

| Arrowhead Improvements Association, Inc. (AIA) 2018 Budget |                |                |                |                |   |
|--|----------------|----------------|----------------|----------------|---|
| AIA 2018 Budget Draft.xlsx                                 |                |                |                |                |   |
|  | 2015           | 2016           | 2017           | 2018           |   |
|  | Actual         | Actual         | Actual         | Budget         |   |
|  |                |                |                |                | Comments  |
| <b>Income</b>  |                |                |                |                |   |
| 410 · Membership Lot Assessments                           | 407,156        | 388,068        | 393,416        | 394,000        |   |
| 413 · Property Transfer Fees                               | 1,850          | 2,500          | 3,000          | 2,500          |   |
| 415 · Interest - Lot Dues                                  | 3,971          | 1,094          | 299            | 400            |   |
| 420 · Interest - Investments                               | 812            | 663            | 584            | 660            |   |
| 430 · Design Review Fees                                   | 1,900          | 2,200          | 1,950          | 2,000          |   |
| 435 · Lien Fees, NSF & Other Income                        | 6,378          | 4,542          | 1,979          | 2,000          |   |
| 439 · Waste Disposal Fees                                  | 10,320         | 9,450          | 8,780          | 9,000          |   |
| 442 · Smoke Signal Ads                                     | 2,195          | 2,065          | 2,140          | 2,000          |   |
| 445 · Reserved Parking Permit                              | 3,483          | 4,692          | 3,995          | 4,000          |   |
| 447 · Misc. Income (Expense Reimb)                         | 4,844          | 2,428          | 10,546         | 0              | budgeted like WC dividend, insurance proceeds from claims.              |
| 450 · Office Rent Income                                   | 2,400          | 800            | 0              | 0              | Water company use of the AIA office.                                    |
| 451 · Lease Income - Fire Station                          | 1,000          | 1,500          | 2,000          | 1,000          | From Arrowhead Fire Protection District                                 |
| 499 · Sale of Assets                                       | 0              | 1,000          | 0              | 0              |   |
| <b>Total</b>   | <b>446,309</b> | <b>421,002</b> | <b>428,689</b> | <b>417,560</b> |   |
| <b>Expenses</b>  |                |                |                |                |   |
| <b>Administrative</b>                                      |                |                |                |                |   |
| 510 · Website  | 1,519          | 1,013          | 2,303          | 5,100          | Includes funds to update our website                                    |
| 515 · Review of Agreed Upon Procedures                     | 1,700          | 1,700          | 1,700          | 1,750          | Outside CPA review of our accounting records.                           |
| 520 · Bank Charges   | 60             | 115            | 45             | 120            |   |
| 525 · Office Supplies                                      | 2,317          | 1,215          | 1,225          | 1,200          | For office in Firehouse   |
| 530 · Office Equipment (Assets)                            | 0              | 0              | 0              | 0              | Office closed in 5/2016   |
| 545 · Professional CPA                                     | 235            | 0              | 537            | 600            | Tax Return and other CPA tasks  |
| 550 · Legal  | 26,862         | 33,671         | 27,149         | 22,000         | CCIOA compliance, owner issues, past due accounts, foreclosures, advice |
| ARWC Purchase Legal  |                |                |                | 8,000          | ARWC purchase legal expenses  |
| 552 · Board Expenses                                       | 4,652          | 6,514          | 163            | 6,000          | Examples: Board elections, board member office supplies, service awards |
| Board Contingency fund                                     |                |                |                | 2,000          |   |
| 560 · Postage  | 3,284          | 2,892          | 1,574          | 2,000          |   |
| 568 · Management Fees                                      | 0              | 26,400         | 36,300         | 39,600         |   |
| 569 · Managers Wages                                       | 62,832         | 35,123         | 25,144         | 28,500         |   |
| 571 · Temporary Office Help                                | 540            | 306            | 0              | 0              | No longer needed for 2017   |
| 572 · Employee Benefits                                    | 19,663         | 9,601          | 4,728          | 5,000          | Health insurance and retirement   |
| 573 · Office Education                                     | 1,484          | 328            | 0              | 0              | Office closed in 5/2016   |
| 575 · Mileage Expense                                      | 336            | 39             | 0              | 50             |   |
| 580 · Telephone  | 1,533          | 520            | 0              | 0              | Office closed in 5/2016   |
| 593 · Design Review Supplies/Expense                       | 0              | 66             | 639            | 600            | Digitized Design Review records   |
| 595 · Arrowhead Awareness Committee                        | 0              | 0              | 0              | 0              | Marketing Arrowhead   |
| 599 · Software Maintenance                                 | 1,329          | 656            | 0              | 0              | Office closed in 5/2016   |
| <b>Total</b>   | <b>128,346</b> | <b>120,159</b> | <b>102,126</b> | <b>122,520</b> |   |
| <b>Utilities</b>   |                |                |                |                |   |
| 601 · Electric (Equipment Building)                        | 3,749          | 3,403          | 3,908          | 4,200          |   |
| 604 · Propane (Equip Building)                             | 1,815          | 1,988          | 1,684          | 2,000          |   |
| 609 · Water - Equipment Building                           | 720            | 900            | 540            | 720            |   |
| <b>Total</b>   | <b>6,284</b>   | <b>6,291</b>   | <b>6,133</b>   | <b>6,920</b>   |   |

|  |         |         |         |         |  |
|--|---------|---------|---------|---------|--|
| Operations                             |         |         |         |         |  |
| 610 · Heavy Equipment -Payroll         | 41,649  | 43,602  | 48,171  | 50,400  |  |
| 612 · Heavy Equipment - Fuel           | 11,728  | 5,914   | 15,843  | 16,000  |  |
| 615 · Heavy Equip - Licenses/Permits   | 1,597   | 1,597   | 2,394   | 2,400   |  |
| 616 · Heavy Equipment Telephone        | 512     | 525     | 561     | 667     | Cell phone   |
| 618 · Heavy Equip - Repairs & Maint    | 21,319  | 20,830  | 11,417  | 18,000  | Scheduled Maintenance and minor repairs. For others see reserve study                |
| 630 · Arrowhead Patrol (AP) Payroll    | 31,823  | 30,998  | 32,998  | 35,000  |  |
| 635 · AP Supplies & Equipment          | 25      | 343     | 444     | 1,020   |  |
| 640 · AP Training                      | 0       | 0       | 150     | 1,200   | First aid training for group   |
| 643 · AP Telephone                     | 1,030   | 684     | 794     | 900     | Cell phone   |
| 645 · AP Uniforms                      | 1,150   | 40      | 227     | 1,020   |  |
| 649 · AP Licenses/Permits              | 296     | 151     | 178     | 450     |  |
| 655 · AP Vehicle Repairs/Maint         | 6,189   | 1,311   | 1,617   | 4,200   | 2 vehicles plus snowmobile   |
| 670 · Corral Lease                     | 1,300   | 2,000   | 0       | 0       | Corrals moved to near HE building  |
| 672 · Waste Disposal                   | 6,883   | 6,075   | 5,500   | 6,120   |  |
| 680 - Fire Dept - Repair & Maintenance | 0       | 0       | 1,000   | 1,000   |  |
| 681 - Firehouse Utilities              | 1,788   | 1,402   | 1,698   | 2,200   | AIA pays half the cost of electric and water   |
| 695 - Forest Health                    | 5,104   | 7,993   | 13,918  | 14,000  | MCH packs for common land, tree removals, tools, supplies                            |
| 699 · Grooming Expense                 | 3,114   | 4,634   | 6,067   | 6,000   | Groomer Operator Payroll   |
| Total                                  | 135,507 | 128,099 | 142,978 | 160,577 |  |
| Maintenance                            |         |         |         |         |  |
| 701 · Weed Spraying                    | 1,309   | 2,772   | 2,642   | 4,000   | Control of noxious weeds like Canada thistle   |
| 702 · Equipment Building Maintenance   | 471     | 0       | 0       | 2,500   | For repairs like bathroom, doors, electrical and pumping septic and roof repair      |
| 705 · Fish                             | 3,067   | 1,675   | 3,502   | 3,500   | Two fish stockings   |
| Alpine Road Materials                  |         |         |         | 10,000  | Dirt, gravel   |
| 716 · Filing Road Materials            | 13,786  | 17,036  | 21,094  | 20,000  | Dirt, gravel   |
| 720 · Maintenance                      | 2,126   | 8,013   | 3,137   | 4,700   | Examples: replacement of snow stakes, life rings, signs, corral area.                |
| 725 · Hazel Lake Repair                | 355     | 307     | 311     | 348     | Electric   |
| Horse Corrals                          |         |         | 650     | 0       | New Corrals on AIA land in 2017  |
| 735 · Forest Refuse Site               | 5,279   | 5,142   | 5,000   | 5,000   | Lease not renewed; Restore site  |
| Total                                  | 26,393  | 34,945  | 35,686  | 50,048  |  |
| Financial                              |         |         |         |         |  |
| 800 · Association Insurance            | 33,935  | 33,956  | 34,422  | 35,000  | Workers Comp, Directors & Officers, vehicle fleet, property, liability, livery, etc. |
| 830 · Taxes - Payroll                  | 12,763  | 10,598  | 11,626  | 12,600  |  |
| 835 · Taxes - Property                 | 896     | 711     | 713     | 820     | Property tax on Arrowhead owned property   |
| 836 - Cost on foreclosed lots          | 5,708   | 631     | 2,141   | 6,000   | Tax Certificates - Property Taxes on foreclosed lots                                 |
| AWC Due Diligence                      |         |         |         | 15,000  | Due Diligence for possible ARWC purchase   |
| Total                                  | 53,302  | 45,896  | 50,070  | 69,420  |  |
| Total Expenses                         | 349,832 | 335,390 | 336,992 | 409,485 |  |
| Member's Contribution Reserve          | 92,741  | 38,017  | 42,000  | 8,075   | This is money AIA sets aside for future expenditures per the reserve study.          |
| Net Income                             | 3,736   | 47,595  | 49,697  | 0       |  |
| Capital & Reserve Fund Expenditures    |         |         |         |         |  |
| Forest Refuse site                     |         |         |         | 15,000  | Relocate Forest refuse site to AIA common land                                       |
| Groomer Repairs                        |         |         | 24,388  | 13,000  | Track Guides plus labor  |
| 851 · Alpine Road Materials            |         |         | 24,117  |         | Material to rebuild foundation of Alpine Road  |
| Previous years Capital Expenditures    | 0       | 45,956  |         |         | 2014 Groomer; 2016 Diversion ditch pipe + Patrol vehicle; 2017 Corral Panels         |
| Total Capital and Reserve Expenditures | 0       | 45,956  | 48,505  | 28,000  |  |