

# Forest Heights Homeowners Association

2008 Budget -- Updated 10-29-07

page 1

## Operating Revenue

Account Number	2005 actual	2006 actual	2007		2008 Budget	2008-2007 variance	08 vs 07		
			Actual 30-Sep	Budget					
<b>Homeowner Assessments</b>	3000	914,664	924,827	948,984	933,000	932,340	-\$660	0%	1762 units x \$540 less 19140 reserve assmt.
Apartment Assessments	3005	53,280	86,400	86,400	86,400	86,400	\$0	0%	160 x 540
Commercial Assessments	3010	1,027	5,795	12,466	8,000	12,000	\$4,000	50%	<b>Conservative estimate for Assessed Value of Commercial site</b>
Private Street Assessments	3050	17,280	17,280	17,280	17,876	21,142	\$3,266	18%	From 2007 Reserve Study; Washes with reserve fund expense
Replacement Reserve Assessments	3075	16,000	17,028	0	21,057	19,140	-\$1,917	-9%	"
T-Mobile Cell Tower Lease Income	3080	5,710	12,000	9,000	12,000	12,000	\$0	0%	
<b>Total Assessments</b>		1,007,961	1,063,330	1,074,130	1,078,333	1,083,022	\$4,689	0%	
Late Fees/Interest	3110	12,826	14,542	13,025	15,000	15,000	\$0	0%	Conservative estimate
Architectural Review Fees	3125	27,450	10,575	10,400	7,500	10,000	\$2,500	33%	Based on historical rates. No new fee schedule was completed
Tbills Investment Income	3210	1,081	14,878	9,293	15,000	15,000	\$0	0%	I used 5% spread across our three accounts, allocated
Tbills Investment Income-Replacement Reserv	3211	0	11,737	3,094	12,000	12,000	\$0	0%	according to the average funds in the three accounts
Tbills Investment Income-Maintenance and Op	3212	0	5,165	1,644	5,000	5,000	\$0	0%	Still working on allocation of interest
Investment Income-Replacement Reserves	3218	0	489	2,953	100	100	\$0	0%	
Investment Income-Maintenance and Operatio	3219	0	147	1,265	100	100	\$0	0%	
Investment Income	3220	13,045	12,869	8,712	7,500	7,500	\$0	0%	
Commercial Paper Investment Income	3221	7,083	0	0	0	0	\$0		
Misc. Income	3222	800	2,025	1,683	0	0	\$0		
Legal Costs Recovered	3225	14,326	14,453	9,538	12,000	12,000	\$0	0%	Washes with expense
Compliance Fines	3230	9,515	21,784	15,098	15,000	5,000	-\$10,000	-67%	<b>Reflecting fine income; don't treat as expected source of funds</b>
Returned Check Fee	3238	150	75	25	0	0	\$0		come first
Information Request Fee	3246	15,100	10,800	5,950	13,000	9,000	-\$4,000	-31%	\$50 per house sale; 10% turnover
Advertising Income-Web Site	3251	0	500	1,025	1,000	1,000	\$0	0%	
Advertising Income-Newsletter	3252	9,211	27,031	20,986	25,000	25,000	\$0	0%	Reflecting experience and rate increase; starting selling ads in 2005
Dinner Dance Income	3260		1,680	3,010	13,000	0	-\$13,000	-100%	<b>Recommending no funding allocation</b>
<b>Reserve Distribution</b>	<b>3261</b>					<b>139,000</b>	<b>\$139,000</b>		Matches anticipated special project allocation for 2008
Total Other Income		110,587	148,750	107,701	141,200	255,700	\$114,500	81%	
<b>Total Revenue</b>		<b>1,118,548</b>	<b>1,212,080</b>	<b>1,181,831</b>	<b>1,219,533</b>	<b>1,338,722</b>	<b>\$119,189</b>	<b>10%</b>	

### NOTES

4090, 4015, 5200 Staff salaries: 5% is for cushion; actual increases based on C.O.L. (3% anticipated for 2008) and performance adjustment, 1-2% for superior performance.

6100 Social Active.: Committee requests \$38000 each for July 4 & Oktoberfest; \$4000 for garage sale, fun run Halloween, Easter egg hunt, annual meeting, event promotional materials.

6150 Community contributions: NW Heights Neighborhood Assn \$1000; \$6000 School auction, \$1000 Pumpkin Patch, \$1200 carnival, \$200 Walk to School Day; \$1000 fertile soccer field, \$1400 string mow bank; \$200 discretionary.

# Forest Heights Homeowners Association

2008 Budget -- Updated 10-29-07

page 2

Expenses		2007							
		2005 actual	2006 actual	Actual 30-Sep	2007 Budget	2008 Budget	2008-2007 variance	08 vs 07 % change	
<b>Management &amp; Administration</b>									
Administrative Salaries	4015	100,482	118,423	93,852	126,000	132,000	6,000	5%	Manager (75%), Sharon, Krystle (all salary and benefit line items)
Temporary Office Wages	4016	2,746	3,013	772	5,000	4,000	-1,000	-20%	Experience results in less
Administrative Benefits	4017	10,643	16,593	16,210	18,700	19,700	1,000	5%	Inflation adjusted
Administrative Payroll Taxes	4018	12,969	10,314	7,681	11,150	11,800	650	6%	Inflation adjusted
Professional Development	4019	10,428	8,709	5,818	10,000	10,000	0	0%	
Accounting and Payroll Services	4020	14,091	11,412	5,656	12,000	7,000	-5,000	-42%	Schwindt only does bank rec and quarterly docs review
Administrative Retention Incentive Bonus	4021	0			0	4,000	-4,000	100%	Board estimation - One time in 2008 - nonrecurring
Performance Bonus	4022	0			0	10,000	-10,000	100%	One month's salary - One time in 2008 - nonrecurring
Moving Expenses& Contract Expenses	4023	0			0	8,000	-8,000	100%	Estimated based on Jim's experience - One time in 2008 - nonrecurring
Headhunter/Consultant Fees	4023	0			0	15,000	-15,000	100%	Based on 15% of Salary and New contract costs - One time in 2008 - nonrecurring
Office Rent and Utilities	4025	36,265	47,604	36,752	52,000	52,000	0	0%	1.85 per square foot rent increase
Computer System Maintenance	4030	12,988	4,497	2,099	8,000	14,000	6,000	75%	<b>(Revised to \$6,000 per Jim's email 9/24/07) New software, install, training;</b>
Phone Services	4035	8,702	5,472	4,335	6,000	6,000	0	0%	Reflects actual experience
Fax/Copy Machine Maintenance and Lease	4040	4,020	3,962	3,188	4,000	4,000	0	0%	2005 included new furniture; 2007 reflects experience
Office Supplies	6002	23,787	11,091	6,490	10,000	10,000	0	0%	Reflects increased experience; using pre-sort
Postage	6005	15,149	6,443	4,122	4,000	6,000	2,000	50%	<b>Experience results are higher</b>
Audit and Tax Return	6010	6,545	6,894	6,480	7,000	7,000	0	0%	Tax return by Schwindt; lower fee
Recoverable Legal Fees	6020	12,782	9,937	12,870	12,000	12,000	0	0%	Washes with revenue
Legal Fees/Other	6021	13,629	15,104	11,972	15,000	15,000	0	0%	Reflects experience
Insurance	6040	10,836	10,000	5,218	7,500	8,500	1,000	13%	New Policy with Philadelphia; slightly higher premium (State Farm in 06 was 7620)
Board and Committee Admin Costs(1)	6061	8,470	10,242	10,172	12,000	15,000	3,000	25%	<b>8 Committees, Board dinner, Reception, staff luncheon, dinner cost \$1,500 (September)</b>
Taxes and Licenses	6074	3,221	3,310	3,315	3,000	3,000	0	0%	Closer to our actual experience
Misc. Admin Expenses	6075	6,755	2,300	10,821	3,000	3,000	0	0%	Need a small amount here; incl. application for energy credits
<b>Total Management &amp; Administration</b>		<b>314,509</b>	<b>305,321</b>	<b>247,823</b>	<b>326,350</b>	<b>377,000</b>	<b>50,650</b>	<b>16%</b>	
<b>Landscape Maintenance</b>									
Landscape - Contract Services	4101	98,287	104,849	80,309	106,000	109,000	3,000	3%	Contract incr. of 2.5%; incl. seasonal color, fertilize soccer field
Landscape - Plant Replacement	4111	1,573	0	3,569	1,000	2,000	1,000	100%	<b>More concerted effort on replacement</b>
Landscape - Irrigation Repair	4112	11,491	18,591	14,388	12,000	12,000	0	0%	Irrigation line breaks expected; system in good shape now
Landscape - Bark Mulch	4114	6,384	8,000	92	8,000	8,000	0	0%	Do this work in December
Landscape - flower baskets	4118	0	535	868		0	0		
Landscape - Utilities (Water)	4160	33,171	32,275	18,507	32,000	32,000	0	0%	Trying to reduce usage with equipment changes
Landscape - Utilities (Electricity)	4180	8,791	8,039	6,780	9,000	9,000	0	0%	Reflects experience
<b>Total Landscape Maintenance</b>		<b>159,698</b>	<b>172,289</b>	<b>124,513</b>	<b>168,000</b>	<b>172,000</b>	<b>4,000</b>	<b>2%</b>	
<b>Common Area Maintenance</b>									
Truck - Operating Expense	5025	2,209	2,008	1,128	2,500	3,000	500	20%	
Truck - Lease	5055	4,041	3,705	656	11,200	0	-11,200	-100%	Association now owns a truck
Maintenance Supplies	5100	31,356	41,458	36,496	45,000	45,000	0	0%	Much of trail and common area work to come
Reforestation Materials	5125	595	0	0	4,000	4,000	0	0%	Trees planted in fall
Contracted Tree Services	5150	10,052	6,775	779	10,000	10,000	0	0%	More trees to be removed in fall
Other Contracted Services	5175	19,732	0	0	0	0	0		
Maintenance Payroll	5200	75,651	75,432	61,958	83,000	87,500	4,500	5%	Richard, Juan
Administrative Retention Incentive Bonus	5201	0	0	0	0	4,000	-4,000	100%	Board estimation - One time in 2008 - nonrecurring
Maintenance Payroll Taxes	5205	7,043	6,939	5,752	11,000	11,600	600	5%	
Maintenance Payroll Benefits	5210	12,504	9,787	7,214	13,400	14,100	700	5%	
Temporary Labor	5215	10,416	15,812	14,995	12,000	15,400	3,400	28%	Mostly string mowing; PTA Contribution
<b>Total Common Area Maintenance</b>		<b>173,597</b>	<b>161,916</b>	<b>128,978</b>	<b>192,100</b>	<b>194,600</b>	<b>2,500</b>	<b>1%</b>	

# Forest Heights Homeowners Association

2008 Budget -- Updated 10-29-07

Page 3

	2,005	2006	2007	2,007	2,008	2008-2007	08 vs 07	
Expenses (cont'd)	actual	actual	Actual 30-Sep	Budget	Budget	variance		
<b>Bus Services</b>								
Contracted Bus Services	5561	145,481	162,665	110,648	169,500	174,000	4,500	3% Contract increase + fuel surcharge
Transportation Income	5562	-36,352	-27,694	0	(40,000.00)	-44,000	-4,000	10% Energy tax credit at 25.5% of bus cost
Bus Shelter and Pay Phone Expenses	5571	916	0	0	0	0	0	
<b>Total Bus Services</b>	<b>110,045</b>	<b>134,971</b>	<b>110,648</b>	<b>129,500</b>	<b>130,000</b>	<b>500</b>	<b>0%</b>	
<b>Safety Services</b>								
Traffic Safety Improvements	5575	0	0	1,000	0	-1,000	-100%	Reflected in individual special projects
Contracted Security Services	5730	27,130	19,410	11,088	16,000	16,800	800	5% Alert Security contract renews Feb; anticipate 5% increase + extra service
<b>Total Safety Services</b>	<b>27,130</b>	<b>19,410</b>	<b>11,088</b>	<b>17,000</b>	<b>16,800</b>	<b>-200</b>	<b>-1%</b>	
<b>Community Relations</b>								
Social Activities	6100	68,892	71,730	70,265	80,000	80,000	0	0% 2 picnics, garage sale, fun run, Halloween, Easter
Community Contributions	6150	9,200	6,400	8,698	12,000	12,000	0	0% 7500 FP Foundation, 3500 FH PTA
Resident Promotion	6160	2,672	2,538	-156	3,000	3,000	0	0% magnets, note pads, cups, pens, etc
Dinner Dance Expense	6170		3,750	8,179	13,000	0	-13,000	-100%
Newsletter Expenses	6004	17,046	19,468	17,933	18,000	22,000	4,000	22% Reflects 1800 per mo. print and mail
<b>Total Community Relations</b>	<b>97,809</b>	<b>103,886</b>	<b>104,919</b>	<b>126,000</b>	<b>117,000</b>	<b>-9,000</b>	<b>-7%</b>	
<b>Property Improvement</b>								
<b>Special Projects Allocation</b>	<b>6300</b>	<b>7,996</b>	<b>29,233</b>	<b>26,139</b>	<b>0</b>	<b>139,000</b>	<b>139,000</b>	Equals the total of anticipated special projects
Recreational Development	6200	0	0	0	0	15,000	15,000	
Consulting Fees	6025	53,936	76,995	10,383	30,000	0	-30,000	-100% <b>Special projects budget; see budget requests</b>
<b>Total Property Improvement</b>	<b>61,933</b>	<b>106,228</b>	<b>36,522</b>	<b>30,000</b>	<b>154,000</b>	<b>124,000</b>	<b>413%</b>	See supporting details in Reserve Allocation below
<b>Compliance Services</b>								
Compliance Services - Salaries	4090	47,773	57,738	45,043	61,000	64,000	3,000	5%
Compliance Services - Taxes	4091	3,711	5,098	3,987	5,300	5,600	300	6% Patrick, Manager (25%)
Compliance Services - Benefits	4092	6,019	10,027	7,835	9,500	10,000	500	5%
Administrative Retention Incentive Bonus	4093	0	0	0	0	2,000	-2,000	100% Board estimation - One time in 2008 - nonrecurring
Compliance Services - Legal Fees	4095	2,945	4,772	0	3,000	3,000	0	0% 2 @ \$100 per mtg; 1 @ \$150 per mtg; 35 mtgs
ARC Contracted Services	4096	16,652	13,889	12,820	14,000	10,000	-4,000	-29%
<b>Total Compliance Services</b>	<b>77,100</b>	<b>91,524</b>	<b>69,685</b>	<b>92,800</b>	<b>94,600</b>	<b>1,800</b>	<b>2%</b>	
<b>Other Expenses</b>								
Private Street Maintenance Expense	6500	7,954	17,280	4,119	17,876	21,142	3,266	18% Match revenue
Replacement Reserve	6530	3,360	17,028	0	21,057	19,140	-1,917	-9% " adding computer equipment to fund: 3000
<b>Maintenance and Operations Reserve</b>	<b>6540</b>			<b>0</b>	<b>75,000</b>	<b>20,000</b>	<b>-55,000</b>	<b>-73%</b> <b>Excess funds from current year</b>
Equipment Depreciation	8020	9,934	11,562	7,235	11,000	12,000	1,000	9% Estimated: Will get from Schwindt
Bad Debt Expense	9010	4,684	1,606	0	2,000	1,000	-1,000	-50% Token amount
Bank Charges	9020	359	3,968	4,179	6,000	4,000	-2,000	-33% Expect new bank and software system in 2008
Total Other Expenses		26,291	51,444	15,533	132,933	77,282	-55,651	-42%
<b>Total Expenses</b>	<b>1,048,112</b>	<b>1,146,989</b>	<b>849,709</b>	<b>1,214,683</b>	<b>1,333,282</b>	<b>118,599</b>	<b>10%</b>	
<b>NET Income/(Loss)</b>	<b>\$70,436</b>	<b>\$65,091</b>	<b>332,122</b>	<b>\$4,850</b>	<b>\$5,440</b>	<b>\$590</b>	<b>12%</b>	

## Special Projects and Reserve Estimates

### 2008 Special Projects

	<u>Project #</u>	<u>Source/ Committee</u>	<u>Budget Amount</u>
Miller Road Landscape Design	1	L'SCAPE	\$39,000
Miller-Mill Ridge Intersection	2	L'SCAPE	\$15,000
Lot 265 Improvement - Phase I	3	L'SCAPE	\$15,000
Document Scanning Services Project	4	ADMIN	\$15,000
Trailhead-Upper Wetland Trail-Mill Pond Road	5	T&NH	\$10,000
Trailhead Plaza-Miller Road & Bartholomew	6	T&NH	\$10,000
Uniform Sign Proposal	7	POC	\$10,000
Flower Baskets	8	Parks & Rec	\$10,000
Community Center Consulting	9	Parks & Rec	\$15,000
			<b>\$139,000</b>

### Reserve Estimate Tracking

	<u>Reserve Additions</u>	<u>Budget Allocation Special Projects</u>	<u>Actual Allocation Special Projects</u>	<u>Resulting Y/E Reserve</u>	<u>% Reserve Allocated</u>	<u>Special Projects Pace Dollar</u>	<u>Annual Percent Usage Rate</u>
2006 12/31/06 Result				\$332,304			
2007 Reserve Estimate	\$79,850	\$107,000	\$80,000	\$332,154	32%	\$82,431	20%
2008 Reserve Estimate	\$25,440	\$139,000	\$139,000	\$218,594	39%	\$71,519	20%
2009 Reserve Estimate							