23.2%
GROUNDS MAINTENANCE	48,740	8.31	27.8%
UTILITIES	19,170	3.27	10.9%
TRANSFER TO RESERVES	13,200	2.25	7.5%
	<u>175,224</u>	<u>29.86</u>	<u>100.0%</u>



Ridge Crest Homeowners Association

2008 Budget Assumptions

INCOME

Assessments

Monthly dues collected by the Association on a quarterly basis, based on the ratified budget.

Other Income, Fines

Anticipated income from unknown sources, such as covenant violation fines.

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.

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 plus a 4% increase at contract renewal.

Legal – General

Attorney's fees for general legal advice.

Legal – Collections

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

Legal – Covenant Enforcement

Expense for enforcement of accounts that do not comply with the restrictive covenants.

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 and property. 2008 anticipated increase is 10%.

Audit/Taxes

Expense to have a financial audit performed and taxes prepared for 2007.

Income Taxes

Expense for interest earned on the operating and reserve accounts.

Administrative Expenses

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

Postage

Expense associated with the administrative functions of the Association to mail items. ie; newsletters, delinquency notices, general correspondence, etc... In addition, the expenses to hold the Annual Membership Meeting and Budget Ratification Meeting.

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 Maintenance**

Expenses related to making improvements on common area properties.

Pet Pick Up

Expense related to restocking and maintaining dog stations throughout the community.

Landscape Contract

Fees paid to the grounds maintenance contractor based on the proposed 2008 contract.

Landscape Repairs

Expense for minimal repairs made to landscaping.

Sprinkler Repairs

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

Winter Watering

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

Fert/Weed/Insect Control

Expense to fertilize turf areas, spray for broadleaf weed control, pre-emergent and post-emergent in mulch and rock beds.

Snow Removal

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

Fence Repair/Maintenance

Expense for repairs and general maintenance made to the perimeter split-rail fencing.

Utility Expenses**Electricity**

Utility expense to operate the irrigation system.

Water & Sewer

Expense to irrigate turf areas throughout the community.

Reserve Additions

Transfers to the reserve account based on the reserve analysis performed for the community.