

**Minutes of Meeting of the Executive Board of  
Somerset Estates Homeowners Association (SEHOA)  
January 17, 2023  
Via Zoom**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:34 PM. Quorum met for Executive Board meeting with Scott Abrahamson (SA), Anthony Chirikos (AC), Paula Hemenway (PH), and Pea Lawson (PL) present. Steve Lehan was absent.

Property Manager present – Al Orendorff (AO)

ACC members present – None

Homeowners present – None

- 2. Approval of Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on December 20, 2022 made by AC, seconded by PH, no further discussion, approved unanimously.

- 4. Treasurer’s Report** – Report for December 2022 attached. Income for 2022 was slightly higher than budget. Operating expenses overall were very close to budget. Capital expenses were under budget by about \$79,000 because some planned projects were not completed. We ended the year with \$41,691 in operating cash and \$400,093 in reserve accounts. The reserve funds were moved in December from Capital One to three FirstBank accounts – a 12-month timed account paying 4%, a 6-month timed account paying 3.75%, and a liquid asset account currently paying 1.75%. AC to look at whether to move some cash from the checking to the liquid assets account. We have one homeowner that is over 90 days delinquent. AO to send formal notice of delinquency.

- 5. Property Manager’s Report**

AO reported that the pole lights at Hwy 52 are now working with new bulbs. Christmas lights have been removed.

Mike Grothus of SHOA, Garrett Quackenbush, and AO met with Iverson at Pond 1 to review his excavation bid. AO is a little concerned about what Iverson wants to do with the existing cobble (put it under the new liner to adjust the slope of the pond sides). Garrett is recommending a 6” vent pipe at the bottom of the pond that may also have ground water removal functionality. Mike Grothus has discussed alternate polyurea materials with Silverback, one of the two vendors bidding on the project. Going to 70 mil adds \$0.30/sf; 80 mil adds \$0.50/sf. Silverback thinks 60 mil is sufficient. We expect to get a final proposal from SHOA before the next board meeting; this will require a unanimous consent vote by email.

- 6. Governing Documents Update**

- Proposed amended Reserve Fund Investment Policy to remove requirement that investment in a single institution be under the FDIC limit (\$250,000). AO noted that other HOAs he manages don’t restrict investments to less than the limit. MOTION to approve revised Reserve Fund Investment Policy made by PH, seconded by AC, no further discussion, approved unanimously. Approved policy is attached.
- Proposed revised Rental Rules were published in What’s Up #82 and posted on the website with a request for comments. No comments were received. MOTION to approve revised Rental Rules made by AC, seconded by PH, no further discussion, approved unanimously. Approved rules are attached.

- 7. Proposed 2023 Budget Discussion** – The Board and AO went line-by-line through the 2022 actual expenses and the draft proposed 2023 budget. Operating expenses overall are expected to increase by about 5.5% (excluding anticipated taxes on interest earned). General agreement to increase dues by \$50/qtr to \$750/qtr starting in April 2023, an increase of 6.3% over 2022. The proposed budget including both operating and capital expenses is attached. Actual expenses in 2022 and variance to budget is included for comparison. The proposed budget has total revenues (including interest income) of \$274,550, operating expenses of \$172,330 and capital expenses of \$186,500 for a net reduction in reserves of \$84,280. The proposed budget will be mailed to homeowners prior to the Annual Meeting on March 28, 2023. The meeting will include budget ratification.
- 8. Other Business** – None.
- 9. Member Open Forum** – None.
- 10. Next meeting** – Executive Board meeting on Tuesday, February 21, 2023, at 6:30 PM at the Mountain View Fire Station.
- 11. Adjourn** - The meeting adjourned at 8:05 PM.



Paula Hemenway, Secretary  
January 18, 2023

**Somerset Estates Homeowners Association - Treasurer's Report**  
**Operating and Reserve Fund(s)**  
**Balance Sheet and Summary Income Statement**  
**December 2022**

<b>BALANCE SHEET</b>			
As of December 31, 2022			
	Operating Fund	Reserve Fund	Total
<b>ASSETS</b>			
<b>Operating/Checking Account</b>			
FirstBank	\$41,691	\$0	\$41,691
<b>Investment/Reserve Account</b>			
Total Reserve Accounts	\$0	\$400,093	\$400,093
<b>TOTAL ASSETS</b>	<b>\$41,691</b>	<b>\$400,093</b>	<b>\$441,784</b>
<b>LIABILITIES &amp; FUND BALANCE</b>			
Fund Balance	\$41,691	\$400,093	\$441,784
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$41,691</b>	<b>\$400,093</b>	<b>\$441,784</b>

<b>Statement of Revenues, Expenses, and Changes in Reserve Balance</b>						
	Month of December, 2022			YTD December, 2022		
	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total
<b>REVENUES</b>						
HOA Dues	\$700	\$0	\$700	\$248,950	\$0	\$248,950
HOA Violations & Fines / Late Fees	\$30	\$0	\$30	\$6,726	\$0	\$6,726
Special Assessment	\$0	\$0	\$0	\$0	\$2,500	\$2,500
Transfer Fees	\$0	\$0	\$0	\$750	\$0	\$750
Pond 7 Surcharges	(\$3,000)	\$0	(\$3,000)	(\$2,000)	\$0	(\$2,000)
Interest Income	\$0	\$561	\$561	\$0	\$4,046	\$4,046
<b>TOTAL REVENUES</b>	<b>(\$2,270)</b>	<b>\$561</b>	<b>(\$1,710)</b>	<b>\$254,426</b>	<b>\$6,546</b>	<b>\$260,973</b>
<b>EXPENSES</b>						
Administrative	\$1,308	\$0	\$1,308	\$39,101	\$0	\$39,101
Landscape Repair & Maintenance & Enhancement	\$10,164	\$0	\$10,164	\$88,367	\$0	\$88,367
Lights & Fence & Path & Pond Maintenance & Repair	\$2,156	\$0	\$2,156	\$22,165	\$0	\$22,165
Water & Utilities	\$965	\$0	\$965	\$12,533	\$0	\$12,533
Lighting Upgrades	\$0	\$0	\$0	\$0	\$0	\$0
Water System Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Water Features (Ponds & Waterfall)	\$0	\$821	\$821	\$0	\$13,463	\$13,463
Water System Profession Fees (Project Mgmt. & Ops Manual)	\$0	\$0	\$0	\$0	\$0	\$0
Irrigation System	\$0	\$0	\$0	\$0	\$52,348	\$52,348
Hardscape (Fence & Paths & Monuments)	\$0	\$1,090	\$1,090	\$0	\$53,658	\$53,658
Softscape (Master Landscape Plan)	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$14,593</b>	<b>\$1,911</b>	<b>\$16,504</b>	<b>\$162,166</b>	<b>\$119,470</b>	<b>\$281,635</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(\$16,863)</b>	<b>(\$1,350)</b>	<b>(\$18,213)</b>	<b>\$92,260</b>	<b>(\$112,923)</b>	<b>(\$20,663)</b>
<b>TRANSFER BETWEEN OPERATING FUND and RESERVE FUND</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>(\$15,000)</b>	<b>\$0</b>

**Somerset Estates Homeowners Association - Treasurer's Report**

**Total Funds**

**Income Statement**

**December 2022**

	Month Actual	Year-to-Date			Budget 2022
		Actual	Budget	Better/ (Worse)	
<b>REVENUE and EXPENSE SUMMARY</b>					
<b>REVENUE</b>					
HOA Dues	\$700	\$248,950	\$246,975	\$1,975	\$246,975
HOA Violations, Fines and Late Fees	\$30	\$6,726	\$0	\$6,726	\$0
Transfer Fees	\$0	\$750	\$0	\$750	\$0
Pond 7 Surcharges	(\$3,000)	(\$2,000)	\$1,000	(\$3,000)	\$1,000
Special Assessment	\$0	\$2,500	\$2,500	\$0	\$2,500
Interest Income	\$561	\$4,046	\$2,070	\$1,976	\$2,070
<b>TOTAL REVENUES</b>	<b>(\$1,710)</b>	<b>\$260,973</b>	<b>\$252,545</b>	<b>\$8,428</b>	<b>\$252,545</b>
<b>EXPENSES</b>					
Administrative	\$1,308	\$39,101	\$40,420	\$1,319	\$40,420
Capital Expenses	\$1,911	\$119,470	\$198,500	\$79,030	\$198,500
Landscape Repair & Maintenance & Enhancement	\$10,164	\$88,367	\$72,640	(\$15,727)	\$73,440
Lights & Fence & Path & Pond Maintenance	\$2,156	\$22,165	\$22,340	\$175	\$21,540
Water & Utilities	\$965	\$12,533	\$22,500	\$9,967	\$22,500
<b>TOTAL EXPENSES</b>	<b>\$16,504</b>	<b>\$281,635</b>	<b>\$356,400</b>	<b>\$74,765</b>	<b>\$356,400</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(\$18,213)</b>	<b>(\$20,663)</b>	<b>(\$103,855)</b>	<b>\$83,192</b>	<b>(\$103,855)</b>
<b>Outstanding Dues and Fines</b>					
	<u>0 - 30 Days</u>	<u>30 - 60 Days</u>	<u>60 - 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Dollars	\$2	\$2	\$25	\$700	\$730
# of Homes	1	0	0	0	1

**SOMERSET ESTATES HOMEOWNERS ASSOCIATION, INC.**  
**RESERVE FUND INVESTMENT POLICY**

First Adopted 2/27/2019 – Rev 1 Adopted 1/17/2023

The following policy has been adopted by Somerset Estates Homeowners Association, Inc. ("Association") pursuant to the Colorado Common Interest Ownership Act ("Act"), including C.R.S. 38-33.3-209.5, as amended, at a regular meeting of the Executive Board ("Board").

Purpose: To protect and ensure the safety of the assets and capital improvements of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, including brokers/dealers, banks, consultants, savings institutions, and custodians. The following investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal investment management of the Association's reserve funds. This policy does not set forth: (1) the minimum reserve fund balance required of the Association; (2) any mandate for any periodic reserve fund study; or (3) the tax consequences of the investment options contained herein.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy for the investment of the Association's reserve funds:

1. Investment Objectives. All funds that are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado Revised Statutes and resolutions enacted by the Board in a manner to accomplish the following objectives:

- A. Safety of Funds: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of reasonably mitigating risk.
- B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures according to the timing of expected expenditures.
- C. Types of Investments: The reserve fund portfolio shall consist largely of money market accounts, certificates of deposit, and other securities backed by the U.S. Government. Other types of Investments not prohibited by paragraph 5 may be approved by the Board.
- D. Yield: Subject to the restrictions on the types of investments, the Association's portfolio shall earn a competitive market rate of return on available funds through budgetary and economic cycles. In meeting this objective, the Association, through the Board, will take into account the Association's investment risk, constraints, and cash flow needs.

2. Credit Risk. The Association will minimize credit risk, the risk of loss due to the failure of the financial institution, by:

- a) Limiting investments to reasonably safe investments as provided for herein;
- b) Subject to the limitations herein, reasonably diversifying the investment portfolio.

3. Interest Rate Risk. The Association will minimize the risk of the market value of investments in the portfolio due to changes in general interest rates by:

- a) Structuring the investment portfolio so that investments mature sufficiently close to cash requirements for ongoing operations and/or capital expenditures, thereby minimizing the potential need to sell investments prior to maturity; and
- b) Investing all funds primarily in short- to intermediate-term investments.

4. Delegation of Authority. Responsibility for conducting investment transactions for the Association resides with the Treasurer. The President of the Board will be considered an authorized person to assist the Treasurer in performing investment management, cash management, or treasury functions. Persons authorized to transact investment business for the Association are limited to these two officers. The Treasurer will provide a copy of this investment policy to any Member upon request. The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board. The Board shall provide a copy of this policy to the newly elected Treasurer at the assumption of office.

5. Ineligible Investments and Transactions. The Association shall not invest in the following asset classes:

- a) Individual stocks;
- b) Equity mutual funds, domestic or foreign;
- c) Mutual funds consisting of mortgages and/or derivatives;
- d) Options on equity, debt or commodities;

6. Selection of Banks as Depositories and Providers of General Banking Services. Banks and savings institutions shall be approved by written resolution of the Board to provide depository and other banking services for the Association. To be eligible for authorization, a bank must be domiciled in the United States, be a member of the FDIC, and must meet the minimum credit criteria of credit analysis provided by commercially available bank rating services. Banks failing to meet the minimum criteria, or, in the judgment of the Treasurer or Board, no longer offer adequate safety to the Association funds, shall be unauthorized to provide depository and other banking services for the Association.

7. Reporting. An annual investment report shall be prepared and submitted by the Treasurer or an outside advisor, who will provide such report to the Board in a timely manner, listing the reserve fund investments held by the Association and the current valuation of the investments. The report shall include a summary of investment earnings during the prior fiscal year. The Board shall make available to requesting Members an itemized listing as to the amount, type and rate of return, of the instruments, funds, and accounts in which Association funds are invested or deposited.

8. Policy Revisions. The Board shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend amendments to this policy as necessary.

9. Miscellaneous. Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter.

10. Severability. If a provision of this policy is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provisions of this policy.

Somerset Estates Homeowners Association, Inc.

By: \_\_\_\_\_  
Scott Abrahamson, President

This Reserve Fund Investment Policy was amended by the Executive Board on the 17<sup>th</sup> day of January, 2023, effective immediately and is attested to by the Secretary of the Somerset Estates Homeowners Association, Inc.

By: \_\_\_\_\_  
Paula Hemenway, Secretary

**SOMERSET ESTATES HOMEOWNERS ASSOCIATION, INC.**  
**RENTAL RULES**

Adopted August 13, 2019 – Rev 1 Adopted January 17, 2023

The following rules have been adopted by Somerset Estates Homeowners Association, Inc. ("Association") pursuant to Section 3.4.4(1), Section 6.2.1, and Section 6.2.6 of the Consolidated, Amended and Restated Declaration for Somerset Estates ("Declaration"), recorded on August 14, 2018, at a regular meeting of the Executive Board ("Board").

Purpose: To establish reasonable rules to regulate the renting or leasing of Dwelling Units in Somerset Estates.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Rental Rules:

1. Compliance with Applicable Laws and Regulations. As stated in Section 6.2.1 of the Declaration, any rental or lease agreements and activity must comply with all applicable local, state and federal laws and regulations. Any Owner operating short-term rentals (i.e., rentals of fewer than 30 days in duration) must have a valid, local license (a "Rental License") issued by Boulder County Community Planning & Permitting, and such Rental License must be provided to the Association upon request. Boulder County Ordinance No. 2020-01 (the "Rental Ordinance") stipulates that short-term rentals of a Dwelling Unit that is not the primary residence of the Owner are limited to 60 days per year and a maximum of 8 guests, in addition to other requirements. The Rental Ordinance prohibits in platted subdivisions, including Somerset Estates, vacation rentals of fewer than 30 days in duration but totaling more than 60 days per year. In addition, Rental Licenses require compliance with certain safety and health requirements and other important requirements.

2. Rental as Single Unit to Single Family Only. As stated in Section 6.2.6 of the Declaration, no room or rooms in any Dwelling Unit or parts thereof may be rented or leased and no paying Guests shall be quartered in any Dwelling Unit. Any rental or lease must be of an entire Dwelling Unit as a single unit to a single person or family of closely related persons, and any such rental shall be regulated by these rules. Therefore, any rentals, including short-term rentals, of rooms in a Dwelling Unit that is the primary residence of the Owner are prohibited. Short-term rentals to groups of unrelated parties are also prohibited, and short-term rentals by properly licensed Owners to groups of related parties must be limited to 8 guests pursuant to the Rental Ordinance.

3. Short-Term Rentals Generally. Short-term rentals made without a Rental License are prohibited in Somerset Estates and are a violation that threatens public safety or health. The Association shall consider any unlicensed Owner who makes any advertisements of short-term rental availability on transient, hotel, short-term vacation websites, or any other form of media, to be in violation of these rules, and the advertisement shall be evidence of such violation, constituting inspection of the Owner's Lot. Temporary removal of such advertisements or intermittent listings shall not constitute cure of the violation. Should a listing be removed as a result of a notice of violation from the Association, and subsequently be reactivated within a 365-day period without a Rental License, the violation will be considered to be continuing with associated escalated fines.

4. Minimum Rental or Lease Period. Other than short-term rentals in compliance with these rules, the rental or lease of a Dwelling Unit as a single unit to a single person or family of closely related people may not be for a term of less than six (6) consecutive months (unless it is a lease extension) without prior written approval from the Board. Approval of any rental for a shorter term may be withheld for any reason.

5. Rental or Lease Agreement. The Owner must inform the Association, through its Property Manager, of all rentals or leases prior to the start of the lease, including providing the name and contact information for the renter or lessee and the initial lease period. The rental or lease agreement shall be in writing and shall provide that the lease is subject to the terms of the Declaration, Articles of Incorporation, Bylaws, and the Rules of the Association ("governing documents"), and that any failure of the renter or lessee to comply with the terms of the governing documents shall constitute a default of the lease. Upon request, a copy of the rental or lease agreement shall be furnished to the Board, as well as any lease extensions, including the renewed lease period.

6. Owner Responsibility. During the rental or lease period, the Owner shall continue to be responsible for the maintenance of the Lot and Dwelling Unit, in accordance with the Declaration and Architectural and Landscaping Standards, and for the performance of all other obligations of an Owner as set forth in the governing documents. Violation of the governing documents by a renter or lessee will also be the responsibility of the Owner, as if such violation was done by the Owner personally.

7. Enforcement. If these rules are violated, the Owner shall be subject to the enforcement process documented in the SEHOA Enforcement and Fines Policy, including enforcement of violations that threaten public safety or health.

8. Miscellaneous. Failure by the Association to enforce any provision of these rules in one instance shall in no event be deemed to be a waiver of the right to do so thereafter.

9. Severability. If a provision of these rules is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provisions of these rules.

Somerset Estates Homeowners Association, Inc.

By: \_\_\_\_\_  
Scott Abrahamson, President

These Rental Rules were adopted by the Executive Board on the 17<sup>th</sup> day of January, 2023, effective immediately and is attested to by the Secretary of the Somerset Estates Homeowners Association, Inc.

By: \_\_\_\_\_  
Paula Hemenway, Secretary



**Somerset Estates Homeowners Association**  
**2022 YEAR-END TOTALS AND 2023 PROPOSED BUDGET**  
**COMBINED OPERATING AND CAPITAL EXPENSES**

	2022 Year Totals ACTUALS	2022 Annual BUDGET	2022 Better (Worse) VARIANCE	Proposed 2023 BUDGET
<b>REVENUE and EXPENSE SUMMARY</b>				
<b>OPERATING REVENUE</b>				
HOA Dues	\$ 248,950	\$ 246,975	\$ 1,975	\$ 262,550
Other Revenue (Late fees, fines, misc, special assessment, etc)	\$ 7,976	\$ 3,500	\$ 4,476	\$ -
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 256,926</b>	<b>\$ 250,475</b>	<b>\$ 6,451</b>	<b>\$ 262,550</b>
<b>OPERATING EXPENSES</b>				
<b>Administrative</b>				
Accounting Fees	\$ 270	\$ 270	\$ -	\$ 280
Bank Charges & Fees	\$ 105	\$ 20	\$ (85)	\$ 100
Business Filing Fees	\$ 30	\$ 30	\$ -	\$ 50
Insurance	\$ 8,491	\$ 8,500	\$ 9	\$ 9,000
Legal	\$ 7,575	\$ 8,000	\$ 426	\$ 4,000
Legal - other (water)	\$ 754	\$ 1,000	\$ 246	\$ 1,000
Meeting Expense	\$ -	\$ 200	\$ 200	\$ 100
Miscellaneous	\$ 200	\$ 200	\$ -	\$ 200
Office Expense & Supplies	\$ -	\$ 200	\$ 200	\$ 100
Postage & Delivery	\$ 489	\$ 500	\$ 11	\$ 500
Printing & Reproduction	\$ 638	\$ 700	\$ 62	\$ 700
Property Manager Fees	\$ 15,000	\$ 15,000	\$ -	\$ 15,900
Property Transfer Fee	\$ 750	\$ -	\$ (750)	\$ -
Storage	\$ 1,444	\$ 1,500	\$ 57	\$ 1,500
Taxes	\$ -	\$ -	\$ -	\$ 1,200
Web-site Hosting/Domain/Cloud Storage	\$ 3,355	\$ 4,300	\$ 945	\$ 3,500
<b>Total Administrative</b>	<b>\$ 39,100</b>	<b>\$ 40,420</b>	<b>\$ 1,320</b>	<b>\$ 38,130</b>
<b>Landscape Maintenance</b>				
Aeration	\$ 588	\$ 600	\$ 12	\$ 650
Clean-up Spring/Fall	\$ 2,519	\$ 3,100	\$ 582	\$ 3,590
Holiday Decoration	\$ 3,581	\$ 2,300	\$ (1,281)	\$ 3,500
Irrigation Maintenance	\$ 20,090	\$ 13,000	\$ (7,090)	\$ 20,000
Lawn Fertilization/Weed Control	\$ 8,082	\$ 8,100	\$ 18	\$ 9,100
Miscellaneous Landscape	\$ 48	\$ 2,000	\$ 1,952	\$ 2,000
Mowing - Irrigated	\$ 14,715	\$ 13,630	\$ (1,085)	\$ 17,000
Mowing - Non-irrigated	\$ 2,010	\$ 2,010	\$ -	\$ 2,310
Shrub Pruning	\$ 3,047	\$ 1,800	\$ (1,247)	\$ 4,000
Snow Removal	\$ 5,980	\$ 5,500	\$ (480)	\$ 6,400
Trash Removal & Dump Fees	\$ 3,117	\$ 3,200	\$ 83	\$ 2,400
Tree Maintenance (Fertilizer & Bug Control)	\$ 395	\$ 800	\$ 405	\$ 800
Tree Trimming and Removal	\$ 14,145	\$ 7,000	\$ (7,145)	\$ 7,000
Gardens/Flowers	\$ 7,873	\$ 7,700	\$ (173)	\$ 7,900
Weeding Gardens	\$ 2,178	\$ 1,900	\$ (278)	\$ 2,000
<b>Total Landscape Maintenance</b>	<b>\$ 88,367</b>	<b>\$ 72,640</b>	<b>\$ (15,727)</b>	<b>\$ 88,650</b>
<b>Infrastructure Maintenance</b>				
Electrical/Light Maintenance	\$ 979	\$ 8,000	\$ 7,021	\$ 8,000
Fence Maintenance	\$ 2,054	\$ 1,500	\$ (554)	\$ 1,500
Miscellaneous Maintenance	\$ -	\$ 200	\$ 200	\$ 200
Path/Sidewalk Maintenance	\$ 2,241	\$ 3,100	\$ 859	\$ 2,000
Pond Maintenance (cattail/reed removal)	\$ 13,939	\$ 8,000	\$ (5,939)	\$ 11,000
Pump Maintenance	\$ 2,018	\$ 1,000	\$ (1,018)	\$ 2,000
Utility Locating	\$ 935	\$ 540	\$ (395)	\$ 1,000
<b>Total Infrastructure Maintenance</b>	<b>\$ 22,166</b>	<b>\$ 22,340</b>	<b>\$ 174</b>	<b>\$ 25,700</b>
<b>Water and Utilities</b>				
Electricity	\$ 10,610	\$ 17,000	\$ 6,390	\$ 14,000
Water - Ditch fees	\$ 850	\$ 500	\$ (350)	\$ 850
Water - Leased	\$ 1,100	\$ 5,000	\$ 3,900	\$ 5,000
<b>Total Water and Utilities</b>	<b>\$ 12,560</b>	<b>\$ 22,500</b>	<b>\$ 9,940</b>	<b>\$ 19,850</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 162,193</b>	<b>\$ 157,900</b>	<b>\$ (4,293)</b>	<b>\$ 172,330</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER OPERATING EXPENSES</b>	<b>\$ 94,733</b>	<b>\$ 92,575</b>	<b>\$ 10,744</b>	<b>\$ 90,220</b>

<b>CAPITAL EXPENSES</b>				
<b>Water System Infrastructure</b>				
Transfer line from Pond 1 to Pond 2	\$ 7,949	\$ 1,000	\$ 6,949	\$ -
Upgraded meter on ditches	\$ 24,196	\$ 25,000	\$ (804)	\$ 2,000
Irrigation modifications to separate from SHOA	\$ 9,658	\$ 10,000	\$ (342)	\$ -
Pond 1 transfer line pump	\$ 2,370	\$ -	\$ 2,370	\$ -
Pump house at Pond 1 roof, door, and paint	\$ 4,900	\$ 4,000	\$ 900	\$ -
<b>Total Water System Infrastructure</b>	<b>\$ 49,073</b>	<b>\$ 40,000</b>	<b>\$ 9,073</b>	<b>\$ 2,000</b>
<b>Irrigation System</b>				
Irrigation Major Repairs	\$ 3,248	\$ 15,000	\$ 11,752	\$ 15,000
<b>Total Irrigation System</b>	<b>\$ 3,248</b>	<b>\$ 15,000</b>	<b>\$ 11,752</b>	<b>\$ 15,000</b>
<b>Water Features (Ponds and Waterfall)</b>				
Pond liner repairs	\$ 8,065	\$ 10,000	\$ 1,935	\$ 70,000
Pump replacement	\$ 5,398	\$ -	\$ (5,398)	\$ -
<b>Total Water Features</b>	<b>\$ 13,463</b>	<b>\$ 10,000</b>	<b>\$ 1,935</b>	<b>\$ 70,000</b>
<b>Water System Professional Fees</b>				
Water System Engineering	\$ -	\$ -		\$ 10,000
Water Systems Other (Operations Manual)	\$ -	\$ 12,500	\$ 12,500	\$ 12,500
<b>Total Water Systems Professional Fees</b>	<b>\$ -</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ 22,500</b>
<b>Hardscape (Fences, Paths, Monuments)</b>				
Fence Refurbishment and Replacement	\$ 15,906	\$ 16,000	\$ 94	\$ -
Path replacement	\$ 24,479	\$ 25,000	\$ 521	\$ -
Major repairs of entrance monuments at Hwy 52	\$ -	\$ 28,000	\$ 28,000	\$ 28,000
Major repairs of street monuments	\$ 13,274	\$ 27,000	\$ 13,726	\$ 14,000
Center island focal lighting at Hwy 52	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
Other lighting	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
<b>Total Hardscape</b>	<b>\$ 53,659</b>	<b>\$ 116,000</b>	<b>\$ 62,341</b>	<b>\$ 62,000</b>
<b>Softscape (Master Plan, Trees, Vegetation)</b>				
Specific Location Landscape Plan		\$ -		\$ 5,000
Cyclical Landscape Refurbishment	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
<b>Total Softscape</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 15,000</b>
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 119,443</b>	<b>\$ 198,500</b>	<b>\$ 102,601</b>	<b>\$ 186,500</b>
<b>INTEREST INCOME</b>				
<b>Interest Income</b>	<b>\$ 4,046</b>	<b>\$ 2,070</b>	<b>\$ 1,976</b>	<b>\$ 12,000</b>
<b>TOTAL REVENUE</b>	<b>\$ 260,972</b>	<b>\$ 252,545</b>	<b>\$ 8,427</b>	<b>\$ 274,550</b>
<b>TOTAL EXPENSE</b>	<b>\$ 281,636</b>	<b>\$ 356,400</b>	<b>\$ 98,309</b>	<b>\$ 358,830</b>
<b>NET INCOME</b>	<b>\$ (20,664)</b>	<b>\$ (103,855)</b>	<b>\$ (89,882)</b>	<b>\$ (84,280)</b>