

ATTACHMENTS SHOWING
ESTIMATED ANNUAL EXPENSE
AND
DETERMINATION OF ASSESSMENTS
FOR EACH UNIT

AN ESTIMATE OF EXPENDITURES OVER THE NEXT FIVE YEARS.

(These are based on current expenditures and are escalated at a rate of 10% per year unless other information is available to indicate something other than that. Please note this is not a five year budget, but is only an estimate to aid in establishing the rate of assessment.)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	
Income @ Present \$40/Month/Unit	\$18,240	\$18,240	\$18,240	\$18,240	\$18,240	
EXPENSES:						
Insurance	7,500	8,250	9,075	9,982	10,980	
Landscaping	4,500	5,500	6,050	6,655	7,321	
Maintenance	2,000	2,200	2,420	2,662	2,928	
Painting	5,400	---	---	---	6,500	
Window Cleaning	575	632	695	765	841	
Utilities	450	495	544	599	659	
Long-Term Maintenance Reserve	440	500	550	605	666	
Insurance claim Reserve*	---	500	500	500	500	
Office Supplies	100	110	121	133	146	
Miscellaneous	25	50	50	50	50	
TOTAL EXPENSES	\$20,990	\$18,237	\$20,005	\$21,951	\$30,591	
NET POSITION	-2,750	+ 3	-1,765	-3,711	-12,351	(-20,574 for 5 yrs)
Effect of raising annual assessment to \$21,500 starting 1/1/79.	-2,750 (No change in 1978)	+3,263	+1,495	- 451	- 9,091	(-7,534 for 5 yrs)

*We have a \$1,000 deductible policy.

VARIABLE EXPENSES (Annual expenses that are normally expected to vary with the size of the dwelling. Dollars based on the current budget.)

Insurance	\$7,500	
Maintenance (2/3 of all Maint.)	1,340	
Painting (1/8 of cost of painting all units)	2,068 *	
Window Cleaning	575	
Reserves		
Maintenance	440	
Insurance	500	
	<hr/>	\$12,428 (68%)

*Current painting costs about 22¢/sq. ft. Total cost of painting all 38 units once every 8 years: approximately \$16,544.

EQUAL EXPENSES (Annual expenses that normally are expected not to vary with dwelling size.)

Landscaping	\$4,500	
Utilities	450	
Maintenance (1/3)	660	
Office Supplies	100	
Miscellaneous	25	
	<hr/>	\$ 5,735 (32%)

TOTAL EXPENSES \$18,158

SQUARE FOOTAGE

Big Units = 9 @ approx. 2700 sq. ft.	Total sq. ft. =	24,300
Medium Units = 2 @ 2500 sq. ft.	Total sq. ft. =	5,000
Small Units = 27 @ 1700 sq. ft.	Total sq. ft. =	45,900
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	TOTAL SQ. FT.	75,200

DISTRIBUTION OF ANNUAL EXPENSES:

Variable Expenses = $\frac{\$12,423}{75,200}$ Square Feet = \$.1652 per Square Foot

Equal Expenses = $\frac{\$ 5,735}{38 \text{ Units}}$ = \$150.92 per Unit

ALLOCATION OF EXPENSES:

	Variable Costs (\$.1652 per Sq. Ft.)	Equal Costs (\$150.92 per Unit)	Total Costs	Percent
Big Units	\$ 4,014	\$ 1,358	\$ 5,372	29.6
Medium Units	826	302	1,128	6.2
Small Units	<u>7,583</u>	<u>4,075</u>	<u>11,658</u>	<u>64.2</u>
	\$12,423	\$ 5,738	\$18,158	100.0%

QUARTERLY ASSESSMENT
BY UNIT SIZE:

Required Annual Assessment - \$21,500

Therefore:

		Quarterly	
		Per Unit	All Units
Big Units	$(\$21,500 \times .296 \div 4 \div 9)$	= \$177 ✓	\$1,593 ✓
Med. Units	$(\$21,500 \times .062 \div 4 \div 2)$	= 167 ✓	334 ✓
Small Units	$(\$21,500 \times .642 \div 4 \div 27)$	= 128 ✓	<u>3,456</u> ✓
	Total Quarterly		\$5,383
	TOTAL ANNUAL		\$21,532