

**“SAMPLE PARK” COOPERATIVE CORPORATION OPERATING BUDGET**

The following explanations and figures represent realistic estimates of the monthly and annual expenses as projected by the “Sample Park” Finance Committee, the Board of Directors and \*\*\*(bank).

**EXPENSES**

Budget Line

1. Vacancy & Collection Losses \_\_\_\_\_ \$\*\*

This is estimated at 2% of the carrying charges (line #59). It is assumed that all vacant pads or home sites will be rented by \*\*\*.

4. Management Fee \_\_\_\_\_ \$\*\*

This contract is with \*\*\* and includes on-site property management and financial management services.

5. Legal Expense \_\_\_\_\_ \$\*\*

Legal services are provided by \*\*\*, Esquire and collection/eviction attorney \*\*\*Esquire. Legal consulting fees relating to conversion will be handled as a capital expenses.

6. Audit Expense \_\_\_\_\_ \$\*\*

The annual audit, as well as income tax returns and financial reviews, in general, will be handled under a contract with \*\*\*, , CPA.

7. Telephone \_\_\_\_\_ \$\*\*

This is based upon current experience for the office telephones and cell service.

8. Office & Administrative Salaries \_\_\_\_\_ \$\*\*

This provides for a general manager, an assistant general manager, an administrative assistant and three secretary/tenant service representatives.

9. Office Expenses \_\_\_\_\_ \$\*\*

This covers costs for postage, copier and copier supplies, outside printing, newsletters and all general office expenditures.

10. Miscellaneous Administrative Expense \_\_\_\_\_ \$\*\*

This provides for uniforms for the maintenance staff as well as membership in co-op organizations and various educational programs, seminars, etc.

14. Gas and Cooking \_\_\_\_\_ \$\*\*

Gas is used for heating, domestic hot water and for cooking.

16. Electricity \_\_\_\_\_ \$\*\*

This estimate is based upon current consumption rates and represents an average of just over \$\*\* per unit per month.

17. Water & Sewer \_\_\_\_\_ \$\*\*

This estimate is based upon recent actual expenses.

18. Superintendent Payroll \_\_\_\_\_ \$\*\*

Superintendent services will be provided under a contract with \*\*\*. The cleaning of vacant pads or home sites is also handled by \*\*\* on an individual billing, over and above the contract.

20. Supplies \_\_\_\_\_ \$\*\*

This line item covers all building supplies (i.e., electrical, plumbing, light bulbs, flooring, doors, etc.) used by the maintenance staff to take care of work orders.

21. Exterminating \_\_\_\_\_ \$\*\*

Pest control services (i.e. mice, bugs etc.) are provided under a contract with \*\*\*

22. Rubbish Removal \_\_\_\_\_ \$\*\*

This line item is to provide \*\* trash pick-ups per week.

23. Parking Area Expenses \_\_\_\_\_ \$\*\*

This new line item will provide asphalt and pothole repair as needed.

24. Security Contract \_\_\_\_\_ \$\*\*

Building and grounds security services are provided under a contract with \*\*\*.

25. Snow Removal \_\_\_\_\_ \$\*\*

This provision estimates four significant snow falls per year (at an average cost of \$2,000.00) for parking lot plowing, ice melt chemicals and sidewalk clearing.

27. Grounds Maintenance \_\_\_\_\_ \$\*\*

This provides for tools, equipment and supplies to maintain the landscape with an in house crew. No landscape contract will be let and no additional employees will be hired to perform this work.

31. Plumbing Maintenance \_\_\_\_\_ \$\*\*

This provides for outside contractor assistance to handle work beyond the in-house staff's capability, i.e, expansion joints in risers, major valve repair or replacement, boiler room work, major drain work and major convector drain and valve work.

32. Maintenance Payroll \$\*\*

33. Miscellaneous Maintenance Repair \$\*\*

This line item provides funds to continue the general repairs and improvements that need to be done by outside contractors. This work is over and above the needs cited by the consulting engineers and those items that will be accomplished by the major restoration and capital improvement program.

34. Real Estate Taxes \$\*\*

This tax estimate is based on current tax rates with the remaining abatements in effect.

35. Employer's Payroll Taxes \$\*\*

This provides for all payroll taxes (estimated at 12%) as well as employee health and hospitalization benefits provided under an insurance policy with \*\*\*.

36. Property & Liability Insurance \$\*\*

This provides for "all-risk" property insurance for the property of the Cooperative and the common elements as well as liability coverage for the Cooperative, Directors and Offices Liability insurance and boiler and machinery coverage.

37. Workman's Compensation \$\*\*

This is based upon the current prepaid policy of \$\*\* with an estimated upward adjustment at renewal in \*\*\*.

38. Insurance Losses \$\*\*

This provides for insurance losses due to the payment of the deductibles. The major "all-risk" policy has a \$\*\* 1,000.00 deductible.

39. Mortgage \$\*\*

The mortgage terms are based upon the current \*\*% interest rate. Upon official conversion, this rate will increase to \*\*%.

40. Replacement Reserves -0-

There is no requirement under the \*\*\* Bank mortgage to fund this reserve. Since several of the above line items represent badly needed major capital replacement expenditures

(i.e. #30, #31, #37 & #57) these specific items will offset the funding of this reserve at this time.

41. General Operating Reserves \_\_\_\_\_ \$\*\*

Three percent (3%) of the annual carrying charges will be escrowed.

42. Capital Improvements \_\_\_\_\_ \$\*\*

**Income**

43. Carrying Charges (Lot rent) \_\_\_\_\_ \$\*\*

44. Interest Income \_\_\_\_\_ \$\*\*

Additional reserves will be funded this year (see #40 and 41) and that increase will generate this additional income.

45. Parking (\*\*\*) spaces \_\_\_\_\_ \$\*\*