

2019 Operating Budget

At the Board of Directors meeting on November 17, 2018 the Board voted to adopt the following operating budget for FY 2019. 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.

	Operating Budget			
	FY2019 Budget	FY2018 Forecast	FY2018 Budget	
<u>Operating Income</u>				
Lots	2,235	2,235	2,235	
Member Operating Assessments (\$47.96 of total \$120 Assessment)	\$ 107,200	\$ 116,500	\$ 117,000	
Reserve for Uncollectible/Bad Debt	(1,000)	(1,000)	(5,000)	(1)
Member Operating Assessments (Net)	\$ 106,200	\$ 115,500	\$ 112,000	
Total Other Income	\$ 6,000	\$ 5,900	\$ 6,000	
Total Operating Income	\$ 112,200	\$ 121,400	\$ 118,000	
<u>Operating Expenses</u>				
Labor & Labor Related Expenses	\$ -	\$ -	\$ -	
Association Management Services	83,000	80,500	80,000	(2)
Professional Services - Accounting	3,000	3,000	3,500	
Professional Services - Legal	1,000	1,000	5,000	(3)
Professional Services - Other	500	500	500	
Bank Charges	200	200	250	
Insurance	2,500	2,500	3,250	(4)
Maintenance & Repairs	7,000	6,500	7,000	
Meeting Costs	5,500	5,500	10,000	
Communications	5,500	3,500	5,500	
Office/Admin expenses	1,000	2,500	1,000	
Office Rent	-	-	-	
Utilities	3,000	3,800	2,000	(5)
Donations	-	-	-	
Total Cash Operating Expenses	\$ 112,200	\$ 109,500	\$ 118,000	
Total Operating Surplus/(Deficit)	\$ -	\$ 11,900	\$ -	

	Assessment Year FY2019	FY2018
Operating Assessment to Achieve Balanced Budget	\$47.96	\$52.35
YOY % Increase/(Decrease)	(8.4%)	17.8%

Notes:

- (1) Based on review of aged receivables - used to build appropriate AR reserve on balance sheet.
- (2) Contract renewal with Steamboat Association Management (SAM) reflects 3% price increase effective January 1, 2019.
- (3) Decrease reflects reduced legal costs for operating activities as all collection costs associated with past due amounts are responsibility of owner.
- (4) Decrease reflects reduced premium costs obtained by leveraging SAM's preferred pricing discounts.
- (5) Decrease reflects expected reduction in water usage resulting from repairs to sprinkler system at community park.

Reserve/Projects Fund

In addition to the annual operating cost of the Association, the Association maintains and expends funds from its general reserve for specific projects and initiatives as well as unexpected expenses. These projects and initiatives benefit the Stagecoach community and our membership and may include common area development and maintenance, road infrastructure repair and maintenance, wildfire mitigation, community development activities, and asset acquisition. Outlined below is the Association’s forecasted 2019 reserve/project fund activity and balances.

Note: All amounts have been rounded to nearest \$1,000 for ease of presentation.

Forecasted Reserve/Project Fund Balance - Jan 1st

Plus: Project/Reserve Funding (2019 = \$72.04 of total \$120 Assessment)
 Other Income (i.e., interest)
 Transfer (to)/from Operating Fund

Less: Board approved expenditures
 - Wildfire Mitigation
 - Common Area Development - Community Center
 - Common Area Development - Trails and Recreation
 - Road Infrastructure
 - Community Development
 - Governing Document Maintenance and Enforcement
 - Community Infrastructure
 - Legal Projects
 - Equipment/Asset Acquisition
 - Equipment/Asset Depreciation

Total Board Approved Expenditures

Forecasted reserve/project balance as of Dec 31st

<u>2019</u>		
Forecast (11/2018)		
	\$ 379,700	
	161,000	
	-	
	-	
	<u>\$ 161,000</u>	
	\$30K - \$40K	
	\$30K - \$40K	
	\$20K - \$30K	
	\$20K - \$30K	
	\$10K	
	\$10K	
	\$5K	
	\$0K	
	\$0K	
	\$2K	
	\$ 127,000	to
		\$ 167,000
	\$413,700	to
		\$373,700

Note: The reserve/project fund balance outlined above does not include the restricted road funds held by the Association for the benefit of property owners in Horseback, Morningside and South Shore. As of September 30, 2018 the total balance of these restricted funds was \$149,171