

**SUN VALLEY ELKHORN ASSOCIATION, INC.
OPERATIONAL BUDGET ASSUMPTIONS
2011-12**

REVENUE

- #301 Regular Assessments** –1629 units x \$514 per year = \$837,306.
- #305 Harker Lounge Rental Income** - \$200 rental fee from the rental of the lounge and kitchen facility
- #310 Lien Charge Income** – Preparation and recording for liens (\$200 per lien)
- #315 Interest Income** – Based on a surplus of \$35k, Completion Deposit Liabilities of 6K, and additional average savings rate of 1% compounded monthly.
- #316 Demand Letter/Finance Charge Income** – Based on \$25 for demand letters and 21% finance charge
- #327 Swim Team** - \$25 per student per month
- #328 Water Aerobics by Kira Gray** - \$2 per student per class
- #331 Diving School** - \$5 per student per class
- #333 Tennis Income** - \$10 use fee for non-resident guests
- #334 Tennis Program Fees** – based on 10% of fees taken in
- #336 VHB Special Assessments** – Fines for violations of general restrictions
- #341 ADC Income** – Estimate based on the following fee structure:
- | | |
|--|-------------------------|
| New Home | \$750 |
| Addition/Remodel | \$450 |
| Window addition, deck addition, fences,
walls, dog runs, landscape addition | \$100 -\$250 |
| Special Meetings | \$750 |
| Commercial or Multi Family – the greater of- | \$150 per unit or \$750 |
- #350 Other** – Charges for owner requests of SVEA documents; sales of aging components; BBQ income; State Insurance refunds; misc. reimbursements & income

MANAGEMENT

- #401 Legal** - \$1500 monthly retainer for Lawson & Laski which covers ordinary legal services, plus \$7,000 for extraordinary matters
- #403 Miscellaneous Bank Charges** – Payroll Direct Deposit fees (\$3 per payroll and 1.25 per employee)

Operational Budget Assumptions
2011-12

- #405 Accounting** – Charges for monthly accounts receivable (approx \$2K per year); charges for an annual audit of the financial records and preparation of annual tax returns completed by a CPA firm (audit & tax return \$5K); Additional CPA costs .5K

- #410 Meetings** –annual meeting; summer barbecue; lunch & refreshments served at Board and various committee meetings; pool staff meetings; conference call long distance charges

- #411 Director Travel** – Estimate based on travel expenses for non-resident Board members and four Board meetings and one Board workshop

- #415 Office Supplies** – General office supplies; kitchen supplies; meeting supplies

- #416 Stationery** – Letterhead and envelopes

- #417 Statements/Checks** – Owner statements; checks and supplies for the operational and capital accounts

- #418 Computer and Website Support** – Computer/network support, fees for support for payroll, payables and general ledger; internet service; deactivation and reactivation of offsite internet service; website maintenance and software upgrades; sZen annual support of \$1.4K

- #419 Education** – Administrative staff continuing education; Pool Operator certification; Lifeguard training

- #421 Amenity Cards** – Owner/guest card supplies including plastic cards, paper and color film for the new amenity card system

- #425 Office Machine Maintenance** – Minor repairs on office equipment

- #430 Employee Insurance** – Health, dental, and life insurance coverage for four full-time employees

- #431 & 431A Administrative Payroll** – Four full-time salaried employees and one part-time (summer) administrative assistant

- #432 Payroll Taxes** – 11.45% of gross payroll (FICA-7.65%; SUTA-3.2%; and FUTA .6%. Average 10.3%

- #433 Workers Compensation Insurance** – Coverage based on \$1.44 per \$100 for office staff; \$3.75 per \$100 for operation manager's position; \$3.75 for pool staff. Estimated annual premium for 11-12 is \$8,503 which is split equally between management and both pools.

- #434 Retirement** – SVEA contributes 6% of qualifying full time administrative employee's gross income to a 401(k)

- #440 Postage** – All postage costs for daily mail, monthly statements, newsletter, special mailings, and Annual Meeting information (bulk mail permit is utilized when possible)

Operational Budget Assumptions
2011-12

- #442** **Auto** – Daily trips by employees to post office, bank, site inspections, etc. at government allowed rates
- #443** **ADC** – Monthly meetings held with 3-5 of the 12 appointed members present. Members are paid \$100/hr; refreshments
- #445** **Maintenance Agreements** – Agreement for the Sharp Color copier: base charge is \$55 per month; black copies 2500; color copies 1388 and \$.0198 per copy in excess of 1388: includes most repairs, waste and black toner. Color toner is \$130 per cartridge; developer is \$605 per year. Agreement for the Sharp B&W copier is \$20 per month and includes repairs, toner, white paper and is \$.0322 per copy in excess of 683.
- #447** **Telephone** – Line charges for 5 lines (7420; 7421; 9239; 7342 & 3215), and long distance and additional phone book listings
- #448** **Pitney Bowes** – Leasing fees on all mail equipment (meter, mail machine, and scale); also covers yearly equipment tax

COMMON AREA

- #460** **Electricity** – Idaho Power expense for the automatic sprinkler system clock at Sunrise and the Village Pond aerator
- #470** **Landscaping** – Regular monthly maintenance for Sunrise Park, Harker Center Park, Harker Center, Village Pool, and Village Pond
- #475** **Snow Removal** – Harker Center parking lot, path behind Harker Center, Village Pool parking lot and shovel Harker roof
- #480** **Park Maintenance** – To inspect/repair playground equip; volleyball court, horseshoe pits, basketball court, etc.
- #483** **Pond Maintenance** – Chemicals and/or manual labor to control the aquatic weeds in the Twin Creeks and Village Ponds, to clean overflows and to remove the Village Pond aerator for winter and reinstall in the spring
- #484** **Park Supplies** – To replace lost or broken park toys and purchase small supply items
- #485** **Trash Pickup** – Garbage pickup and recycling by Clear Creek Disposal at the Harker Center and Village tennis courts & pool
- #486** **Water & Sewer** – Sun Valley Water & Sewer District charges for metered irrigation water for Sunrise Park, Harker Center and Village Pool (.94 per thousand gallons)
- #487** **Open Space Maintenance** – Misc. repairs to open space signs, barricades, etc.
- #488** **Fire Extinguishers** – Inspection for the Harker Center Lounge (1), Harker Pool (3) and Village Pool (5) fire extinguishers

Operational Budget Assumptions
2011-12

#489 Open Space Weed Control – To spray or otherwise eliminate knapweed, thistle, toadflax, and other noxious weeds; The cost to spray weeds is \$75 an hour in 2012. The spraying program includes 2 days a week from April 15 to May 31, then we step up to 3 days a week in June and back off to 1 day a week in July and August. The plan would be to hit our known problem areas first and then react to reports from owners and staff inspection of properties. This is the fourth year of a planned 5 year weed eradication program.

HARKER AND VILLAGE POOLS

The expenses are based on the following opening and closing dates of each facility:

Harker Pool – Open 5/26/11; close 9/03/12
Village Pool – Open 6/16/11; close 9/30/12
Village Spa – Open 11/26/11; close 4/15/12

- #500 & 515 Water & Sewer** – Metered water usage
- #501 & 516 Electricity** – Electrical service for the pool and spa areas
- #502 & 517 Natural Gas** – Gas service for pools, spas, wading pool, furnace, water heaters, clothes dryers, and ice melt system (Village Pool only)
- #503 & 518 Maintenance** – Remedial repairs to pools, spa areas, and equipment
- #504 & 519 Supplies** – Paper products, soaps, cleaning and laundry supplies, water softener (50% to HP, 50% to VP)
- #505 & 520 Towels** – Cost to replace towels as needed
- #506 & 521 Chemicals** – Chlorine, acid, soda ash, salt for Harker Pool and other chemicals needed for proper water chemistry
- #507 & 522 Uniforms** – Lifeguard and attendant uniforms
- #508 & 523 Telephone** –Line charge (622-3047 Village; 622-3213 Harker) toll restricted phones
- #509 & 524 Payroll** – Pool managers, pool attendants, lifeguards, and winter spa attendants
- #510 & 525 Payroll Taxes** – 11.45% of gross payroll (FICA-7.65%; SUTA-3.2%; and FUTA .6%. Average 10.3%)
- #511 & 526 Workers Compensation Insurance** – Coverage based on \$1.44 per \$100 for office staff; \$3.75 per \$100 for operation manager's position; \$3.75 for pool staff. Estimated annual premium for 11-12 is \$8,503 which is split equally between management and both pools.
- #513 & 528 Cleaning** – Cost of cleaning restrooms, changing areas, showers, etc.
- #514 & 529 Security/Flood/Alarm** – Flood alarm in Harker pool basement \$39/qtr. & motion detector @ Village Pool at \$81/qtr.

Operational Budget Assumptions
2011-12

HARKER STRUCTURE

- #531** **Cleaning** – Cost to clean the Harker lounge, restrooms and office area, includes carpet cleaning 1x per yr
- #532** **Electricity** – Idaho Power costs for offices, lounge, kitchen, outside lights, etc.
- #534** **Natural Gas** – Furnaces, water heater and gas log lighter
- #535** **Maintenance/Repair** – Remedial repairs to structure
- #536** **Supplies** – Soap for bathroom dispensers, toilet paper, paper towels, vacuum cleaner bags, trashcan liners and light bulbs
- #539** **Cable TV** – TV in Harker Lounge
- #543** **Furnaces Service & Repair** – Servicing of three furnaces, the air conditioner and any needed repairs
- #555** **Water & Sewer** – Billed quarterly for Harker Center
- #556** **Kitchen Maintenance** – Minor repairs on appliances and replacement of small appliances
- #557** **Fire/Security Alarm** – Office area alarm system at \$39 per quarter

TENNIS

- #606** **Electricity** – Electrical service to tennis court areas
- #607** **Carpet Cleaning** – Clean carpet 1x per year
- #615** **Maintenance** – Miscellaneous repairs at the Harker and Village tennis, service water fountains
- #620** **Supplies** – Water coolers, cups, paper products, cleaning supplies, trashcan liners, cable ties, C clips, replacement rollers, center straps for nets, and sand for Kramer Courts
- #624** **Payroll Compensation** – Per tennis contract
- #625** **Maintenance Contract** – Per tennis contract
- #626** **Telephone** –Line charge (622-9281 Harker; 622-9282 alarm phone line; 622-5535 Village)

OTHER

- #705** **Insurance** – Based on the annual premiums for General Liability, Fidelity Bond, Non-owned Auto, Excess Liability, Directors and Officers, Earthquake/Flood, Boiler, Notary Bond, etc.

Operational Budget Assumptions
2011-12

- #707** **Professional Services** – Services for other than previously expensed, i.e., engineering, consulting, 401(k) reports, open space surveys, Capital Reserve Study update, etc.
- #715** **Property Taxes** – Blaine County taxes on Bluff Parcel property
- #730** **Tax Returns** – Federal & State tax return filing fees
- #745** **Tools/Equipment** – To purchase misc. tools
- #750** **Other** – Board dinner, employee Christmas gift certificates, out-going Board Member gifts, etc.
- #811** **Open Space Trails** – Mapping & small equipment for trail building