

Jan 2019 Reserve Study

by Tom Tousignant, Treasurer

Approved by Board November 8, 2018

5 Year Pro Forma Budget

Montage at Mission Hills Homeowners' Association

Report Date: 01/01/2019

Fiscal Year: 01/01/19 - 12/31/19

| Account | Description | Current Budget 2018 | Year 1 2019 | Year 2 2020 | Year 3 2021 | Year 4 2022 | Year 5 2023 | Annual Increase (% per Yr) |
|-------------------------------|---|---------------------|-----------------|-----------------|------------------|------------------|------------------|----------------------------|
| Potential Income | | | | | | | | |
| 4110 | Regular Assessments | 353,280 | 368,640 | 384,000 | 399,360 | 414,720 | 431,616 | 4% |
| 4125 | Collection Reimbursement | 150 | 300 | 0 | 0 | 0 | 0 | Est. |
| 4130 | Interest Income (accumulated in Reserves) | 135 | 2,381 | 4,533 | 5,837 | 7,678 | 9,628 | Calc. |
| 4135 | Assessment Violations | 0 | 200 | 100 | 100 | 100 | 100 | Est. |
| 4140 | Late Assessments | 1,113 | 720 | 756 | 794 | 834 | 876 | 5% |
| 4141 | Admin Fee L/C (new Jan 2011) | 528 | 144 | 151 | 159 | 167 | 175 | 5% |
| 4142 | Bank Charges | 0 | 50 | 0 | 0 | 0 | 0 | Est. |
| 4150 | Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 4155 | Architectural Fees | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 4160 | Newsletter Advertising | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 4180 | Security Assessments | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 4190 | Gate Clickers/Keys | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 4195 | Transfer Fee (new Jan 2011) | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| Total Potential Income | | 355,206 | 372,435 | 389,540 | 406,250 | 423,499 | 442,395 | 4.4% |
| Reserves | | | | | | | | |
| 5000 | Reserve Loan | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5010 | Less Reserves | (43,056) | (48,644) | (54,972) | (61,572) | (68,952) | (77,232) | 12.5% |
| 5010a | Palm Tree Plan Surcharge (2018 thru 2027) | (38,000) | (38,004) | (38,004) | (38,004) | (38,004) | (38,004) | Est. |
| 5011 | Excess Funds Transfer | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5015 | Less Restricted Interest | (135) | (2,381) | (4,533) | (5,837) | (7,678) | (9,628) | Calc. |
| Total Reserves | | (81,191) | (89,029) | (97,509) | (105,413) | (114,634) | (124,864) | 8.7% |
| Income after Reserves | | 274,015 | 283,406 | 292,031 | 300,837 | 308,865 | 317,531 | 2.9% |
| Operating Expenses | | | | | | | | |
| Utilities | | | | | | | | |
| 5020 | Electricity | 11,385 | 10,612 | 11,673 | 12,840 | 14,124 | 15,536 | 10.0% |
| 5021 | Mailbox Lighting Electricity | 128 | 136 | 150 | 165 | 182 | 200 | 10.0% |
| 5040 | Gate Telephone | 1,580 | 1,778 | 1,867 | 1,960 | 2,058 | 2,161 | 5.0% |
| 5050 | Water | 4,312 | 5,041 | 5,192 | 5,348 | 5,508 | 5,673 | 3.0% |
| Subtotal Utilities | | 17,405 | 17,567 | 18,882 | 20,313 | 21,872 | 23,570 | 8.0% |
| Landscape Maintenance | | | | | | | | |
| 5110 | Landscape Contract | 19,200 | 18,960 | 19,908 | 20,903 | 21,948 | 23,045 | 5% |
| 5120 | Landscape Extras | 2,000 | 800 | 880 | 968 | 1,065 | 1,172 | 10% |
| 5130 | Sprinkler Maintenance | 1,500 | 1,900 | 2,090 | 2,299 | 2,529 | 2,782 | 10% |
| 5140 | Tree Trimming | 4,860 | 6,915 | 7,607 | 8,368 | 9,205 | 10,126 | 10% |
| 5145 | Tree Removal | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5150 | Annual Color | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5160 | Seed/Scalp/Fertilize | 75 | 35 | 36 | 37 | 38 | 39 | 2% |
| 5170 | New Plants | 1,200 | 1,000 | 1,100 | 1,210 | 1,331 | 1,464 | 10% |
| Subtotal Landscape | | 28,835 | 29,610 | 31,621 | 33,785 | 36,116 | 38,628 | 6.8% |
| Entrance Fountains | | | | | | | | |
| 5210 | Contract Maintenance | 2,400 | 2,400 | 2,448 | 2,497 | 2,547 | 2,598 | 2% |
| 5220 | Equipment Repair | 200 | 500 | 200 | 200 | 200 | 200 | 0% |
| Subtotal Fountains | | 2,600 | 2,900 | 2,648 | 2,697 | 2,747 | 2,798 | 1.8% |
| Hardscapes Maintenance | | | | | | | | |
| 5320 | Painting - Block Wall/Gate Touch Up | 500 | 0 | 500 | 0 | 0 | 0 | Est. |
| 5341 | Grounds Misc. | 2,000 | 1,000 | 1,100 | 1,210 | 1,331 | 1,464 | 10% |
| 5343 | Street Repairs | 0 | 0 | 0 | 500 | 0 | 0 | Est. |
| 5345 | Street Sweeping | 4,680 | 4,680 | 4,914 | 5,160 | 5,418 | 5,689 | 5% |
| 5350 | Retention Basin Well Pumping | 0 | 0 | 1,500 | 0 | 0 | 0 | Est. |

Report Date: 01/01/2019
 Fiscal Year: 01/01/19 - 12/31/19

| Account | Description | Current Budget 2018 | Year 1 2019 | Year 2 2020 | Year 3 2021 | Year 4 2022 | Year 5 2023 | Annual Increase |
|---------------------------------|---|---------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| 5363 | Holiday Décor | 3,214 | 2,680 | 2,734 | 2,789 | 2,845 | 2,902 | 2% |
| 5365 | Electrical/Lighting Repair/Relamping | 6,159 | 6,940 | 7,287 | 7,651 | 8,034 | 8,436 | 5% |
| 5370 | Pest Control | 2,205 | 2,275 | 2,321 | 2,367 | 2,414 | 2,462 | 2% |
| 5380 | Signs | 200 | 0 | 200 | 0 | 0 | 0 | Est. |
| 5385 | Block Wall Minor Repairs | 0 | 0 | 500 | 0 | 0 | 0 | Est. |
| 5390 | Security/keys/clickers | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5395 | Gate Metal/Motor/Arm Repairs | 5,500 | 3,000 | 3,150 | 3,308 | 3,473 | 3,647 | 5% |
| 5399 | Gate Phone Repairs | 0 | 100 | 105 | 110 | 116 | 122 | 5% |
| Subtotal Hardscapes | | 24,458 | 20,675 | 24,311 | 23,095 | 23,631 | 24,722 | 4.6% |
| Administration Cost | | | | | | | | |
| 5455 | Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 5460 | Licenses | 150 | 250 | 255 | 260 | 265 | 270 | 2% |
| 5465 | Reserve Study | 0 | 450 | 0 | 0 | 500 | 0 | Est. |
| 5468 | Professional Fee | 0 | 1,600 | 1,152 | 1,175 | 1,199 | 1,223 | 2% |
| 5470 | Audit | 1,450 | 1,450 | 1,500 | 1,500 | 1,550 | 1,550 | Est. |
| 5480 | Franchise Tax | 10 | 60 | 10 | 10 | 10 | 10 | Est. |
| 5481 | State Required Forms | 90 | 90 | 35 | 35 | 35 | 35 | Est. |
| 5490 | Internal Revenue | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5505 | Legal Services | 9,500 | 10,000 | 1,000 | 1,000 | 1,000 | 1,000 | Est. |
| 5510 | Assessment Collection Fee | 0 | 300 | 0 | 0 | 0 | 0 | Est. |
| 5511 | CAI Membership | 760 | 660 | 693 | 728 | 764 | 802 | 5% |
| 5512 | Bad Debts Expense | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5513 | Meeting & Board Expense | 800 | 500 | 500 | 500 | 500 | 500 | Est. |
| 5515 | Mission Hills Social Membership | 142,464 | 148,992 | 156,442 | 164,264 | 172,477 | 181,101 | 5% |
| 5516 | PPM Late Admin Fee (new Jan 2011) | 400 | 144 | 153 | 162 | 172 | 182 | 6% |
| 5517 | PPM Transfer fee (new Jan 2011) | 0 | 0 | 0 | 0 | 0 | 0 | Est. |
| 5520 | Insurance | 4,005 | 9,259 | 9,537 | 9,823 | 10,118 | 10,422 | 3% |
| 5525 | Insurance Claims | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 5530 | Management Services | 30,744 | 30,744 | 31,359 | 31,986 | 32,626 | 33,279 | 2% |
| 5531 | PPM website | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 5532 | Smartweb Violation Services (new July 2014) | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 5535 | End of Year Closing | 525 | 620 | 632 | 645 | 658 | 671 | 2% |
| 5540 | Printing/Postage | 6,305 | 4,860 | 4,957 | 5,056 | 5,157 | 5,260 | 2% |
| 5545 | Bank Charges | 0 | 50 | 50 | 50 | 50 | 50 | 0% |
| 5548 | PY Pool Deposits (new Jan 2011) | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 5550 | Miscellaneous/Contingency | 3,514 | 2,625 | 3,619 | 3,728 | 3,840 | 3,955 | 3% |
| Subtotal Administration | | 200,717 | 212,654 | 211,894 | 220,922 | 230,921 | 240,310 | 3.0% |
| Total Operating Expenses | | 274,015 | 283,406 | 289,356 | 300,812 | 315,287 | 330,028 | 3.8% |
| 3990 | Net Income (Loss) | 0 | 0 | 2,675 | 25 | (6,422) | (12,497) | |
| Number of Units / Members | | 128 | 128 | 128 | 128 | 128 | 128 | |
| \$ Per Unit / Month | | 230 | 240 | 250 | 260 | 270 | 281 | 4.0% |