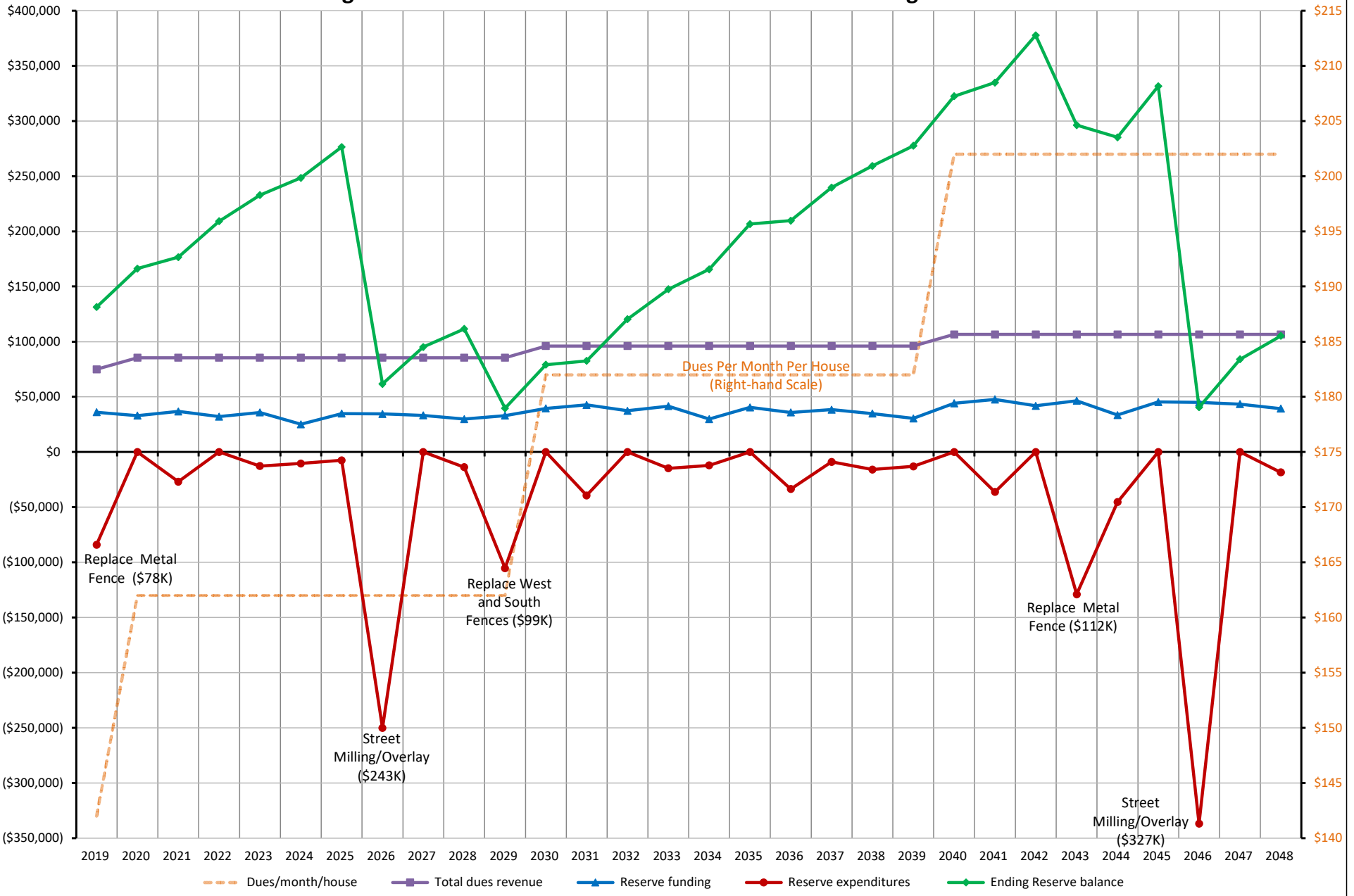


Huntington Pines Homeowners Association

An Overview of Association Finances

- The financial activities of the Association are divided between an Operating Fund and a Reserve Fund.
- Operating expenses are paid out of the Operating Fund. Examples of such expenditures include landscape care, utilities, snow removal, repairs and maintenance, and administration.
- Major repairs and replacement of physical property are paid out of the Reserve Fund. Examples of such expenditures include street repairs and fence repair, maintenance & replacements.
- At the end of each year, an operating expense budget is prepared for the upcoming year. Conversely, reserve expenditures are planned and scheduled on a long-term basis. A reserve specialist is hired every three to five years to assist in preparing the long-term reserve plan. The dues level is set in such a way as to fund ongoing annual operating expenses as well as provide financing for anticipated Reserve Fund needs.
- The dues level for 2020 is set at \$162 per house per month. There are 44 homes in the Association. The total income to the Association in 2020 will be \$85,536, up from \$74,976 in 2019. The budget projects that \$52,536 will go into the Operating Fund (\$99.50/house/month) and \$33,000 will go into the Reserve Fund (\$62.50/house/month).
- The operating expense budget for 2020 is \$52,536, an increase of \$621 over actual 2019 expenditures.
- Actual 2019 operating expenditures exceeded the 2019 budget by \$12,939. The major budget busters were water (\$4,274), snow removal (\$3,835), fence repair (\$6,372) and wall repair (\$4,025). These were offset to some extent by surpluses in other areas.
- Reserve expenditures in 2019 included replacement of the north-side and east-side metal fencing (\$78,222) plus painting the north-side wooden fence (\$5,800).
- No expenditures from the Reserve Fund are anticipated in 2020.
- Planned major expenditures from the Reserve Fund in the next few years include \$234k for street milling/overlay in 2026 and \$99k for west-side and south-side wooden fence replacement in 2029. The cost and timing of projected reserve expenditures is re-evaluated each year and changes are factored into the reserve plan as needed.
- Operating expenditures vary from year-to-year; however, we try to keep the dues level constant for periods of several years. The amount of funds going into the reserve fund each year is the amount that is left over from dues receipts that is not needed for operations. Dues are set at the level needed so that the projected amount of cash in the Reserve Fund in future years does not fall much below \$50k at its lowest point.
- Please do not hesitate to contact me for additional details regarding Association finances.

Huntington Pines Homeowners Association Reserve Fund Long-Term Financial Plan



Huntington Pines Homeowners Association

	Budget 2020	Actual 2019	Budget 2019	Actual 2018
Operating Fund				
Income Statements				
Operating Fund Revenues				
<i>Dues per house per month</i>	162.00	142.00	142.00	142.00
Total Dues	85,536	74,976	74,976	74,976
Less portion of dues allocated to Reserve Fund	(33,000)	(36,000)	(36,000)	(32,000)
Other	-0-	-0-	-0-	20
Total Operating Fund Revenues	52,536	38,976	38,976	42,996
Operating Fund Expenses				
Electricity	(200)	(179)	(200)	(182)
Water	(10,000)	(11,774)	(7,500)	(7,711)
Phone	(700)	(704)	(625)	(625)
Snow Removal	(10,000)	(8,835)	(5,000)	(2,570)
Landscape R&M	(11,000)	(10,906)	(11,000)	(11,556)
Sprinkler R&M	(500)	-0-	(500)	-0-
Gate R&M	(3,700)	(416)	-0-	(1,400)
Fence R&M	(300)	(6,372)	-0-	(750)
Street R&M	(3,500)	-0-	(3,500)	-0-
Lighting R&M	-0-	-0-	-0-	-0-
Wall R&M	(700)	(4,025)	-0-	-0-
Tree R&M	(2,000)	(3,485)	(5,000)	(2,953)
Mailbox R&M	(3,000)	-0-	-0-	-0-
Banking	(60)	(60)	(60)	(50)
Insurance	(3,100)	(3,007)	(3,000)	(3,341)
Management Services	(2,400)	-0-	-0-	-0-
Other Services	-0-	-0-	-0-	(244)
Web Site	(16)	(159)	(200)	(15)
Social	(550)	(510)	(550)	(549)
Supplies & Postage	-0-	(256)	(230)	(214)
Other Miscellaneous	(85)	(636)	(50)	(349)
Income Taxes	(600)	(591)	(170)	(118)
Expense Contingency	(125)	-0-	(1,391)	-0-
Total Operating Fund Expenses	(52,536)	(51,915)	(38,976)	(32,627)
Net Operating Fund Revenues and Expenses	-0-	(12,939)	-0-	10,369
Year-end Balance Sheets				
Cash	6,168	8,589	8,507	22,564
Dues Receivable	1,000	1,562	1,000	142
Accounts Receivable	-0-	-0-	-0-	-0-
Prepaid Insurance	-0-	-0-	-0-	-0-
Total Assets	7,168	10,151	9,507	22,706
Prepaid Dues	8,000	10,449	8,000	9,910
Accounts Payable	600	1,134	-0-	1,289
Fund Capital	(1,432)	(1,432)	1,507	11,507
Total Liabilities & Capital	7,168	10,151	9,507	22,706
Cash Flow Statements				
Starting Operating Fund Cash Balance	8,589	22,564	22,564	21,656
Change in Dues Receivable	562	(1,420)	(858)	994
Change in Accounts Receivable	-0-	-0-	-0-	-0-
Change in Prepaid Insurance	-0-	-0-	-0-	-0-
Change in Prepaid Dues	(2,449)	539	(1,910)	(1,744)
Change in Accounts Payable	(534)	(155)	(1,289)	1,289
Net Operating Fund Revenue and Expenses	-0-	(12,939)	-0-	10,369
Transfer to or from Reserve Fund	-0-	-0-	(10,000)	(10,000)
Ending Operating Fund Cash Balance	6,168	8,589	8,507	22,564

Huntington Pines Homeowners Association

	Budget 2020	Actual 2019	Budget 2019	Actual 2018
Reserve Fund				
Income Statements				
Reserve Fund Revenues				
Reserve Funding from Dues	33,000	36,000	36,000	32,000
Interest on Reserve Fund Balances	1,800	1,813	600	414
Total Reserve Revenue	34,800	37,813	36,600	32,414
Reserve Fund Expenditures				
Repair Concrete	-0-	-0-	-0-	(11,821)
Replace Metal Fence	-0-	(78,222)	(87,516)	-0-
Paint Metal Fence	-0-	-0-	(6,895)	-0-
Replace North Wood Fence	-0-	-0-	-0-	(27,045)
Replace West and South Wood Fence	-0-	-0-	-0-	-0-
Repair Asphalt	-0-	-0-	-0-	-0-
Asphalt Seal Coat	-0-	-0-	-0-	-0-
Paint North Wood Fence	-0-	(5,800)	-0-	-0-
Asphalt Overlay	-0-	-0-	-0-	-0-
Total Reserve Expenditures	-0-	(84,022)	(94,411)	(38,866)
Net Reserve Fund Revenues and Expenditures	34,800	(46,209)	(57,811)	(6,452)
Year-end Balance Sheets				
Cash	166,176	131,376	129,774	177,585
Receivable from Op Fund	-0-	-0-	-0-	-0-
Total Assets	166,176	131,376	129,774	177,585
Fund Capital	166,176	131,376	129,774	177,585
Total Liabilities & Capital	166,176	131,376	129,774	177,585
Cash Flow Statements				
Starting Reserve Fund Cash Balance	131,376	177,585	177,585	174,037
Change in Dues Receivable	-0-	-0-	-0-	-0-
Net Reserve Fund Revenue and Expenditures	34,800	(46,209)	(57,811)	(6,452)
Prior Year Operating Fund Surplus Transfer In	-0-	-0-	10,000	10,000
Ending Reserve Fund Cash Balance	166,176	131,376	129,774	177,585

Huntington Pines Homeowners Association

	2019 Actual	2019 Actual Favorable or (Unfavorable) Variance vs 2019 Budget	2019 Actual Favorable or (Unfavorable) Variance vs 2018 Actual	2019 Budget	2018 Actual
<u>Operating Fund Expenses</u>					
Electricity	(179)	21	3	(200)	(182)
Water	(11,774)	(4,274)	(4,062)	(7,500)	(7,712)
Phone	(704)	(79)	(79)	(625)	(625)
Snow Removal	(8,835)	(3,835)	(6,265)	(5,000)	(2,570)
Landscape R&M	(10,906)	94	650	(11,000)	(11,556)
Sprinkler R&M	-0-	500	0	(500)	-0-
Gate R&M	(416)	(416)	984	-0-	(1,400)
Fence R&M	(6,372)	(6,372)	(5,622)	-0-	(750)
Street R&M	-0-	3,500	0	(3,500)	-0-
Lighting R&M	-0-	0	0	-0-	-0-
Wall R&M	(4,025)	(4,025)	(4,025)	-0-	-0-
Tree R&M	(3,485)	1,515	(533)	(5,000)	(2,952)
Mailbox R&M	-0-	0	0	-0-	-0-
Banking	(60)	0	(10)	(60)	(50)
Insurance	(3,007)	(7)	334	(3,000)	(3,341)
Management Services	-0-	0	0	-0-	-0-
Other Services	-0-	0	244	-0-	(244)
Web Site	(159)	41	(144)	(200)	(15)
Social	(510)	40	39	(550)	(549)
Supplies & Postage	(256)	(26)	(42)	(230)	(214)
Other Miscellaneous	(636)	(586)	(287)	(50)	(349)
Income Taxes	(591)	(421)	(473)	(170)	(118)
Expense Contingency	-0-	1,391	0	(1,391)	-0-
Total Operating Fund Expenses	(51,915)	(12,939)	(19,288)	(38,976)	(32,627)