

**HIGHLAND PARK NEIGHBORHOOD ASSOCIATION, INC.**  
**2007 BUDGET (Finalized 12/30/06)**

**INCOME**

Architectural Fees		Note 1
Dues	\$35,700.00	Note 2
Fines		Note 3
Interest (estimated)	<u>\$900.00</u>	Note 4
Total Income	\$36,600.00	

**EXPENSES**

Accounting & Administration	\$200.00	Note 5
Bank Charges	\$30.00	Note 6
Education (HPA & Board)	\$0.00	
Insurance	\$3,300.00	Note 7
Legal & Covenant Enforcement	\$3,000.00	Note 8
Maintenance	\$9,000.00	Note 9
Meetings	\$700.00	
Summer Picnic	\$1,200.00	
Annual Membership Mtg	\$400.00	
Board of Directors Mtgs	\$240.00	
Memberships	\$0.00	
Miscellaneous Expense	\$250.00	
Postage/copies/mailings	\$700.00	Note 10
Taxes	\$100.00	
Trash Service	\$12,852.00	Note 11
Utilities	\$1,600.00	Note 12
Water & Water Legal	\$3,000.00	Note 8
Website Hosting	<u>\$0.00</u>	Note 13
Total Expenses	\$36,572.00	

**Budget Income / Shortfall** \$28.00

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**Capital Improvements Budgeted For This Year**

Landscaping	\$0.00	
Signage	\$2,500.00	
Well Tagging	<u>\$952.00</u>	
Total Capital Improvements	\$3,452.00	Note 14

**Scheduled (Planned) Reserves For Replacement Thru 2007 - Note 15**

Fencing (\$40,000/10 year life)	\$12,000.00
Landscaping	\$0.00
Lighting (\$75/light/10 year life)	\$450.00
Notice Board (\$1,800 w/electric & install/10 year life)	\$360.00
Signage (\$10,000 per sign/50 year life)	<u>\$2,800.00</u>

**Total Reserves Scheduled Through 2007** \$15,610.00

**Currently Allocated to Reserves** \$20,000.00

**Allocate To Reserves this year** \$0.00 (sufficient allocated now)

**Summary:**

HPA Fund Balance as of 12/31/06	\$68,626.08
Less Allocated For Reserves	<u>(\$20,000.00)</u>
Unallocated HPA Funds as of 12/31/06	\$48,626.08
Plus/Minus 2007 Budget Income/Shortfall	\$28.00
Less 2007 Budgeted Capital Improvements	<u>(\$3,452.00)</u>
Unallocated HPA Funds after Budget	\$45,202.08

**Total HPA Fund Balance After Budget** \$65,202.08

## HPA 2007 Budget Notes

1. In the past, the ACC review fees were paid to Little London, LLC. Little London will no longer collect such fees, and they will accrue to the HPA. Filings 1 and 2 are largely built out, and there is no way to know when Filing 3 will be ready, so no income is scheduled for this line item. Any that is generated will improve HPA fund balance.
2. At the 2005 general membership meeting, a majority of the owners voted to have the Board of Directors negotiate a contract for community trash service as a dues-paid service. The Board has done so, resulting in a contract at approximately \$8.50 per month per lot (it can vary a bit). Dues will continue to be \$200.00 per year per lot for 2007, plus a \$100 surcharge for those who are on the trash service. Vacant lots and builder inventory only pay \$200.00, and will be charged for trash service for the remainder of the year after they build/sell and start using trash service.
3. The Board added a line item for income from covenant violations. Hopefully, we will not have to collect any, but are ready if we do.
4. Interest is from investment of our reserves. It is taxable, and the reason we have tax liability in expenses.
5. This includes \$200 for bookkeeping services and tax return preparation (by The Rawhide Company).
6. We might need to order new checks.
7. In 2006, the HPA received a "windfall" of \$28.34, representing a non-recurring benefit from an old class action lawsuit against our then insurer. We expect no further income.
8. Water and water legal will be strictly for water related issues. Legal and covenant enforcement includes filing liens and releases, annual reports to Secretary of State, and legal costs related to everything else. We may need our attorney to prepare/review the new contract with Cherokee, as well as to amend our decree. These are just estimates, and if not spent will remain in our coffers. For example, we expect that after its decree is approved, Cherokee will give us the "new" water to replace the "disappearing" water that was bought earlier from them. In case they won't, and want to charge us for the new water, we should have something budgeted.
9. Maintenance includes, but is not limited to, mowing of the grassy areas between the vinyl fences and Black Forest and Vollmer Roads, landscape maintenance of roundabouts, sidewalk, entry signs, and trail, lighting replacement at roundabouts and entrances, snow removal, asphalt maintenance and mowing at mailbox units. We have been using Green Thumb on an "as needed" basis. This assumes that 2007 will be similar to 2006, except that the HPA will pick up trail maintenance in 2007.
10. We will have at least one extra mailing in 2007 for the covenant change issue. We can also expect to spend more also due to covenant enforcement. This assumes three community mailings.
11. The HPA renewed the contract with Waste Management for 2007 at the same rate we paid for 4-9/2006.
12. Utilities will be a bit more, as we now have lighting at the Vollmer entrance.
13. The Rawhide Company, REALTORS® will continue hosting the HPA website for 2007 at no charge to the HPA.
14. This budget assumes that any capital projects would be funded from unallocated reserves.
15. In 2006, the Board established a separate line item in the budget, allocating some of the general fund money to a reserve for replacement of capital assets (fences, entrances, etc.). The Board also voted to fund the reserves to a level of \$20,000.00, using income from the 2006 budget, and the remainder from general fund cash reserves built up prior to turnover of the HPA to the property owners.