

**Grayson Place at Third Avenue HOA, Inc.**

301 Harrison Street  
Denver, CO 80206

**Association Budget 2014**

Date Revised: September 24, 2013

<b>2014 Monthly Assessment of:</b>	<b>\$600</b>
2013 Assessments:	\$532
Percentage Increase	13%

**Approved: October 23, 2013**

Prepared by: Scott Bristol  
Stillwater Community Management, LLC  
15400 W 64th Ave.  
Arvada, CO 80007  
p. 303-872-9224 ext. 102  
scott.bristol@scmhoa.com

CONFIDENTIAL © 2009 Copyright Stillwater Community Management, LLC.  
15400 W. 64th Ave, Arvada CO 80007 (303) 872-9224 ext. 102



**Grayson Place HOA**  
**2014 Cash Balance**  
 January through December 2014

	<u>Jan 14</u>	<u>Feb 14</u>	<u>Mar 14</u>	<u>Apr 14</u>	<u>May 14</u>	<u>Jun 14</u>	<u>Jul 14</u>	<u>Aug 14</u>	<u>Sep 14</u>	<u>Oct 14</u>	<u>Nov 14</u>	<u>Dec 14</u>
<b>Operating</b>												
<b>Beginning of Month Cash Balance</b>	6,404.00	6,526.00	6,578.00	5,928.00	5,935.00	6,988.00	8,022.00	9,024.00	9,979.00	10,837.00	10,524.00	10,782.00
<b>Monthly Net Income (Loss)</b>	122.00	52.00	(650.00)	7.00	1,053.00	1,034.00	1,002.00	955.00	858.00	(313.00)	258.00	148.00
<b>End of Month Cash Balance (see note)</b>	<u>6,526.00</u>	<u>6,578.00</u>	<u>5,928.00</u>	<u>5,935.00</u>	<u>6,988.00</u>	<u>8,022.00</u>	<u>9,024.00</u>	<u>9,979.00</u>	<u>10,837.00</u>	<u>10,524.00</u>	<u>10,782.00</u>	<u>10,930.00</u>
<b>Reserve</b>												
<b>Beginning of Month Cash Balance</b>	11,684.01	12,116.26	12,548.51	12,980.76	13,413.01	13,845.26	14,277.51	14,709.76	15,142.01	15,574.26	16,006.51	16,438.76
<b>Monthly Net Income (Loss)</b>	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25
<b>End of Month Cash Balance (see note)</b>	<u>12,116.26</u>	<u>12,548.51</u>	<u>12,980.76</u>	<u>13,413.01</u>	<u>13,845.26</u>	<u>14,277.51</u>	<u>14,709.76</u>	<u>15,142.01</u>	<u>15,574.26</u>	<u>16,006.51</u>	<u>16,438.76</u>	<u>16,871.01</u>

**2014 Forecast Based on Monthly Assessment of:**  
 2013 Assessments: \$600.00  
 Percentage Increase 532.00  
 13%

**Notes:**

1. Projections of cash balances based on net income assume revenues and expenses in a given month approximate total collections from homeowners and on time payments to vendors.

Grayson Place HOA  
**2014 Association Budget**  
 January through December 2014

	<u>Jan 14</u>	<u>Feb 14</u>	<u>Mar 14</u>	<u>Apr 14</u>	<u>May 14</u>	<u>Jun 14</u>	<u>Jul 14</u>	<u>Aug 14</u>	<u>Sep 14</u>	<u>Oct 14</u>	<u>Nov 14</u>	<u>Dec 14</u>	<u>TOTAL</u> <u>Jan - Dec 14</u>
Number of Homes	6	6	6	6	6	6	6	6	6	6	6	6	
Ordinary Income/Expense													
Income													
4000 · Assessments - Homeowners	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Total Income	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Gross Profit	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Expense													
5020 · Utilities	310	310	310	100	100	100	100	100	100	100	200	310	2,140
5120 · Grounds Maintenance			512	512	512	512	512	512	512	512			4,096
5140 · Grounds Repair Sprinklers			50	50	50	50	50	50	50	50			400
5160 · Lighting Maintenance		10	10	10	10	10							50
5180 · Snow Removal	200	200	200							200	200	200	1,200
5220 · Water/Sewer	178	178	178	281	267	496	538	585	472	287	178	178	3,816
5240 · Security Monitoring	62	62	62	62	62	62	62	62	62	62	62	62	744
5260 · Back Flow Testing			75										75
5280 · Building Repairs - Mechanical	100	100	100	100	100	100	100	100	100	100	100	100	1,200
5300 · Building Repairs - Structure	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6040 · Audit Tax			275										275
6120 · Insurance	1,242	1,242	1,242	1,242	0	0	0	0	0	1,366	1,366	1,366	9,066
6180 · Legal Fees	150												150
6280 · Postage and Delivery	3	3	3	3	3	3	3	3	3	3	3	3	36
6300 · Property Management	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6350 · Janitorial Cleaning Supplies		210			210				210				630
6390 · Bank Fees	6	6	6	6	6	6	6	6	6	6	6	6	72
6400 · Telephone Expense	195	195	195	195	195	195	195	195	195	195	195	195	2,340
6420 · Transfer to Reserve	432	432	432	432	432	432	432	432	432	432	432	432	5,184
Total Expense	3,478	3,548	4,250	3,593	2,547	2,566	2,598	2,645	2,742	3,913	3,342	3,452	38,674
Net Ordinary Income	122	52	-650	7	1,053	1,034	1,002	955	858	-313	258	148	4,526
Other Income/Expense													
Other Income													
8000 · Transfer from Operating	432	432	432	432	432	432	432	432	432	432	432	432	5,184
8420 · Interest Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0	3
Total Other Income	432	432	432	432	432	432	432	432	432	432	432	432	5,187
Net Other Income	432	432	432	432	432	432	432	432	432	432	432	432	5,187
Net Income	554	484	-218	439	1,485	1,466	1,434	1,387	1,290	119	690	580	9,713

## Grayson Place at Third Avenue HOA, Inc.

September 24, 2013

### Account Descriptions for Association Budget

<b>5020 - Utilities</b>	Electric and gas for common areas.
<b>5080 - General Maintenance</b>	Common area general maintenance. For 2014, this budget number has gone from \$1,200 in 2013 to \$0 in 2014. This line item is more appropriately categorized as Building Repairs. This line item has been reallocated to Building Repairs.
<b>5100 - Grounds Improvements</b>	Landscape plant material repair and improvement.
<b>5120 - Grounds Maintenance</b>	Grounds maintenance is based on landscape contract bidding process. Charlie Neuscheler was the successful bidder for 2014 maintenance. Bella Vista will provide planting bed services. 2014 cost is the same as 2013.
<b>5140 - Grounds Repair Sprinklers</b>	Sprinkler repair.
<b>5180 - Snow Removal</b>	Charlie Neuscheler services was the successful bidder for 2014. 2013 is on budget. 2014 Budget is the same as 2013.
<b>5220 - Water/Sewer</b>	Water and Sewer covers domestic and irrigation water services and is provided by Denver Water. Denver Water has not set their rates for 2014 but an increase of 5.5% is expected and incorporated into the 2014. Denver wastewater has not billed for sewer services until 2013. \$787 has been added to the 2014 Water/Sewer budget for sewer services.
<b>5240 - Security Monitoring</b>	Security Monitoring is fire alarm system monitoring provided by Integrated Systems.
<b>5260 - Back Flow Testing</b>	Cost of required annual Backflow Valve testing.
<b>5280 - Building Repairs - Mechanical</b>	Building mechanical repairs. General maintenance has been reallocated to this line item and increased to \$1,200 for 2014.
<b>5300 - Building Repairs - Structure</b>	Building exterior maintenance and repair. General maintenance has been reallocated to this line item and increased to \$1,200 for 2014.
<b>6020 - Administrative</b>	Association costs associated with providing payment coupons, office supplies and copies.
<b>6040 - Audit Tax</b>	Annual tax return preparation.

## Grayson Place at Third Avenue HOA, Inc.

September 24, 2013

### Account Descriptions for Association Budget

<b>6120 - Insurance</b>	Annual Property and Casualty, Umbrella, Directors and Officers and Fidelity insurance required by the Governing Documents. Contract is bid to A+ or higher rated carriers as required by the Governing Documents. In 2013 insurance was under budget.
<b>6180 - Legal Fees</b>	Cost for Association legal support.
<b>6280 - Postage and Delivery</b>	Postage for Association mailings and bill payment.
<b>6300 - Property Management</b>	HOA Management provided by Stillwater Community Management.
<b>6350 - Janitorial</b>	Cleaning of the garage area and stairwells.
<b>6390 - Bank Fees</b>	Bank fees are for providing ACH services to the HOA.
<b>6400 - Telephone Expense</b>	Cost of phone service to monitor fire alarm system and emergency phone lines in unit elevators. Budget goes from \$60 in 2013 to \$195 in 2014. in 2012 and early 2013, Qwest was not billing for the elevator lines. The 2014 budget reflects the cost of the fire monitoring lines and the elevator lines.
<b>6420 - Transfer to Reserve</b>	Monthly transfer to the reserve account as detailed in attached "Twenty Year Reserve Plan."

**Grayson Place at Third Avenue HOA, Inc.**

301 Harrison Street  
Denver, CO 80206

**Twenty Year Reserve Plan**

Study Base Year: 2011  
Reviewed and Revised: September 24, 2013

**Approved: October 23, 2013**

Prepared by: Scott Bristol  
Stillwater Community Management, LLC  
15400 W 64th Ave.  
Arvada, CO 80007  
p. 303-872-9224 ext. 102  
scott.bristol@scmhoa.com

CONFIDENTIAL © 2009 Copyright Stillwater Community Management, LLC.  
15400 W. 64th Ave, Arvada CO 80007 (303) 872-9224 ext. 102



## Grayson Place at Third Avenue HOA, Inc.

September 24, 2013

### PLAN REVISION NOTES 2014

- 1 This is a reserve plan designed to catalog long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.
- 2 2014 Reserve Study has been converted to a 40 year plan from the 20 year plan used in 2013. The 40 year plan more accurately forecasts long lead items like the roof that would not show on a 20 year schedule. This change has resulted in a slight decrease in monthly reserve contributions while still keeping reserves fully funded for the life of the plan. The reserve contribution is lowered from \$462 per month in 2013 to \$432 in 2014.
- 3 Physical analysis was both field and drawing-take off. No destructive testing or engineering analysis were performed.
- 4 Maintenance responsibilities are derived from the Declaration of Covenants, Conditions and Restrictions of Grayson Place at Third Ave, Article VIII Maintenance.
- 5 A "Reserve" asset is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life expectancies, typically occurs on a cyclical basis that exceeds one year, and costs above a minimum threshold cost. An "operating" expense is typically a fixed expense that occurs on an annual basis or an expense that is not predictable. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "operating" expense. The entire roof has a predictable life expectance and will need to be replaced at the end of its useful life. An irrigation clock or fire alarm system control panel has a predictable useful life, sprinkler heads or fire detectors do not. The sprinkler clock or fire alarm panel would be a reserve asset. Individual sprinkler heads, fire detectors or the plumbing that connects these appliances together would not be a reserve asset and would be repaired on an "ass needed" basis from the operating budget.











**Grayson Place at Third Avenue HOA, Inc.**

September 24, 2013

**RESERVE PLAN NOTES**

This is a reserve plan designed to project long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.

<b>1</b>	<b>Roof Membrane Replace</b> Replace building roof center section membrane every 30 years. 60 mil single-ply roofing membrane	<b>\$ 16,346.08</b>
	Cost per square foot	\$ 2.83
	Total square feet	5,776
<b>2</b>	<b>Roof Tile Roof Replace</b> Replace tile roof section every 30 years	<b>\$ 11,616.00</b>
	Cost per square foot	\$ 4.40
	Total square feet	2,640
<b>3</b>	<b>Concrete Curb, Gutter, Parking Surfaces, Patio</b>  Reserve plan includes a detailed take off of all concrete surfaces. There is a total of 18,169 square feet of concrete in various configurations. Concrete is expected to fail at a rate of 5% every 7 years due to cracking, Spaulding and heaving. Reserve plan takes into consideration different cost for each type of concrete installed. See assumption detail for additional information.	<b>\$ 4,211.24</b>
	Driveway and Parking Garage, Stair 1 and 2	9,245
	5% Failure	462
	Cost per Square ft	\$ 4.39
	Sub total curb and gutter	<b>\$ 2,029.28</b>
	Sidewalk and Patio	6,380
	5% Failure	319
	Cost per square ft	\$ 6.84
	Sub total curb and gutter	<b>\$ 2,181.96</b>
<b>4</b>	<b>House Boiler for Laars Pennant Snow Pro ice melt system</b> Boiler rebuild/replace and labor every 15 years	<b>\$ 9,850.00</b>
<b>5</b>	<b>Major Landscape Repair and Replace</b> Allowance for major repairs or replacement of landscaping materials every 5 years. IN OPERATIONS	<b>\$ -</b>
<b>6</b>	<b>Major Pumping Systems Repair and Replace</b>  Allowance for major repair and preventative maintenance every 10 years	<b>\$ 1,785.00</b>

**Grayson Place at Third Avenue HOA, Inc.**

September 24, 2013

**RESERVE PLAN NOTES**

7	<b>Building Exterior Repair</b> Allowance for major repair and replace of building exterior detail and trim painting every 5 years.	\$	5,950.00
8	<b>HVAC Units</b> Allowance for major repair and replace of AC units. Base cost of \$700 per unit for 12 units.	\$	8,400.00
9	<b>Exterior Doors</b> Allowance to replace exterior doors every 20 years. 6 common area doors - NO UNIT DOORS PENDING CC&R REVIREW. Cost to include \$3,100 every 20 years	\$	-
10	<b>Garage Door</b> Allowance for major repair and preventative maintenance every 10 years of garage door and opening mechanism.	\$	1,940.00
11	<b>Garage Ventilation</b> Allowance for major repair and preventative maintenance every 15 years of garage ventilation system.	\$	1,180.00
12	<b>Major Paint Fencing, Gutter, Railings</b> Allowance for external painting of certain exterior elements every 7 years	\$	3,250.00
13	<b>Door and Wood Trim Detail Stain</b> Wood trim detail around unit front door and entry. There is 80 of back yard perimeter PVC fencing per building. Typically this material will last indefinitely with minor picket and stringer replacement. No reserve for this item at this time.	\$	850.00