

HKOAI BOARD PROPOSED BUDGET FOR 2025-2026

Note: Sub totals rounded to nearest dollar, MA= Manually adjusted

		FY 23-24 Actuals	FY 24-25 Budget (Current Year)	FY 25-26 Proposed Budget	Proposed Tax Increase %	Difference between current FY & 25-26	NOTES
Income							
	No. of lots						
Unimproved	118		\$620	\$620	0%	\$0.00	
Improved	483		\$1,000	0.3% of assessed value			Varies based on lot
Exempt from SD fee	28						Numbers need to be finalized
0100 - Revenue							
	0100 - Sanitary District Tax	\$509,416	\$555,155	\$620,070		\$64,914.52	Improved lots -- 0.3% = \$540,275.70 Unimproved lots -- Flat rate = \$79,794.00
Other Revenue/Reimbursements							
	0110 - Road Access Fees	\$325	\$325	\$0	0%	-\$325.00	Expected to be \$0 each year
	0201 - New Construction Road Fee	\$9,200	\$4,600	\$0	0%	-\$4,600.00	This category is zeroed out because HKOAI doesn't know how many houses may be built on High Knob in the FY
	0400 - HKUI Payroll	\$92,107	\$134,973	\$162,392	CALC	\$27,418.75	
	Total Other Revenue/Reimbursements	\$101,632	\$163,018	\$194,442		\$31,423.75	
0600 - Pool							
	0601 - Pool Memberships	\$103	\$0	\$0	0%	\$0.00	Deprecated category since HKOAI is no longer allowed to charge residents for pool passes Renter passes are folded into 0602 - Pool Renters & Guest Passes category
	0602 - Pool Renters & Guest	\$1,787	\$1,500	\$1,500	0%	\$0.00	
	0603 - Pool Other	\$34	\$50	\$50	0%	\$0.00	
	Total 0600 - Pool	\$1,924	\$1,550	\$1,550			
0700 - Rentals							
	0704 - HKUI Office Rent	\$5,500	\$6,300	\$6,000	CALC	-\$300.00	Based on \$500/month reimbursement from UI
	0701 - Apartment Rent	\$8,710	\$14,520	\$24,000	CALC	\$9,480.00	Apartment rent is \$2,000/month
	0702 - Clubhouse Rent	\$450	\$750	\$500	MA	-\$250.00	Reduced to \$500 to be conservative
	Total 0700 - Rentals	\$14,660	\$21,570	\$30,500		\$8,930.00	
0800 - Roads Income							
	0801 - Gate Opener Sales	\$1,015	\$1,442	\$1,000	MA	-\$442.00	Reduced to be \$1,000 to be conservative

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0802 · Parking Permit	\$95	\$126	\$100	MA	-\$26.00	Reduced to \$100 to be conservative
0803 · Performance Bond Claims	\$0	\$0	\$0	0%	\$0.00	Funds in this category are put into an escrow account, then returned if there is no road damage, to this category will typically be \$0
0804 · Property Owner Claims	\$135	\$0	\$0	0%	\$0.00	Labor charges to homeowners to cover damages to front gate
0805 · Culvert Cleaning	\$0	\$0	\$0	0%	\$0.00	
Total 0800 · Roads Income	\$1,245	\$1,568	\$1,100		-\$468.00	
0900 · Misc. Office Sales						
0902 · Homeowner Docs - Welcome Packet	\$140	\$600	\$0	0%	-\$600.00	Reducing to \$0 because residents can be download their homeowner packets on the HKOAI website
0905 · Other	\$35	\$25	\$25	0%	\$0.00	Covers returned checks, wine glass sales, etc.
Total 0900 · Misc. Office Sales	\$175	\$625	\$25		-\$600.00	
Total Income	\$ 612,468	\$ 720,366	\$ 815,636		\$95,270.27	

Expenses

Association Expenses

4100 · Payroll

4101 · Gross Salaries - OA	\$170,056	\$191,135	\$191,438	5%	\$303	Pulling data from "Employee Labor Costs" tab & assuming 60/40 split for OA/UI
4101.1 Gross Salaries - Pool OA						Deprecated category and moved expenses to new 5900 - Contract Labor & Office Staffing Support parent category
4102 · Gross Salaries - UI	\$91,242	\$112,254	\$132,534	5%	\$20,280	Pulling data from "Employee Labor Costs" tab & assuming 60/40 split for OA/UI
4104 · Employee Year-End Gifts	\$554	\$575	\$633	10%	\$58	
4110 · 401K Match - OA	\$4,682	\$3,211	\$3,307	3%	\$96	Matches proposed increase for Gross Salaries
4111 · 401K Match - UI	\$2,198	\$2,153	\$2,218	3%	\$65	Matches proposed increase for Gross Salaries
4120 · Payroll Taxes - UI	\$9,674	\$11,336	\$11,903	5%	\$567	Matches proposed increase for Gross Salaries
4122 · Payroll Taxes - OA	\$15,612	\$14,488	\$15,212	5%	\$724	Matches proposed increase for Gross Salaries
4112 Medical Reimbursement - OA	\$0	\$18,427	\$7,088	5%	-\$11,340	Covers what HKOAI contributes to the staff's HRAs
						\$2,700/person * 5 employees, with OA and UI splitting 50/50

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4113 Medical Reimbursement - UI	\$0	\$10,107	\$7,088	5%	-\$3,020	Covers what HKOAI contributes to the staff's HRAs \$2,700/person * 5 employees, with OA and UI splitting 50/50
Total 4100 · Payroll	\$294,018	\$363,686	\$371,419		\$7,733	
4200 - Pool (Not Including Labor and Monitors)						
4201 · Contract Services	\$67	\$1,764	\$1,852	5%	\$88	Covers major repairs to pool
4202 · Pool Misc.	\$5,441	\$5,552	\$6,107	10%	\$555	Includes chemicals and supplies like whistles, winter kits & floaters, and pool chairs
4203 · Pool Water	\$974	\$2,617	\$2,748	5%	\$131	Covers water that OA buys from UI to fill pool
Total 4200 · Pool	\$6,482	\$9,933	\$10,707		\$774	
4300 · Insurance						
4301 · Vehicles						Deprecated category and expenses folded into new "Commercial Insurance Package" category
4302 · Property						Deprecated category and expenses folded into new "Commercial Insurance Package" category
4303 · Workers' Comp	\$2,303	\$6,345	\$5,673	10%	-\$672	
4304 · Liability	\$1,837	\$4,456	\$6,000	MA	\$1,544	Funds in this category include expenses associated with 4305 · Dir/For Liability
4305 · Dir/For Liability						Deprecated category and expenses folded into 4304 - Liability
4306 - Commercial Insurance Package	\$9,176	\$6,854	\$10,094	10%	\$3,240	New category introduced for FY25-26 Funds in this category are collapsed from 4301 - Vehicles and 4302 - Property because there is a consolidated bill: -- 4301 - Vehicles: \$8,303 (FY23-24 Actuals); \$2,780 (FY24-25 Budgeted) -- 4302 - Property: \$873 (FY23-24 Actuals); \$4,074 (FY24-25 Budgeted)
Total 4300 · Insurance	\$13,316	\$17,655	\$21,766		\$4,111	
4400 · Professional Services						
4401 · Legal	\$455	\$3,438	\$3,782	10%	\$344	Increased to 10% to cover additional bylaws/covenant violations that are anticipated in the next FY

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4402 · Accounting, Taxes, Audits	\$7,500	\$6,122	\$15,428	5%	\$9,306	Covers CPA fees (~\$3,000) and bookkeeper fees (\$1,500/month) Bookkeeper fees are split 50/50 with UI
4403 · Payroll Processing - OA	\$4,624	\$3,148	\$3,450	0%	\$302	\$575/month split 50/50 with UI
4404 · Payroll Processing - UI	\$5,428	-\$876	\$3,450	0%	\$4,326	\$575/month split 50/50 with UI
4405 · Professional Services - Other	\$0	\$0	\$0	0%	\$0	Covers costs of hiring someone to repair office computers, etc.
4406 - HRA Fees	\$0	\$0	\$450	New	\$450	New category introduced for FY25-26 Covers \$75/month admin fee for Health Reimbursement Arrangement (HRA), split 50/50 with UI
4407 · 401k Plan & HR Admin Fees	\$2,106	\$1,361	\$1,429	5%	\$68	New category introduced for FY25-26 Includes expenses originally associated with 4807 · Miscellaneous
Total 4400 · Professional Services	\$20,113	\$13,193	\$27,989		\$14,796	
4500 · Office Expenses						
4501 · Advertising	\$3,714	\$6,900	\$6,900	0%	\$0	Includes fees for advertising open positions and contract bidding
4502 · Newsletter & Website	\$1,250	\$3,019	\$3,019	0%	\$0	Includes website fees, RG Technical solutions, etc.
4503 · Postage and Delivery	\$1,971	\$2,704	\$2,704	0%	\$0	Covers costs for mailing out election packets to all homeowners
4504 - Printing and Reproduction	\$575	\$0	\$600	0%	\$600	Covers costs for printing out election packets to all homeowners
4505 · Office Supplies &	\$866	\$8,232	\$2,000	0%	-\$6,232	

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4506 - Software & Subscriptions			\$3,500	0%	\$3,500	New category introduced for FY25-26 Covers existing software & subscriptions like: -- Bitdefender password manager (\$10/month) -- Zoom subscription (\$30/month) -- Website maintenance fees (\$600/year) -- Other software needs (antivirus, etc) Covers wish list items: -- HOA office software annual recurring rate (\$3,000) -- Microsoft upgrade (\$500)
Total 4500 - Office Expenses	\$8,376	\$20,855	\$18,723		-\$2,132	
4600 - Utilities						
4601 - Telephone & Internet	\$1,259	\$2,000	\$5,700	5%	\$3,700	Not split with UI because they have their own Comcast bill Covers routine land line and internet costs for Clubhouse + internet for gate cameras (\$100/month per location (3 total) = \$3,600)
4602 - Electric	\$7,778	\$8,596	\$9,026	5%	\$430	6 meters for OA -- Not split 50/50 with UI
4603 - Propane	\$941	\$2,406	\$2,526	5%	\$120	Actuals for 23-24 were artificially low as the apartment was vacant for an extended period of time --> Budgeted amount for FY23-24 was \$10,920 No split with UI because they have their own propane tanks and bills
4604 - Water	\$765	\$2,400	\$2,520	5%	\$120	Covers the pool, clubhouse, & apartment
4605 - Internet						Category is deprecated and folded into 4601 as there is one Comcast bill for both services
4606 - Cell Phone Service & Equipment			\$600	CALC		New category introduced for FY25-26 Covers Jerry and Linda's T-Mobile service (\$100/month), split 50/50 with UI
Total 4600 - Utility Expenses	\$10,743	\$15,402	\$20,372		\$4,970	
4701 - Community Activities	\$0	\$3,500	\$2,000	MA	-\$1,500	Reduced to be conservative

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4702 - Firewise	\$0	\$0	\$0	0%	\$0	
4800 - Administration/Notes						
4801 - County Admin Expenses	\$26,153	\$28,111	\$31,353	CALC	\$3,242	Amount is tied to the funds that OA receives for the Sanitary District tax Figure is based on the county rate of 5%, plus a \$350 admin fee
4802 - Interest Paid	\$0	\$0	\$0	0%	\$0	
4804 - Bank Charges	-\$3,818	\$250	\$250	0%	\$0	Covers lockbox rental of \$220 per year
4805 - Investment Fees	\$6,246	\$3,339	\$0	5%	-\$3,339	Investment fees are tied to the profitability of the account, so fluctuations in the market can cause this number to vary. Fees will be reported on the balance sheet.
4807 - Miscellaneous						Costs for 401K plan & HR admin fees to Paychex moved to 4407 - 401k Plan & HR Admin Fees
4808 - Retirement Fund & HRA						Expenses moved under 4400 Professional Services
Total 4800 - Administration/Notes	\$28,581	\$31,700	\$31,603		-\$97	
4900 - Clubhouse Maintenance						
4901 - Repair & Maintenance	\$3,238	\$8,750	\$3,238	MA	-\$5,512	Reduced because labor expenses are covered under 5901 - Non-Winter Contract Labor
4902 - Appliance Purchases	\$0	\$1,500	\$1,500	0%	\$0	Covers anticipated costs associated with very old refrigerator in the apartment
4903 - Landscaping	\$1,845	\$8,673	\$2,500	MA	-\$6,173	
Total 4900 - Clubhouse Maintenance	\$5,083	\$18,923	\$7,238		-\$11,685	
5800 - Taxes	\$600	\$686	\$2,000	MA		Personal property taxes for vehicles, real estate taxes for HKOAI-owned unimproved lots (mailboxes, playground, etc.)
5900 - Contract Labor & Staffing Support						
5901 - Non-Winter Contract Labor			\$2,000	NEW	CALC	New parent category introduced for FY25-26 New category introduced for FY25-26 Covers \$2,000 labor for tree removal

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5902 - Office Staffing Support			\$10,400	NEW	CALC	New category introduced for FY25-26
						Covers hiring additional temporary office support, split 50/50 with UI
5903 - Pool Lifeguard	\$9,538	\$10,869	\$11,412	5%	\$543	New category introduced for FY25-26
						Covers hiring lifeguard during summer -- all funds under 4101.1 Gross Salaries - Pool OA have been migrated to this category
Total 5900 - Contract Labor & Staffing Support	\$9,538	\$10,869	\$23,812			
Total Association Expenses	\$396,850	\$506,402	\$537,631		\$31,229	
Road Expenses						
7100 - General Road Expenses (Machinery)						
7101 - Tractor/Truck Repair	\$10,129	\$23,328	\$24,494	5%	\$1,166	Trucks are getting older, especially dump truck
7102 - Fuel	\$7,268	\$8,316	\$9,148	10%	\$832	
7104 - Bobcat	\$2,048	\$2,333	\$2,566	10%	\$233	
7105 - Miscellaneous						Deprecate this category to reduce unused miscellaneous sub-categories
Total 7100 - General Road Expenses	\$19,445	\$33,977	\$36,208		\$2,231	
7200 - Road Maintenance						
7201 - Asphalt Patching	\$3,000	\$3,000	\$3,600	20%	\$600	Reflects supplier recommended increases
7204 - Gravel	\$21,304	\$18,102	\$22,369	5%	\$4,267	Moved contract labor costs to 5901 - Non-Winter Contract Labor
7205 - Gate Maintenance &	\$3,314	\$4,320	\$4,320	0%	\$0	
7206 - Road Signs and Safety	\$1,056	\$2,500	\$2,500	0%	\$0	Includes purchases of bulk safety apparel and signage
Total 7200 - Road Maintenance	\$28,674	\$27,922	\$32,789		\$4,867	
7300 - Winter Maintenance						
7301 - Winter Contract Labor	\$0	\$4,840	\$5,324	10%	\$484	Covers costs associated with hiring contract labor when needed during the winter
7302 - Gravel Salt for Spreader	\$2,125	\$4,600	\$5,060	10%	\$460	
7304 - Plow/Repairs	\$3,947	\$2,420	\$2,662	10%	\$242	
7305 - Miscellaneous	\$2,095	\$1,680	\$1,764	5%	\$84	Covers shop supplies for winter maintenance
Total 7300 - Winter Maintenance	\$8,167	\$13,540	\$14,810		\$1,270	
Total Road Expenses	\$56,286	\$75,439	\$83,808		\$8,369	

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Total Association & Road Expenses	\$453,136	\$581,841	\$621,438		\$39,597	
Net Ordinary Income (Cash Available for Capital Expenditures)	\$159,332	\$138,525	\$194,198		\$55,673	
Capital Improvements						
8100 - Road Improvements & Maintenance						
8101 Road Maintenance & Improvements	\$224,250	\$50,000	\$60,000	20%	\$10,000	Covers annual expenses associated with asphalt patching/leveling and reflects supplier increase
8102 - Road Resurfacing	\$0	\$68,750	\$62,500	MA	-\$6,250	Covers tar & chipping the entire mountain every 4 years, which costs ~\$250k Plan: Accumulate funds for 3 years, then use in the 4th year
8101 - Culverts	\$0	\$0	\$0	0%	\$0	
Total 8100 - Road Improvements &	\$224,250	\$118,750	\$122,500		\$3,750	
8200 - Clubhouse Property Maintenance						
8210 - Building Maintenance	\$66,527	\$11,880	\$13,474	5%	\$1,594	Includes items such as roof, HVAC, shop, other structures like tennis court, etc. Covers: 5% increase and -- \$1,000 for heavy duty tarps because we can't afford a pole barn right now
8250 - Pool Maintenance	\$1,385	\$1,166	\$1,224	5%	\$58	
8251 - Trail Improvements			\$0	NEW	\$0	New category introduced for FY25-26
8252 - Playground			\$0	NEW	\$0	New category introduced for FY25-26
8253 - Parking Lot			\$0	NEW	\$0	New category introduced for FY25-26
Total 8200 - Clubhouse Property Improvements	\$67,912	\$13,046	\$14,698		\$1,652	
8300 Equipment Purchases and Replacements						
8310 - General Equipment	\$6,765	\$10,000	\$10,000	0%	\$0	Covers items like new riding mower and sicle for tractor
8320 - Equipment Purchases &	\$0	\$0	\$0	0%	\$0	No new expenses anticipated for FY25-26

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8330 - Dump Truck	\$0	\$0	\$15,000	NEW	\$15,000	New category introduced for FY25-26 Covers: -- Starting to save for a new dump truck, which will cost ~\$150,000
Total 8300 - Equipment Purchases	\$6,765	\$10,000	\$25,000		\$15,000	
8400 - Large Road Projects						New parent category introduced for FY25-26
8402 - New Road Paving	\$0	\$0	\$20,000	0%	\$20,000	New category introduced for FY25-26 5.89 miles of roads are unpaved, costing about \$863,824.50 (these figures are 3 years old) Paving the remain unpaved roads can be broken down into smaller projects, which would cost ~\$200k each. The target saving plan is to accumulate funds over 3 years, then pave new road in the 4th year. However, for FY25-26, given the Sanitary District fee, HKOAI can only afford to save \$20,000.
Total 8400 - Large Road Projects	\$0	\$0	\$20,000		\$20,000	
Total Capital Improvements	\$298,927	\$141,796	\$182,198		\$40,402	
TOTAL EXPENSES		\$723,637	\$803,637		\$80,000	
Projected Cash Status						
Total Income	\$612,468	\$720,366	\$815,636			
Total Association Expenses	\$396,850	\$506,402	\$537,631			
Total Road Expenses	\$56,286	\$75,439	\$83,808			
Total Capital Improvements	\$298,927	\$141,796	\$182,198			
Income After Expenses & Capital Improvements	-\$139,595	-\$3,271	\$12,000			Any remaining funds go into Operating Reserve or Capital Reserve Funds, based on funding needs
Cash Balance (Carried Over from Previous Years)		\$5,000	\$0			Represents unspent funds from the previous year
Amount to go into OPERATING RESERVE FUND	-\$139,595	\$1,729	\$12,000			

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Amount to go into CAPITAL RESERVE FUND			\$35,000			Amount pulled from 8400 - Large Road Projects & 8330 - Dump Truck

Edward Jones Balances

DO NOT be misled by those who add all the accounts together and describe it a available CASH. While the funds as represented are in the accounts as shown, they are not available for any

		As of 11/15/24	Future Projection		
Operating Reserve Fund (Corporation-1 9961)	\$114,854	\$90,239	\$102,239	33%	The purpose of the Operating Reserve is ensure HKOAI has emergency funds readily available TARGET: The Operating Reserve should be funded at 50% of funds associated with 0100 - Sanitary District Tax
Capital Reserve Fund (Corporation-2 9962)	\$165,255	\$173,436	\$208,436		The purpose of the Capital Reserve Fund is to cover emergency repairs, unanticipated expenses, and Capital Improvement expenses that require pooling funds over a set number of years (such as large equipment purchases, additions to facilities, paving new roads)
New CD investment	\$5,000	\$0	\$0		
Total Reserves + CD's	\$170,255	\$173,436	\$208,436		