

2017 Operating Budget

At the Board of Directors meeting on November 12, 2016 the board voted to adopt the following operating budget for FY 2017. The operating budget reflects the ongoing and recurring costs of the Association. The operating budget does not reflect spending for asset acquisitions, reserve funding, or specific improvement/maintenance projects undertaken which are reflected in the project/reserve fund.

	Lots			
	2,235	2,300	2,300	
	Operating Budget			
	FY2017 Budget	FY2016 Forecast	FY2016 Budget	
Operating Income				
Member Operating Assessments (\$45.45 of total \$95 Assessment)	\$ 99,350	\$ 105,000	\$ 105,000	
Reserve for Uncollectible/Bad Debt	(5,000)	(5,000)	(7,500)	(2)
Member Operating Assessments (Net)	\$ 94,350	\$ 100,000	\$ 97,500	
Total Other Income	\$ 5,650	\$ 6,255	\$ 5,500	
Total Operating Income	\$ 100,000	\$ 106,255	\$ 103,000	
Operating Expenses				
Labor & Labor Related Expenses	\$ -	\$ -	\$ -	
Association Management Services	64,800	63,000	63,000	(3)
Professional Services - Accounting	3,500	4,000	4,750	
Professional Services - Legal	5,000	5,000	5,000	
Professional Services - Other	500	1,685	500	
Bank Charges	250	250	250	
Insurance	5,750	4,000	6,500	
Maintenance & Repairs	7,000	7,000	7,000	
Meeting Costs	5,000	6,000	6,500	
Communications	5,500	5,000	7,000	(4)
Office/Admin expenses	1,000	1,000	1,000	
Office Rent	-	-	-	
Utilities	1,700	1,600	1,500	
Donations	-	-	-	
Total Cash Operating Expenses	\$ 100,000	\$ 98,535	\$ 103,000	
Total Operating Surplus/(Deficit)	\$ -	\$ 7,720	\$ -	

Assessment Year	2017	2016
Operating Assessment to Achieve Balanced Budget	\$44.45	\$45.73
YOY % Increase/Decrease	(2.8%)	(8.8%)

Notes:

- (1) Reduction in the number of lots reflects departure of High Cross subdivision from Association.
- (2) Based on review of aged receivables - used to build appropriate AR reserve on balance sheet.
- (3) Contractual increase of 3% on June 1, 2017 - current contract expires on December 31, 2017 .
- (4) Reflects costs for required mailings, newsletters, and website.

Reserve/Projects Fund

In addition to the annual operating cost of the Association, the Association maintains and expends funds from its general reserve for specific projects and initiatives as well as unexpected expenses. These projects and initiatives benefit the Stagecoach community and our membership and may include common area development and maintenance, road infrastructure repair and maintenance, wildfire mitigation, community development activities, and asset acquisition. Outlined below is the Association's forecasted 2017 reserve/project fund activity and balances.

		2017 Forecast
		<i>Note: All amounts have been rounded to nearest \$1,000 for ease of presentation</i>
Forecasted reserve/project balance as of 12/31/2016		\$227,000
Plus:	2017 Assessments (\$50.55 of total \$95 Assessment)	113,000
	2017 Other Income (i.e., interest)	-
	Transfer to/(from) Operating Fund	-
		<u>\$113,000</u>
Less:	Forecasted expenditures	
	<i>Forecasted expenditures are not yet approved. Approval of specific projects/initiatives requires additional analysis and discussion.</i>	
	- Common Area Development & Maintenance	\$15K - \$25K
	- Wildfire Mitigation	\$15K - \$25K
	- Community Infrastructure	\$5K
	- Road Infrastructure	\$25K - \$50K
	- Community Development	\$5K - \$10K
	- Governing Document Maintenance and Enforcement	\$10K
	- Equipment/Asset Acquisition	\$0K
	- Equipment/Asset Depreciation (Non-Cash)	\$3K
	Total Forecasted Expenditures	<u>\$78,000 to \$128,000</u>
Forecasted Reserve/Project Fund Balance - 12/31/2017		\$262,000 to \$212,000

Note: The reserve/project fund balance outlined above does not include the restricted road funds held by the Association for the benefit of property owners in Horseback, Morningside and South Shore. As of September 30, 2016 the total balance of these restricted funds was \$157,811.