

## 2009 FESHA OPERATING BUDGET SUMMARY

	2009 Budget	Notes	2008 Budget
<b>INCOME</b>			
Homeowner /Lot Owner Dues	\$200,000	# 1	\$180,000
Road Usage Fees	\$1,500		\$2,000
Capital Reserve Interest	\$3,780	# 2	\$3,563
Interest & Other Income/Expense	\$5,050	# 3	\$4,290
<b>TOTAL INCOME</b>	<b>\$210,330</b>		<b>\$189,853</b>
<b>OPERATING EXPENSES</b>			
Clubhouse Facilities Expense	\$16,025	# 4	\$15,380
Newsletter	\$2,300		\$2,300
Swimming Pool/Tennis Courts	\$34,761	# 5	\$31,895
Roads, Lakes and Common Areas	\$42,759	# 6	\$41,000
Social Committee	\$1,750		\$3,000
Office Expenses	\$22,441	# 7	\$21,819
Professional Fees	\$9,050	# 8	\$9,000
Insurance	\$8,750	# 9	\$8,500
Taxes	\$8,100	# 10	\$10,357
<b>TOTAL OPERATING EXPENSES</b>	<b>\$145,937</b>		<b>\$143,251</b>
<b>INCOME IN EXCESS OF OPERATING EXPENSES</b>	<b>\$64,394</b>		<b>\$46,602</b>
<b>INCREASE IN CAPITAL EXPENDITURE RESERVES:</b>			
		# 11	
Clubhouse Reserve	\$5,250		\$5,000
Drainage Reserve	\$25,500		\$30,000
Pool Reserve	\$2,800		\$2,500
Road Paving Reserve	\$30,909		\$30,909
Road Usage Fees	\$1,500		\$2,000
Tennis Court Reserve	\$3,600		\$3,300
Capital Reserve Interest	\$3,780	# 12	\$3,563
Operating Reserve			
<b>GROSS INCREASE IN RESERVES</b>	<b>\$73,339</b>		<b>\$77,272</b>
<b>MAJOR EXPENDITURES FROM RESERVES (2009):</b>			
Drainage / Bridge Repair	\$53,500	# 13	
Drainage Survey			\$29,400
Drainage Project 1 = Nprth Country Club Creek			\$12,500
Drainage Project 2 = Ditch at rear of properties on Sunderland Drive			\$30,000
Repair of tennis court fencing	\$8,000	# 14	\$8,000
Clubhouse walkway plus other projects			\$15,000
Clubhouse projects			
	<b>\$61,500</b>		<b>\$94,900</b>
<b>NET INCREASE IN RESERVES</b>	<b>\$11,839</b>		<b>(\$17,628)</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(\$8,946)</b>		<b>(\$30,670)</b>
Full Funding of 2007 Reserve Accounts (Forecast)			<b>(\$13,088)</b>
Forecast / Actual Cash Balance at December 31, 2008	\$9,600	# 15	\$45,004
<b>NET SURPLUS / DEFICIT</b>	<b>\$654</b>		<b>\$1,246</b>

### NOTES:

- 1 Assumes dues of \$500 per lot times 400 lots.
- 2 Capital reserve interest broken out as separate line item and retained in account to build size of reserve funds. Not available for general expenditures.
- 3 Includes interest income, sales of ice cream at pool, etc. Budget uses interest rate of 3.15%, excludes capital interest.
- 4 Includes lawn service, increase of 10 - 15% for energy utilities, based on revised level billing.
- 5 Increase of 3.4% in number of pool hours, then increase price by 10% (maximum allowed by contract) for increase in wages / energy/ chemicals.
- 6 Includes \$3600 for routine road maintenance (crack / seal) to prolong life of roads
- 7 Increase for cost of living raise. Mileage expense remains the same even with increased reimbursement rate due to use of debit card.
- 8 Modest increase to attorney fees, estimate for full audit
- 9 Reflects minor increase in premium due to claim history.
- 10 Reflects decrease in property taxes
- 11 Reflects CAM plan contributions to reserve accounts
- 12 Interest earned by CAM reserves retained in reserve accounts
- 13 Includes uncommitted money from 2008 drainage expenditures \$25K + CAM Plan \$10K + \$15.5K from dues increase + \$3K reserve balance.
- 14 Unspent money for fence repair in 2008
- 15 Estimate / budget surplus at end of year (2008)

## 2009 FESHA Budget

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<b>Ordinary Income/Expense</b>													
<b>Income</b>													
<b>4000 Revenues</b>													
4010 Homeowner /Lotowner Dues	25,000	100,000	50,000	25,000									200,000
4060 Road Usage Fees			500			500				500			1,500
4070 CAM Plan Reserve Interest	315	315	315	315	315	315	315	315	315	315	315	315	3,780
4080 Interest & Other Income/Expense	1,181	181	181	681	181	337	681	431	400	431	181	181	5,050
<b>Total Revenue: Total 4000</b>	<b>26,496</b>	<b>100,496</b>	<b>50,996</b>	<b>25,996</b>	<b>496</b>	<b>1,153</b>	<b>996</b>	<b>746</b>	<b>715</b>	<b>1,246</b>	<b>496</b>	<b>496</b>	<b>210,330</b>
<b>Expenses</b>													
<b>5000 Clubhouse Facilities Expense</b>													
5010 Inspections						200							200
5020 Maintenance / Cleaning	250	280	280	250	180	180	250	180	180	350	280	180	2,840
5030 Repair / Supplies	125	125	125	125	125	125	125	125	125	125	125	125	1,500
5040 Trash Removal			35			35			35			35	140
5050 Electric	550	550	550	550	550	550	550	550	550	550	550	550	6,600
5070 Water & Sewer	150	150	150	150	150	400	400	425	425	150	150	150	2,850
5080 Gas Service	148	148	148	148	148	165	165	165	165	165	165	165	1,895
5190 Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total 5000</b>	<b>1,223</b>	<b>1,253</b>	<b>1,288</b>	<b>1,223</b>	<b>1,153</b>	<b>1,655</b>	<b>1,490</b>	<b>1,445</b>	<b>1,480</b>	<b>1,340</b>	<b>1,270</b>	<b>1,205</b>	<b>16,025</b>
<b>5200 Newsletter</b>													
5210 Newsletter Postage			100			100			100			100	400
5220 Newsletter Printing			425			375			375			375	1,550
5230 Directory Printing			350										350
<b>Total 5200</b>	<b>-</b>	<b>-</b>	<b>875</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>2,300</b>
<b>5300 Swimming Pool/Tennis Courts</b>													
5320 Maintenance	306	2,751		4,584	7,640	7,640	6,112	1,528					30,561
5330 Equipment Repairs				500									500
5340 Furnishings										800			800
5350 Supplies						200	200	200					600
5357 Ice Cream Purchases(For resale)	-	-	-	-	125	200	200	175		-	-	-	700
5360 Swimming Pool Telephone					-	-	-	-	-				-
5370 Miscellaneous Pool Exp.					100	100	100	100					400
5380 Tennis Courts				1,200									1,200
<b>Total 5300</b>	<b>306</b>	<b>2,751</b>	<b>-</b>	<b>6,284</b>	<b>7,865</b>	<b>8,140</b>	<b>6,612</b>	<b>2,003</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>34,761</b>

## 2009 FESHA Budget

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<b>Ordinary Income/Expense</b>													
<b>5400 Roads</b>													
5410 Maintenance & Mowing				2,254	3,275	2,254	3,480	2,254	3,071	3,071			19,658
5420 Repairs										3,600			3,600
5430 Snow Removal	3,065	2,743	1,211								1,211	2,422	10,651
5440 Lakes				3,245				3,245			400		6,890
5450 Weed/Mulch Common Areas				300	50	50	50	50					500
5460 Tree Removal/Common Areas						360							360
5470 Delinquent Lot Maintenance													-
5490 Misc. Landscaping / Lawn Service			200	300	200		200		200				1,100
<b>Total 5400</b>	<b>3,065</b>	<b>2,743</b>	<b>1,411</b>	<b>6,099</b>	<b>3,525</b>	<b>2,664</b>	<b>3,730</b>	<b>5,549</b>	<b>3,271</b>	<b>6,671</b>	<b>1,611</b>	<b>2,422</b>	<b>42,759</b>
<b>5600 Social Committee</b>	20	100	200	20	20	750	20	20	20	160	20	400	<b>1,750</b>
<b>6000 Office Expenses</b>													
6010 Payroll	1,419	1,289	1,274	1,347	1,274	1,274	1,419	1,274	1,274	1,347	1,274	1,347	15,812
6020 Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
6025 Equipment Rental			125			125			125			125	500
6027 Equipment Purchases													-
6030 Printing & Reproduction											250		250
6040 Postage/Freight	65	65	65	65	65	65	65	65	65	65	185	65	900
6050 Communications	125	125	125	125	125	125	125	125	125	125	125	125	1,500
6060 Mileage	50	50	50	50	50	50	50	50	50	50	50	50	600
6190 Miscellaneous													-
6191 Computer Upgrade Hardware													-
6192 Computer Upgrade Software						200							200
6910 Payroll Taxes	160	145	143	151	143	143	160	143	143	151	143	151	1,779
<b>Total 6000</b>	<b>1,894</b>	<b>1,749</b>	<b>1,858</b>	<b>1,813</b>	<b>1,733</b>	<b>2,058</b>	<b>1,894</b>	<b>1,733</b>	<b>1,858</b>	<b>1,813</b>	<b>2,103</b>	<b>1,938</b>	<b>22,441</b>
<b>6200 Professional Fees</b>													
6210 Accounting					750		4,250						5,000
6220 Legal Fees	850	300		850			850		850				3,700
6250 Recording Fees	17	17	17	17	17	17	17	17	17	17	17	17	200
6260 Current Owner Search													-
6270 Trade Organizations													-
6290 Other Fees						50							50
7520 Bank Fees			25			25			25			25	100
<b>Total 6200</b>	<b>867</b>	<b>317</b>	<b>42</b>	<b>867</b>	<b>767</b>	<b>92</b>	<b>5,117</b>	<b>17</b>	<b>42</b>	<b>867</b>	<b>17</b>	<b>42</b>	<b>9,050</b>

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<b>Ordinary Income/Expense</b>													
<b>6300 Insurance</b>					6,750			2,000					8,750
<b>Total 6300</b>	-	-	-	-	<b>6,750</b>	-	-	<b>2,000</b>	-	-	-	-	<b>8,750</b>
<b>6900 Taxes</b>													
6989 Income/ Other Taxes			800			300			300			300	1,700
6980 Property Tax					3,200					3,200			6,400
6990 Other Misc. Tax													-
<b>Total 6900</b>	-	-	<b>800</b>	-	<b>3,200</b>	<b>300</b>	-	-	<b>300</b>	-	<b>3,200</b>	<b>300</b>	<b>8,100</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>19,123</b>	<b>91,584</b>	<b>44,523</b>	<b>9,691</b>	<b>(24,517)</b>	<b>(14,981)</b>	<b>(17,866)</b>	<b>(12,020)</b>	<b>(6,730)</b>	<b>(10,405)</b>	<b>(7,724)</b>	<b>(6,285)</b>	<b>64,394</b>
<b>RESERVE ACCOUNT DEPOSITS</b>													
Clubhouse Reserve			5,250										5,250
Drainage Reserve				25,500									25,500
Pool Reserve			2,800										2,800
Road Paving Reserve			30,909										30,909
Road Usage Fee (Road Reserve)	-	-	500	-	-	500	-	-	-	500	-	-	1,500
Tennis Court Reserve			3,600										3,600
CAM Plan Interest	315	315	315	315	315	315	315	315	315	315	315	315	3,780
<b>PRIOR YEAR UNDESIGNATED CASH</b>													\$9,600
<b>NET OPERATING SURPLUS (DEFICIT)</b>													\$654

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<b>Ordinary Income/Expense</b>													
<b>Budget Assumptions:</b>													
<b>Homeowner dues:</b>													
400 # of paying lots													
\$500 annual dues per lot													
11.11% Increase													
<b>Interest and other income:</b>													
3.15% Interest income (Oper. Reserve)	131	131	131	131	131	131	131	131	131	131	131	131	1,575
3.15% Interest Income (CAM Reserves)	315	315	315	315	315	315	315	315	315	315	315	315	3,780
1.90% Interest Income (Road Reserve)													
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						156	250	250	219				875
<b>Total interest and other income</b>	<b>1,181</b>	<b>181</b>	<b>181</b>	<b>681</b>	<b>181</b>	<b>337</b>	<b>681</b>	<b>431</b>	<b>400</b>	<b>431</b>	<b>181</b>	<b>181</b>	<b>5,050</b>

**Newsletter expenses**

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

**Swimming pool**

Decreased hours/day; increased by 10% max to cover minimum wage and fuel/supplies cost increases.  
Ice cream income = 1.25 times cost of product

**R,L&C**

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

**Social committee**

Minor reduction from 2008 budget

**Office expenses**

Monthly salary based on 2.0% increase for cost of living  
Payroll taxes @ 11.25% of salary

**Professional fees**

Accounting fees assume a full scope audit  
Legal fees assumes nominal increase

**Insurance**

Includes minor increase in premiums for 2008 based on claim history

**Taxes**

Reflects decrease in property tax  
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 no additional tax liability (above 2008 budget) for 2008 and \$1,200 to accrue (\$300 qtrly.) for 2009.