



December 11, 2018

Dear Spanish Peaks Club Owners:

In preparation for our annual meeting early in 2019, Bob Shanks (your able SPOA treasurer for the last two years) has worked with me in the preparation of the attached proposed budget. Bob and Linda have sold their home at Spanish Peaks Club, and we've lost great neighbors and a thoughtful board member. I have been asked to step in and fill his competent "shoes."

Another year is ending, and I am pleased to report that our association has been able to successfully manage our complex while working within our budget for 2018. During the year, your dues allowed us to continue the improvements to our landscaping that began in 2017, complete the construction of the utility box covers throughout the complex, and generally maintain the complex in great condition.

We have traditionally stained two of our buildings every summer in order to maintain their condition and appearance. Unfortunately, our painting contractor did not perform well this past summer/fall and we were only able to complete the staining of one building. It is apparent that the costs of this service are going up in the future and the Board will be evaluating a new contractor and staining schedule for the upcoming summer. There were other budget variances, both positive and negative. However, we do expect to complete the year with a small positive spending variance. In addition, our cash "reserves" continue to grow and put the association in a great position to tackle future major projects, such as roof replacements.

Our 2019 budget is unchanged from 2018. No dues increase is required. There have been some adjustments from the 2018 plan within certain expense categories, but the overall budget remains unchanged at \$378,320. Please refer to the

attachment for details on our 2018 spending versus the budget and the 2019 budget.

The Board remains committed to maintaining our complex in the best possible condition to sustain our property values and to continue the great environment we all enjoy at the Spanish Peaks Club condos. We remain focused to utilizing your dues money as efficiently as possible.

I look forward to seeing everyone at the annual Owner's Meeting scheduled for February 21 at 9:00 a.m. at the Big Sky Water & Sewer District conference room. Please bring any questions or concerns you may have, and we will do our collective best to answer them.

Sue Merry
Treasurer

SPC Condominium Association, Inc.

Schedule 2 - Budget Comparison

	2018	2019
	55 Units Budget 12 Months	Approved Budget 2019
Administrative		
Accounting	7,250	7,468
Association Management (total)	58,350	60,100
HPM	58,350	60,100
Other	0	0
Corporate Fee	20	20
Bank Charges	100	100
Insurance	35,000	38,000
Interest Expense	0	0
Legal	300	300
Assessment Contingency	0	0
Miscellaneous	0	0
Office / Postage	800	800
Sub-Total	101,820	106,788
Maintenance		
Building Repairs/Maintenance (total)	37,750	35,484
Building Staining	27,000	23,984
Garage Door Staining	3,250	2,500
Front Door Staining	0	0
Other	2,000	5,000
Roof Repairs	0	0
Gutter Repairs	5,500	4,000
Electric - Buildings/Icemelt (total)	51,000	51,000
By-lin	50,000	50,000
Buildings	1,000	1,000
Fireplace Inspections\Cleaning	3,200	8,500
Fire Suppression Inspect\Maint	10,000	10,000
Garbage	8,500	8,500
Landscaping Maintenance (total)	27,200	26,123
Mowing/Trimming	11,600	11,948
Tree Shrub Maint/Trimming	7,500	7,725
Irrigation Maintenance	2,000	2,500
Tree Shrub Replacement	2,500	1,000
Improvements	2,150	2,000
Pond	1,000	500
Other/Storage	450	450
Improvements	5,800	2,000
Snow Removal - Roads (total)	27,500	28,175
Roads	22,500	23,175
Roof Shoveling	5,000	5,000
Interior/Maint./Repairs	4,800	3,000
Water/Sewer - Grounds	3,000	3,000
Sub-Total	178,750	175,782
Recreation & Clubhouse		
Electricity	4,500	3,000
License	0	0
Propane	4,000	4,000
Repairs/Maintenance (total)	11,500	11,000
Clubhouse	2,000	2,000
Pool	4,500	4,000
Supplies	1,000	1,000
Cleaning	4,000	4,000
Internet Service	600	600
Television	2,150	2,150
Water/Sewer	3,000	3,000
Sub-Total	25,750	23,750
Total Operating Budget	306,320	306,320
Reserves		
Roof	65,000	65,000
Road	2,000	2,000
Betterment/Replacement	5,000	5,000
Road	2,000	0
Total Reserves	72,000	72,000
Total Budget	378,320	378,320

These financial statements have not been subjected to an audit or review or compilation engagement, no assurance is provided on them