

**FINANCIAL REPORT**  
**Budget 2008, Approved by Mem.**

Category Description	Budget 2007, 1/1/07	Budget 2007, as of 10/27/2007	Budget 2008 as approved by general membership Assessment is \$494	Justification for trimming
<b>INCOME</b>				
Assessments	\$31,138	\$31,138	\$34,136	
Income for gate access cards, remotes	\$60	\$60	\$100	
Interest Inc	\$35	\$35	\$35	
Late Fees		\$205	\$0	
Other		\$0	\$0	
Transfer from previous year	\$4,000	\$4,000	\$4,000	
Transfer to next year	\$ (4,000)	\$ (4,000)	\$ (4,000)	
<b>TOTAL INCOME</b>	\$31,233	\$31,438	\$34,271	
<b>EXPENSES</b>				
<b>Equipment</b>				
Equipment Reserve Fund (to)	\$675	\$1,017	\$1,017	
Fuel	\$1,374	\$1,374	\$500	Estimate \$500. Our tank is full, and should last until mid-2008. Can trim \$550. Kubota is very good condition.
Kubota maintenance	\$1,080	\$1,080	\$1,000	
Kubota Reserve Fund (to)	\$1,200	\$1,240	\$1,240	
Misc. equipment	\$200	\$0		
Versa Pro Maintenance	\$270	\$270	\$270	
Woods Blade Maintenance	\$81	\$81	\$120	
<b>TOTAL Equipment</b>	\$4,880	\$5,062	\$4,147	
<b>Management</b>				
Bank Service Charge	\$70	\$70	\$80	
Compliance Audit		\$0	\$1,500	
Corporation Registration	\$50	\$50	\$60	
Income Tax	\$400	\$405	\$450	
Insurance	\$2,330	\$2,325	\$2,500	
Legal	\$1,500	\$1,500	\$400	Can trim \$600. Legal reserve fund has \$5495.
Postage, copies, mailing	\$400	\$400	\$450	
<b>TOTAL Management</b>	\$4,750	\$4,750	\$5,440	
<b>Pool</b>				
Pool Reserve Fund (to)	\$1,000	\$1,875	\$1,875	
Chemicals & Sand	\$350	\$350	\$350	
Electricity	\$400	\$400	\$450	
Miscellaneous	\$50	\$0		
Maintenance	\$300	\$300	\$700	
Portable Toilet	\$450	\$450	\$475	
Repair	\$0	\$3,000	\$400	
<b>TOTAL Pool</b>	\$2,550	\$6,375	\$4,250	
<b>Recreation Area</b>				
Miscellaneous	\$100	\$100	\$100	
Mowing	\$30	\$40	\$40	
<b>TOTAL Recreation Area</b>	\$130	\$140	\$140	
<b>Road</b>				
Culverts & Ditch Repair	\$100	\$100	\$400	Can trim \$600. Culvert at Cabell's should last another year.
Gate Maintenance	\$923	\$923	\$800	Can trim \$200. This is enough for preventive maintenance, grounding, and surge protectors.
Gate Reserve Fund (to)	\$850	\$750	\$850	
Gate Self Insurance Fund	\$850	\$850	\$750	
Gate Surveillance system	\$300	\$300	\$300	
Grading with Kubota	\$5,400	\$5,400	\$5,500	
Road Reserve Fund (to)	\$1,500	\$1,500	\$1,500	
Snow removal	\$3,000	\$4,550	\$4,000	
Surfacing material (gravel)	\$6,000	\$6,000	\$6,000	
<b>TOTAL Road</b>	\$18,923	\$20,373	\$20,100	
<b>Grand Totals</b>	\$31,233	\$36,700	\$34,077	
		Income - budget	\$194	

**FINANCIAL REPORT**  
**Reserve Fund**

		Reserve Fund Summary		12/14/2007	
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
Row #	What we are saving for	Savings Goal	Year or contingency timespan.	How much we are putting into reserves each year	Savings we now should have in reserves
1	Kubota, replacement	\$32,029	2026	\$1,240	\$7,879
2	Woods blade, replacement	\$2,484	2012	\$199	\$1,161
3	Versa Pro replacement	\$3,980	2011	\$318	\$2,020
4	Bush-hog replacement	\$1,254	2012	\$100	\$544
5	Snow plow blade replacement	\$2,500	2026	\$200	\$801
6	Pool Refurbishment	\$15,000	2012	2012	\$6,791
7	Kubota Emergency Repair	\$5,000	25	\$200	\$1,271
8	Road Emergency (washout, etc.)	\$15,000	10	\$1,500	\$5,930
9	Gate replacement reserve	\$21,250	2030	\$850	\$2,508
10	Gate Self Insurance	\$3,000	4	\$750	\$1,278
11	Kubota Storage and Maintenance Shed	\$20,000	N.A.	\$0	\$20,000
12	Legal Reserve Fund	\$5,495	N.A.	Financed by late fees	\$5,495
13				<b>Total</b>	<b>\$55,679</b>
14					
15				<b>Funds we have in the Bank today, 12-14-07</b>	
16				CDs yielding 4% - 5%	\$55,937
17				Savings account	\$2,881
18				<b>Total</b>	<b>\$58,818</b>
19					
20				<b>Available for Contingencies</b>	<b>\$3,139</b>
<b>NOTES</b>					
The Reserve Fund is a requirement imposed by the VA Property Owners Act. A Reserve Fund study should be done every five years, and the results reviewed every year to make sure the reserves are sufficient. The last full study was done in 2003, and the next study is therefore due in 2008. The reserves should be sufficient to repair, replace and restore the capital components. This includes replacement or repair of capital components lost through accidents, vandalism, and acts of nature.					
Column 1: The row number (for ease of reference).					
Column 2: The equipment, road, gate, or emergency that we are saving for.					
Column 3: The money we will eventually need to replace the equipment when it is worn out, or the expected cost to pay for an emergency when it arises. The cost of equipment replacement is equal to the initial purchase cost. Inflation is assumed to be zero, but see column 5 for the justification of this assumption.					
Column 4: For equipment, this is the year we need the money and equals the equipment lifetime added to the purchase year. For emergencies, it is the time span during which we expect the emergency to occur. For example, for a road emergency we assume it could occur anytime within ten years.					
Column 5: This number is derived using the "sinking fund" approach assuming inflation and interest rates that are about identical. The sinking fund approach we use gives approximately the same results as the straight line depreciation method. A simplifying assumption is made that interest rate and inflation will stay the same. This will tend to overestimate reserve requirements by 10% or so. For contingencies, the annual cost would be (cost of contingency)/time span. For example, for a \$15,000 road washout that could occur anytime within 10 years, the "expected" annual cost \$15,000/10 = \$1500.					
Column 6: Rows 1 through 12 list what we should have in reserves today if we stuck to the plan of adding to reserves each year as calculated in column 5. The total is \$54,470. Rows 16, and 17 give what we have in Certificates on Deposit (CDs) and savings in the vault of the Bank of Clarke county (\$4,624). Row 18 gives the total in reserves (\$61,438). Row 20 gives the difference between what we have in the Bank today, and what we should have. At the moment we have a surplus of \$6,775, and that can be used for contingencies that were under-estimated. We intend to transfer in the near future about \$3000 from reserve savings to our checking account to fill budget gap caused by emergency repairs to the gate.					
<b>Equipment useful life assumptions</b>					
Kubota Useful Life, hours		10,000 hours or 25 years., whichever is less			
Woods blade, VP, Bush hog, snowblade		10 years			
Source: Utah State University Extension, "The Cost of Owning and Operating Farm Equipment" July 1997.					