

1010 Cash- Operating  
1310 Accounts Receivable  
3010 Accounts Payable  
3310 Prepaid Assessments  
6010 Default Income Account

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**Selective Management Services  
Budgeting General Ledger Assumptions  
Old Cahaba Homeowner's Association  
July 2019- June 2020**

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**6020 Residential Assessments**

Derived by assuming the 2019/2020 Annual dues for the 1196 members, as of May 2019, will remain at \$315. This assumes that twenty (20) additional homes will be sold in 2019 to allow for a cushion in the operating funds. The 2019 total \$383,040.

**6360 Clubhouse Rental Fees**

This is estimating four (5) rentals per month at \$50 per four-hour rental period.  
 $5 \text{ rentals} * (\$50 \text{ four-hours}) * (12 \text{ months}) = \$3,000$

**6\*\*\* Grinder Pump Fees**

Lot 2169-2205 (Total of 26 Lots) will have a grinder pump. Currently, there are eighteen (18) grinder pump homes. Seven (7) of these Lots have prepaid their \$204 for 2019. The eleven (11) remaining current Lots owe their \$204, for a total of \$2,244. This line item further assumes that five (5) more of these Lots will sell for an additional \$1,020 for a final total of \$3,264. This line item is considered a "wash" as these Lots are only billed once they are completed and they are billed for the total bill cost, divided between the completed Lots. These funds are deposited into a separate account than the OC Operating account.

**7010 Management Fees- Contracted**

This line item refers to the monthly contracted management fee. This number is figured by "per member, per month".  
\$7.30 (per member) (per month). To date, \$7.30 (1196) (12) = \$104,769.60. This number will increase as new homes are sold. For budgeting purposes, it is budgeted at 1216 owners. It is further assumed that \$4,000 worth of additional services, as stated in Exhibit B of the management contract will be completed throughout the budgeted year.

**7011 Legal Services**

This line item refers to all services performed for the Association for legal matters and accounting services. It also covers funds the Association must pay upfront for legal matters, such as court costs, lien and release filing (\$15 Probate fee/ \$5 E-Filing fee), and attorney fees. Any fee that is reimbursable by an individual Owner that is coded to this line item will be charged to the individual homeowner's account to reimburse the Association.

**7\*\*\* Printing/ Postage**

The line item is based on the actuals for 2018. It is assumed there is a decrease of \$2,800 for a total 2019 budget of \$4,200.

**7078 Permits and Licenses**

The cost for having both pools inspected by the Shelby County Health Department. Each pool is \$150.00. This line item will remain at \$300 for 2019.

**7099 Bad Debt**

This line item assumes that about thirty-two (32) owners will not pay their assessments in 2019. Assuming as such, this provides the association with a \$10,000 margin ( $\$315 * 32 = \$10,080$ ). That is why this assumes *about 32 Owners*.

**7200 D & O Insurance**

Directors and Officers policy maintained by the Fitts Agency that is bound by Auto Owners for \$5,000,000 policy and renews annually October 1<sup>st</sup>. This budgeted number is 3,500.00 to allow for potential increases in premiums.

**7300 General Liability/ Property Insurance**

\$2,000,000 General Liability policy maintained by the Fitts Agency that is bound by Auto Owners. This policy renews annually October 1<sup>st</sup>. The budgeted amount for 2018 was \$14,357 for all policies (GL, D&O, Property, and Crime). The 2019 budgeted amount is \$10,000 since the Association can receive a "paid in full" discount of nearly 10% for GL and Property, whereas if insurance was paid in installments, it would need to have a budget of \$12,000.

**7410 Property Tax**

Projected expenses for the taxes on the seven (7) common areas that have been deeded to the association from the Developer. The budgeted amount for 2018 was \$4,300, which was \$3,700 short for 2018. It is budgeted for a \$4,606 increase for 2019 totaling \$8906 due to the additional common areas. SMS is working with the Board of Equalization to reduce this cost.

## **7425 Pond/Lake Maintenance**

Projected expenses based on the contract with Southeastern Pond Management to service the pond monthly. This is determined as approximately \$158.60 per visit, with a \$800 additional budget for electrofishing (Spring) and management plan for ecological balance, and one (1) quarterly visit for lake trash disposal (\$550 per visit/\$2,200 annually). There is also an additional \$5,255.40 for lake stocking, or additional unscheduled work. The total budgeted amount is \$10,000.

## **7435 Landscape Maintenance**

Based on the landscape agreement with Southeastern Maintenance (Mark LeBeau). Per the agreement, the average monthly rate is \$4,794.25 or \$57,531 annually. From the 2018 actuals, the landscaping budget has been increased to \$65,000. The 2018 budgeted amount was \$53,355 with actuals topping \$60,881.25. For simplicity, and more accurate accounting, landscaping is being broken out in the 2019 budget. The monthly landscaping expected costs are \$41,131 annually. This includes: Mowing, Edging, Weed eating, Blowing off surfaces, Trash pick-up, and Shrub trimming.

### **7440 Pine Straw Applications**

Based on the cost for Southeastern Maintenance to complete one application of long-leaf pine straw with approximately 135 rolls at a cost of \$2,400.00 (Assuming \$15 per roll) annually. S.E. Maintenance will also complete one refresh application in the fall with approximately 135 rolls at the entrances for an estimated expense of \$2,400.00 (Assuming bales are \$15 per roll). The 2018 budgeted pine straw amount was included in the monthly rate. The 2019 budget breaks down all landscaping for simplicity and accurate accounting for a total budget of \$4,800.00

### **7445 Annuals**

This line item is for expenses related to the seasonal color changes: one in the summer at \$3,600 and one in the fall at \$3,600 for a total of \$7,200.

### **7\*\*\* Landscape—Fertilization**

This line item includes fertilization and treatments 8 times per year at \$550 per treatment for a total of \$4,400.

### **7450 Landscape Additional**

Projected expenses for the removal of any dead, threatening, and/or storm damaged trees, sod repair, etc. This figure is based on 2018 numbers for a total additional budget of \$10,000.

### **7\*\*\* Capital Improvements**

This line item assumes that improvements will be made within the community during the 2019 budgeted year. \$27,500 for 2019. To date, the only planned item is to have the clubhouse pool re-plastered and the deck redone to get the pool to code for the 2020 pool season.

## **7500 Pool Management**

Projected expenses based on the 2019 pool maintenance contract with Swimming Pool Services. The contract includes pool servicing and pool monitors for 51 total days from May 24-September 2. Pool monitors will be certified to maintain the pool, chemically. This fee also includes the \$524 startup fee, and an additional \$2500 for full time monitor at the Parkway pool for a total budgeted figure of \$31,527.

### **7\*\*\* Pool Maintenance--Additional**

Projected expenses for additional chemicals, equipment, or maintenance that may arise out of the normal contracted amount. The 2019 budget for unscheduled pool expenses is \$17,000. Since both sand filters and the pump at the Clubhouse pool were replaced at the beginning of summer 2019 for a total of \$10,000.

## **7550 Clubhouse Supplies**

Projected expenses to supply items such as cleaning products and pool equipment (rings, skimmers, rope, etc.). The budgeted amount for 2018 was \$2,000. It is budgeted for a \$500 increase for 2019 totaling \$2,500.

## **7600 Decorations**

Projected expenses related to decorating the clubhouse, Parkway, and main entrances for Holidays. This was not a budgeted item in 2018—it was factored into the community expense GL. For accuracy, 2019 will reflect a separate line item for decorations for a total budget of \$3,000.

## **7700 Community Expense**

An estimate of the cost for expenses related to community events, or any other potential expense associated with the whole community. This line also includes expenses for signage. This assumes a \$100 increase from 2018 totaling \$9,000.

## **7750 Storage**

This line item assumes that the pool furniture will be stored off-site. Assuming so, \$250.00 for 2019, which is a \$250 decrease from 2018.

**7850 HVAC Services**

Based on the 2018 actuals, for HVAC maintenance and repairs, and other routine maintenance for electrical and plumbing within the community. This budgeted line includes a \$500 decrease from 2018 for a total of \$2,500.

**7900 Security and Access Controls**

Projected expenses associated with making a service call or repairing any of the access control equipment and/or cameras. This line assumes a \$1,500 increase from 2018 for a total of \$3,000 to get wiring up to code.

**7950 Janitorial Services**

Based on the service contract to clean the clubhouse once a week during non-pool season. Visits are scheduled weekly for the pool area and to clean and stock the restrooms through pool season (May-Oct) at an additional cost. The 2018 budget was \$4,150, but the actuals were \$2,589 over budget. The 2019 budget has increased to \$5,500.00.

**8000 Electricity**

Estimate for monthly power bills based on 2018 actuals through September, to budget approximately \$17,200.00

**8100 Water Services**

Projected expenses for water and/or sewer services based on 2018 numbers to budget approximately \$11,000, which is a \$500 increase from 2018 to allow for cost fluctuation.

**8300 Internet Services**

Projected expenses related to the internet for the access systems at the clubhouse and Parkway pool. The budgeted amount is derived from the 2018 numbers with a \$1,960 decrease to budget approximately \$1,700.

**8400 Unscheduled Maintenance**

This line item is for unscheduled repairs and maintenance. This line item will also cover the pool opening and closing costs (furniture placements/ repairs, and pool deck pressure washing), and any playground maintenance or repairs. The total line item budget is \$10,000.

**8500 Trash Removal**

This line item includes Republic Services contracted dumpster agreement. This assumes a total of \$1,400.

**8600 Pest Control**

The contracted expense to have Wayne's Environmental service the clubhouse and Parkway restrooms every quarter plus any additional treatments that may be needed between regular visits. The 2019 budget reflects no increase for a total of \$1,200.

**8\*\*\* Website Domain Fee**

The expenses associated with www.OldCahaba.Org domain name.

**9900 Reserve Contribution Expense**

No monies will be moved into the Reserve account until May of 2020. However, the budget for 2019 reflects that \$19,245.40 will be transferred to the Old Cahaba Money Market Reserves.