

THE MEADOWS AT WALNUT BANK FARM CONDOMINIUM ASSOCIATION
2018 BUDGET

INCOME

Assessments	\$435,020
Interest	11,080
Resale Capital	7,500
Late Charges	<u>2,000</u>
TOTAL INCOME	<u><u>\$455,600</u></u>

EXPENSES

Grounds Maintenance	\$64,370
Snow Removal	55,000
Management Service	48,000
Repairs & Maintenance	44,350
Trash Removal	41,830
Insurance	37,840
Telephone	22,500
Site Lighting	19,920
Fire Alarms & Sprinklers	13,500
Office & Administrative	5,970
Contingency	5,000
Legal & Accounting	2,600
Corporate Tax	1,630
Water	<u>880</u>
TOTAL EXPENSES	\$363,390

RESERVE & CONTRIBUTED CAPITAL
(Includes Interest of \$10,840)

92,210

TOTAL EXPENSES & RESERVE

\$455,600

THE MEADOWS AT WALNUT BANK FARM CONDOMINIUM ASSOCIATION
2018 BUDGET ANALYSIS

INCOME:

Assessments: The monthly assessment is \$159, the same as charged in 2017.

Interest: Projected at 1.20% on the Association's operating, reserve and capital funds.

Resale Capital: It is projected that 15 homes will be resold and pay a capital contribution of \$500, which will be transferred to the capital fund.

Late Charges: It is anticipated that some homeowners will pay their assessment late each month and incur a late charge.

EXPENSES:

Grounds Maintenance: The budget includes 24 mowings per year, regular edging of sidewalks, spring and fall clean-up of the common ground, annual trimming of shrubbery, re-mulching and edging of the shrubbery beds in the spring, and turf applications to all lawn areas. The budgeted amount includes \$5,500 for non-contract landscaping services.

Snow Removal: The Association will plow private roads, parking areas and shovel all sidewalks when there is an accumulation of snow of 2" or more. The budgeted amount is approximately the same as the 2017 budget. If the Association goes over budget in 2018, a special assessment will be needed.

Management Service: In accordance with the existing Management Agreement.

Repairs & Maintenance: The Association is responsible for maintaining the exterior of all of the units and common ground, as well as repairs to the common area sprinkler system. The projected cost is \$3,633 per month, plus \$750 annually for common area exterminating.

Trash Removal: The Association is responsible for twice per week curbside service, including recycling. The monthly unit cost is \$15.29.

Insurance: The Association will maintain building and unit property coverage, directors & officer's liability insurance, general liability insurance, plus fidelity coverage in accordance with FHA requirements. Each owner is responsible for obtaining their personal insurance, including a minimal amount of building coverage (not less than \$5,000), and contents and liability coverage.

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2018 BUDGET ANALYSIS
- Continued -

Telephone: Each of the 24 buildings has two phones connected to the fire monitoring system. The projected monthly cost is \$1,875.

Site Lighting: The Association is responsible for the cost of electricity to the 14 streetlights at a cost of \$460 per month. Also, the Association is responsible for heating the buildings' utility closets where the water pipes are located to keep from freezing and the lights outside the buildings. The projected cost is \$100 per month for each building during the winter months.

Fire Alarms & Sprinklers: An independent security company monitors the sprinkler system. The monthly charge for the 24 buildings, including inspections of the fire sprinkler system, is projected at \$1,125.

Office & Administrative: Includes the estimated cost of Association stationery, postage, copying, mailings, assessment coupons, lockbox fees, court costs and other miscellaneous Association expenses.

Contingency: An amount to replenish the operating reserve over the next two years.

Legal & Accounting: Includes the cost for an accountant to prepare the year-end financial statement and tax return. Funds are also provided for routine legal activity.

Corporate Tax: The Association is responsible for paying tax on its net interest income.

Water: Projected at \$220 per quarter.

RESERVE & CONTRIBUTED CAPITAL: In accordance with the Reserve Analysis, \$27 from each monthly assessment will be placed into a separate reserve fund. In addition, all interest earned on the reserve fund, projected at \$10,340, will be retained in the account.

The Association has a total Capital Contribution Assessment of \$7,500 budgeted for all resales of homes within the community. Any assessments received for resale Capital Contributions will be placed in the Capital account. All interest earned on the Capital funds, projected at \$500, will be retained in the account.