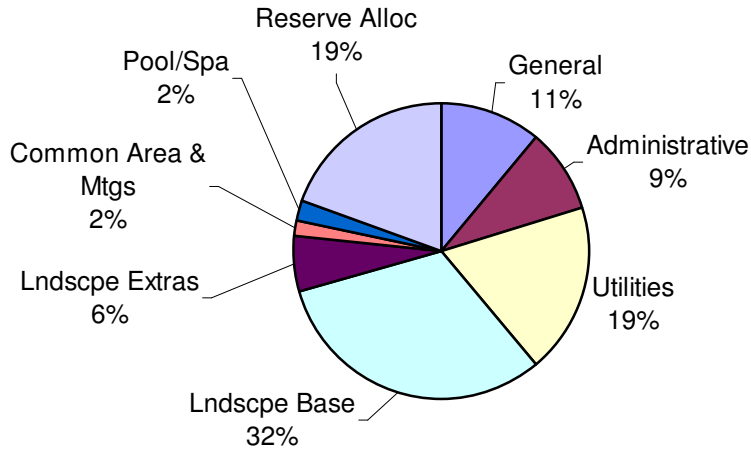


2008/09 Operating Budget



	<u>2007/08</u> <u>Budget</u>	<u>2008/09</u> <u>Budget</u>	<u>Increase</u> <u>per year</u>
General	\$26,000	\$26,660	\$660
Insurance rates were increased in May by:	2.7%		
Administrative	\$16,800	\$21,600	\$4,800
Management contract increase:	\$400		
Utilities	\$44,000	\$44,000	\$0
No change			
Landscape Base	\$73,872	\$75,350	\$1,478
No increase last year, increase this year:	2%		
Landscape Extras	\$14,680	\$14,680	\$0
No change			
Common Area & Mtgs	\$3,250	\$3,730	\$480
Board & Annual mtg location costs increased:	\$480		
Pool/Spa	\$5,400	\$5,400	\$0
No change			
Reserve Allocation	\$47,838	\$45,940	-\$1,898
New Reserve Allocation:	\$3,828 per month		
Totals:	\$231,840	\$237,360	\$5,520
Monthly Assessment:	\$210	\$215	\$5

Morningside Woods 2008-09 – Budget and Notes

General

Insurance rates are adjusted each year in May. Last year our rates were increased by 5.5%, this year they were increased by 2.7%, or \$55 per month.

Administrative

The contract with the new Management Company is expected to cost \$400 per month more.

Utilities

Although no increase is predicted, the future of water in Southern California is unknown and this category will be watched carefully.

Landscape Base

Green Horizons did not increase their contract amount last year, we are budgeting for a 2% increase this year, \$123 per month.

Landscape Extras

This category is very difficult to estimate, it is largely driven by weather and growth.

Common Area & Meetings

This category was increased by \$40 per month to cover increased meeting facilities costs.

Pool / Spa

No change in operating expenses is expected.

Reserve Allocation

The Reserve Allocation had been increased due to higher than expected painting contracts. However, recent painting contract amounts permits setting aside a lower amount for painting.

Bruce Osterberg

Former Treasurer
July 24, 2008