

WESTVIEW COMMUNITY ASSOCIATION
NOTES TO RESERVE ANALYSIS AND OPERATING Budget

Uses of Reserves

Landscape Replacement

\$2000 for 4 trees throughout Brownbelt Park

Contingency/Miscellaneous

1% of budgeted costs from Reserve Expenditures

Sources of Operating Cash

Beginning Balance

Amount is carried forward from previous year.

Association Dues

Revenue based on 166 homes paying dues on a semi-annual basis. Receipt of 100% of dues.

Late Fee Income

Not Budgeted - Assume all payments received in time on a monthly basis.

Lien Fee Income

Not Budgeted - Cost of lien initially paid by association, but billed back to Homeowner (offsets corresponding expense)

Legal Fee Income

Not Budgeted - Cost of legal initially paid by association, but billed back to Homeowner (offsets corresponding expense)

Fine Income

Not Budgeted - Assume no fines will be assessed

Miscellaneous Revenue

Not Budgeted - Assume no miscellaneous revenues

Operating Expenses

Water

Initial Estimates including water on Brownbelt Park

Trash Removal

Based upon 2007 Expenditures

Insurance

Based upon prior year's expenditures

Landscape Maintenance Contract

Based upon current contract with CoCal Landscaping that renews in 10/2008. - EXCLUDES MAINT OF BROWN BELT PARK

Fert/Weed/Insect

Not Included in budget

Tree Repair & Mentance

Non Included in budget

Fence Repair & Maintenance

Not Included in budget

Irrigation Repair & Maintenance

Nominal amount included for start up repairs

Grounds Repairs & Improvements

Not Included in budget

Snow Removal

Initial estimate based on a "normal" snowfall year. - EXCLUDES SNOW REMOVAL IN BROWN BELT PARK

Pet Wast Cleanup

Not Included in budget

Community Events

Incentive for homeowner participation in annual meeting

Internet / Website Service

Domain Name Registration

Legal Fees - General

Not Budgeted - Cost of collections billed back to homeonwer resulting in no effect on association

Management Fee

Foster Management agreement to be renewed 07/08 - Assume no increase in fee

A/R Processing Fee

Foster Mangement Processing fee of \$5/delinquent account per month not budgeted. Late fee of \$20/month covers cost of processing fee. Neither the late fee or processing fee are budgeted.

Lien Fees

Not Budgeted - Cost of lien billed back to homeonwer resulting in no effect on association

Legal Fees - General

Estimate of merger costs budgeted in January

Accounting / Tax Preparation

Based upon Foster Mgmt fee to prepare annual tax return.

Office Supplies

No Costs Expected for 2007

Postage

\$35/month postage plus \$70/qtr for newsletter (166 homes @ \$.41/newsletter = \$68 ~70)

Bad Debt

Assume no bad debt will be incurred - All assessments billed will be 100% collectable

Miscellaneous Operating Expenses/Contingency

1% Contingency fee based upon monthly expenditures

Transfer to Reserves

\$3000 per Assessment to be transferred to reserves to cover future capital replacement items

Westview HOA
3 Year Comparative Income Statement
For Fiscal Years 2006, 2007 2008

Fiscal Year	2006 ACTUAL	2007 Estimated	2008 Budgeted
Sources of Reserves			
Beginning Balance	\$0	\$30,277	\$36,794
Interest	\$277	\$1,517	\$1,819
Transfer from Operating	\$30,000	\$5,000	\$6,000
Total Sources of Reserves	<u>\$30,277</u>	<u>\$36,794</u>	<u>\$44,613</u>
Uses of Capital Reserves			
Landscape Replacement	\$0	\$0	\$2,000
Contingency / Misc. Costs	\$0	\$0	\$20
Total Uses of Reserves	<u>\$0</u>	<u>\$0</u>	<u>\$2,020</u>
Balance in Reserves at End of Year	<u><u>\$30,277</u></u>	<u><u>\$36,794</u></u>	<u><u>\$42,593</u></u>
Annual Dues (After Dues Increase)	\$ 320.00	\$ 320.00	\$ 320.00
Sources of Operating Cash			
Beginning Balance	\$43,855	\$18,473	\$25,553
Association Dues	\$60,004	\$60,611	\$53,120
Late Fee Income	\$1,511	\$4,599	\$0
Lien Fee Income	\$0	\$525	\$0
Legal Fee Income (Collections Billed to Homeowner)	\$0	\$656	\$0
Fine Income	-\$60	\$125	\$0
Miscellaneous Revenue	\$452	\$1,242	\$0
Total Sources of Operating Cash	<u>\$105,762</u>	<u>\$86,232</u>	<u>\$78,673</u>
Uses of Operating Cash			
Operating Expenses			Gra
Water	\$4,051	\$3,251	\$16,175
Trash Removal	\$13,742	\$14,553	\$15,012
Electricity	\$462	\$194	\$138
Insurance	\$1,209	\$1,233	\$1,500
Landscap Maintenance Contract	\$7,845	\$665	\$665
Tree Repair & Maintenance	\$425	\$0	\$0
Fence Repair & Maintenance	\$2,646	\$0	\$0
Irrigation Repair & Maintenance	\$1,875	\$0	\$200
Grounds Repairs & Improvements	\$14,187	\$0	\$0
Snow Removal	\$400	\$2,020	\$500
Pet Waste Cleanup	\$0	\$0	\$0
Community Events	\$26	\$0	\$160
Internet / Website Service	\$0	\$9	\$10
Legal Fees - Homeowners	\$0	\$2,877	\$0
Filing Fees	\$0	\$10	\$10
Income Tax Expense	\$0	\$0	\$0
Management Fee	\$4,800	\$6,750	\$8,400
A/R Processing Fee	\$0	\$480	\$0
Lien Fees	\$0	\$525	\$0
Legal Fees - General	\$4,967	\$2,592	\$2,500
Accounting / Tax Preparation	\$1,751	\$285	\$250
Administrative / Office Supplies	\$2,578	\$236	\$0
Postage - General	\$0	\$875	\$700
Bank Charges	\$0	\$0	\$0
Bad Debt	\$0	\$61	\$0
Miscellaneous Operating Expenses/Contingency	\$1,088	\$1,284	\$462
Total Operating Expenses	<u>\$62,054</u>	<u>\$37,900</u>	<u>\$46,682</u>
Net Operating Cash Before Transfer to Reserves	\$43,708	\$48,332	\$31,991
Cash Transferred to Reserves	-\$30,000	-\$5,000	-\$6,000
Net Operating Cash After Transfer to Reserves	<u><u>\$13,708</u></u>	<u><u>\$43,332</u></u>	<u><u>\$25,991</u></u>