

Silver Queen West Condominium Association

2012 Budget

The 2012 budget for the Silver Queen West Condominium Association was approved by the Board of Directors at their August 5, 2011 meeting. As indicated in a previous owner communication, the fiscal year of the Association has been changed to a calendar year. In August 2011, the owners were sent a budget and assessments for a short, four month year ending December 2011.

One of the intentions of the change to a calendar year was to retain the traditional annual meeting schedule in late October or early November allowing direct communication with the ownership regarding the budget for the next year at the meeting. **The 2011 annual meeting will be October 29, 2011 at 9:30 AM in the Blue River Room of the Silverthorne Library.**

Assessments. The 2012 budget includes a 28% increase in the assessments. The increase is to fund the phase one of the building restoration in 2013. Included within the assessments was a 1% increase in operating cost and an adjustment of fixed fees for sewer, water, and Cable TV for the actual amount billed by unit to the Association. The 2012 monthly assessments range from \$222 to \$498 per unit depending on size. The garage assessment remains at \$20 per month. Rental of storage closets has increased to \$22 per month. The 2012 assessments are effective January 2012. **A 5% discount is offered for the annual prepayment of the dues by January 31, 2012.**

Special Assessment. The Board of Directors has approved a special assessment payable on or before March 31, 2014 to fund the final phase of the building restoration.

Future Budgets. The information presented includes preliminary budgets for 2013 and 2014 to reflect the building restoration work. The presentation of future budgets is for planning purposes. The formal adoption of the 2013 and 2014 budgets and regular assessments will be done each year prior to the annual meeting. The assessments for 2013 are projected to increase by 1% to maintain adequate funding for operating expenses. The assessments for 2014 are projected to drop by 7% to reflect reduced contributions to the reserve funding following completion of the restoration work.

Operating Expenses. Overall, the operating expenses of the Association for the last 5 years have remained relatively stable. Reductions of utility costs have offset increases in other areas. The 2012 budget includes a slight overall increase in expenses. Utility costs including heat, water & sewer, and Cable TV account for 41% of the operating costs.

Reserve fund. Almost 30% of the total 2012 assessments are allocated to reserve funding. The primary reserve cost planned is for the studio phase of the building restoration. The future budgets include reserve funding for items not within the building restoration including parking lots, boiler replacement, and the roofs.

Silver Queen West Condominium Association
2012 Budget

Assessments Receivable. At the end of the fiscal year, August 2011, the Association had a lower receivable balance due than in prior years. Collection of all assessments owed is strongly pursued by the Board of Directors. In 2011, two units were foreclosed in SQW. Due to the legalities of the foreclosure law and complications from bankruptcy filings, the Association wrote off \$5,500 in 2011. Collection of \$2,500 of this amount is currently being pursued. Overall, the Association has a lower percentage of delinquent properties than average.

Insurance. The Association maintains insurance coverage on the buildings and common areas. The cost of the insurance is 10% of the operating income. **OWNERS MUST MAINTAIN PERSONAL INSURANCE FOR THEIR LIABILITY, UNIT CONTENTS, AND UNIT IMPROVEMENTS.** The insurance policy is commonly referred to as an HO6. Owners who rent their property may require additional insurance to protect their income and rental liability. Owners are encouraged to consult with their personal insurance agent regarding coverage.

Association Contact Information

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Board of Directors

Doug Foote (2012)	7137	President	doug@foote.net
Dennis Minder (2013)	7223	Vice-President	dmin737@aol.com
Larry Funk (2013)	7214/15	Secretary	larryfunk@sbcglobal.net
Chuck Hakkarinen (2011)	7327	Treasurer	chakkarinen@comcast.net
David Necker (2012)	7116		d.necker33@gmail.com

Annual Meeting Saturday, October 29, 2011 9:30 AM Silverthorne Library

Web site www.silverqueenwest.com

SILVER QUEEN WEST - INCOME SUMMARY

Fiscal Year Ending Aug 31, 2011

12 month ending August 2011

	2009/2010 2010/2011		12			4 mo					
	Actual	Budget	Month	%	Variance	2011	%	2012	%	2013	2014
INCOME			Actual			Budget		Budget		Budget	Budget
Assessments	349,380	334,620	334,620	94.9%	0	111,540	95.1%	343,272	95.4%	345,798	353,520
Garage	7,200	7,200	7,200	2.0%	0	2,400	2.0%	7,200	2.0%	7,200	7,200
Laundry	5,891	7,200	4,490	1.3%	(2,710)	1,400	1.2%	4,200	1.2%	4,200	4,200
Storage	5,520	5,000	5,260	1.5%	260	2,000	1.7%	5,000	1.4%	5,000	5,000
Miscellaneous	0	0	1,202	0.3%	1,202	0	0.0%	0	0.0%	0	0
TOTAL INCOME	367,991	354,020	352,772	100.0%	(1,248)	117,340	100.0%	359,672	100.0%	362,198	369,920
EXPENSES											
Snow removal	403	500	729	0.2%	(229)	600	0.5%	600	0.2%	600	600
Truck expenses	1,961	3,500	5,778	1.6%	(2,278)	1,600	1.4%	4,800	1.3%	4,800	4,800
Repairs & maintenance - building	10,171	12,000	15,330	4.3%	(3,330)	4,000	3.4%	12,000	3.3%	12,000	12,000
Repairs & maintenance - boilers	3,804	4,000	1,967	0.6%	2,033	1,000	0.9%	3,000	0.8%	3,000	3,000
Repairs & maintenance - grounds	4,152	5,000	4,488	1.3%	512	1,000	0.9%	6,000	1.7%	6,000	6,000
Repairs & maintenance - laundry	3,922	2,400	33	0.0%	2,367	800	0.7%	2,400	0.7%	2,400	2,400
SUB-TOTAL Maintenance	24,414	27,400	28,325	8.0%	(925)	9,000	7.7%	28,800	8.0%	28,800	28,800
Manager's salary	45,000	46,000	46,500	13.2%	(500)	17,000	14.5%	48,000	13.3%	49,000	50,000
Payroll taxes	7,230	6,500	6,363	1.8%	137	2,200	1.9%	6,500	1.8%	6,750	7,000
Insurance - workmen's comp	1,712	4,500	2,087	0.6%	2,413	1,800	1.5%	2,400	0.7%	3,000	3,000
Insurance - manager	20,350	21,000	18,591	5.3%	2,409	5,800	4.9%	19,000	5.3%	21,000	22,000
Manager assistance & laborers	35,836	25,000	23,228	6.6%	1,772	5,000	4.3%	24,000	6.7%	24,000	24,000
SUB-TOTAL Salary & Wages	110,127	103,000	96,768	27.4%	6,232	31,800	27.1%	99,900	27.8%	103,750	106,000
Financial Review / Tax return	3,700	4,000	3,750	1.1%	250	700	0.6%	4,000	1.1%	4,250	4,500
Administration	12,000	12,000	12,000	3.4%	0	4,000	3.4%	13,200	3.7%	13,860	14,700
Office supplies & expenses	4,293	1,800	1,383	0.4%	417	500	0.4%	1,500	0.4%	1,500	1,500
Legal & collection	0	500	1,454	0.4%	(954)	0	0.0%	2,000	0.6%	3,000	4,000
SUB-TOTAL Financial & Legal	19,993	18,300	18,587	5.3%	(287)	5,200	4.4%	20,700	5.8%	22,610	24,700
Cable T.V.	38,323	40,000	40,000	11.3%	(0)	13,700	11.7%	43,000	12.0%	45,000	47,250
Electricity and gas	54,734	48,000	45,507	12.9%	2,493	15,500	13.2%	46,000	12.8%	48,000	50,000
Trash Removal	5,978	6,000	7,904	2.2%	(1,904)	2,204	1.9%	7,800	2.2%	8,200	8,600
Telephone	1,221	1,800	1,741	0.5%	59	660	0.6%	1,800	0.5%	1,860	1,920
Water	17,808	17,808	17,808	5.0%	0	5,936	5.1%	17,808	5.0%	17,808	17,808
Sanitation	30,528	30,528	30,528	8.7%	0	10,176	8.7%	30,528	8.5%	30,528	30,528
Manager's electricity	629	650	578	0.2%	72	650	0.6%	650	0.2%	650	650
SUB-TOTAL Utilities	149,222	144,786	144,066	40.8%	720	48,826	41.6%	147,586	41.0%	152,046	156,756
Insurance - buildings	30,101	32,000	31,476	8.9%	524	11,585	9.9%	36,000	10.0%	38,000	40,000
SUB-TOTAL Insurance	30,101	32,000	31,476	8.9%	524	11,585	9.9%	36,000	10.0%	38,000	40,000
Garage rent	600	600	600	0.2%	0	600	0.5%	600	0.2%	600	600
Manager's unit property taxes	1,466	1,500	1,404	0.4%	96	0	0.0%	1,100	0.3%	1,100	1,300
Miscellaneous	1,165	1,000	1,040	0.3%	(40)	200	0.2%	1,200	0.3%	1,200	1,200
Bad debt	0	0	5,495	1.6%	(5,495)	0	0.0%	0	0.0%	0	0
Interest expense	355	9,000	10,550	3.0%	(1,550)	1,500	1.3%	6,000	1.7%	5,500	5,000
Discount on assessments	4,577	5,000	4,338	1.2%	662	1,700	1.4%	5,000	1.4%	5,000	5,000
Income taxes	0	0	0	0.0%	0	0	0.0%	0	0.0%	0	0
SUB-TOTAL Other	8,164	17,100	23,426	6.6%	(6,326)	4,000	3.4%	13,900	3.9%	13,400	13,100
TOTAL EXPENSES	342,019	342,586	342,649	97.1%	(63)	110,411	94.1%	346,886	96.4%	358,606	369,356
NET OPERATIONS	25,971	11,434	10,122	2.9%	(1,312)	6,929	5.9%	12,786	3.6%	3,592	564

SILVER QUEEN WEST - INCOME SUMMARY

Fiscal Year Ending Aug 31, 2011

REPLACEMENT RESERVES

	2009/2010 2010/2011		12	4 mo							
	Actual	Budget	Month Actual	Variance	2011 Budget	2012 Budget	2013 Budget	2014 Budget			
NET (LOSS) FROM OPERATIC	25,971	11,434	10,122	2.9%	(1,312)	6,929	5.9%	12,786	3.6%	3,592	564
Reserve Fund Assessments	52,692	45,228	45,228	12.8%		15,076	11.9%	141,972	29.3%	141,972	100,080
Special assessment	458,005	0	0		0	0		0		0	1,750,000
Interest income	5,155	8,000	6,146		(1,854)	1,500		3,500		2,000	1,000
EXPENDITURES											
Painting	0	4,000	130		3,870	4,000		4,000		4,000	4,000
Retaining wall	0	0	0		0	0		0		0	0
Parking lot replacements	0	0	0		0	0		0		0	0
Seal coat	0	4,600	4,585		15	0		5,000		0	0
Roof replacement	0	0	0		0	0		0		0	0
Boiler replacement	215,566	0	0		0	0		0		0	0
Studio units wall replacement	0	0	0		0	0		0		0	0
Studio units sidewalk	0	0	0		0	0		0		0	0
Balcony replacement	943	5,000	0		5,000	0		0		0	0
Entryway replacement	0	0	0		0	0		0		0	0
Vehicles / backhoe	0	5,000	5,060		(60)	0		0		0	0
Maintenance facility/garage	0	0	0		0	0		0		0	0
Service line / drainage	345,533	65,000	70,342		(5,342)	0		0		0	0
Restoration	0	0	0		0	15,000		0		255,000	1,750,000
TOTAL RESERVES EXPENSE	562,042	83,600	80,118		3,482	19,000		9,000		259,000	1,754,000
CHANGE IN RESERVES	(20,218)	(18,938)	(18,621)		317	4,505		149,258		(111,436)	97,644
STARTING RESERVES	27,721	7,503	7,503			(11,118)		(6,613)		142,645	31,209
ENDING RESERVES	7,503	(11,435)	(11,118)		317	(6,613)		142,645		31,209	128,853

CASH POSITION

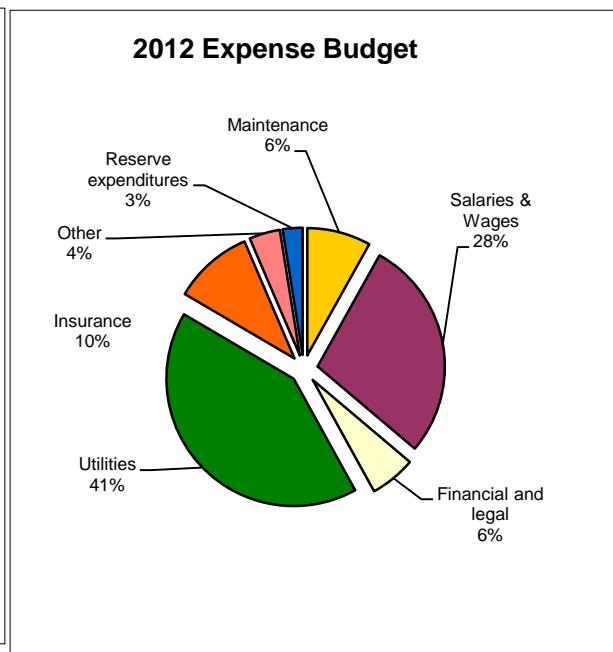
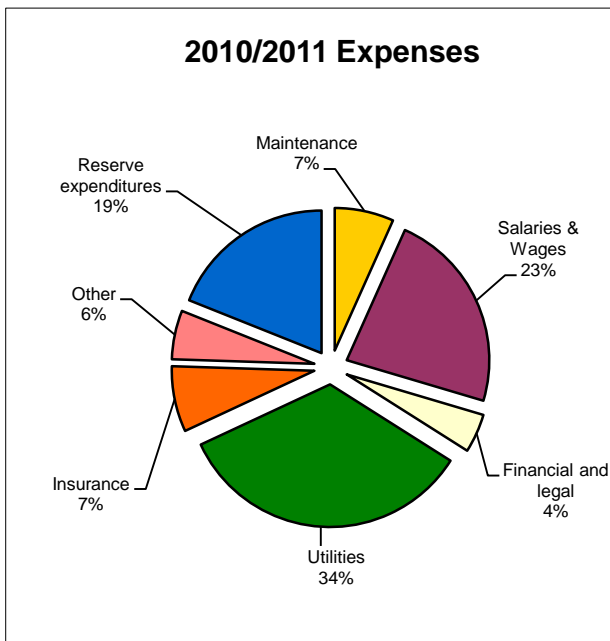
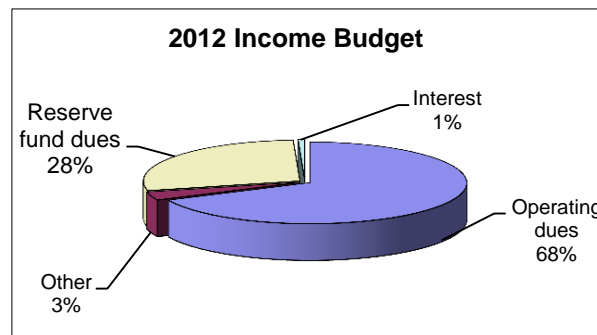
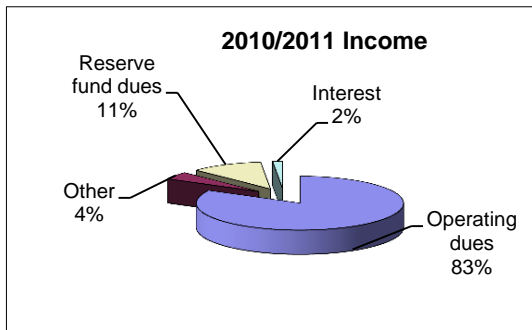
	August-10	Current
Operating accounts	19,827	11,636
Manager accounts	3,594	970
Reserve accounts	627	4,607
TOTAL	24,048	17,213
CHANGES IN CASH POSITI	Current	Current
Total Cash	24,048	17,213
Add: Accounts receivable	13,513	6,516
Prepaid insurance	0	11,541
Deferred repair assess	129,234	58,282
Sub-total additions	142,747	76,338
Less: Accounts payable	73,253	14,901
Accrued expenses	6,621	6,777
Prepaid dues	13,848	14,332
Taxes payable	3,365	2,461
Notes payable	60,355	154,500
Accruals payable	6,196	4,054
Insurance claim fund	0	(80,893)
Sub-total subtractions	163,638	116,132
NET CASH AVAILABLE	3,157	(22,581)

SILVER QUEEN WEST

Fiscal Year Ending Aug 31, 2011

12 month ending August 2011

	2009/2010	2010/2011	2010/2011			2012	
INCOME	Actual	Budget	Actual	%	Variance	Budget	%
Operating dues	349,380	334,620	334,620	82.8%	0	343,272	68.0%
Other	18,611	19,400	18,152	4.5%	(1,248)	16,400	3.2%
Reserve fund dues	510,697	45,228	45,228	11.2%	0	141,972	28.1%
Interest	5,155	8,000	6,146	1.5%	(1,854)	3,500	0.7%
TOTAL INCOME	883,843	407,248	404,146	100.0%	(3,102)	505,144	100.0%
EXPENSES							
Maintenance	24,414	27,400	28,325	7.0%	(925)	28,800	5.7%
Salaries & Wages	110,127	103,000	96,768	23.9%	6,232	99,900	19.8%
Financial and legal	19,993	18,300	18,587	4.6%	(287)	20,700	4.1%
Utilities	149,222	144,786	144,066	35.6%	720	147,586	29.2%
Insurance	30,101	32,000	31,476	7.8%	524	36,000	7.1%
Other	8,164	17,100	23,426	5.8%	(6,326)	13,900	2.8%
Reserve expenditures	562,042	83,600	80,118	19.8%	3,482	9,000	1.8%
TOTAL EXPENSES	904,061	426,186	422,767	104.6%	3,419	355,886	70.5%
INCREASE(DECREASE) RESERV	(20,218)	(18,938)	(18,621)	-4.6%	317	149,258	29.5%
ENDING RESERVE BALANCE	7,503	(11,435)	(11,118)	-2.8%		142,645	28.2%



SILVER QUEEN WEST CONDOMINIUM ASSOCIATION 2012 Monthly Assessments

Below are the monthly assessment amounts for the Silver Queen West Condominium Association based on unit size. Depending if you have a garage and/or storage closet, your monthly dues would include additional charges. The Board of Directors has approved a change of the Silver Queen West year-end to a calendar year. The dues below are from January 2012 through December 2012. The 2012 assessments are an overall increase of 28% from 2011. The increase is to fund a portion of the building restoration starting in 2013.

The Annual Meeting is scheduled for Saturday, October 29, 2011 at 9:30 AM at the Silverthorne Library. Included with this communication is information regarding the 2012 budget, the assessment increase, and the 2014 special assessment to complete the building restoration. All owners are encouraged to attend the Annual Meeting to participate in the budget and restoration work discussion.

The Association allows a 5% discount for a payment of annual dues in advance if paid by January 31, 2012. The annual payment for each unit type (plus garage and storage if applicable) is reflected below. **The net annual payment below is the amount to send if you desire to make an annual payment – the discount has been deducted.**

On the chart below, your unit type can be determined by the address. The first two numbers of your unit address represent the building. A=70 B=71 C=72 D=73. The last two numbers (listed below) reflect the unit type. For example 7332 is a two bedroom / loft unit in Building D.

	Operating	Reserves	Monthly Dues	Payment Discount	Net Annual Payment
One bedroom 11,17,21,27	241	95	\$336	\$201.60	\$3,830.40
One bedroom / loft 31,37	326	143	\$469	\$281.40	\$5,346.50
Two bedroom 12-16 & 22-26	294	125	\$419	\$251.40	\$4,776.60
Two bedroom / loft 32-36	345	153	\$498	\$298.80	\$5,677.20
Large studio 00,10	200	72	\$272	\$163.20	\$3,100.80
Small studio 01-09	168	54	\$222	\$133.20	\$2,530.80
Garage			\$20	\$12.00	228.00
Storage closet			\$22	\$13.20	250.80

By regular mail you will receive either your monthly payment coupons or your new ACH amount (per the chart above). The above assessments begin January 2012.

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SILVER QUEEN WEST CONDOMINIUM ASSOCIATION

2014 Special Assessments

The Board of Directors of the Silver Queen West Condominium Association has approved a special assessment based on unit size. **The Assessment is payable on or before March 31, 2014.**

The Annual Meeting is scheduled for Saturday, October 29, 2011 at 9:30 AM at the Silverthorne Library. Included with this communication is information regarding the 2012 budget, the assessment increase, and the 2014 special assessment to complete the building restoration. All owners are encouraged to attend the Annual Meeting to participate in the budget and restoration work discussion.

The Association does **NOT** expect to be able to offer any financing of the special assessment. Arrangements may be made for individual owner financing through local banks, but the credit worthiness of the owner will be a determining factor regarding if the bank will offer the financing.

On the chart below, your unit type can be determined by the address. The first two numbers of your unit address represent the building. A=70 B=71 C=72 D=73. The last two numbers (listed below) reflect the unit type. For example 7332 is a two bedroom / loft unit in Building D.

	Special Assessment
One bedroom 11,17,21,27	\$14,016
One bedroom / loft 31,37	\$21,135
Two bedroom 12-16 & 22-26	\$18,466
Two bedroom / loft 32-36	\$22,693
Large studio 00,10	\$10,679
Small studio 01-09	\$ 8,009

The above assessment is payable on or before March 31, 2014.

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