

# Jan 2015 Reserve Study

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Approved by Board November 13, 2014

## 5 Year Plan / Reserves Cash Flow

Montage at Mission Hills Homeowners' Association

	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Annual Increase (% per Yr)
<b>Potential Income</b>						
Regular Assessments	\$268,800	\$279,552	\$290,734	\$302,363	\$314,458	4%
Special Assessments	\$0	\$0	\$0	\$0	\$0	
Interest & Other Income	\$2,572	\$1,600	\$1,600	\$1,600	\$1,600	0%
Total Income	\$271,372	\$281,152	\$292,334	\$303,963	\$316,058	4%
<b>Projected Expenses</b>						
Utilities	\$15,137	\$15,591	\$16,059	\$16,540	\$17,037	3%
Landscape Maintenance	\$25,765	\$26,365	\$26,980	\$27,610	\$28,256	2%
Entrance Fountains	\$1,940	\$1,714	\$1,748	\$1,783	\$1,818	2%
Hardscape Maintenance	\$24,434	\$24,957	\$25,492	\$26,040	\$26,600	2%
Administrative	\$173,212	\$180,095	\$186,812	\$193,716	\$200,803	4%
Operating Expenses	\$240,488	\$248,723	\$257,092	\$265,689	\$274,514	4%
Reserve Allocation	\$30,884	\$33,950	\$37,540	\$42,959	\$46,856	8%
Total Expenses	\$271,372	\$282,673	\$294,632	\$308,649	\$321,370	4%
<b>Cash Flow (Reserves)</b>						
Projected Reserves (start year)	\$51,652	\$59,343	\$86,817	\$115,840	\$139,886	n/a
Add: Special Assessments	\$0	\$0	\$0	\$0	\$0	n/a
Add: Reserve Contributions	\$30,884	\$33,950	\$37,540	\$42,959	\$46,856	5%
Add: Interest Income	\$151	\$182	\$218	\$436	\$2,147	n/a
Less: Expense Disbursements	(\$21,380)	(\$3,380)	(\$4,830)	(\$12,970)	(\$99,736)	n/a
Cash Flow I Year End Reserves	\$61,307	\$90,095	\$119,745	\$146,265	\$89,154	n/a
Fully Funded Reserves (Ideal Reserves)	\$328,181	\$348,028	\$390,655	\$422,411	\$393,402	n/a
Percent Funded (%)	19%	26%	31%	35%	23%	n/a
<b>Per Unit Costs / 5 Year Plan</b>						
Total Projected Expenses	\$271,372	\$282,673	\$294,632	\$308,649	\$321,370	4%
Less: Interest & other income	(\$2,572)	(\$1,600)	(\$1,600)	(\$1,600)	(\$1,600)	0%
Total Exp (Less: Other income)	\$268,800	\$281,073	\$293,032	\$307,049	\$319,770	n/a
Number of Units / Members	128	128	128	128	128	n/a
\$ Per Unit / Month	\$177	\$184	\$192	\$201	\$209	5%
\$ Per Unit (less interest & other income)	\$175	\$183	\$191	\$200	\$208	5%
<b>Assumptions / Comments</b>						
Contingency Allowance (Reserves)	0% Selected allowance (% of the Replacement Costs per Exhibit D)					
Inflation Allowance (Operating Expenses)	4% Average annual inflation rate (Exhibit B) for the next 5 years					
Inflation Allowance Reserve Funding	5% Selected inflation rate used in Exhibit B (Reserve Allocation)					
Inflation Allowance Reserve Expenses	2% Selected inflation rate used in Exhibit E (Reserves Expenses)					
Interest Rate (Reserve Funds)	1.50% Thru 2014, then 2.00%					
Annual updates of this study are required in order to reconcile your actual costs with the projected expenses,						