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5/21/2012  
Cash Basis

# HMC Management Profit & Loss Budget October 2012 through September 2013

	Oct '11 - Sep 12	Oct '12 - Sep 13
<b>Assessable Units</b>	395	394
<b>Units minus delinquents</b>	390	389
Total Income minus Assessments	180,500.00	881,928
Total Expenses	794,671.00	881,928
Assessment per member	1,575.00	1,672.00
Total Assessments	614,250.00	650,408.00

	Current Budget	Proposed Budget	Percentage of Budget	Cost Per Member
<b>Ordinary Income/Expense</b>				
Income				
Assessments	614,171.00	650,408		
Ferry Fees	170,000.00	165,000		
Other Income				
Beachcomber Ads		600		
Renter's Fees, Copy, Fax and Notary		2,000		
Refund of Fees from Intuit/QB		0		
Nsf Fees		200		
Postage		20		
Property Transfer fee		1,000		
Research Office Time Fees		500		
Rules Fine		0		
Interest & Handling (Delinquent Accounts)	4,000.00	4,800		
Member Credit Card Fees	6,000.00	1,000		
Other Income		0		
Attorney Collections (see note 7)		10,000		
Total Other Income	10,000.00	20,120		
Reserve Transfer				
Dock Piles and Dolphins	0.00			
Ramp Inspections - every 2 years	0.00			
Ramp Cable Replacement - every 5 years	0.00			
Ferry Engine Overhaul/replacement (3 years, next 2013)	0.00			
Ramp Painting	0.00			
Community Building Renovations	0.00			
Ferry Replacement	0.00			
Water Truck Replacement	0.00			
Shipyard (2 Years on even years)	0.00	46,000		
Park Reserves	0.00			
Road Reserves	0.00			
Total Reserve Transfer	0.00	46,000		
Interest Earned				
HMC Management Reserves		180		
General Fund		220		
Interest Earned - Other	500.00	0		
Total Interest Earned	500.00	400		
Total Income	794,671.00	881,928.00		
<b>Gross Income</b>	<b>794,671.00</b>	<b>881,928.00</b>		

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## HMC Management Profit & Loss Budget

October 2012 through September 2013

	Current	Proposed	Percentage	Cost Per
	Budget	Budget	of Budget	Member
<b>Expense</b>				
<b>HMC Regular Operations</b>				
Accountant/Auditor	6,000.00	6,000		
Reserve Analysis		2,000		
Bad Debt Write Off		0		
Bank Fees	500.00	350		
Amount of Check that was returned for NSF		0		
Community Building Maintenance	1,000.00	1,000		
Community Asso. Institute	150.00	150		
Contract Svcs for Junk Removal	500.00	500		
Credit Card Fees - Member Payments		1,000		
Emergency Preparedness	500.00	500		
State and County Taxes	4,500.00	6,500		
HMC Property Pre-Sale Expense	1,000.00	200		
Removal of unsafe trees	2,250.00	2,500		
Insurance (see note 6)				
Directors/Officers Ins	2,600.00	2,700		
Crime (Break-ins and Theft)	100.00	460		
5 Million Excess Liability	7,000.00	10,500		
14 Million Excess Liability		9,500		
<b>Total Insurance</b>	<b>9,700.00</b>	<b>23,160.00</b>		
<b>Legal Fees (see note 7)</b>				
Collection Costs	8,000.00	18,000		
General	9,000.00	12,000		
<b>Total Legal Fees</b>	<b>17,000.00</b>	<b>30,000.00</b>		
<b>Office Equipment</b>	<b>1,500.00</b>	<b>1,500</b>		
<b>Other</b>				
Education and Training	100.00	100		
CrystalTech-Web hosting	125.00	100		
Mileage		200		
Background Checks		200		
Miscellaneous & copier contract	2,455.00	500		
<b>Total Other</b>	<b>2,680.00</b>	<b>1,100.00</b>		
<b>Payroll Expenses</b>	<b>800.00</b>	<b>1,000</b>		
<b>Pension Administration Ferry Crew</b>	<b>550.00</b>	<b>550</b>		
<b>Postage</b>				
Box Fee		80		
Stamps & Postage	2,500.00	2,500		
<b>Total Postage</b>	<b>2,500.00</b>	<b>2,580.00</b>		
<b>Printing</b>	<b>2,500.00</b>	<b>1,000</b>		
<b>Admin Salaries</b>				
Aflac				
Medical Insurance	7,176.00	10,000		
Retirement	2,072.00	2,105		

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## HMC Management Profit & Loss Budget

October 2012 through September 2013

	Current	Proposed	Percentage	Cost Per
	Budget	Budget	of Budget	Member
Payroll Taxes	5,912.00	6,173		
Gross Wages	64,107.00	67,051		
Total Admin Salaries	79,267.00	85,329.00		
Island Security Costs	2,000.00	500		
Office Supplies	1,200.00	1,200		
Telephone/Fax	2,500.00	2,500		
Utilities/Electric	2,600.00	2,000		
Reserve - Legal (Cap is \$35,000 - Balance is \$34,550)	0.00	0		
Reserve - Community Building & Sheds (Cap is \$15,000 - Balance is \$0)		1,000		
<b>Total HMC Regular Operations</b>	<b>141,197.00</b>	<b>174,119.00</b>	<b>19.74%</b>	<b>\$330</b>
Piles, Dolphins and Ferry Ramps				
Garbage - Ferry		225		
Insurance - Docks and Piers (see note 8)	14,200.00	13,200		
Ferry Ramp Generator Maintenance and Fuel		1,000		
Other				
Annual DNR Lease	1,400.00	500		
Parts and Supplies	1,000.00	1,000		
Other/Inspection	1,000.00	1,000		
Total Other	3,400.00	2,500.00		
Repairs/Maintenance	5,000.00	3,000		
Sanikans	2,800.00	3,000		
Utilities	1,200.00	1,900		
Reserve Account for Piles, Docks & Ramps	30,000.00	28,000		
Dock Piles and Ferry Dolphins (Cap is \$768,000 - Balance is \$89,300) \$9,000 allocated this budget cycle				
Ramp Painting (Cap is \$212,000 - Balance is \$0) \$19,000 allocated this budget cycle				
Reserve - Inspection of Ramps (Cap is \$12,000 - Balance is \$0) Required by Pierce County. Not previously budgeted.		6,000		
Reserve - Ramp Cable Replacement (Cap is \$25,000 - Balance is \$0) Recurring 5 year expense cycle previously not budgeted.		5,000		
<b>Total Ferry Docks and Ramps</b>	<b>56,600.00</b>	<b>63,825.00</b>	<b>7.24%</b>	<b>\$121</b>
Ferry				
Engine Overhaul				
Equipment	2,500.00	2,500		
Fuel	90,000.00	90,000		
Insurance (see note 6)				
Marine Package		19,000		
Vessel Pollution		1,100		

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## HMC Management Profit & Loss Budget

October 2012 through September 2013

	Current	Proposed	Percentage	Cost Per
	Budget	Budget	of Budget	Member
Commercial Package		6,500		
Total Insurance	40,000.00	26,600		
Repairs	5,000.00	6,000		
Other				
Rentals for fill in Captains/Deck Hands		500		
Sheds (waiting, oil and school)		300		
Cellphone	600.00	600		
Drug Testing	600.00	600		
Inspections and Licensing	1,200.00	2,300		
Miscellaneous	1,500.00	2,000		
Tickets & Passes & Stickers		1,100		
Uniforms	1,000.00	1,200		
Legal Fees - IBU Attorney		500		
Total Other	4,900.00	9,100.00		
Passenger Vessel Asso.	400.00	450		
Routine Maintenance & Supplies	7,000.00	5,500		
Ferry Salaries & Benefits				
Employee Paid Supplemental Insurance - Reimbursed by Employee		0		
Medical Insurance	33,350.00	40,000		
Retirement-Employer	14,811.00	15,545		
Payroll Taxes	22,331.00	23,721		
Gross Wages	254,190.00	267,168		
Total Ferry Salaries & Benefits	324,682.00	346,434.00		
Ship Yard		92,000		
Supplies, Paper Products, Water	2,000.00	2,000		
Personal Property & Excise	3,000.00	3,000		
Reserve - Shipyard (Cap is \$92,000 - Balance is \$35,600) Note 1	46,000.00			
Reserve - Engine Overhaul/Replacment (Cap is \$200,000 - Balance is \$10,000) Note 2	20,000.00	12,000		
Reserve - Ferry Replacement (Cap is 1,000,000 - Balance is \$0)		1,000		
<b>Total Ferry</b>	<b>545,482.00</b>	<b>596,584.00</b>	<b>67.65%</b>	<b>\$1,131</b>
Parks				
Maintenance				
Lawn Equipment	2,500.00	200		
Parks Shed (lawn shed)		0		
Pavilion Building and NB parking		0		
General upkeep including park parking		2,800		
Total Maintenance		3,000		
Other				
Garbage Pick Up	1,000.00	600		
Misc		0		
Sanikans	3,300.00	3,600		

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## HMC Management Profit & Loss Budget

October 2012 through September 2013

	Current	Proposed	Percentage	Cost Per
	Budget	Budget	of Budget	Member
Total Other	4,300.00	4,200.00		
Parks Development	2,000.00	0		
Playground Improvement	500.00	0		
Parks Salaries				
Payroll Taxes	242.00	300		
Gross Wages	1,472.00	2,250		
Total Parks Salaries	1,714.00	2,550.00		
Small Boat Dock Floats				
Removal and Installation Equipment Rental - \$1,000 for each rental of equipment		1,000		
Maint & Improvements	500.00	750		
Total Small Boat Dock	500.00	1,750.00		
Supplies & Equipment Repairs	1,600.00	1,000		
Utilities	650.00	900		
Reserves - Parks (Cap is \$36,000 - Balance is \$23,700) For new basketball court and riding mower	6,000.00	4,000		
<b>Total Parks</b>	<b>19,764.00</b>	<b>17,400.00</b>	<b>1.97%</b>	<b>\$33</b>
Roads (ferry island/mainland lots)				
Auto Insurance (water truck)	920.00	850		
Dust Control Truck	1,000.00	1,700		
Road Maintenance	2,000.00	5,000		
Road & Ditch Labor	16,000.00	10,000		
Road & Ditch Materials	8,000.00	8,000		
Salaries				
Payroll taxes	108.00	150		
Wages - Tansy Control	600.00	800		
Total Salaries	708.00	950.00		
Reserves - Roads General (Cap is \$50,000 - Balance is \$20,740)	3,000.00	3,000		
Reserves - Water Truck (Cap is \$30,000 - Balance is \$0)		500		
<b>Total Roads</b>	<b>31,628.00</b>	<b>30,000.00</b>	<b>3.40%</b>	<b>\$57</b>
<b>Total Expense</b>	<b>794,671.00</b>	<b>881,928.00</b>	<b>100.00%</b>	<b>\$1,672</b>

General note: This budget was generated based on analysis of the last five years of actually expenses. This budget follows the accounting requirements and format used by HMC.

Note 1: Ferry goes into dry dock every two years on the even year

Note 2: New engines go into yard for rebuild every six years. Estimated cost is \$72,000 for both engines. Next yard service is 2019.

Note 3: Repayment of HMC funds from Water Project Expenses - 50% goes to new engines, 30% for ramp repainting reserves and 20% for dolphins reserves.

## HMC Management Profit & Loss Budget

October 2012 through September 2013

Current	Proposed	Percentage	Cost Per
Budget	Budget	of Budget	Member

Note 4: Reserve accounts now must total 10% of operating budget per RCW 64.34.010, 64.34.020, 64.34.308, 64.34.380, 64.34.382, 64.34.384, 64.38.010, 64.38.025, 64.38RCW and 2008c115s8.

Note 5: Repayment of HMC funds from the Water Project Expenses plus budgeted reserve contributions will meet the 10% reserve requirement for this budget cycle.

Note 6: Insurance was broken down per actual policy and allocated to appropriate departments for the 2012-2013 budget cycle.

Note 7: Legal fee expense is partially off set by legal fee income. This allows for accounting requirements.

Note 8: Piles, Dolphins and Ferry Ramps insurance dropped in cost due to new piles being installed.

## HMC WATER

	Oct '11 - Sep 12	Oct '12 - Sep 13
<b>Assessable Units - Note A</b>	395	399
<b>Units minus delinquents</b>	390	394
Base Fee per Member	158.73	155.52
Reserve Fee for Member	83.08	83.76
Assessment per Member - Annual	241.81	239.28
Assessment per member - Monthly	20.00	20.00
Total Assessments - All Members	94,305.00	94,276.00

### Water

#### Ordinary Income/Expense

##### Income

Base Fees	61,905.00	61,276
Handling Fee		0.00
HIWU Interest		0.00
NSF FEE		0.00
Water Hook Up fee		0.00
Water Usage		
Reserves	32,400.00	33,000

#### USDA Loan Repayment Funds

<b>Total Income</b>	<b>94,305</b>	<b>94,276</b>
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##### Expense

Accountant/Auditor	2,000.00	1,000
Bad Check		200
BANK FEE		50
Contract Manager - WA Water	15,000.00	15,000
Insurance	1,794.00	1,800
Legal	2,000.00	1,700
Mailings	1,000.00	1,000
Membership Fees	200.00	200

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	Current	Proposed	Percentage	Cost Per
	Budget	Budget	of Budget	Member
Mileage Reimbursement	0.00	100		
Other Expenses				
Excise Tax	1,000.00	1,000		
Miscellaneous	300.00	400		
Permits & License	600.00	1,000		
Water Samples	400.00	500		
Total Other Expenses	2,300.00	2,900		
Printing		0		
Repairs - Parts	4,000.00	2,000		
Supplies & Repairs - Contractors	5,500.00	3,000		
To Water Reserve (Cap is cost of project - Balance is \$52,800)		0		
Utilities	3,500.00	3,000		
Wages - Administrative and Meter Reading	21,826.00	24,400		
Taxes	2,267.00	2,420		
Insurance		1,980		
Pension	518.00	526		
USDA Loan Repayment		0		
Total Operating Expense	61,905	61,276		
To Water Reserve (Cap is cost of project - Balance is \$52,800)	32,400	33,000		
<b>Total Expense</b>	<b>94,305</b>	<b>94,276</b>		

Note A: Connections is equal to 399 connections minus 5 delinquencies