

Lake Front Homeowners Association, Inc.

136th and Lowell
Broomfield, CO 80020

Association Budget 2013

Date Revised: November 21, 2012

2013 Monthly Assessment of:	\$159.00
2012 Assessments:	\$159
Percentage Increase	0%

Approved: December 10, 2012

Prepared by: Scott Bristol
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Lake Front HOA
2013 Cash Balance
 January through December 2013

	<u>Jan 13</u>	<u>Feb 13</u>	<u>Mar 13</u>	<u>Apr 13</u>	<u>May 13</u>	<u>Jun 13</u>	<u>Jul 13</u>	<u>Aug 13</u>	<u>Sep 13</u>	<u>Oct 13</u>	<u>Nov 13</u>	<u>Dec 13</u>
Operating												
Beginning of Month Cash Balance	6,387.00	8,637.00	11,737.00	11,410.43	15,479.86	6,421.29	8,746.72	10,759.15	12,577.58	14,240.01	15,761.44	19,819.44
Monthly Net Income (Loss)	2,250.00	3,100.00	(326.57)	4,069.43	(9,058.57)	2,325.43	2,012.43	1,818.43	1,662.43	1,521.43	4,058.00	4,114.00
End of Month Cash Balance (see note)	<u>8,637.00</u>	<u>11,737.00</u>	<u>11,410.43</u>	<u>15,479.86</u>	<u>6,421.29</u>	<u>8,746.72</u>	<u>10,759.15</u>	<u>12,577.58</u>	<u>14,240.01</u>	<u>15,761.44</u>	<u>19,819.44</u>	<u>23,933.44</u>
Reserve												
Beginning of Month Cash Balance	98,809.00	101,819.00	104,829.00	107,876.00	110,923.00	113,970.00	117,054.00	120,139.00	123,261.00	126,383.00	129,505.00	132,627.00
Monthly Net Income (Loss)	3,010.00	3,010.00	3,047.00	3,047.00	3,047.00	3,084.00	3,085.00	3,122.00	3,122.00	3,122.00	3,122.00	3,159.00
End of Month Cash Balance (see note)	<u>101,819.00</u>	<u>104,829.00</u>	<u>107,876.00</u>	<u>110,923.00</u>	<u>113,970.00</u>	<u>117,054.00</u>	<u>120,139.00</u>	<u>123,261.00</u>	<u>126,383.00</u>	<u>129,505.00</u>	<u>132,627.00</u>	<u>135,786.00</u>

2013 Forecast Based on Monthly Assessment of: **\$159.00**
 2012 Assessments: \$159.00
 Percentage Increase 0%

Notes:

1. Projections of cash balances based on net income assume revenues and expenses in a given month approximate total collections from homeowners and on time payments to vendors.

Lake Front HOA
2013 Budget Overview
January through December 2013

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	TOTAL Jan - Dec 13
Number of Homes	81	81	82	82	83	83	83	84	84	84	84	85	
Ordinary Income/Expense													
Income													
4000 - Assessments - Homeowners	12,879	12,879	13,038	13,038	13,197	13,197	13,197	13,356	13,356	13,356	13,356	13,515	158,364
4050 - Working Capital	-	334	-	334	-	-	334	-	-	-	334	-	1,336
4200 - Late Fees	30	30	30	30	30	30	-	-	-	-	-	-	180
Total Income	12,909	13,243	13,068	13,402	13,227	13,227	13,531	13,356	13,356	13,356	13,690	13,515	159,880
Gross Profit	12,909	13,243	13,068	13,402	13,227	13,227	13,531	13,356	13,356	13,356	13,690	13,515	159,880
Expense													
5020 - Electric Power	36	36	36	36	36	36	36	36	36	36	36	36	432
5100 - Grounds Improvements	-	-	-	-	-	-	-	1,000	1,000	-	-	-	2,000
5120 - Grounds Maintenance	-	-	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	-	-	13,029
5140 - Grounds Repair Sprinklers	-	-	-	-	750	750	750	-	-	-	-	-	2,250
5180 - Snow Removal	1,257	1,257	1,257	-	-	-	-	-	-	1,257	1,257	1,257	7,542
5200 - Trash Removal	760	760	760	769	779	779	779	788	788	788	788	798	9,336
5220 - Water/Sewer	2,751	2,443	2,445	2,781	2,931	3,553	4,160	3,893	4,049	3,933	3,059	3,031	39,029
5250 - Building Repairs - Paint	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
5280 - Building Repairs - Plumbing	-	-	-	-	-	-	-	-	-	-	300	-	300
5300 - Building Repairs - Structure	225	225	225	225	225	225	225	225	225	225	225	225	2,700
6020 - Administrative	210	3	3	3	3	3	3	3	3	3	3	3	243
6040 - Audit Tax	-	-	150	-	-	-	-	-	-	-	-	-	150
6120 - Insurance	1,566	1,566	-	-	12,043	-	-	-	-	-	-	-	15,175
6180 - Legal Fees	50	50	50	50	50	50	50	50	50	50	50	50	600
6280 - Postage and Delivery	4	3	3	3	3	3	3	3	3	3	3	3	37
6300 - Property Management	780	780	780	780	780	780	780	780	780	780	780	780	9,360
6310 - Colorado Annual Report	-	-	-	-	-	-	10	-	-	-	-	-	10
6320 - Rent Expense	-	-	-	-	-	-	-	-	-	-	-	50	50
6390 - Bank Fees	23	23	23	23	23	23	23	23	23	23	23	23	276
6420 - Transfer to Reserve	2,997	2,997	3,034	3,034	3,034	3,071	3,071	3,108	3,108	3,108	3,108	3,145	36,815
Total Expense	10,659	10,143	13,395	9,333	22,286	10,902	11,519	11,538	11,694	11,835	9,632	9,401	142,334
Net Ordinary Income	2,250	3,100	(327)	4,069	(9,059)	2,325	2,012	1,818	1,662	1,521	4,058	4,114	17,546
Other Income/Expense													
Other Income													
8000 - Transfer from Operating	2,997	2,997	3,034	3,034	3,034	3,071	3,071	3,108	3,108	3,108	3,108	3,145	36,815
8420 - Interest Reserve Fund	13	13	13	13	13	13	14	14	14	14	14	14	162
Total Other Income	3,010	3,010	3,047	3,047	3,047	3,084	3,085	3,122	3,122	3,122	3,122	3,159	36,977
Net Other Income	3,010	3,010	3,047	3,047	3,047	3,084	3,085	3,122	3,122	3,122	3,122	3,159	36,977
Net Income	5,260	6,110	2,720	7,116	(6,012)	5,409	5,097	4,940	4,784	4,643	7,180	7,273	54,523

Lake Front Homeowners Association, Inc.

Date Revised: November 21, 2012

Notes for Association Budget

5020 - Electric Power	Electric for sprinkler clocks.
5100 - Grounds Improvements	Landscape plant material repair and improvement.
5120 - Grounds Maintenance	Grounds maintenance is based on landscape contract bidding process. Vargas was the successful bidder for 2013.
5140 - Grounds Repair Sprinklers	Sprinkler repair.
5180 - Snow Removal	Vargas was the successful bidder for 2013.
5200 - Trash Removal	Trash removal is provided by Waste Management and includes a rate increase of 3% for 2013.
5220 - Water/Sewer	Water and Sewer covers domestic and irrigation water services and is provided by City of Broomfield. Broomfield has not set their rates for 2013 but an increase of 5.5% is expected and incorporated into the 2013 Budget.
5250 - Building Repairs - Paint	Building exterior maintenance and repair. The reserve item for unit exterior painting has been moved from every 5 years to every 7 years. A yearly operating expense item of \$3,000 has been budgeted to provided for annual unit exterior touch up and trim painting. The reserve item for exterior unit repainting has been decreased because the yearly touch up painting will make major painting to be less costly and less frequent. This change is based on experience over the last few years with other similar builder projects and has been advised as a higher quality solution by painting industry experts.
5280 - Building Repairs - Plumbing	Building plumbing repairs.
5300 - Building Repairs - Structure	Building exterior maintenance and repair.
6020 - Administrative	Association costs associated with providing payment coupons, office supplies and copies.

6040 - Audit Tax

Annual tax return preparation.

6120 - Insurance

Annual Property and Casualty, Umbrella, Directors and Officers and Fidelity insurance required by the Governing Documents. Contract is bid to AA or higher rated carriers as required by the Governing Documents. 2013 Property and Casualty insurance carries a 2% wind and hail deductible. Please see attached "Association Property and Casualty Insurance" letter for further detail.

6180 - Legal Fees

Cost for Association legal support.

6280 - Postage and Delivery

6300 - Property Management

HOA Management provided by Stillwater Community Management.

6390 - Bank Fees

Bank fees are for providing ACH services to the HOA.

6420 - Transfer to Reserve

Monthly transfer to the reserve account as detailed in attached "Twenty Year Reserve Plan."

Lake Front Homeowners Association, Inc.

136th and Lowell
Broomfield, CO 80020

Twenty Year Reserve Plan

Study Base Year: 2007
Revised and Reviewed: November 12, 2012

Approved: December 10, 2012

Prepared by: Scott Bristol
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Lake Front Homeowners Association, Inc.

Revised and Reviewed: November 12, 2012

PLAN REVISION NOTES 2013

This is a reserve plan designed to project long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. It is important the reserve plan is reviewed and revised annually as part of the annual HOA budget process. Below is a description and associated details of revisions to the reserve plan for the current year.

- 1 The reserve item for unit exterior painting has been moved from every 5 years to every 7 years. A yearly operating expense item of \$3,000 has been budgeted to provided for annual unit exterior touch up and trim painting. The reserve item for exterior unit repainting has been decreased because the yearly touch up painting will make major painting to be less costly and less frequent. This change is based on experience over the last few years with other similar builder projects and has been advised as a higher quality solution by painting industry experts.
- 2 The irrigation system reserve item has been increased from \$800 to \$2,200 to more accurately reflect the cost of sprinkler control units.
- 3 Long term landscape replacement has been removed from the Reserve Plan and added to the operations budget annually.

Lake Front Homeowners Association, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		1	2	3	4	5	6	7	8	9	10
	Cost	Year	Ter m	Start	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Asphalt Seal coat	5,390	2006	11	2007						5,390				
Asphalt Resurface	54,870	2008	11	2012										
Concrete Curb, Gutter and Parking Surfaces	8,283	2006	8	2006		8,283								8,283
6' and 4' Fence Replacement	9,400	2006	15	2006									9,400	
Three Rail Fence	5,003	2006	15	2006									5,003	
Stain 6' and 4' fence	2,340	2006	5	2007					2,340					2,340
Stain Three Rail Fence	1,100	2006	5	2007					1,100					1,100
Repaint Units / Touch up 2008 Base	10,740	2008	7	2009				10,740						
Repaint Units / Touch up 2010 Base	26,640	2008	7	2010					26,640					
Repaint Units / Touch up 2011 Base	23,600	2008	7	2011						23,600				
Unit Roof 2008 6 Bldgs	96,000	2008	20	2009										
Unit Roof 2009 3 Bldgs	57,000	2009	20	2010										
Unit Roof 2010 4 Bldgs	84,000	2010	20	2011										
Unit Roof 2011 5 Bldgs	105,000	2011	20	2012										
Unit Roof 2012 2 Bldgs	42,000	2012	20	2013										
Unit Roof 2013 2 Bldgs	44,000	2014	20	2014										
Irrigation System	2,200	2006	10	2006				2,200						
Tot Lot Equipment	4,300	2006	12	2006						4,300				
Landscape Improvement/Replace	-	2006	5	2006				-					-	
Total Scheduled Expenditures					-	8,283	-	12,940	30,080	33,290	-	-	14,403	11,723
Carryover of previous Year					98,809	135,264	164,782	202,596	227,485	235,243	239,795	277,638	315,497	338,968
Forecast Interest Earned					47	62	73	89	99	102	103	119	134	143
Added to Reserves					36,408	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740
End of Year Reserve Balance					135,264	164,782	202,596	227,485	235,243	239,795	277,638	315,497	338,968	365,128
Number of Units					82	85	85	85	85	85	85	85	85	85
Monthly Unit Contribution					37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Estimated Rate of Inflation					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Rate of Interest					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Lake Front Homeowners Association, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		11	12	13	14	15	16	17	18	19	20
	Cost	Year	Ter m	Start	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Asphalt Seal coat	5,390	2006	11	2007							5,390			
Asphalt Resurface	54,870	2008	11	2012	54,870									
Concrete Curb, Gutter and Parking Surfaces	8,283	2006	8	2006								8,283		
6' and 4' Fence Replacement	9,400	2006	15	2006										
Three Rail Fence	5,003	2006	15	2006										
Stain 6' and 4' fence	2,340	2006	5	2007					2,340					2,340
Stain Three Rail Fence	1,100	2006	5	2007					1,100					1,100
Repaint Units / Touch up 2008 Base	10,740	2008	7	2009	10,740							10,740		
Repaint Units / Touch up 2010 Base	26,640	2008	7	2010		26,640							26,640	
Repaint Units / Touch up 2011 Base	23,600	2008	7	2011			23,600							23,600
Unit Roof 2008 6 Bldgs	96,000	2008	20	2009							96,000			
Unit Roof 2009 3 Bldgs	57,000	2009	20	2010								57,000		
Unit Roof 2010 4 Bldgs	84,000	2010	20	2011									84,000	
Unit Roof 2011 5 Bldgs	105,000	2011	20	2012										105,000
Unit Roof 2012 2 Bldgs	42,000	2012	20	2013										
Unit Roof 2013 2 Bldgs	44,000	2014	20	2014										
Irrigation System	2,200	2006	10	2006				2,200						
Tot Lot Equipment	4,300	2006	12	2006								4,300		
Landscape Improvement/Replace	-	2006	5	2006				-					-	
Total Scheduled Expenditures					65,610	26,640	23,600	2,200	3,440	-	101,390	80,323	110,640	132,040
Carryover of previous Year					365,128	337,411	348,654	362,941	398,633	433,100	471,021	407,567	365,155	292,408
Forecast Interest Earned					154	143	147	153	167	181	196	171	154	125
Added to Reserves					37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740
End of Year Reserve Balance					337,411	348,654	362,941	398,633	433,100	471,021	407,567	365,155	292,408	198,233
Number of Units					85	85	85	85	85	85	85	85	85	85
Monthly Unit Contribution					37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Estimated Rate of Inflation					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Rate of Interest					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Lake Front Homeowners Association, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		Next Pmt	20-Yr Balance	Next Pmt
	Cost	Year	Ter m	Start			
Asphalt Seal coat	5,390	2006	11	2007	2040	1,470	5,390
Asphalt Resurface	54,870	2008	11	2012	2034	44,894	54,870
Concrete Curb, Gutter and Parking Surfaces	8,283	2006	8	2006	2038	2,071	8,283
6' and 4' Fence Replacement	9,400	2006	15	2006	2036	6,893	9,400
Three Rail Fence	5,003	2006	15	2006	2036	3,669	5,003
Stain 6' and 4' fence	2,340	2006	5	2007	2037	-	2,340
Stain Three Rail Fence	1,100	2006	5	2007	2037	-	1,100
Repaint Units / Touch up 2008 Base	10,740	2008	7	2009	2037	3,069	10,740
Repaint Units / Touch up 2010 Base	26,640	2008	7	2010	2038	3,806	26,640
Repaint Units / Touch up 2011 Base	23,600	2008	7	2011	2039	-	23,600
Unit Roof 2008 6 Bldgs	96,000	2008	20	2009	2049	14,400	96,000
Unit Roof 2009 3 Bldgs	57,000	2009	20	2010	2050	5,700	57,000
Unit Roof 2010 4 Bldgs	84,000	2010	20	2011	2051	4,200	84,000
Unit Roof 2011 5 Bldgs	105,000	2011	20	2012	2052	-	105,000
Unit Roof 2012 2 Bldgs	42,000	2012	20	2013	2033	60,475	63,658
Unit Roof 2013 2 Bldgs	44,000	2014	20	2014	2034	58,844	65,382
Irrigation System	2,200	2006	10	2006	2036	1,320	2,200
Tot Lot Equipment	4,300	2006	12	2006	2042	717	4,300
Landscape Improvement/Replace	-	2006	5	2006	2036	-	-
Total Scheduled Expenditures							
Carryover of previous Year							
Forecast Interest Earned							
Added to Reserves							
End of Year Reserve Balance							
Number of Units					85		
Monthly Unit Contribution					37.00		
Estimated Rate of Inflation					0.0%		
Estimated Rate of Interest					0.0%		

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Lake Front Homeowners Association, Inc.

Revised and Reviewed: November 12, 2012

RESERVE PLAN NOTES

This is a reserve plan designed to catalog long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.

1 Asphalt Seal coating

Seal coat asphalt every 7 years
Cost per square foot
Total square feet

\$ 5,390.00

\$	0.11
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	49,000
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2 Asphalt Resurfacing

Re-surface asphalt every 20 years
Cost per square foot
Total square feet

\$ 54,870.00

\$	0.93
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	59,000
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3 Concrete Curb, Gutter and Sidewalk

Reserve plan includes a detailed take off of all concrete surfaces. There is a total of 18,169 square feet of concrete in various configurations. Concrete is expected to fail at a rate of 5% every 7 years due to cracking, Spaulding and heaving. Reserve plan takes into consideration different cost for each type of concrete installed. See assumption detail for additional information.

Curb and gutter linear feet

\$ 8,282.70

	23,400
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5% Failure	1,170
Cost per liner ft	\$ 4.39
Sub total curb and gutter	\$ 5,136.30
Sidewalk linear feet	9,200
5% Failure	460
Cost per liner ft	\$ 6.84
Sub total curb and gutter	\$ 3,146.40

4 6' and 4' Fence Replacement
 Replace 6' and 4' Cedar fencing, gates and privacy blinds every 15 years

5 Three Rail Fence Replacement
 Replace three rail perimeter fence every 15 years

6 Stain 6' and 4' fence
 Stain 6' and 4' cedar fencing, gates and privacy blinds every 5 years

7 Stain three rail fence
 Stain three rail fence every 5 years

8 Repaint Units / Touch up
 Repaint and touch up units every 7 years. Base cost set for buildings complete in 2008, 2010 and 2011. The reserve item for unit exterior painting has been moved from every 5 years to every 7 years. A yearly operating expense item of \$3,000 has been budgeted to provided for annual unit exterior touch up and trim painting. The reserve item for exterior unit repainting has been decreased because the yearly touch up painting will make major painting to be less costly and less frequent. This change is based on experience over the last few years with other similar builder projects and has been advised as a higher quality solution by painting industry experts.

9 Unit Roof - Replace

Cost to replace roofs every 30 years. Base cost for roof is determined by year roof installed. Five roofs were installed in 2007 and 2010 and six roofs installed in 2008 and 2011 Five roofs that were originally installed between 2007 and 2010 were replaced in 2010 due to hail damage. Replacement was paid for by insurance. Base cost for these roofs were "reset" to 2010 after replacement.

10 Unit Gutter - Replace

Base cost year is the same as the roofs in item 9

11 Irrigation System

Cost to replace and upgrade irrigation system equipment every 10 years

12 Tot Lot Equipment

Cost to replace tot lot equipment every 12 years

13 Landscape Material

Cost to replace landscape material every 5 years