

HIGHLAND PARK NEIGHBORHOOD ASSOCIATION, INC.
2008 BUDGET (Finalized 2/18/08)

INCOME

Architectural Fees		Note 1
Dues	\$23,800.00	Note 2
Trash surcharge	\$10,600.00	Note 2
Fines		Note 3
Interest (estimated)	<u>\$2,300.00</u>	Note 4
Total Income	\$36,700.00	

EXPENSES

Accounting & Administration	\$200.00	Note 5
Bank Charges	\$30.00	Note 6
Education (HPA & Board)	\$0.00	
Insurance	\$3,100.00	
Legal & Covenant Enforcement	\$3,000.00	Note 7
Maintenance	\$9,000.00	Note 8
Meetings: Summer Picnic	\$1,200.00	
Meetings: Annual Membership Mtg	\$400.00	
Meetings: Board of Directors Mtgs	\$240.00	
Memberships	\$0.00	
Miscellaneous Expense	\$250.00	
Postage/copies/mailings	\$600.00	Note 9
Taxes	\$100.00	
Trash Service	\$12,138.00	Note 10
Utilities	\$1,600.00	Note 11
Water & Water Legal	\$3,000.00	Note 7
Website Hosting	<u>\$250.00</u>	Note 12
Total Expenses	\$35,108.00	

Budget Income / Shortfall **\$1,592.00**

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 13

Scheduled (Planned) Reserves For Replacement Thru 2008 - Note 14

Fencing (\$40,000/10 year life)	\$16,000.00
Landscaping	\$0.00
Lighting (\$75/light/10 year life)	\$270.00
Notice Board (\$1,800 w/electric & install/10 year life)	\$360.00
Signage (\$10,000 per sign/50 year life)	<u>\$3,200.00</u>

Total Reserves Scheduled Through 2008	\$19,830.00
Currently Allocated to Reserves	<u>\$20,000.00</u>
Allocate To Reserves this year	\$0.00

Summary:

HPA Fund Balance as of 12/31/07	\$81,288.89
Less Allocated For Reserves	<u>(\$19,830.00)</u>
Unallocated HPA Funds after reserves	\$61,458.89
Less 2008 Budgeted Capital Improvements	<u>(\$3,452.00)</u>
Unallocated HPA Funds after capital improvements	\$58,006.89
Plus/Minus 2008 Budget Income/Shortfall	<u>\$1,592.00</u>
Budgeted unallocated funds after budget	\$59,598.89

Total HPA Fund Balance After Budget **\$102,710.89** Note 15

HPA 2008 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 \$8.50-9.00 per month per lot (it can vary a bit). Dues will continue to be \$200.00 per year per lot for 2008, 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 sell and/or start using trash service. Dues and trash are broken out separately on this year's budget.
3. The Board added a line item for income from covenant violations. Hopefully, we will not have to collect any (and have budgeted zero), but have a line item for it if needed.
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. 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, including the current litigation. 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.
8. 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 2008 will be similar to 2007.
9. This assumes three community mailings, and normal bills and covenant violation notices.
10. Assumes all lots using the service. In fact, there are about 13 lots either unbuilt or not yet using the service, so the cost will be less than estimated. However, they could need service during the year.
11. Utilities include lighting at the roundabouts and entrances.
12. The HPA now has its own website and will be responsible for any costs associated with it.
13. This budget assumes that any capital projects would be funded from unallocated reserves.
14. 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.
15. Total HPA Fund Balance After Budget = beginning balance + reserves + current year budgeted income/shortfall. If budgeted capital improvements are not made, the fund balance would include those funds, as well.