

Ridgewood Hills Master HOA

FY2007 BUDGET

Ratified

December 11, 2006

Assessments are paid monthly.

This is based assessments remaining at \$300.00 per unit per year. Due semi annually on January 1, 2007 and July 1,2007.

Prepared by:

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Community Manager**

MSI LLC

**Ridgewood Hills Master HOA
FY2007 BUDGET**

INCOME

Assessments (Homeowners)	251,100
Legal Income	5,000
Late Fees	6,000
Interest	911
Other	-
Total Income	263,011

EXPENSES

Water/Sewer	48,940
Electricity	3,400
Management	30,882
A/R Processing Fees	3,000
Lien Fees	1,500
Postage	3,000
Administrative	7,700
Tax Prep/Audit	1,500
Insurance	7,224
Grounds Maintenance	69,515
Grounds Improvements	10,000
Grounds Repairs (Sprinkler)	11,000
Grounds Repairs (Other)	2,000
Tree / Shrub	3,885
Lighting Maintenance	400
Snow Removal	8,700
Fence Maintenance	13,000
Social Activities	1,800
Trash Removal	750
Taxes	2,000
Legal - General	3,000
Legal Fees - Collections	6,000
Miscellaneous	23,315
Bad Debt	500
Total Expenses	263,011

NET

	0.00
Anticipated Cash Balance 12/31/06	74,678
Anticipated Cash Balance 12/31/07	74,678

RESERVES SUMMARY

Anticipated Cash Balance 12/31/06	411,437
Interest	8,229
Total Additions	8,229
Other Contingency	10,000
Total Expenditures	10,000
Anticipated Cash Balance 12/31/07	409,666
Total Anticipated Cash Assets 12/31/07	484,344

**RIDGEWOOD HILLS MASTER ASSOCIATION
FY2007 Budget**

INCOME ACCOUNTS

Assessment (Homeowners)

This Budget is based on assessments remaining at \$300.00 per unit per year.

Legal Income

Estimate of legal expenses recoverable from homeowner accounts. Recoverable expenses include lien filings, attorney's fees, and lien release fees.

Late Fees

Estimate of late fees and interest collectible on delinquent homeowner accounts.

Interest

This is based on the current interest rate of 1.0% earned on the operating bank account.

EXPENSE ACCOUNTS

Water

This is based on FY2006 actual expense with an estimated increase of 5% to account for potential rate increases and increased watering.

Gas/Electricity

This is based on FY2006 actual expense with an estimated increase of 12% to account for a potential rate increase. This is for the irrigation system clocks, irrigation pumps, and heating the pools.

Management

This is based on the current contract with an estimated increase of 3% to be determined upon contract renewal in June.

A/R Processing Fees

This is based on FY2006 actual expenses plus a minimal increase. A fee of \$10.00 per delinquent account per month will be charged for processing delinquent accounts; chargeable the month in which the account becomes one month or more delinquent. This fee will be increasing to \$15.00 upon the renewal of the management contract. The charge is added to the homeowners account, but initially paid by the Association. Reimbursement to the Association occurs when payment from delinquent homeowners result in resolution of the account.

Lien Fees

This is based on FY2006 actual expenses. This occurs when liens are placed and released as necessary in the delinquency process. A \$75.00 fee is charged, which includes preparing the lien and lien release. This charge is added to the homeowner's account, but initially paid by the Association.

Postage

This is based on FY2006 actual expenses.

Administrative

This is based on FY2006 actual expenses for copies, printing, payment books, files, and other similar administrative items. In addition, a 20% increase has been added for two additional newsletters/mass mailings.

Audit/Tax Preparation

This is for an audit of FY2006 and preparation of the FY2006 tax return. This estimate is based on information received from the accountant retained by the association.

Insurance

This is the premium for hazard insurance, liability insurance, and Directors and Officers liability insurance. This estimate is based on the current premium with the Lockton Master program and includes no increase for 2007 per the advisement of the insurance broker.

Grounds Maintenance

This is for a Grounds Maintenance contract. This is based on the actual contract in place with Mill Brothers Landscaping for 2006-2007.

Grounds Improvements

This is an allowance of \$10,000.00 for the addition of flowers, trees, and shrubs, or other improvements to the grounds.

Grounds Repairs (Sprinkler)

This is an allowance based on the FY2006 actual expenses for the expected repairs of the sprinkler system. Plus the replacement of one additional pump station that has an expected replacement cost of \$1,800.00.

Grounds Repairs (Other)

This is an allowance of \$2,000.00 for the repair to the grounds, other than the sprinkler system. Examples are drainage repair or stump removal.

Tree/Shrub Maintenance

This is based on recommended proposal for a tree maintenance program from a certified Arborist.

Lighting Maintenance

This is an allowance of \$400.00 for maintenance of the entrance lighting.

Snow Removal

This is based on an estimate of one storm per month requiring 1 hour of snow-blowing per storm. Snow removal is provided on walks for snowfalls of over 2 inches.

Fence Maintenance

This is an allowance of \$13,000.00 for the repair of the fencing as well as the continuation of the association fence staining project started in FY2006.

Trash Removal

This is an allowance for the dumpsters provided by the Association for community clean up day.

Social Activities

This is a allowance for association sponsored social activities. Events such as the lunch for the community clean up day in the spring and the neighborhood night out event in the summer.

Taxes

This is an allowance based on the actual taxes paid in FY2006 for income taxes owed for the interest portion of the income.

Legal Fees - General

This is an allowance of \$3,000.00, for costs associated with general legal advice and services related to Association issues.

Legal Fees - Collections

This is an allowance of \$6,000.00, for costs associated with collecting delinquent assessments. Legal fees associated with collections are assessed back to the unit owners account.

Transfer to Reserves

The Board of Directors decided not to contribute to the Twenty Year Reserve Plan as a fixed budgeted line item. Instead a contribution will be made at the end of the year to the Twenty Year Reserve Plan from the end of year Operating Cash Balance. The Twenty Year Plan is updated annually for the association by MSI. This plan projects future needs for capital improvements or major non-annual recurring expenses.

Miscellaneous

This budgeted amount has been selected by the Board of Directors to balance out the budget. There is no intent to utilize this total amount because the Contribution to Reserves line item has been removed for 2007. It is simply used as a zeroing line item to balance the budget.

Bad Debt

This is a minimal amount for assessment that may not be able to be collected.

