

Lake Front Homeowners Association, Inc.

136th Avenue and Lowell Blvd
Broomfield, CO 80020

Association Budget 2014

Date Revised: October 24, 2013

2014 Monthly Assessment of:	\$159
2013 Assessments:	\$159
Percentage Increase:	0%

Approved: October 24, 2013

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Lake Front HOA
2014 Cash Balance
January through December 2014

	<u>Jan 14</u>	<u>Feb 14</u>	<u>Mar 14</u>	<u>Apr 14</u>	<u>May 14</u>	<u>Jun 14</u>	<u>Jul 14</u>	<u>Aug 14</u>	<u>Sep 14</u>	<u>Oct 14</u>	<u>Nov 14</u>	<u>Dec 14</u>
Operating												
Beginning of Month Cash Balance	16,384.00	19,807.50	23,695.00	27,347.50	28,380.50	16,924.50	15,278.50	13,602.50	13,001.50	13,187.50	14,225.50	15,432.00
Monthly Net Income (Loss)	3,423.50	3,887.50	3,652.50	1,033.00	(11,456.00)	(1,646.00)	(1,676.00)	(601.00)	186.00	1,038.00	1,206.50	1,257.50
End of Month Cash Balance (see note)	<u>19,807.50</u>	<u>23,695.00</u>	<u>27,347.50</u>	<u>28,380.50</u>	<u>16,924.50</u>	<u>15,278.50</u>	<u>13,602.50</u>	<u>13,001.50</u>	<u>13,187.50</u>	<u>14,225.50</u>	<u>15,432.00</u>	<u>16,689.50</u>
Reserve												
Beginning of Month Cash Balance	144,314.00	147,464.73	150,615.46	153,766.19	148,633.92	151,784.65	154,935.38	158,086.11	161,236.84	164,387.57	167,538.30	170,689.03
Monthly Net Income (Loss)	3,150.73	3,150.73	3,150.73	(5,132.27)	3,150.73	3,150.73	3,150.73	3,150.73	3,150.73	3,150.73	3,150.73	3,150.73
End of Month Cash Balance (see note)	<u>147,464.73</u>	<u>150,615.46</u>	<u>153,766.19</u>	<u>148,633.92</u>	<u>151,784.65</u>	<u>154,935.38</u>	<u>158,086.11</u>	<u>161,236.84</u>	<u>164,387.57</u>	<u>167,538.30</u>	<u>170,689.03</u>	<u>173,839.76</u>

2013 Forecast Based on Monthly Assessment of:
2013 Assessments:
Percentage Increase

\$159
\$159
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
2014 Budget Overview
 January through December 2014

	<u>Jan 14</u>	<u>Feb 14</u>	<u>Mar 14</u>	<u>Apr 14</u>	<u>May 14</u>	<u>Jun 14</u>	<u>Jul 14</u>	<u>Aug 14</u>	<u>Sep 14</u>	<u>Oct 14</u>	<u>Nov 14</u>	<u>Dec 14</u>	<u>TOTAL</u> <u>Jan - Dec 14</u>
Number of Homes	85	85	85	85	85	85	85	85	85	85	85	85	
Ordinary Income/Expense													
Income													
4000 · Assessments - Homeowners	13,515	13,515	13,515	13,515	13,515	13,515	13,515	13,515	13,515	13,515	13,515	13,515	162,180
Total Income	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>162,180</u>
Gross Profit	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>13,515</u>	<u>162,180</u>
Expense													
5020 · Electric Power	27	27	27	27	27	27	27	27	27	27	27	27	318
5100 · Grounds Improvements				1,000	1,000	1,000	1,000						4,000
5120 · Grounds Maintenance				1,829	1,829	1,829	1,829	1,829	1,829	1,829			12,800
5140 · Grounds Repair Sprinklers				750	488	488	488	488	488				3,190
5180 · Snow Removal	1,337	1,337	1,337								2,005	2,005	8,021
5200 · Trash Removal	918	918	918	918	918	918	918	918	918	918	918	918	11,016
5220 · Water/Sewer	3,142	3,142	3,277	3,480	3,469	4,734	4,854	4,789	4,002	3,638	3,293	3,192	45,012
5300 · Building Repairs - Structure	250	250	250	250	250	250	250	250	250	250	250	250	3,000
6020 · Administrative	467	3	3	3	3	3	3	3	3	3	3	3	500
6040 · Audit Tax				275									275
6120 · Insurance					13,037	1,862	1,862	1,862	1,862	1,862	1,862	1,862	26,071
6180 · Legal Fees			100			100							200
6280 · Postage and Delivery	3	3	3	3	3	3	3	3	3	3	3	3	36
6300 · Property Management	780	780	780	780	780	780	780	780	780	780	780	780	9,360
6310 · Colorado Annual Report							10						10
6330 · Room Rental												50	50
6390 · Bank Fees	23	23	23	23	23	23	23	23	23	23	23	23	276
6420 · Transfer to Reserve	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	37,740
Total Expense	<u>10,092</u>	<u>9,628</u>	<u>9,863</u>	<u>12,482</u>	<u>24,971</u>	<u>15,161</u>	<u>15,191</u>	<u>14,116</u>	<u>13,329</u>	<u>12,477</u>	<u>12,309</u>	<u>12,258</u>	<u>161,875</u>
Net Ordinary Income	3,424	3,888	3,653	1,033	-11,456	-1,646	-1,676	-601	186	1,038	1,207	1,258	306
Other Income/Expense													
Other Income													
8000 · Transfer from Operating	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	37,740
8420 · Interest Reserve Fund	6	6	6	6	6	6	6	6	6	6	6	6	69
Total Other Income	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>37,809</u>
Other Expense													
8310 · Reserve Exp Concrete Repair				8,283									8,283
Total Other Expense				<u>8,283</u>									<u>8,283</u>
Net Other Income	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>-5,132</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>3,151</u>	<u>29,526</u>
Net Income	<u>6,574</u>	<u>7,038</u>	<u>6,803</u>	<u>-4,099</u>	<u>-8,305</u>	<u>1,505</u>	<u>1,475</u>	<u>2,550</u>	<u>3,337</u>	<u>4,189</u>	<u>4,357</u>	<u>4,408</u>	<u>29,831</u>

Lake Front Homeowners Association, Inc.

October 24, 2013

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 2014.
5140 - Grounds Repair Sprinklers	Sprinkler repair.
5180 - Snow Removal	Vargas was the successful bidder for 2014.
5200 - Trash Removal	Trash removal is provided by Waste Management. Units will be at full buildout in 2014 of 85 units. Cost increase reflects the additional units plus a rate increase to \$10.80 per unit.
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 2014 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. 2014 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."
8310 - Reserve Exp Concrete Repair	Scheduled Item from "Twenty Year Reserve Plan" for concrete repair in 2014. Operations will initially pay this expense item then be reimbursed by the Reserve Account.

Lake Front Homeowners Association, Inc.

136th and Lowell
Broomfield, CO 80020

Twenty Year Reserve Plan

Study Base Year: 2007
Reviewed and Revised: October 24, 2013

Approved: October 24, 2013

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October 24, 2013

PLAN REVISION NOTES 2014

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

October 24, 2013

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

Component	Base		Cycle		1	2	3	4	5	6	7	8	9
	Cost	Year	Term	Start	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					144,314	173,836	211,653	236,546	244,308	248,863	286,710	324,572	348,047
Forecast Interest Earned					65	77	92	102	105	107	122	137	147
Added to Reserves					37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740
End of Year Reserve Balance					173,836	211,653	236,546	244,308	248,863	286,710	324,572	348,047	374,210
Number of Units					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
Estimated Rate of Inflation					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%

Lake Front Homeowners Association, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

October 24, 2013

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

Component	Base		Cycle		10	11	12	13	14	15	16	17	18
	Cost	Year	Term	Start	2023	2024	2025	2026	2027	2028	2029	2030	2031
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				
Stain Three Rail Fence	1,100	2006	5	2007					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						
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									
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
Carryover of previous Year					374,210	346,498	357,744	372,034	407,731	442,201	480,126	416,676	374,267
Forecast Interest Earned					157	146	151	156	171	184	200	174	157
Added to Reserves					37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740	37,740
End of Year Reserve Balance					346,498	357,744	372,034	407,731	442,201	480,126	416,676	374,267	301,524
Number of Units					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
Estimated Rate of Inflation					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%

Lake Front Homeowners Association, Inc.

October 24, 2013

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 11 years
Cost per square foot
Total square feet

\$ 5,390.00
\$ 0.11
49,000

2 Asphalt Resurfacing

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

\$ 54,870.00
\$ 0.93
59,000

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
5% Failure
Cost per liner ft
Sub total curb and gutter

\$ 8,282.70
23,400
1,170
\$ 4.39
\$ 5,136.30

Sidewalk linear feet
5% Failure
Cost per liner ft
Sub total curb and gutter

9,200
460
\$ 6.84
\$ 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