

**Hat Island Community Association
2018 Operating Budget for Community Vote**

Assumptions

Total Number of Billable Lots	923
Total Number of Paying Lots	575
Number of Membership/User Fee	16
Homes with water hookups	278

Water Maintenance Summary

Per Lot	Total Water \$	Water Maintenance Fee
\$400.00	\$111,200.00	Water Maintenance Fee/Lot
75%	\$83,400.00	Water Maintenance to Operations
25%	\$27,800.00	Water Maintenance to RO Reserve

Total Assessments

	\$ Per Lot	Total \$
General Assessment	\$472.00	\$271,400.00
Special Assessment	\$628.00	\$361,100.00
Total Assessments per lot	\$1,100.00	

Special Assessment Summary

\$ Per Lot	
\$588.00	\$ per lot that funds BOTH Operations & Cap Reserve
\$40.00	\$ per lot ONLY for Operations for additional Marina principal
\$628.00 total Special Assessment per lot	
Below is how the \$ that fund BOTH Operations & Cap Reserve are allocated	
70%	\$259,670.00 Total SA to Operations
30%	\$101,430.00 Total SA to Capital Reserves

	2017 Projected Year End* (\$)	2018 BUDGET (\$)	NOTES
INCOME			
Annual Assessments & Fees Income			
Annual Assessment Income	271,400.00	271,400.00	
Annual User Fees Income	5,000.00	5,000.00	
Advertising Web Income	570.00	700.00	
POE Parking Income	16,500.00	16,500.00	income offset by expenses
Office Publication Income	150.00	200.00	
Late Fees Income	5,000.00	5,000.00	
Administrative Setup Fee Income	1,000.00	1,700.00	
Escrow Questionnaire Fees	0.00	1,250.00	
Violation Fines Income	200.00	1,180.39	
Total Annual Assessments & Fees Income	299,820.00	302,930.39	
Special Assessment Income			
Special Assessment - General OPS	250,161.80	259,670.00	
SPA - Cash Reserve	67,555.00	0.00	No 2018 contribution, cash reserve at 3 months plus insurance deductible
Special Assessment - Capital Reserve	100,882.60	101,430.00	
Total Special Assessment Income	418,599.40	361,100.00	
Water Income			
Annual Water Maintenance Income	83,400.00	83,400.00	
Quarterly Water Usage Income	40,000.00	46,000.00	
RO Reserve Assessment Income	27,800.00	27,800.00	
Water Connection Income	0.00	10,000.00	
Total Water Income	151,200.00	167,200.00	
COMMUNITY INCOME			
Apartment Rental Income			
Apartment Rental Income	4,000.00	5,000.00	
Total Apartment Rental Income	4,000.00	5,000.00	
Common Area Income			
Kayak Storage Rental Income	500.00	500.00	
Common Area Showers Income	100.00	100.00	
Total Common Area Income	600.00	600.00	
Ferry Income			
Ferry Trip Book Income	20,000.00	20,000.00	
Ferry Trip Single Pass Income	50,000.00	56,500.00	
Ferry Concessions Income	500.00	500.00	
Ferry Charter Income	1,000.00	1,000.00	
Ferry - Cargo	1,000.00	1,000.00	
Ferry Trip - Pets	2,000.00	2,000.00	
Total Ferry Income	74,500.00	81,000.00	
General Service/Barge Community Income			
Barge Service Fee Income	50,000.00	50,000.00	
Community Dumpster Day Income	4,000.00	4,000.00	
Sand/Gravel Income	2,500.00	2,500.00	
Gas Sales Income	29,000.00	29,000.00	
Diesel Sales Income	3,000.00	3,000.00	
Delivery Service Income	0.00	250.00	
Total General Service Barge/Community	88,500.00	88,750.00	

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	2017 Projected Year End* (\$)	2018 BUDGET (\$)	NOTES
INCOME continued			
COMMUNITY INCOME continued			
Golf Income			
Annual Golf Membership Income	12,000.00	12,000.00	
Comm. Member Golf Round Income	6,900.00	7,000.00	
Guest Golf Round Income	7,400.00	7,000.00	
Golf Coupon Books Income	750.00	1,500.00	
Total Golf Income	27,050.00	27,500.00	
Marina Income			
Annual Marina Moorage Income	74,000.00	70,000.00	
Annual Marina Moorage Income - PSYC	7,380.00	7,380.00	
Marina Moorage Daily Usage Income	9,000.00	10,000.00	
Marina Moorage Guest Income	9,800.00	9,800.00	
Marina Water Use Income	250.00	200.00	
Marina Dock Power Usage Income	3,000.00	3,000.00	
Marina Vending Machine Income	250.00	250.00	
Marina Misc Income	10.00	50.00	
Total Marina Income	103,690.00	100,680.00	
TOTAL COMMUNITY INCOME	298,340.00	303,530.00	
Previous Year Collection Income			
Rev Accounts Receivable Balance Forward	2,944.46	0.00	
Annual Assessment	24,566.17	24,500.00	
Annual Membership Fee	33.00	0.00	
Special Assessment - General Operations	5,818.22	0.00	
Special Assessment - Cash Reserve	1,259.37	0.00	
Special Assessment Capital Reserve	2,090.52	0.00	
Annual Water Maintenance Assessment	5,616.32	3,000.00	
Rev Water Sls Usage	6,489.75	6,000.00	
Total Previous Year Collection income	48,817.81	33,500.00	
TOTAL INCOME	1,216,777.21	1,168,260.39	
COST OF GOODS SOLD			
COGS - Marina Vending	200.00	200.00	
COGS - Ferry Concessions	300.00	300.00	
COS - Ferry Fuel	26,000.00	26,000.00	
COS - Gas	20,000.00	20,000.00	
COS - Diesel	2,500.00	2,500.00	
COS - General POE Parking	16,500.00	16,500.00	income offset by expenses
COS - Barge Rental	36,000.00	40,000.00	
COS - POE - Ferry Berth Rental	11,000.00	11,500.00	
Total Cost of Goods Sold	112,500.00	117,000.00	
TOTAL OPERATING INCOME	1,104,277.21	1,051,260.39	

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EXPENSES			
Adminstration			
Office Expenses	1,600.00	1,600.00	
Computer Software Expense	1,000.00	1,000.00	
Bank Charges	0.00	0.00	
Board Meeting Expenses	150.00	200.00	
Strategic Planning	0.00	0.00	
Office Equipment Expenses	2,500.00	1,750.00	
Postage & Delivery Expense	2,400.00	3,000.00	
Printing Expense	3,500.00	3,500.00	
Education Expense	400.00	500.00	
Dues & subscriptions Expense	1,000.00	1,000.00	
Permits & License Expense	2,700.00	2,700.00	
Total Administration	15,250.00	15,250.00	
Insurance			
Insurance-NorthStar	80,000.00	90,000.00	Marina cost increase \$8,900
Insurance-Jones Act-Maritime	5,000.00	2,000.00	
Insurance-Beacon	6,000.00	6,000.00	
Insurance - IMU	11,000.00	11,000.00	
Total Insurance	102,000.00	109,000.00	
Employee Salary, Benefits, Taxes			
Payroll Service Fees			
Payroll Service Fees	1,624.00	0.00	
Employee Benefits			
Benefit - IRA/401k	5,500.00	6,630.00	
Benefit - Travel/Milage Reimbursement	1,000.00	1,000.00	
Benefit - POE Employee Parking	3,500.00	3,500.00	
Benefit - Employee Expense Reimb.	1,000.00	500.00	
Benefit - Bonus	0.00	0.00	
Total Employee Benefits	11,000.00	11,630.00	
Payroll Taxes (FICA, FUTA, SUTA, L&I)	46,963.14	56,073.75	Increase due to L&I reclassification and the Jones act
Total Salaries & Wages	394,030.00	400,526.76	Salaries frozen, anticipated need for some additional hours
Total Employee Salary, Benefits, Taxes	453,617.14	468,230.51	
Professional Services			
Tax Preparation/Consulting Expense	2,500.00	4,500.00	
Review/Audit Expense	0.00	0.00	\$30,000 from 2016 budget is in Cash Reserves for 2015 & 2016 audit.
Bookkeeper Expense	38,000.00	38,000.00	
Legal Expense	25,000.00	25,000.00	Don't expect to use the \$75k in 2017 budget. Transfer \$50k to cash reserve.
Professional/Contractor Services	5,000.00	5,000.00	
Reserve Study Expense	2,900.00	2,900.00	
Total Professional Services	73,400.00	75,400.00	

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	2017 Projected Year End* (\$)	2018 BUDGET (\$)	NOTES
EXPENSES continued			
REPAIRS & MAINTENANCE			
Community Apartment			
Maintenance & Repairs	1,000.00	950.00	
Supplies Expense	500.00	500.00	
Total Community Apartment	1,500.00	1,450.00	
Community Office			
Maintenance & Repairs Expense	500.00	500.00	
Landscaping Expense	0.00	0.00	
Gas & Diesel Expense	500.00	500.00	
Materials/Supplies Expense	500.00	500.00	
Total Community Office	1,500.00	1,500.00	
Community Water			
RO Maintenance & Repairs	8,500.00	8,500.00	
Materials & Supplies Expense	15,000.00	15,000.00	
Testing Expense	2,000.00	1,500.00	Water person taking tests to qualify for testing
Gas & Diesel Expense	800.00	800.00	
Total Community Water	26,300.00	25,800.00	
Community Ferry			
Maintenance & Repairs	8,500.00	8,500.00	Most of 2017 repairs billed to capital reserves
Vessel Annual Haulout	30,000.00	30,000.00	
Materials & Supplies Expense	8,000.00	8,000.00	
Testing Expense	1,200.00	1,000.00	
Total Community Ferry	47,700.00	47,500.00	
Community General Area			
Maintenance & Repairs	5,000.00	5,000.00	
Landscaping	7,000.00	6,000.00	
Materials & Supplies	12,000.00	12,700.00	
Rental Equipment Expense	0.00	200.00	
Project Expense	0.00	0.00	
Gas/Diesel Expense	2,700.00	2,700.00	
Vehicle Maintenance Expense	300.00	400.00	
Small Tools Expense	1,000.00	1,000.00	
Total Community General Area	28,000.00	28,000.00	
Community Golf			
Maintenance & Repairs	2,000.00	2,000.00	
Landscaping Expense	850.00	1,000.00	
Materials & Supplies	4,000.00	4,000.00	
Rental Equipment	0.00	0.00	
Gas & Diesel	1,200.00	1,200.00	
Total Community Golf	8,050.00	8,200.00	
TOTAL REPAIRS & MAINTENANCE	113,050.00	112,450.00	
Community Marina Payments & Maintenance			
Maintenance & Repairs	1,500.00	1,500.00	
Landscaping Expense	250.00	250.00	
Gas & Diesel Expense	300.00	300.00	
Materials & Supplies	2,000.00	1,000.00	
Monthly principal & interest payment	0.00	56,990.88	Community principal & interest, marina loan through 2023
Additional Funds to Pay Down Marina Principal	0.00	23,000.00	
Total Community Marina Payments & Maintenance	4,050.00	83,040.88	
STATE TAXES			
State Excise Tax	8,500.00	8,500.00	
Personal Property Tax	2,025.00	2,000.00	
Property Tax - Real Estate	13,926.75	15,500.00	
Total State Taxes	24,451.75	26,000.00	

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EXPENSES continued			
UTILITIES			
Community Office/Apartment Utilities			
Electricity Expense	2,050.00	2,060.00	
Internet Expense	800.00	824.00	
Cable/Satellite Expense	600.00	618.00	
Telephone Expense	2,000.00	2,060.00	
Total Community Office/Apartment Utilities	5,450.00	5,562.00	
Community Golf Utilities			
Electricity Expense	1,000.00	1,038.00	
Total Community Golf Utilities	1,000.00	1,038.00	
Community Maintenance Utilities			
Electricity	1,000.00	1,030.00	
Telephone Expense	1,200.00	1,236.00	
Internet Expense	600.00	618.00	
Garbage/Recycle	4,000.00	4,120.00	
Total Community Maintenance Utilities	6,800.00	7,004.00	
Community Marina Utilities			
Electricity	5,100.00	5,150.00	
Telephone Expense	700.00	730.00	
Total Community Marina Utilities	5,800.00	5,880.00	
Community RO Water/Lab Utilities			
Electricity Expense	10,300.00	10,300.00	
Telephone Expense	2,000.00	2,060.00	
Internet Expense	600.00	618.00	
Total Community RO Water/Lab Utilities	12,900.00	12,978.00	
Total UTILITIES	31,950.00	32,462.00	
TOTAL OPERATING EXPENSES	817,768.89	921,833.39	2018 includes marina loan payments & additional principal payments
TOTAL NET OPERATING INCOME	286,508.32	129,427.00	"TOTAL OPERATING INCOME" - "TOTAL OPERATING EXPENSES"
OTHER EXPENSES			
Interest/Penalties/Other			
Credit Card Fees	500.00	0.00	
Total Interest/Penalties/Other	500.00	0.00	
Reserve Contribution			
Capital Reserve Transfer	100,882.60	101,430.00	
Cash Reserve Transfer	117,555.55	0.00	2017 includes \$50k transferred from Legal
Water Reserve Transfer	27,800.00	27,800.00	
Total Reserve Contribution	246,238.15	129,230.00	
TOTAL OTHER EXPENSES	246,738.15	129,230.00	
NET INCOME	39,770.17	197.00	

Net Income is total income - less expenses - less reserve funding

* 2017 Projected Year End figures are based on year-to-date actuals through September 30, 2017 plus projected 4th quarter expenses

Key Points in 2018 Budget:

1. No wage/salary increases
2. Special Assessment \$628/lot (\$100 less than in 2017)
3. No increase in Water fees
4. Legal expenses reduced by \$50,000
5. No assessed \$ for Cash Reserves-now fully funded(including insurance deductible)
6. Assessed \$ dedicated to Marina Loan monthly pymts. Plus payments on pricipal of loan.
7. Continued funding of Capital Reserves