

Circle Oaks Homes Association 2017 Budget

339 Units

	Unit per Month	Monthly Total	Annual Total
<u>INCOME</u>			
4000-001 Monthly Assessments	\$ 24.33	\$ 8,249.00	\$ 98,988.00
4700-001 Late Fees	\$ 0.64	\$ 216.67	\$ 2,600.00
4730-001 Members' interest	\$ 0.59	\$ 200.00	\$ 2,400.00
4800-001 Collection Fees	\$ 0.04	\$ 14.17	\$ 170.00
4805-001 Installment Plan Fee	\$ 0.02	\$ 6.67	\$ 80.00
Total Income	\$ 25.62	\$ 8,686.50	\$ 104,238.00
<u>EXPENSES</u>			
General & Administration			
5020-001 Review & Tax Return	\$ 0.34	\$ 115.83	\$ 1,390.00
5050-001 Bad Debt Expense	\$ 1.72	\$ 583.33	\$ 7,000.00
5080-001 Bank Charges-Operating	\$ 0.04	\$ 15.00	\$ 180.00
5240-001 Insurance - General Liability	\$ 0.51	\$ 172.17	\$ 2,066.00
5241-001 Insurance - Umbrella	\$ 0.32	\$ 109.42	\$ 1,313.00
5242-001 Insurance - D&O	\$ 0.50	\$ 168.75	\$ 2,025.00
5243-001 Insurance - Fidelity	\$ 0.12	\$ 39.75	\$ 477.00
5250-001 Dues & Licenses	\$ 0.15	\$ 50.00	\$ 600.00
5380-001 Management Contract	\$ 6.64	\$ 2,250.00	\$ 27,000.00
5390-001 On Site Manager Expenses	\$ 0.18	\$ 62.50	\$ 750.00
5400-001 Miscellaneous	\$ 0.21	\$ 70.83	\$ 850.00
5460-001 Annual Meeting Costs	\$ 0.10	\$ 35.00	\$ 420.00
5465-001 Collection Costs	\$ 0.01	\$ 4.17	\$ 50.00
5500-001 Legal	\$ 1.08	\$ 366.67	\$ 4,400.00
5520-001 Printing & Postage	\$ 0.52	\$ 175.08	\$ 2,101.00
5610-001 Internet Fees	\$ 0.28	\$ 94.17	\$ 1,130.00
5700-001 Fire Safety - Administrator	\$ 0.61	\$ 208.33	\$ 2,500.00
5705-001 Fire Safety - Emergency Phone	\$ 0.12	\$ 39.58	\$ 475.00
5710-001 Fire Safety - Education/Inspect	\$ 0.37	\$ 125.00	\$ 1,500.00
5802-001 Taxes-State	\$ 0.02	\$ 5.83	\$ 70.00
Total Administration	\$ 13.84	\$ 4,691.42	\$ 56,297.00
Landscaping			
6110-001 Landscape - Trees	\$ 11.31	\$ 3,833.33	\$ 46,000.00
Total Landscaping	\$ 11.31	\$ 3,833.33	\$ 46,000.00
Maintenance			
6500-001 Repair and maintenance	\$ 0.11	\$ 37.50	\$ 450.00
Total Maintenance	\$ 0.11	\$ 37.50	\$ 450.00
Reserves			
Capital Reserve Deposits	\$ 0.37	\$ 124.25	\$ 1,491.00
	\$ 0.37	\$ 124.25	\$ 1,491.00
Total Expenses & Reserves	\$ 25.62	\$ 8,686.50	\$ 104,238.00

The Budget for Circle Oaks Homes Association was developed through a process that involved a management review of actual cost expenditures, expected and anticipated increases in rates and other costs, and any known projects the Association will be working on in the coming twelve (12) months. A preliminary budget is prepared, using the above information, and provided to the Board of Directors in draft form, for their final review, revisions, and approval.

INCOME:

Income for Circle Oaks Homes Association is primarily derived from regular assessments from 339 units representing a mixture of residential homes and vacant lots. Other sources of revenue are derived from other Member charges, penalties and reimbursements for services that are not for the common benefit of all Members. Additionally, the Association generates revenue from interest bearing accounts.

4000-001 Regular

- Monthly Assessments:** Declaration of Covenants, Conditions and Restrictions (CC&Rs) empowers the Association to assess a regular assessment to fund the operating and replacement reserve requirements of the Association.
- 4700-001 Late Fees:** Owners who do not pay their assessed fees as prescribed in the Association's Declaration is subject to late charges as outlined in the Declaration.
- 4730-001 Members' Interest:** Owners who do not pay assessed fees may be subject to interest on delinquent amount(s).
- 4800-001 Collection Fees:** Money the association receives from collection agencies on delinquent accounts.
- 4805-001 Installment Plan Fee:** Owners who need to pay off their accounts using an installment plan will be assessed a one-time fee.

EXPENSES:

- 5020-001 Review & Tax Return:** The Governing Documents of the Association and California Civil Code require annual Financial Statements by a Certified Public Accountant (CPA).
- 5050-001 Bad Debt Expense:** Write off of unpaid dues.
- 5080-001 Bank Charges - Operating:** Fees that can be assessed by the bank.
- 5240, 5241, 5242, 5243-001 Insurance:** The Governing Documents require that Property, Liability, Directors & Officers, Fidelity, and other such insurance necessary for the Association be maintained.
The Association does not carry an earthquake policy.

5250-001 Dues & Licenses: Membership fees and fees for HOA organizations.

5380-001 Management

Contract: The Association contracts with a professional management firm for the purpose of handling the day-to-day operations of the Association.

5390-001 Onsite Manager

Expenses: This category provides for supplies the onsite manager may need.

5400-001 Miscellaneous: Minor funding for unanticipated expenses.

5460-001 Annual Meeting

Costs: Food, material, and rental allowance to cover costs of the annual meeting.

5465-001 Collection Costs: Expenses associated with collecting money on delinquent accounts.

5500-001 Legal Expenses: Periodically, the Association will seek opinions and advice of legal counsel. This category provides for those requirements and is based on the typical needs of this Association.

5520-001 Printing & Postage: This category provides for printing, reproduction and mailing costs for the Association.

5610-001 Internet Fees: This category provides for website hosting and maintenance.

5700-001 Fire Safety-Admin: Management of fire safety within the community.

5705-001 Fire Safety-Phone: Emergency call system to notify owners of emergencies.

5710-001 Fire Safety-Ed: Fire education material and inspections.

5802-001 Taxes – State: Filing fee and tax obligations.

LANDSCAPING:

6110-001 Landscape-Trees: This category provides for tree maintenance on all common areas.

GENERAL MAINTENANCE:

6500-001 Common Area

Repair & Maintenance: This category provides for repairs or maintenance that may occur to association property like mailbox stands.

RESERVES:

**Capital Reserve
Deposits:**

Legislation mandates that an Association perform a Reserve Study at least every three (3) years. The most recent Reserve Study was performed

in October 2016 to re-evaluate the estimated remaining life of the major components in addition to a revision of the projected repair or replacement cost figures based on current material and labor pricing.

The 2017 Reserve Study Summary and Disclosures are included in this budget packet.

The amount in this category corresponds to the dollar amount in the budget allocated to Reserves. In this budget the annual figure is **\$1,491**.

Additional Financial Information:

OUTSTANDING LOANS

At this time, the Association has no outstanding loans.

DEFERRED MAINTENANCE

At this time, the Board of Directors has not determined to defer or not undertake repairs or replacement of any major component.

SPECIAL ASSESSMENTS

At this time, it has been determined that one or more Special Assessments may not be required to repair, replace, restore or maintain the major components and/or legal action. If the reserves are not fully funded, a Special Assessment may be necessary. Please refer to the budget and reserve studies to ascertain reserve fund balances/requirements.

REVENUES

For purposes of operating expense budgeting; revenues are estimated to equal monthly dues income. Interest on reserves, which is difficult to project and subject to change, is used to increase available contingency funds, and/or reduce the unfunded reserve liability, and there is a small amount of revenue generated from late fees.