

**LILLOOET LAKE ESTATES LTD.
 PROPOSED BUDGET
 FOR THE YEAR ENDING DECEMBER 31, 2017**

The following represents the proposed budget for 2017 for review and approval by the owners at the February, 2017 Annual General meeting.

The Board's proposal for the operating budget for 2017 is as follows:

	<u>Budget 2017</u>	<u>Budget 2016</u>
Accounting and taxes	\$ 4,000	\$ 4,000
Bank charges	600	1,500
Communications and meetings	5,000	4,500
Project management (Creek mitigation)	25,100	24,000
Other creek mitigation costs	10,000	-
Insurance	10,000	10,000
Legal and other professional fees	4,000	13,000
Water system costs	62,000	45,000
Common area costs	26,000	25,000
Provision for reserve	30,000	30,000
	<u>\$ 176,700</u>	<u>\$ 157,000</u>

Comments related to the budgeted expenses follow:

Communication includes not only forwarding of information to owners, but also the costs of board meetings, travel, and web site maintenance. Because of occasional difficulty in having all Board members attend meetings in person there has been a movement toward on-line meetings which are more efficient. Board members are not normally compensated for travel costs, but if attendance at a remote location is required occasional reimbursements for fuel are made. During fiscal 2016 the total of these reimbursements was less than \$200

Project management and Creek Mitigation costs relate to the ongoing efforts to obtain approval and financing for the Cataline Creek project. At this time we have obtained an engineer's report and are seeking funding for the work. The Project Manager attends all stakeholder meetings on behalf of Lillooet Lake estates, prepares grant applications to obtain funding and co-ordinates with the engineers and various government agencies.

Water system costs include the following:

Wages @ \$2,000 per mo.	\$ 24,000
UV conversion	35,000
Fuel for generator	3,000
	<u>\$ 62,000</u>

Insurance costs are budgeted to increase as that is the general trend in the insurance industry. While our coverage may not change our costs could go up. The Board will negotiate with our insurers to minimize any increase.

Legal fees include an estimate for normal filing and legal advice. The Board is moving toward a more aggressive collection policy for delinquent accounts which may include some legal costs.

Common area costs include normal repairs and maintenance, dust suppression, and some minor improvements in the gates. No estimates have been received from any of the gate representatives at this time.

Wages @ \$1,000 per mo	\$	12,000
Dust suppression		10,000
Equipment maintenance		3,000
Fuel for equipment		1,000
	\$	<u>26,000</u>

Property taxes

There is some uncertainty relating to the overall land assessment and subsequent taxes for 2017. We are recommending the amount budgeted for property taxes be reduced from the 2016 budget amount. This will create a reduction in total property tax assessments in all groups.

Tax estimate for 2017 **35,000**

Tax calculation

	<u>Unit ratio</u>	<u># of lots</u>	<u>Lots times ratio</u>	<u>Portion of tax by group</u>	<u>Taxes per Lot</u>
Group 1	20	38	760	\$ 18,370	483
Group 2	10	27	270	6,526	242
Group 3	5	80	400	9,669	121
Group 4	3	6	18	435	73
		151	1,448	\$ 35,000	

Lot fees for 2017

The following is a calculation of the fees which will be charged to each owner based on an operating budget of \$176,700 and division of taxes as above.

	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>
Operating costs	\$ 1,170	\$ 1,170	\$ 1,170	\$ 1,170
Taxes based on formula	483	242	121	73
2017 assessment	\$ 1,653	\$ 1,412	\$ 1,291	\$ 1,243
2016 assessment	1,731	1,385	1,213	1,144
Change	\$ (78)	\$ 27	\$ 78	\$ 99