

High Knob Owners' Association proposed Budget v1 for 2023-2024

Jul 2023 - Jun 2024

**BOARD PROPOSED BUDGET FOR 2023-2024**

Note: Non Adjusted Cash Flow Basis

11/21/22 Proposed Increase: 15.80%

Budget approved for

Estimated

Note: Sub totals rounded to nearest dollar, MA= Manually adjusted

Income	Estimated Current	No. of lots (Note county will verify numbers in Dec.)	2022-2023 (Current Year)	2021-2022 Actuals as of June 30, 2022	2023-2024 Budget	Increase %	Change in Actual Dollars
	120 Unimproved		\$478		\$554	15.80%	\$75.52
	481 Improved		\$773		\$895	15.80%	\$122.13
	28 Exempt from SD fee		(Previous year lot #)	\$0	\$0		
<b>0100 - Sanitary District Tax</b>			<b>\$427,108</b>		<b>\$496,982</b>		<b>\$69,874.33</b>
	0100 - Sanitary District Tax			\$387,198			
<b>Other Revenue/Reimbursements</b>							
	0110 - Road Access Fees		\$325	\$4,763	\$325	MA	\$0.00
	0201 - New Construction Road Fee		\$4,600	\$9,200	\$4,600	MA	\$0.00
	0400 - HKUI Payroll Reimbursement		\$119,141	\$89,393	\$133,877	5.00%	\$14,736.09
	0504.2 Playground Fundraiser (2022)		\$5,000	\$1,575	\$0	MA	
	<b>0600 - Pool</b>						
	0601 - Pool Memberships		\$8,500	\$8,805	\$0	MA	
	0602 - Pool Guest		\$1,500	\$2,589	\$1,500	MA	
	0603 - Pool Other		\$50	\$20	\$50	MA	\$0.00
	<b>Total 0600 - Pool</b>		<b>\$10,050</b>	<b>\$11,414</b>	<b>\$1,550</b>		<b>\$0.00</b>
	<b>0700 - Rentals</b>						
	0704 - HKUI Office Rent		\$6,000	\$6,000	\$6,000	0.00%	\$0.00
	0701 - Apartment Rent		\$13,200	\$13,200	\$16,500	25.00%	\$3,300.00
	0702 - Clubhouse Rent		\$1,000	\$600	\$1,000	0.00%	\$0.00
	<b>Total 0700 - Rentals</b>		<b>\$20,200</b>	<b>\$19,800</b>	<b>\$23,500</b>		<b>\$3,300.00</b>
<b>Total Other Revenue/Reimb</b>			<b>\$154,316</b>	<b>\$136,144</b>	<b>\$163,852</b>		<b>\$9,536.09</b>
<b>0800 - Roads Income</b>							
	0801 - Gate Opener Sales		\$1,236	\$3,190	\$1,335	8.00%	\$98.88
	0802 - Parking Permit		\$100	\$285	\$108	8.00%	\$8.00
	0803 - Performance Bond Claims		\$0	\$0	\$0		
	0804 - Property Owner Claims		\$0	\$800	\$0		
	0805 - Culvert cleaning		\$0	\$0	\$0	0.00%	\$0.00
	<b>Total 0800 - Roads Income</b>		<b>\$1,336</b>	<b>\$4,275</b>	<b>\$1,443</b>		<b>\$106.88</b>
<b>0900 - Misc. Office Sales</b>							
	0902 - Homeowner Docs - Welcome Packet		\$523	\$770	\$800	MA	\$277.00
	0905 - Other-Returned Checks/Wine Glass Sales		\$52	\$5	\$25	MA	-\$27.00
	<b>Total 0900 - Misc. Office Sales</b>		<b>\$575</b>	<b>\$775</b>	<b>\$825</b>	0.00%	<b>\$250.00</b>
<b>Total Income</b>			<b>\$583,335</b>	<b>\$28,392.77</b>	<b>\$63,102.30</b>		<b>\$79,767.30</b>

NOTES

	(average monthly cost increase by lot)	
\$		6.29
\$		10.18

Awaiting final. Numbers from the county for 2022, to verify

Under Actuals, Fund raiser just started in late 2022 not full amount

UPDATE, No pool fees for residences who's taxes are paid

Recommend No projected increase this budget  
Past Rent well below market (recommend \$1375 per month)  
Recommend No projected increase this budget, common room area

Projected to increase due to gate code change

homeowner reimbursement for property damage

Expense

Association Expenses

4100 - Payroll

4101 - Gross Salaries - OA	\$170,304	\$115,481	\$192,928	8.00%	\$22,624.32
4101.1 Gross Salaries - Pool OA	\$9,584	\$13,868	\$10,351	8.00%	\$766.72
4102 - Gross Salaries - UI	\$94,790	\$78,928	\$108,373	8.00%	\$13,583.20
4104 - Gifts - Employee Yearend	\$575	\$250	\$575	MA	\$0.00
4110 - 401K Co Match -OA	\$3,993	\$3,583	\$4,312	8.00%	\$319.44
4111 - 401K Co Match - UI	\$2,100	\$2,458	\$2,268	8.00%	\$168.00

Note: OA=High Knob Property owners, UI = Water utility company  
also includes 25% of full time for overlap of new hire transition at 60%  
Reflects Special run, accounts for split year  
also includes 25% of full time for overlap of new hire transition at 40%

401K match is 2.5%

4120 · Payroll Taxes - UI	\$9,996	\$6,669	\$10,796	8.00%	\$799.68	Payroll tax rate 7.65%	
4122 · Payroll Taxes - OA	\$12,776	\$9,639	\$13,798	8.00%	\$1,022.08	<i>fixed previous copy error</i>	
41XX - Medical - OA	\$15,798	\$0	\$17,062	8.00%	\$1,263.84	Wrap Rate w/o Medical	
41XX - Medical - UI	\$8,665	\$0	\$9,358	8.00%	\$693.20	Medical pp/pm slightly higher than quote	
<b>Total 4100 · Payroll</b>	<b>\$328,581</b>	<b>\$230,876</b>	<b>\$369,821</b>		<b>\$41,240.48</b>	Wrap Rate w/Medical	
						Sub totals rounded to nearest dollar	
<b>4200 - Pool (Not Including Labor and Monitors)</b>							
4201 · Contract Services	\$1,663	\$240	\$1,713	3.00%	\$49.89		
4202 · Pool Misc.	\$4,991	\$4,163	\$5,390	8.00%	\$399.28		
4203 · Pool Water	\$2,353	\$1,152	\$2,541	8.00%	\$188.24		
<b>Total 4200 · Pool</b>	<b>\$9,007</b>	<b>\$5,555</b>	<b>\$9,644</b>		<b>\$637.41</b>		
<b>4300 · Insurance</b>							
4301 - Vehicles	\$1,410	\$683	\$1,523	8.00%	\$112.80		
4302 - Property	\$3,493	\$4,082	\$3,772	8.00%	\$279.44	Calculations, used actuals from current policy	
4303 · Workers' Comp	\$2,557	\$3,298	\$2,767	8.00%	\$209.67	Increased Workman's Comp by 2.5% for new Employee and 3% annual	
4304 · Liability	\$2,727	\$2,648	\$2,945	8.00%	\$218.16		
4305 · Dir/For Liability	\$858	\$1,873	\$927	8.00%	\$68.64		
<b>Total 4300 · Insurance</b>	<b>\$11,045</b>	<b>\$12,584</b>	<b>\$11,934</b>		<b>\$888.71</b>		
<b>4400 · Professional Services</b>							
4401 · Legal	\$2,500	\$1,201	\$2,750	10.00%	\$250.00		
4402 · Accounting, Taxes, Audits	\$5,300	\$10,650	\$5,830	10.00%	\$530.00	"Actuals" as reported covered 2 years	
4403 · Payroll Processing OA	\$3,591	\$2,974	\$3,212	8.00%	-\$379.24	Actual * percent increase	
4403UI · Payroll Processing UI	\$3,590	\$2,854	\$3,082	8.00%	-\$507.99	Actual * percent increase	
4400 · Professional Services - Other	\$956	\$60	\$860	-10.00%	-\$95.60		
<b>Total 4400 · Professional Services</b>	<b>\$15,937</b>	<b>\$17,738</b>	<b>\$15,734</b>		<b>-\$202.84</b>		
<b>4500 · Office Expenses</b>							
4501 · Advertising	\$4,000	\$2,465	\$4,600	15.00%	\$600.00	Anticipate adds will be required for roads, and personnel	
4502 · Newsletter/Website	\$2,500	\$1,755	\$2,875	15.00%	\$375.00	Increase news letters	
4503 · Postage and Delivery	\$2,137	\$911	\$2,458	15.00%	\$320.55	Increase news letters	
4504 · Printing and Reproduction	\$500	\$0	\$575	15.00%	\$75.00	Increase news letters	
4505 · Office Supplies/equipment	\$4,200	\$5,775	\$5,880	40.00%	\$1,680.00	Network security and increased costs	
<b>Total 4500 · Office Expenses</b>	<b>\$13,337</b>	<b>\$10,906</b>	<b>\$16,388</b>		<b>\$3,050.55</b>		
<b>4600 - Utilities</b>							
Note:100% OA funded	4601 · Telephone	\$3,000	\$1,873	\$3,240	8.00%	\$240.00	Includes 1/2 of cell phones
"	4602 · Electric	\$4,500	\$9,100	\$10,920	20.00%	\$6,419.77	Current USG estimated increase * actuals 21-22
"	4603 · Propane	\$2,000	\$2,510	\$3,212	28.00%	\$1,212.39	Current USG estimated increase * actuals 21-22
"	4604 - Water	\$1,200	\$2,269	\$1,296	8.00%	\$96.00	
"	4605 - Internet	\$1,500	\$986	\$4,500	200.00%	\$3,000.00	3 locations vs 1 on 2022-2023 (security cameras)
<b>Total 4600 - Utility Expenses</b>	<b>\$12,200</b>	<b>\$16,738</b>	<b>\$23,168</b>		<b>\$10,968.16</b>		
4701 · Community Activities	\$1,500	\$512	\$1,500	MA	\$0.00	COVID effected last years budget too	
4702 · Firewise	\$0	\$12,800	\$0	MA	\$0.00	removed by Board on 11/08/21 for 2022-2024	
<b>4800 · Administration/Notes</b>							
4801 · County Admin Expenses	\$24,482	\$21,579	\$40,109	calc	\$15,626.59	based on past rates of 5% increasing to 8%?, plus \$350 fee -TBD	
4802 - Interest Paid	\$0	\$22					
4804 · Bank Charges	\$250	\$84	\$250	0.00%	\$0.00		
4805 - Investment Fees	\$0	\$3,727					

4807 · Miscellaneous	\$1,200	\$0	\$1,296	8.00%	\$96.00	401K Plan & HR Admin Fees
<b>Total 4800 · Administration/Notes</b>	<b>\$25,932</b>	<b>\$25,412</b>	<b>\$41,655</b>		<b>\$15,722.59</b>	
4901 · Repair & Maintenance	\$7,000	\$5,925	\$7,000	0.00%	\$0.00	Maintance & Required deck & stairs replacement (Club House)
<b>4900 - Clubhouse Maintenance</b>						
4902 · Appliance purchases	\$1,500	\$0	\$1,500	0.00%	\$0.00	New Refrigerator will be needed.
4903 · Landscaping	\$6,000	\$1,062	\$6,000	0.00%	\$0.00	Tree removals on HK property as well as front gate, clubhouse, etc.
<b>Total 4900 - Clubhouse Maintenance</b>	<b>\$14,500</b>	<b>\$6,988</b>	<b>\$14,500</b>		<b>\$0.00</b>	
5800 - Taxes	\$605	\$576	\$622	8.00%		
<b>Total Association Expenses</b>	<b>\$432,644</b>	<b>\$40,683.28</b>	<b>\$504,966</b>		<b>\$72,322.15</b>	
<b>Road Expenses</b>						
<b>7100 - General Road Expenses (Machinery)</b>						
7101 - Tractor / Truck Repair	\$20,000	\$14,633	\$21,600	8.00%	\$1,600.00	Trucks are getting older, especially dump truck repairs, \$100k+ used actual from 20-21*25% (Jerry recommended higher, diesel)
7102 · Fuel	\$6,160	\$4,872	\$6,090	25.00%	-\$70.03	used actual from 20-21*8%
7104 - Bobcat	\$2,000	\$506	\$547	8.00%	-\$1,453.44	
7105 · Miscellaneous	\$250	\$0	\$0	0.00%	-\$250.00	
<b>Total 7100 · General Road Expenses</b>	<b>\$28,410</b>	<b>\$20,011</b>	<b>\$28,237</b>		<b>-\$173.47</b>	
<b>7200 · Road Maintenance</b>						
7201 · Asphalt Patching	\$4,000	\$0	\$2,000	-50.00%	-\$2,000.00	Pot holes, etc. Water company pays for repairs related to new lines.
7204 · Gravel ( incl Contractor labor)	\$30,000	\$12,823	\$14,747	15.00%	-\$15,253.24	Dirt Roads maintance, not for snow/ice (21-22 ACTUAL*8%)
7205 - Gate Maint. Repairs (incl	\$4,000	\$3,217	\$4,320	8.00%	\$320.00	No New Gates budgeted
7206 · Road Signs and Safety	\$2,000	\$2,395	\$2,000	0.00%	\$0.00	
<b>Total 7200 · Road Maintenance</b>	<b>\$40,000</b>	<b>\$18,436</b>	<b>\$23,067</b>		<b>-\$16,933.24</b>	
<b>7300 · Winter Maintenance</b>						
7301 · Contract Labor	\$4,000	\$3,340	\$4,400	10.00%	\$400.00	
7302 - Gravel Salt for Spreader	\$4,000	\$2,904	\$4,600	15.00%	\$600.00	Snow and Ice related
7304 · Plow/Repairs	\$2,000	\$1,101	\$2,200	10.00%	\$200.00	
7305 · Miscellaneous	\$1,200	\$479	\$1,200	0.00%	\$0.00	Shop supplies, etc.
<b>Total 7300 · Winter Maintenance</b>	<b>\$11,200</b>	<b>\$7,824</b>	<b>\$12,400</b>		<b>\$1,200.00</b>	
<b>Total Road Expenses</b>	<b>\$79,610</b>	<b>\$46,271</b>	<b>\$63,703</b>		<b>-\$15,906.71</b>	
<b>Total Association and Road Expenses</b>	<b>\$512,254</b>	<b>\$386,954</b>	<b>\$568,669</b>	<b>11.01%</b>	<b>\$56,415.44</b>	YELLOW - Increased % over current budget
<b>Net Ordinary Income (Cash Available for Capital Expenditures)</b>	<b>\$71,081</b>	<b>\$141,438</b>	<b>\$94,433</b>		<b>\$23,351.86</b>	
<b>8000 - Capital Improvements</b>						
8100 Road Improvements (patching/resurfacing)	\$50,000	\$71,851	\$231,000	MA	\$181,000.00	Roads added since last sealing + 40% increase in cost (Every 3 years <b>required</b> ) petroleum main cost influence, \$0 for new roads
8101 - Culverts including labor	\$0	\$0	\$0	MA	\$0.00	Good current stock due to previous bulk buy
<b>Total 8100 · Road Improvements/Maintance</b>	<b>\$50,000</b>	<b>\$71,851</b>	<b>\$231,000</b>		<b>\$181,000.00</b>	
<b>8200 - Clubhouse Property Improvements</b>						

8210 - Building improvements (Roof, HVAC, Shop Other Structures, Tennis Court, etc.)	\$11,000	\$11,182	\$11,000	MA	\$0.00
8250 - Pool Upgrades and Equipment Replacements	\$1,000	\$0	\$1,080	8.00%	\$80.00
<b>Total 8200 - Clubhouse Property Improvements</b>	<b>\$12,000</b>	<b>\$11,182</b>	<b>\$12,080</b>		<b>\$80.00</b>
<b>8300 Equipment Purchases and Replacements</b>					
8310 - General Equipment	\$5,000	\$18,832	\$10,000	MA	\$5,000.00
8321 - JD Tractor PAID OFF	\$0	\$0	\$0		\$0.00
8322 - Ford Truck Payment	\$5,800	\$5,713	\$0	0.00%	-\$5,800.00
<b>Total 8300 - Equipment Purchases</b>	<b>\$10,800</b>	<b>\$24,545</b>	<b>\$10,000</b>		<b>-\$800.00</b>
<b>Total Capital Improvements</b>	<b>\$72,800</b>	<b>\$107,579</b>	<b>\$253,080</b>		<b>180,280.00</b>
<b>TOTAL EXPENSES</b>	<b>\$585,054</b>	<b>\$821,749</b>	<b>40%</b>		<b>236,695.44</b>

Normal maintenance, painting & Shop video security addition this year. Painting of Shop building (\$5K).

Ride on mower (One person to cut grass vs 3 men with push mowers) line item can be deleted in next budget cycle.  
Paid off in Nov. of 2022

The 40% increase is ONLY for 2023-2024, primarily due to REQUIRED expense to resurface/reseal roads, followed by fuel and gravel increases.

Projected End of FY Cash Status	2022-23	2023-24
Net Income Before Capital	\$71,081	\$141,438
Less Capital Improvements	\$72,800	\$107,579
Projected Net 21-22 Income After	-\$1,719	\$33,860
Projected Contribution to Capital	\$0	-\$158,647
Projected Cash Balance Carried Over from Previous FY2021-2022		\$0
		\$175,000
		\$50,000
		\$125,000
Projected Cash Status after Capital Improvements End of FY	-\$1,719	\$33,860
Unanticipated expenses in current budget year (Playground)	\$5,000	\$16,353
CASH position projection after	-\$6,719	\$33,860
		\$0
		\$16,353

part of 175k carried over from 2020- 2021  
part of 175k carried overs from 2020- 2021 (CD Matures Oct. 2023)  
Note: Remaining carry over from 2020-2021

Remaining funds to go into Operating Reserve fund to replace funds used for 8100

Edward Jones Balances		As of 10/30/22	future projection
Capital Reserve Fund	Note: Replacement equipment, additions to facilities, new paving, emergency repairs, unanticipated expenses, etc.	\$135,327	\$135,327
Operating Reserve Fund	Note: When this was established by past boards, a min value is 50% of Taxes received was the goal (\$249k) (only at approx. 29% for 2022-2023)	\$73,231	\$89,584
Capital + Operating		\$208,559	\$224,912
	(due Oct 2023) New CD investment	\$125,000	\$0
Total Reserves + CD's		\$333,559	\$224,912

DO NOT be misled by those that add all the account together and describe it a available CASH. While the funds as represented are in the accounts as shown, they are not available for any expenditure one choses. Past and current boards have deliberately identified specific purposes and policies for these funds. The property owners association has specific anticipated expenses to pay for which require portions of these funds. Just as ones house hold budget has to look at household income verses actual and anticipated expenses to determine what if any funds are available. The board has to do the same to determine what amount of funds could be allocated for new expenditures. Further any deviation from the submitted budget to the county could be subject to review and justification to the county as part of there oversight efforts and require there approval.

18% reflects the projected ratio of the Operating fund to the previously established long term goal of 50% of the annual tax revenue at the end of 2023-2024 year.