

**2008 FESHA BUDGET SUMMARY  
OPERATING STATEMENT**

	<b>2008 Budget</b>	2007 Forecast	2007 Budget	2006 Actual
<b>INCOME</b>				
Homeowner /Lotowner Dues	<b>\$180,000</b>	\$183,550	\$180,450	\$176,350
Road Usage Fees	<b>2,000</b>	3,500	2,500	3,500
Interest & Other Income/Expense	<b>11,265</b>	8,439	10,829	19,030
<b>TOTAL INCOME</b>	<b>193,265</b>	195,489	193,779	198,880
<b>OPERATING EXPENSES</b>				
Clubhouse Facilities Expense	<b>15,980</b>	18,114	14,616	12,795
Newsletter	<b>2,300</b>	3,012	3,500	2,597
Swimming Pool/Tennis Courts	<b>32,220</b>	30,940	33,920	27,173
Roads, Lakes and Common Areas	<b>41,000</b>	45,266	42,454	30,287
Social Committee	<b>3,000</b>	2,658	3,000	1,369
Office Expenses	<b>21,269</b>	22,021	22,148	19,656
Professional Fees	<b>9,000</b>	6,968	8,025	10,088
Insurance	<b>8,500</b>	7,799	9,182	8,546
Taxes	<b>10,357</b>	8,686	10,413	11,631
<b>TOTAL OPERATING EXPENSES</b>	<b>143,626</b>	145,465	147,258	124,142
<b>INCOME IN EXCESS OF OPERATING EXPENSES</b>	<b>49,639</b>	50,024	46,521	74,738
<b>INCREASE IN CAPITAL EXPENDITURE RESERVES:</b>				
Road Paving Reserve	<b>30,909</b>	30,848	30,848	32,486
Tennis Court Reserve	<b>1,800</b>	3,833	3,833	2,389
Pool Reserve	<b>2,500</b>	2,500	2,500	3,083
Drainage Reserve	<b>40,000</b>	16,000	5,000	10,564
Clubhouse Reserve	<b>5,000</b>	10,000	10,000	3,015
Operating Reserve	-	-	-	-
<b>TOTAL INCREASE IN RESERVES</b>	<b>80,209</b>	63,180	52,180	51,537
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(30,570)</b>	<b>(\$13,156)</b>	<b>(\$5,659)</b>	<b>\$23,201</b>
Projected Unrestricted Cash Balance at December 31, 2007	<b>29,919</b>			
<b>NET OPERATING SURPLUS</b>	<b>(\$651)</b>			

FESHA 2008 Budget

Ordinary Income/Expense	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	2007 Forecast	2007 Budget
<b>Income</b>															
<b>4000 Revenues</b>															
4010 Homeowner /Lotowner Dues	22,500	90,000	45,000	22,500									180,000	183,550	180,450
4060 Road Usage Fees			500			500			500				2,000	3,500	2,500
<b>4080 Interest &amp; Other Income/Expense</b>	1,697	697	697	1,197	697	997	1,247	997	697	947	697	697	11,265	8,439	10,829
<b>Total Reve Total 4000</b>	<b>24,197</b>	<b>90,697</b>	<b>46,197</b>	<b>23,697</b>	<b>697</b>	<b>1,497</b>	<b>1,247</b>	<b>997</b>	<b>1,197</b>	<b>947</b>	<b>697</b>	<b>1,197</b>	<b>193,265</b>	<b>195,489</b>	<b>193,779</b>
<b>Expenses</b>															
<b>5000 Clubhouse Facilities Expense</b>															
5010 Inspections						200							200	166	200
5020 Maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600	6,392	2,260
5030 Repair	50	50	50	50	50	50	50	50	50	50	50	50	600	736	1,800
5040 Trash Removal			30			30			30			30	120	107	104
5050 Electric	500	500	500	500	500	500	500	500	500	500	500	500	6,000	5,366	5,962
5070 Water & Sewer	300	300	300	300	300	300	300	300	300	300	300	300	3,600	3,663	2,250
5080 Gas Service	105	105	105	105	105	105	105	105	105	105	105	105	1,260	1,192	1,440
5190 Miscellaneous	50	50	50	50	50	50	50	50	50	50	50	50	600	493	600
<b>Total 5000</b>	<b>1,305</b>	<b>1,305</b>	<b>1,335</b>	<b>1,305</b>	<b>1,305</b>	<b>1,535</b>	<b>1,305</b>	<b>1,305</b>	<b>1,335</b>	<b>1,305</b>	<b>1,305</b>	<b>1,335</b>	<b>15,980</b>	<b>18,114</b>	<b>14,616</b>
<b>5200 Newsletter</b>															
5210 Newsletter Postage			250			150			150			150	700	1,030	1,200
5220 Newsletter Printing			400			300			300			300	1,300	1,696	1,700
5230 Directory Printing			300										300	286	600
<b>Total 5200</b>	<b>-</b>	<b>-</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>2,300</b>	<b>3,012</b>	<b>3,500</b>
<b>5300 Swimming Pool/Tennis Courts</b>															
5320 Maintenance	289	2,603		4,338	7,230	7,230	5,784	1,446					28,920	26,427	26,030
5330 Equipment Repairs				500									500	-	1,500
5340 Furnishings				500									500	1,883	-
5350 Supplies						200	200	200					600	2,068	600
5357 Ice Cream Purchases(For resale)	-	-	-	-	-	150	150	150	-	-	-	-	450	338	540
5360 Swimming Pool Telephone					50	50	50	50	50				250	191	250
5370 Miscellaneous Pool Exp.					100	100	100	100	100				500	-	4,000
5380 Tennis Courts				500									500	34	1,000
<b>Total 5300</b>	<b>289</b>	<b>2,603</b>	<b>-</b>	<b>5,838</b>	<b>7,380</b>	<b>7,730</b>	<b>6,284</b>	<b>1,946</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,220</b>	<b>30,940</b>	<b>33,920</b>
<b>5400 Roads</b>															
5410 Maintenance & Mowing				2,200	3,100	1,000	4,400	3,100	2,500	3,000			19,300	16,248	19,254
5420 Repairs	100	100	100	100	100	100	100	100	100	100	100	100	1,200	5,160	2,400
5430 Snow Removal	2,000	2,000	1,000								1,500	1,500	8,000	10,152	8,000
5440 Lakes					1,750	1,750	1,750	1,750					7,000	6,300	6,800
5450 Weed/Mulch Common Areas				500	400	400	400	300					2,000	148	1,700
5460 Tree Removal/Common Areas													-	450	1,800
5470 Delinquent Lot Maintenance													-	(100)	-
5490 Miscellaneous Landscaping			500	500	500	500	500	500	500				3,500	6,909	2,500
<b>Total 5400</b>	<b>2,100</b>	<b>2,100</b>	<b>1,600</b>	<b>3,300</b>	<b>5,850</b>	<b>3,750</b>	<b>7,150</b>	<b>5,750</b>	<b>3,100</b>	<b>3,100</b>	<b>1,600</b>	<b>1,600</b>	<b>41,000</b>	<b>45,266</b>	<b>42,454</b>
<b>5600 Social Committee</b>	<b>400</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>600</b>	<b>3,000</b>	<b>2,658</b>	<b>3,000</b>
<b>6000 Office Expenses</b>															
6010 Payroll	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	15,388	15,472	15,279
6020 Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900	1,302	900
6025 Equipment Rental			125			125			125			125	500	417	360
6027 Equipment Purchases													-	928	-
6030 Printing & Reproduction													-	150	600
6040 Postage/Freight		75	75	75	75	75	75	75	75	75	75	75	825	648	600
6050 Communications		100	100	100	100	100	100	100	100	100	100	100	1,100	1,443	1,140
6060 Mileage		50	50	50	50	50	50	50	50	50	50	50	550	538	600
6190 Miscellaneous		25	25	25	25	25	25	25	25	25	25	25	275	80	950
6191 Computer Upgrade Hardware													-	-	-
6192 Computer Upgrade Software													-	50	-
6910 Payroll Taxes	144	144	144	144	144	144	144	144	144	144	144	144	1,731	993	1,719
<b>Total 6000</b>	<b>1,502</b>	<b>1,752</b>	<b>1,877</b>	<b>1,752</b>	<b>1,752</b>	<b>1,877</b>	<b>1,752</b>	<b>1,752</b>	<b>1,877</b>	<b>1,752</b>	<b>1,752</b>	<b>1,877</b>	<b>21,269</b>	<b>22,021</b>	<b>22,148</b>
<b>6200 Professional Fees</b>															
6210 Accounting		3,500			500								4,000	2,030	2,750
6220 Legal Fees	800		250	800		250	800		250	800		250	4,200	4,345	4,200
6250 Recording Fees	17	17	17	17	17	17	17	17	17	17	17	17	200	103	200
6260 Current Owner Search													-	11	-
6270 Trade Organizations						600							600	425	595
6290 Other Fees													-	30	200

**FESHA 2008 Budget**

Ordinary Income/Expense	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	2007 Forecast	2007 Budget
7520 Bank Fees													-	24	80
<b>Total 6200</b>	<b>817</b>	<b>3,517</b>	<b>267</b>	<b>817</b>	<b>517</b>	<b>867</b>	<b>817</b>	<b>17</b>	<b>267</b>	<b>817</b>	<b>17</b>	<b>267</b>	<b>9,000</b>	<b>6,968</b>	<b>8,025</b>
<b>6300 Insurance</b>					6,500			2,000					8,500	7,799	9,182
<b>Total 6300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,500</b>	<b>7,799</b>	<b>9,182</b>
<b>6900 Taxes</b>															
6989 Income/ Other Taxes			800			300			300			300	1,700	800	2,400
6980 Property Tax					4,329						4,329		8,657	7,870	8,013
6990 Other Misc. Tax													-	16	-
<b>Total 6900</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>4,329</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>4,329</b>	<b>300</b>	<b>10,357</b>	<b>8,686</b>	<b>10,413</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>17,785</b>	<b>79,221</b>	<b>39,169</b>	<b>10,486</b>	<b>(27,135)</b>	<b>(15,211)</b>	<b>(16,260)</b>	<b>(11,972)</b>	<b>(6,481)</b>	<b>(6,226)</b>	<b>(8,505)</b>	<b>(5,231)</b>	<b>49,639</b>	<b>50,024</b>	<b>46,521</b>

**Budget Assumptions:**

**Homeowner dues:**

400 # of paying lots  
450 annual dues per lot

Interest and other income:	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Interest income	647	647	647	647	647	647	647	647	647	647	647	647	7,765
5.0% interest rate assumption; based on beginning total reserves													
Clubhouse rentals	50	50	50	50	50	50	50	50	50	50	50	50	600
Newsletter advertising	1,000			500			250			250			2,000
Vending and ice cream sales						300	300	300					900
<b>Total interest and other income</b>	<b>1,697</b>	<b>697</b>	<b>697</b>	<b>1,197</b>	<b>697</b>	<b>997</b>	<b>1,247</b>	<b>997</b>	<b>697</b>	<b>947</b>	<b>697</b>	<b>697</b>	<b>11,265</b>

**Newsletter expenses**

Expenses reduced assuming printing and postage reduced by only distributing to those not using e-mail/internet

**Swimming pool**

Contract amounts rounded up assuming nominal increase; no change in hours  
Ice cream expenses 50% of revenue

**R,L&C**

Contract amounts rounded up assuming nominal increase  
Tree removal combined with misc.

**Social committee**

Total amount allotted same as 2007.

**Office expenses**

Monthly salary based on average for 1st 7 months of 2007 plus 3%  
Payroll taxes @ 11.25% of salary

**Professional fees**

Accounting fees assume a full scope audit  
Legal fees assumes no increase

**Insurance**

Assumes approx. 10% increase from current year premiums

**Taxes**

Assumes 10% increase in property taxes

Income taxes are equal to 23.5% of unrelated business income which essentially represents interest income and third party rental receipts reduced by related expenses and annual accounting fees. Budget assumes that we have approx. \$500 to pay for 2007 and \$1,200 to accrue (\$300 qtrly.) for 2008.