

**Aspen Village Homeowners Association
Budget Analysis**

	2018 Actual	2019 Proforma	2019 Approved Budget	2020 BOD Approved Budget	2020 BOD Approved Budget vs. 2019 Approved Budget	
	Jan - Dec 2018	Jan - Dec 2019	Jan - Dec 2019	Jan - Dec 2020	\$ Variance	% Variance
Beginning Operating Fund Balance	461,337	399,549	399,549	342,388		
Ordinary Income/Expense						
Income						
6000 · Operating Revenue						
6005 · Association Dues	-	-	-	-	-	0.0%
6201 · Interest Income - Operating	1,418	1,163	920	1,050	130	14.1%
6320 · Violation Fines	5	-	-	-	-	0.0%
6900 · Miscellaneous Income	506	375	-	150	150	100.0%
Total 6000 · Operating Revenue	1,929	1,538	920	1,200	280	30.4%
Total Income	1,929	1,538	920	1,200	280	30.4%
Operating Funds Available	463,266	401,086	400,469	343,588		
Expense						
8000 · Operating Expense						
8100 · Professional Fees						
8110 · Management Fees	20,920	24,794	18,000	20,000	2,000	11.1%
8113 · ACC Management Fees	10,844	11,241	12,000	12,000	-	0.0%
8130 · Accounting	7,597	6,839	8,200	8,200	-	0.0%
8135 · Tax Preparation	-	550	600	600	-	0.0%
8148 · Website	600	600	600	600	-	0.0%
8160 · Legal Fees	7,902	4,078	10,000	7,000	(3,000)	-30.0%
8190 · Insurance	3,525	3,525	3,700	3,808	108	2.9%
Total 8100 · Professional Fees	51,388	51,627	53,100	52,208	(892)	-1.7%
8500 · Maintenance						
8514 · Community Projects	3,320	3,825	3,600	4,000	400	11.1%
8516 · Community Picnic	-	-	1,000	1,000	-	0.0%
Total 8500 · Maintenance	3,320	3,825	4,600	5,000	400	8.7%
8800 · Miscellaneous						
8816 · Mileage	403	386	500	500	-	0.0%
8817 · Dues & Subscriptions	320	415	380	460	80	21.1%
8835 · Office Supplies	1,506	3,299	1,400	1,800	400	28.6%
8840 · Postage/shipping	227	338	300	312	12	4.0%
Total 8800 · Miscellaneous	2,455	4,438	2,580	3,072	492	19.1%
Total 8000 · Operating Expense	57,163	59,889	60,280	60,280	-	0.0%
8990 · Contingency	-	-	3,000	3,000	-	0.0%
Total Expense	57,163	59,889	63,280	63,280	-	0.0%
Net Ordinary Income	(55,234)	(58,352)	(62,360)	(62,080)	280	-0.4%

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Other Income/Expense						
Other Income						
7000 · Non-Operating Revenue						
7010 · Interest Income - Reserves	2,793	2,385	3,060	1,250	(1,810)	-59.2%
Total 7000 · Non-Operating Revenue	2,793	2,385	3,060	1,250	(1,810)	-59.2%
Total Other Income						
Other Expense						
9000 · Non-Operating Expense						
9100 · Taxes						
9115 · Interest & Penalties	9,206	-	-	-	-	0.0%
9120 · Federal	115	1,034	918	690	(228)	-24.8%
9130 · State	26	160	214	106	(108)	-50.5%
Total 9100 · Taxes	9,347	1,194	1,132	796	(336)	-29.7%
Total 9000 · Non-Operating Expense	9,347	1,194	1,132	796	(336)	-29.7%
Total Other Expense	9,347	1,194	1,132	796	(336)	-29.7%
Net Other Income	(6,554)	1,191	1,928	454	(1,474)	-76.5%
Net Income	(61,788)	(57,161)	(60,432)	(61,626)	(1,194)	2.0%
Total Ending Cash & Investments	399,549	342,388	339,117	280,762		

**Aspen Village Homeowners' Association
Budget Notes**

Account	Budget Notes
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Income

6005 · Association Dues	The Association is currently not charging HOA dues; management recommends to assess a nominal amount, especially now that the HOA no longer has any rental income with the last property sold in 2017.
6201 · Interest Income	Interest income on operating checking and money market accounts based on prior year actual operating interest income and expected 2020 cash flow.
6320 · Violation Fines	Violation fines are an inconsistent source of revenue and not relied on for funding operations, therefore they are not budgeted.

Expense

8110 · Management Fees	Budget for the management fee was increased based on the two previous years actual expenses and taking into account that 2018 is artificially high with the learning curve, typical of first year clients. Management fee includes HOA oversight, regular site visits, covenant violation communications, administration and support for monthly Board Meetings and Annual Homeowners meeting.
8113 · ACC Management Fees	Budget for the ACC Management fee was based on the previous two years and remains flat to last years budget. ACC Management includes time evaluating ACC applications and guidance for the ACC Committee regarding rules & regulations of the Association, and support at ACC monthly meetings.
8130 · Accounting	Budget for the Accounting was based on the previous two years and remains flat to last years budget. Accounting fees include the costs to accurately track time, materials and costs for all separate budget line items, processing of accounts payable, accounts receivable as needed, preparation of periodic financial statements, budgets, record keeping, cash management, vendor management, and issuance of 1099 forms.
8135 · Tax Preparation	Budget for tax preparation remains flat to the prior year budget.
8148 · Website	Website hosting with Aspen Hi Tech is \$600 annually in January.
8160 · Legal Fees	Budget for legal fees was decreased slightly from the 2019 budget based on the previous two years expense and the decreased need for legal activity related to ACC projects.
8190 · Insurance	The 2020 budget estimates a 8% increase over prior year as recommended by the insurance broker.
8514 · Community Projects	Budget line is for the community clean-up project that occurs annually after Memorial Day. The use of this community clean-up continues to increase and also the cost of completing the project.
8516 · Community Picnic	On direction of the Board, this budget line item was created in 2018 to partially facilitate the expense of a community-wide picnic in the summer of 2018. This was not realized in 2018 or 2019, however was budgeted again for 2020 as a possible community event.
8816 · Mileage	Mileage expense is related to actual mileage from The Romero Group for site visits and Board Meetings; appropriately allocated with the metro district also managed by The Romero Group. The 2020 budget remains flat to the 2019 budget.

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8817 · Dues & Subscriptions	Dues & Subscriptions includes the Associations annual registration with the Secretary of State and the QuickBooks subscription with The Romero Group.
8835 · Office Supplies	Office Supplies is an allowance for copies, envelopes, labels, checks, etc. for the purpose of Association business.
8840 · Postage/shipping	Budget for anticipated postage on ACC mailings, vendor checks mailed, and any other Association business to be mailed.
8990 · Contingency	Contingency budget is for unexpected costs that may or may not arise during the year; to be used under Board discretion, an emergency, or to offset other operating expenses that were unanticipated. The budget was estimated at 5% of operating expenses before the contingency.

Other Income

7010 · Interest Income - Reserves	Interest income on reserve CD accounts based on prior year actual interest income.
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Other Expense

9115 · Interest & Penalties	Interest & Penalties were incurred in 2018 after the IRS noticed for not filing the 2016 extension form. All penalties and interest have been paid. We do not anticipate continued interest and penalties for the 2020 budget as the 2019 tax return was filed timely.
9120 · Federal 9130 · State	Associated with the changes in bank accounts to earn greater interest on operating and reserve balances, the Associations CPA has recommended to budget for 34.63% Federal & State investment taxes to be conservative. Management split this between Federal and State as 30% and 4.63%, respectively.