

CSI RESERVES

How Accurate Is Your Maintenance Budget And The Resulting Assessment Level If You Have Not Had A Formal Reserve Study Performed For Your Development?

Number of Homes – 429
 Monthly Assessment – \$50.00
 Annual Expenses – \$233,260.00
 Annual Reserve Contribution – ???

Operating Expense Budget

Reserve Component and Funding Analysis

An Accurate Operating Budget Plus Accurate Reserve Estimates Provide a Long Term Maintenance Planning Tool at an Optimal Assessment Level to Achieve Necessary Future Maintenance Funding.

SHADY COVE RESIDENTS ASSOCIATION	
1999 OPERATING BUDGET	
CALENDAR YEAR 1994	
REVENUES	
Homeowner Assessments (\$50.00) - 429 Homes	257,400.00
Late & Collection Fees	-
Bank Interest	2,000.00
Transfer Fees	-
Advertising	1,000.00
Total Revenues	260,400.00
EXPENSES	
<i>Administrative Expenses</i>	
Management Fee	48,000.00
Management Fees Extra	1,000.00
Office Supplies	300.00
Bank Charges	50.00
Postage	3,500.00
Printing/Copies	3,500.00
Telephone	1,200.00
Storage	50.00
Newsletter	1,900.00
Bookkeeping (Extra's)	100.00
Legal	20,000.00
Annual Review/Tax Preparation	1,600.00
Reserve Study	1,500.00
Transfer Charges	-
Collection Charges	-
Misc. Administrative	1,500.00
Annual Mtg/Social Events	1,500.00
Memberships (Echo)	400.00
Total Administrative Expenses	86,100.00
<i>Fixed Costs</i>	
Insurance	5,000.00
Pool Permit	700.00
Licenses & Property Tax	300.00
Income Tax Expense	1,000.00
Total Fixed Costs	7,000.00
<i>Operating Costs</i>	
Garbage	600.00
PG&E	8,000.00
Water	18,000.00
Landscapc Maintenance	32,000.00
Weed Abatement	10,460.00
Street Sweeping	4,000.00
Pool Service	7,200.00
Pool Supplies & Repairs	3,000.00
Pool Lifeguards	11,000.00
Pool Assistant	1,300.00
Waste Removal	700.00
Contingency 3%	7,000.00
Total Operating Costs	103,260.00
<i>Repairs & Maintenance</i>	
Custodial	2,100.00
Common Area Maintenance & Repair	8,000.00
Common Area Improvements	19,600.00
Handyman Contractor	4,600.00
Pest Control (Rodents-\$2000,Ants-\$600)	2,600.00
Total Repairs & Improvements	36,900.00
<i>Reserve Allocation</i>	
Allocation to Reserves	27,140.00
Total Reserve Allocation	27,140.00
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Total Reserve Allocation	27,140.00
TOTAL EXPENSES	260,400.00

How was this amount arrived at?

If this number was derived by any means other than through a formal reserve study process, it probably isn't accurate and is placing future major maintenance of the development at risk and increases the likelihood of special assessments.

"An accurate Operating Budget is not possible if it contains a "Reserve Contribution" line item that was not arrived at through a detailed analysis of the association's Common Elements and their future maintenance funding requirements."



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