

**Tab 10**

**2021 Budget Approval**

**Issue**

The outgoing board is required to approve the budget for the coming fiscal year.

**Background**

The Finance Committee has prepared the attached budget for 2021. In preparing the budget, the FC considered all requests from the GM as well as all committees requesting funding in the coming year.

The proposed budget makes use of approximately \$67K of “undesignated funds” accumulated over several years to partially offset 2021 expenses. The resulting budget results in no increase in 2021 assessments for all lots without homes. Annual assessments for lots with homes will increase by approximately \$6 due to increased trash disposal expenses.

A comparison of 2020 and 2021 lots is shown below.

Assessments	Assm't	2021		Prior Year (2020)			Δ	% Δ
		Trash	Total	Assm't	Trash	Total		
SF	\$ 1,567.26	\$ 144.08	\$ 1,711.34	\$ 1,567.26	\$ 137.71	\$ 1,704.97	\$ 6.37	0.4%
Utility	\$ 1,567.26		\$ 1,567.26	\$ 1,567.26		\$ 1,567.26	\$ (0.00)	0.0%
Non-Utility	\$ 587.72		\$ 587.72	\$ 587.72		\$ 587.72	\$ (0.00)	0.0%

**Recommendation/Motion**

Approve the 2021 budget prepared by the Finance Committee.

J. Tomalesky

8/19/2020

A	B	C	H	J	L
1	LHCC 2021 Budget --- General Fund		0.0%		Δ Exp for no assessment increase \$ 0
2			2020	2021	
3		HYBRID ACCRUAL BASIS EXPENSES	Budget	BUDGET	Description
4					
5	Income (Cash Basis)				
6	4000 · Assessment Revenue (Cash Basis)				
7					
8		4022 · Assessments-Lots with Utilities	258,597.79	257,030.53	
9		6917 · Projected Delinqncs Utility Lots	(38,789.67)	(43,695.19)	
10		4021 · Assessments-Lots w/homes	1,597,554.24	1,613,795.10	
11		6916 · Projected delinq lots w/homes	(111,828.80)	(129,103.61)	
12		4019 · Assmnts-Lots w/o Utilities Avlb	229,211.67	227,448.51	
13		6919 · Projected Delinqncs lots w/o util	(32,089.63)	(34,117.28)	
14		4095 · Bad Debt Recovery	20,000.00	-	Move to Other Income in 2021
15		<b>Total 4000 · Assessment Revenue</b>	<b>1,922,655.60</b>	<b>1,891,358.06</b>	
16					
17	4300 · Other Income				
18		4095 · Bad Debt Recovery		10,000.00	Collections on past due assessments
19		4305 · Capitalization Fee	130,000.00	120,000.00	2020 Actual = \$58K thru May
20		4310 · Interest Income	7,500.00		Interest income from accounts other than Replacement Reserve
21		4315 · Activities Income			
22		4320 · Late Fees	12,000.00	9,600.00	Late payment fees
23		4325 · Legal Fee Recovery			Recovered legal expenses
24		4330 · Newsletter and other Advertising	2,000.00	1,500.00	
25		4335 · Disclosure Packages	9,000.00	9,000.00	
26		4340 · Sale of LHCC Owned Lots			
27		4345 · Boat Fees- Under 10 HP	1,250.00	\$1,250	
28		4346 · Non-motorized vessels	2,015.00	\$2,015	
29		4350 · Boat Fees - 10 HP & Over	40,200.00	\$40,200	
30		4355 · Boat Slip Rental	50,850.00	\$50,285	
31		4360 · Canoe Slip Rental	1,725.00	\$1,725	
32		4365 · Miscellaneous Income	1,000.00	1,000.00	
33		4368 · Other Member Fees	3,000.00	3,000.00	Campsites etc
34		4370 · Compliance Penalties			
35		4385 · Fitness Center Fees			
36		4390 · Clubhouse Rental Fees	18,000.00	5,000.00	
37		4395 · Boat/Trailer Storage	20,100.00	\$16,700	
38		4396 · Auto Tags	4,500.00	4,500.00	
39		43xx - Prior Year Retained Earnings	100,000.00	66,706.00	
40		<b>Total 4300 · Other Income</b>	<b>403,140.00</b>	<b>342,481.00</b>	
41					
42	<b>Total Income (Cash Basis)</b>		<b>2,325,795.60</b>	<b>2,233,839.06</b>	
43					
44	Expense				
45	5000 · Administrative Expenses				
46	5010	5010 · Office Supplies	4,500.00	4,500.00	
47	5015	5015 · Office Equipment	3,500.00	4,000.00	
48	5020	5020 · Postage	5,000.00	6,000.00	
49	5025	5025 · Printing / Copying	12,000.00	12,000.00	
50	5030	5030 · Bank Charges	500.00	500.00	based on historical
51	5035	5035 · Miscellaneous	3,000.00	3,000.00	based on historical
52	5040	5040 · Advertising			no planned expense-employee turnover would result in need
53	5045	5045 · Legal Fees - General Counsel	15,000.00	15,000.00	Contract review, POA interpretation, lawsuits
54	5005	5005 · Legal Fees - Collections	3,000.00	3,000.00	All expenses related to in-house collection efforts (less LH labor cost).
55	5055	5055 · Insurance	100,000.00	105,000.00	
56	5060	5060 · Board & Meeting Expenses	500.00	500.00	
57	5070	5070 · Travel & Mileage			employees use company vehicle for company business, no longer reimburse mileage
58	5095	5095 · Allowance for Insurance Deductible	2,500.00	2,500.00	covers deductible for 1 claim
59		<b>Total 5000 · Administrative Expenses</b>	<b>149,500.00</b>	<b>156,000.00</b>	
60					
61	5100 · Personnel				
62	5105	5105 · Administrative Salaries	255,000.00	262,000.00	Salary and wage expenses relating to the management of the association office. Six (6) full-time employees.

DRAFT

A	B	C	H	J	L
1		LHCC 2021 Budget --- General Fund	0.0%		Δ Exp for no assessment increase \$ 0
2			2020	2021	
3		HYBRID ACCRUAL BASIS EXPENSES	Budget	BUDGET	Description
4					
63	5110	5110 · Maintenance Salaries	230,000.00	223,000.00	Salary and wage expenses relating to the maintenance operations, excluding trash collection labor. Five (5) full-time employees and one (1) Maintenance Supervisor.
64	5125	5125 · Bonuses	12,000.00	12,000.00	Christmas bonuses and merit bonuses formerly recorded under Board Discretionary expense.
65	5135	5135 · Federal Unemployment	504.00	504.00	
66	5140	5140 · State Unemployment	105.60	105.60	
67	5145	5145 · FICA	38,020.00	38,020.00	
68	5150	5150 · Medical / Health Benefits	50,000.00	56,000.00	
69	5155	5155 · Training / Misc. Expenses	2,500.00	2,500.00	
70	5160	5160 · Pension (401k)	11,500.00	12,000.00	
71		<b>Total 5100 · Personnel</b>	<b>599,629.60</b>	<b>606,129.60</b>	
72					
73		<b>5200 · Taxes &amp; Licenses</b>			
74	5210	5210 · Permits / Licenses	1,500	6,000	Includes Qbooks annual license renewal (\$4K)
75	5220	5220 · Real Estate Taxes	12,500	4,753	2 non-util, 1 util, Golf Course
76		5230 · Sanitary District Taxes	40,000	2,826	2 non-util, 1 util, Golf Course
77	5240	5240 · Personal Property Taxes	6,500	6,500	
78	5201	5201 · Income Taxes	-		rental fees etc are taxable but tax due based on overall tax picture
79	5250	5250 · POAA Recovery Fund	1,150	1,150	based on assessment revenue end of each year
80		<b>Total 5200 · Taxes &amp; Licenses</b>	<b>61,650.00</b>	<b>21,229.46</b>	
81					
82		<b>5800 · Committee Expenses</b>			
83	5810	5810 · Activities	8,000.00	8,000.00	Supplies and event fees for : New Years, Memorial Day, Spring Fling, Fall Fest, Holiday Potluck, 4th of July, and Yard Sales.
84		<b>Total 5800 · Committee Expenses</b>	<b>8,000.00</b>	<b>8,000.00</b>	
85					
86		<b>5900 · Utilities</b>			
87	5910	5910 · Telephone	11,700	11,700	
88	5920	5920 · Water / Sewer	13,000	13,000	
89	5930	5930 · Electricity	40,000	40,000	
90	5940	5940 · Heating	3,000	3,000	
91	5950	5950 · Internet Service	6,000	7,000	
92		<b>Total 5900 · Utilities</b>	<b>73,700.00</b>	<b>74,700.00</b>	
93					
94		<b>6000 · Annual Contracts</b>			
95	6010	6010 · Elevator Annual Inspection	1,075.00	1,075.00	no indication of price increase at this time
96	6015	6015 · Elevator Maintenance Contract	1,500.00	1,500.00	based on actuals
97	#	6018 - Dam Certification			
98	#	6019 - Landscaping Contract	-		
99	6020	6020 · Audit / Tax Return Preparation	14,000.00	14,000.00	
100	6025	6025 · Financial Management Fees	69,000.00	74,000.00	Kilmer CPA, Inc
101	6030	6030 · Trash Removal Contract	120,000.00	125,000.00	based on current projections
102	6035	6035 · Exterminating Contract	1,800.00	1,800.00	
103	6040	6040 · Gate Contract	217,000.00	217,000.00	
104	6045	6045 · Patrol Services	41,500.00	41,500.00	
105		6055 - Website hosting	500.00	500.00	includes hosting & renewal
106		xxxx - Lake Culture & Testing	48,000.00	50,000.00	Lake Committee
107	6050	6050 · Lake Patrol	9,000.00	9,000.00	
108		NALMS Membership	750.00	750.00	
109		Sheriff Patrol		26,000.00	Safety Adv Cmte request -- 10 hrs/wk; 540 hrs/yr @ \$50/hr
110		<b>Total 6000 · Annual Contracts</b>	<b>524,125.00</b>	<b>562,125.00</b>	
111					
112		<b>6100 · As Needed Contracts &amp; Services</b>			
113	6120	6120 · Election Official	1,800.00	1,800.00	based on last year actuals
114	6125	6125 - Janitorial Services	14,000.00	15,000.00	
115	6130	6130 - Computer Services	14,000.00	14,000.00	
116	6145	6145 · Dam Maintenance	5,000.00	5,000.00	based on projections
117	6150	6150 · Boat Repairs	750.00	750.00	
118	6165	6165 · Building Repairs	10,000.00	10,000.00	
119		6178 · Road Repairs & Improvements	40,000.00	30,000.00	

A	B	C	H	J	L
1		LHCC 2021 Budget --- General Fund	0.0%		Δ Exp for no assessment increase \$ 0
2			2020	2021	
3		<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<i>Budget</i>	<b>BUDGET</b>	<b>Description</b>
4					
120		6180 ·Fourth of July Fireworks	7,500.00	7,500.00	
121		6183 ·Capsure	18,000.00	18,000.00	
122		electronic equipment repairs	7,000.00	7,000.00	includes camera repairs, gate repairs, fob repairs etc
123		tree removal	10,000.00	10,000.00	
124		Office 365	11,000.00	11,500.00	
125		Repair & extend Redland Rd Fence		13,000.00	Requested by B&G
126					
127		<b>Total 6100 ·As Needed Contracts &amp; Services</b>	139,050.00	143,550.00	
128					
129		<b>6200 ·Material &amp; Supplies</b>			
130	6210	6210 ·Snow Removal	20,000	20,000	Expenses related to materials for snow and ice removal such as gravel, magnesium chloride and ice melt.
131		6212 ·Building Supplies & Repairs	4,000	4,000	Expenses related to materials for building repairs-Admin office, Clubhouse, Guard house, Maint Facility, and Mail Stations.
132		6213 ·Landscape Supplies	18,000	20,000	historically over budget and added to multiple GL's-does not include improvements to Beach 3
133	6215	6215 ·Miscellaneous Supplies	4,000	4,000	
134		6218 ·Road Repair & Improv Supplies	20,000	15,000	Materials for road repair and improvement-gravel, patch fill, etc.
135	6220	6220 ·Equipment Rental	20,000	15,000	Expenses related to lease of cherry picker, grader, lift, etc.
136	6225	6225 ·Tools & Equipment	2,500	2,500	Non-expendable items, tangible, with a useful life of more than 1-year w/acquisition cost of \$50 or more. Expenses such as: pruner, weed eater, wrench, bolt cutters, chain saw, fire extinguisher, auger bit, vacuum, backhoe rake.
137		6227 ·Equipment Maintenance & Repairs	15,000	15,000	Parts for internal equipment repair and maintenance.
138	6230	6230 ·Janitorial Supplies	3,500	3,500	based on current projections
139	6235	6235 ·Boat & Vehicle Decals-Rgsfrtn	2,000	1,500	
140	6245	6245 ·Ground & Road Supplies	4,000	4,000	Expenses related to plant material replacement, grass seed, mulch not for landscaping and shoulder stone for roadways.
141	6250	6250 ·Signs	2,500	2,500	does not include any additional signage
142	6255	6255 ·Vehicle & Equipment Fuel	16,000	16,000	vehicle fuel costs for Haines patrol vehicle, patrol boat, maintenance vehicles, and other Assn owned vehicles & equipment.
143		6257 ·Vehicle Maintenance & Repairs	8,000	8,000	Parts for in-house repairs and maintenance of Assn owned vehicles.
144	6265	6265 ·Lake & Marina	5,000	7,000	includes incremental buoy replacement & dock repair materials
145	6270	6270 ·Uniforms	5,000	3,000	
146	6275	6275 ·Portable Toilets	3,600.00	3,750.00	
147		Electronic Speed Monitor w/camera		11,800.00	Safety Adv Cmte request -- 2 @ \$11,300 ea
148		<b>Total 6200 ·Material &amp; Supplies</b>	153,100.00	156,550.00	
149					
150		<b>7050 -Long Term Capital Assets (Capital Improvement Fund)</b>			
151		Electronic Speed Monitor w/camera		11,800.00	
152		Disc Golf		2,000.00	
153		Walking/Bike Trails - Neighborhood		36,000.00	
154		Dog Park		5,000.00	
155		Beach I Implementation		10,000.00	
156		Beach II Enhancements & Erosion		10,000.00	
157		Beach II Campsites & Parking		20,000.00	
158		Beach II Pavilion		3,000.00	
159		Beach II Bath rooms		10,000.00	
160		Beach III Repair & Sand		10,000.00	
161		Additional Marina Slips (8 new slips)		6,000.00	
162		Fish Stocking		5,000.00	
163					
164		<b>7050 -Total Long Term Capital Assets (CIP)</b>	197,708.00	128,800.00	
165					
166					
167		<b>6900 ·Other Expenses</b>			
168					
169		<b>Total General Fund Expenses</b>	1,906,462.60	1,857,084.06	
170					
171		<b>6930 - Clubhouse Loan Repayment</b>			
172					
173		Debt Service Golf Course - Interest	11,271.00	2,293.00	
174	6930	Debt Service Golf Course - Principal	27,375.00	36,353.00	
175			38,646.00	38,646.00	
176		<b>Transfers to Reserves (Use of Funds)</b>			

	A	B	C	H	J	L
1			LHCC 2021 Budget --- General Fund	0.0%		Δ Exp for no assessment increase \$ 0
2				<b>2020</b>	<b>2021</b>	
3			<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<i>Budget</i>	<b>BUDGET</b>	<b>Description</b>
4						
177			Replacement Reserve Contributions	380,687.00	338,109.00	
178						
179			<b>Total Transfers to Reserve/Loan Repayment</b>	419,333.00	376,755.00	
180			<b>General Fund - Total Expenses</b>	2,325,795.60	2,233,839.06	
181						
182			<b>General Fund - Net Income (Loss)</b>		(0.00)	