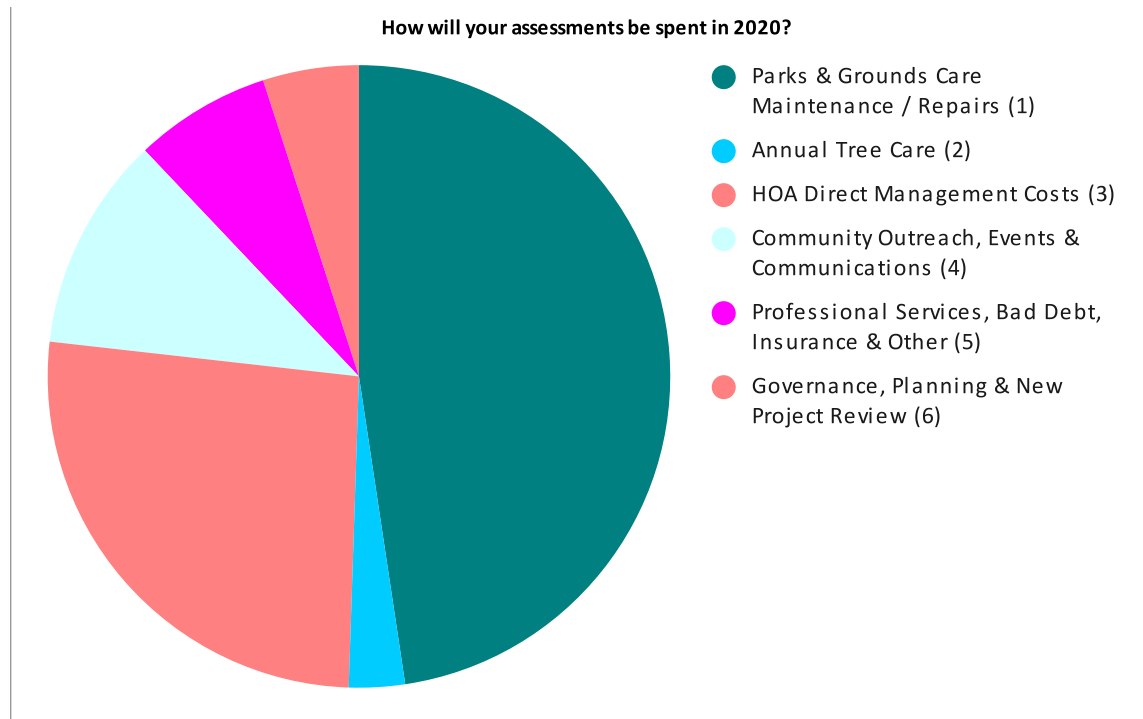


## LCMA 2020 Operating Budget

Income	2019 Operating Budget	2019 % of Total Budget	2020 Proposed Operating Budget	2020 % of Total Budget	YOY Variance	% Increase / Decrease
Assessments - Homeowners	698,768	61.7%	698,768	63.3%	-	0.00%
Assessments - Apartments	112,472	9.9%	113,696	10.3%	1,224	1.09%
Assessments - Commercial	288,864	25.5%	271,456	24.6%	(17,408)	-6.03%
Assessments - Schools	6,528	0.6%	6,528	0.6%	-	0.00%
Interest & Fees	15,900	1.4%	10,100	0.9%	(5,800)	-36.48%
Professional Services	10,000	0.9%	2,500	0.2%	(7,500)	-75.00%
<b>Total Operating Income</b>	<b>1,132,532</b>	<b>100.0%</b>	<b>1,103,048</b>	<b>100.0%</b>	<b>(29,484)</b>	<b>-2.60%</b>

Expense	2019 Operating Budget	2019 % of Total Budget	2020 Proposed Operating Budget	2020 % of Total Budget	YOY Variance	% Increase / Decrease
Parks & Grounds Care Maintenance / Repairs (1)	524,137	49.3%	525,316	47.6%	1,179	0.22%
Annual Tree Care (2)	52,000	4.9%	32,000	2.9%	(20,000)	-38.46%
HOA Direct Management Costs (3)	279,874	26.3%	289,659	26.3%	9,785	3.50%
Community Outreach, Events & Communications (4)	88,000	8.3%	122,950	11.1%	34,950	39.72%
Professional Services, Bad Debt, Insurance & Other (5)	103,885	9.8%	78,123	7.1%	(25,762)	-24.80%
Governance, Planning & New Project Review (6)	14,500	1.4%	55,000	5.0%	40,500	279.31%
<b>Total Operating Expense - Reserve Contribution</b>	<b>1,062,396</b>	<b>100.0%</b>	<b>1,103,048</b>	<b>100.0%</b>		
Capital Reserve Contributions (7)	70,136		0		(70,136)	-100.00%
<b>Total Operating Expense</b>	<b>1,132,532</b>		<b>1,103,048</b>		<b>(29,484)</b>	<b>-2.60%</b>



**2020 Proposed Operating Budget Notes**

1: Water/sewer, electricity, grounds maintenance, fertilization/weeds/insect control, grounds/irrigation repairs, playground maintenance, lighting maintenance, snow removal, city encroachment fees. \$100K in Parks and Open Space Strategic Planning included in 2020 Reserve Funds.

2: Winter watering only. \$155K in tree replacement / maintenance included in 2020 Reserve Budget.

3: HOA management (MSI), Executive Director, office and storage rent, administrative costs

4: Communications (website, eNews, social media, print), postage, holiday lighting, community events, community grants. Increase in 2020 budget for this line reflects the Community Survey results requesting increase in communications with the community.

5: A/R processing fees, lien processing fees, reimbursed lien fee income, audit / tax preparation, taxes, legal fees, legal collection fees, bad debt, insurance, insurance deductibles, operating fund contingency

6: LCMA hiring expert consultants, surveyors, and architect / landscape designer services to identify alley maintenance, re-draft Design Guidelines, re-write LCMA governing documents, and plan reserve study projects.

7: Budgeted contributions to capital reserve fund are zero dollars for 2020. Independent studies show reserve fund to be fully funded without contributions in 2020. Alley Reserve contributions of \$93,060 will be made directly from the Alley Individual Purpose Assessment.