

## 2017 Operating Budget

At the Board of Directors meeting on November 12, 2016 the board voted to adopt the following operating budget for FY 2017. The operating budget reflects the ongoing and recurring costs of the Association. The operating budget does not reflect spending for asset acquisitions, reserve funding, or specific improvement/maintenance projects undertaken which are reflected in the project/reserve fund.

	Lots			
	2,235	2,300	2,300 (1)	
<b>Operating Budget</b>				
	FY2017 Budget	FY2016 Forecast	FY2016 Budget	
<b><u>Operating Income</u></b>				
Member Operating Assessments (\$45.45 of total \$95 Assessment)	\$ 99,350	\$ 105,000	\$ 105,000	
Reserve for Uncollectible/Bad Debt	(5,000)	(5,000)	(7,500)	(2)
Member Operating Assessments (Net)	\$ 94,350	\$ 100,000	\$ 97,500	
Total Other Income	\$ 5,650	\$ 6,255	\$ 5,500	
<b>Total Operating Income</b>	<b>\$ 100,000</b>	<b>\$ 106,255</b>	<b>\$ 103,000</b>	
<b><u>Operating Expenses</u></b>				
Labor & Labor Related Expenses	\$ -	\$ -	\$ -	
Association Management Services	64,800	63,000	63,000	(3)
Professional Services - Accounting	3,500	4,000	4,750	
Professional Services - Legal	5,000	5,000	5,000	
Professional Services - Other	500	1,685	500	
Bank Charges	250	250	250	
Insurance	5,750	4,000	6,500	
Maintenance & Repairs	7,000	7,000	7,000	
Meeting Costs	5,000	6,000	6,500	
Communications	5,500	5,000	7,000	(4)
Office/Admin expenses	1,000	1,000	1,000	
Office Rent	-	-	-	
Utilities	1,700	1,600	1,500	
Donations	-	-	-	
<b>Total Cash Operating Expenses</b>	<b>\$ 100,000</b>	<b>\$ 98,535</b>	<b>\$ 103,000</b>	
<b>Total Operating Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ 7,720</b>	<b>\$ -</b>	

Assessment Year	2017	2016
Operating Assessment to Achieve Balanced Budget	\$44.45	\$45.73
YOY % Increase/Decrease	(2.8%)	(8.8%)

**Notes:**

- (1) Reduction in the number of lots reflects departure of High Cross subdivision from Association.
- (2) Based on review of aged receivables - used to build appropriate AR reserve on balance sheet.
- (3) Contractual increase of 3% on June 1, 2017 - current contract expires on December 31, 2017 .
- (4) Reflects costs for required mailings, newsletters, and website.