

2019 Budget

Page 2	2019 Long-Range Financial Plan Renewal & Replacement Targets R&R Reserves Annual Budget & Forecast Process Components of Annual Budget & Forecast
Page 3	Cash Forecast Budget & Forecast Assumptions Budget & Forecast Results
Page 4	2019 Summary Budget & Forecast
Page 5	20 Year Capital Improvement Plan and Requirements for R&R Historical Capital investments
Page 6	Schedule of Dues, Fees and Charges Homeowner Dues Pool Charges CC&R Violations, City of LO Code Violations
Page 7	Dues Assessment History CC&R extract concerning Assessments
Page 8	2019 Line item Budget

BWEOA 2019 Budget

Cash Forecast

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating								
Cash, Beginning	16,056	2,723	7,356	7,999	6,949	5,768	6,361	2,551
Change in Asset/Liability	(491)	3,727						
Net Income	3,160	7,759	26,643	26,950	25,819	26,593	27,391	28,213
Capital Projects	(26,002)	(2,853)	-	(47,000)	(25,000)	(12,000)	(29,200)	(37,000)
Transfer R&R Reserve	-		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Transfer R&R Capital	10,000	(4,000)	(24,000)	21,000	-	(12,000)	-	10,000
Operating Cash, Ending	2,723	7,356	7,999	6,949	5,768	6,361	2,551	1,764
R&R Reserve								
R&R Capital Cash, Beginning	-	-	-	2,000	4,000	6,000	8,000	10,000
Transfer	-	-	2,000	2,000	2,000	2,000	2,000	2,000
R&R Project Cash, Ending	-	-	2,000	4,000	6,000	8,000	10,000	12,000
R&R Capital								
R&R Cash, Beginning	50,035	40,074	44,106	68,136	47,136	47,136	59,136	59,136
Interest	39	32	30					
Transfer	(10,000)	4,000	24,000	(21,000)	-	12,000	-	(10,000)
R&R Reserve Cash, Ending	40,074	44,106	68,136	47,136	47,136	59,136	59,136	49,136
Total Cash	42,797	51,462	78,135	58,085	58,904	73,497	71,687	62,900

Budget & Forecast Assumptions

- Revenues are predictable and forecast to dues increase 5.3% 2018 and 3% annually starting 2019
- Operating expense forecast to increase 3% annually
- \$8,000 (+3% annually) for one-time special projects
- \$12,000 (+3% annually) for Trees preservation, ivy/blackberry eradication

Budget & Forecast Results

- Invest in \$150,200 in R&R projects over 6 years
- Establish and build a Reserve account to \$12,000 by 2023 - Goal is 1 years dues
- Maintain adequate working cash balance to start each year
- Maintain cash for R&R Capital Projects at between \$45,000 and \$60,000

Cash Goal - sum of operating and reserve accounts to eventually equal 1 year Dues

BWFOA 2019 Budget

Budget 2019	2016	2017	2018 Estimate	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	
A Operations Net Income	3,160	7,759	26,643	26,950	25,819	26,593	27,391	28,213	161,608
1 Income	107,231	114,734	125,120	131,220	135,157	139,211	143,388	147,689	
401 Assessments	103,040	112,000	120,960	127,360	131,181	135,116	139,170	143,345	
403 Other Income	1,406	496	1,010	410	422	435	448	461	
450 Pool Income	2,785	2,238	3,150	3,450	3,554	3,660	3,770	3,883	
2 Expense	(104,071)	(106,975)	(98,477)	(104,270)	(109,338)	(112,618)	(115,997)	(119,477)	
510 Pool Operations	(39,940)	(42,918)	(42,130)	(46,600)	(47,998)	(49,438)	(50,921)	(52,449)	
610 Common Area Facilities	(28,625)	(41,618)	(26,870)	(26,650)	(27,450)	(28,273)	(29,121)	(29,995)	
710 Social	(3,007)	(2,813)	(3,777)	(3,900)	(4,017)	(4,138)	(4,262)	(4,389)	
720 Neighborhood Trash	(6,284)	(6,840)	(6,400)	(6,500)	(6,695)	(6,896)	(7,103)	(7,316)	
750 Communication	(1,170)	(973)	(730)	(950)	(979)	(1,008)	(1,038)	(1,069)	
810 Administration	(7,995)	(8,932)	(9,220)	(11,670)	(12,020)	(12,381)	(12,752)	(13,135)	
800 One-Time Projects	(17,050)	(2,882)	(9,350)	(8,000)	(10,180)	(10,485)	(10,800)	(11,124)	
B Capital	(26,002)	(2,853)	-	(47,000)	(25,000)	(12,000)	(29,200)	(37,000)	(150,200)
850 Capital - Pool	(26,002)	(2,018)	-	(47,000)					
900 Capital - Common Area	-	(835)	-	-					
950 Capital Future					(25,000)	(12,000)	(29,200)	(37,000)	
C Transfer	10,000	(4,000)	(26,000)	18,000					
990 Transfer from RR&R	10,000	-	-	20,000					
996 Transfer to RR&R	-	(4,000)	(26,000)	(2,000)					
Change in Operating Cash	(12,842)	905	643	(2,050)	819	14,593	(1,809)	(8,787)	

2016 and prior - Capital projects significantly exceeded Operation Net Income

2018 - Increased Dues to cover Capital projects

2018 - Delayed Capital until Cash available

2020 and beyond - Transfers to be determined

BWHOA Dues Assessment History

		Number of Residents				
				160		
Dues						
<u>Year</u>	<u>Dues</u>	<u>%</u>	<u>Special</u>	<u>Quarterly</u>	<u>Assessment</u>	<u>Increase</u>
2005	310			77.50	49,600	
2006	440	30%		110.00	70,400	20,800
2007	464	5.2%		116.00	74,240	3,840
2008	508	8.7%	60	127.00	90,880	16,640
2009	556	8.6%		139.00	88,960	(1,920)
2010	584	4.8%		146.00	93,440	4,480
2011	584	0.0%		146.00	93,440	-
2012	584	0.0%		146.00	93,440	-
2013	584	0.0%		146.00	93,440	-
2014	584	0.0%	12	146.00	95,360	1,920
2015	612	4.6%		153.00	97,920	2,560
2016	644	5.0%		161.00	103,040	5,120
2017	700	8.0%		175.00	112,000	8,960
2018	756	8.0%		189.00	120,960	8,960
2019	796	5.3%		199.00	127,360	6,400

Extract from CC&Rs

Section 3. Maximum Annual Assessment. The maximum annual assessment shall be One Hundred Fifty Dollars (\$150.00) per lot.

(a.) The maximum annual assessment may be increased each year not more than 10 percent above the maximum assessment for the previous year without a vote of the membership. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(b.) The maximum assessment may be increased above 10 percent over the previous year by a vote of two thirds (2/3) of the voting members who are voting in person or by proxy at a meeting duly called for such purpose, upon recommendation of the Board of Directors.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided any such assessment shall have the assent of two thirds (2/3) of the vote of voting members who are voting in person or by proxy at a meeting duly called for this purpose.

Budget 2019	2016	2017	2018 Budget	2018 Estimate	2019 Budget
A Operations Net Income	3,160	7,759	25,490	26,643	26,950
1 Income	107,231	114,734	123,540	125,120	131,220
401 Assessments	103,040	112,000	120,960	120,960	127,360
403 Other Income	1,406	496	430	1,010	410
450 Pool Income	2,785	2,238	2,150	3,150	3,450
450 Pool Income	2,785	-	-	-	-
451 Water Aerobics	-	695	700	380	600
452 Swim Lessons	-	1,048	1,000	1,600	1,600
453 Pool Parties	-	440	400	1,150	1,200
456 Lost Key	-	55	50	20	50
2 Expense	(104,071)	(106,975)	(98,050)	(98,477)	(104,270)
510 Pool Operations	(39,940)	(42,918)	(45,900)	(42,130)	(46,600)
511 Payroll	(10,519)	(11,364)	(12,000)	(11,500)	(13,000)
514 Payroll Taxes	(1,160)	(1,672)	(1,300)	(1,300)	(1,400)
515 Payroll Services	(677)	(815)	(800)	(1,000)	(1,000)
516 Workers Comp Insurance	158	(349)	(450)	(360)	(580)
517 Water Aerobics Instructor	(280)	(560)	(600)	(600)	(600)
520 Pool Service	(6,927)	(7,531)	(8,000)	(5,000)	(7,000)
523 Pool Chemicals	(3,619)	(5,000)	(5,000)	(5,200)	(5,800)
526 Pest Removal	(355)	(360)	(400)	(400)	(400)
530 Pool Material & Supply	(2,420)	(881)	(1,000)	(1,500)	(1,500)
532 Pool Landscaping	-	-	-	(590)	(600)
535 Pool Furnishing	-	(270)	(500)	(500)	(500)
540 Pool Repairs & Maintenance	(3,101)	(3,973)	(5,000)	(1,000)	(2,000)
550 Deck & Concrete	(2,625)	(425)	(1,000)	(2,200)	(2,000)
580 Pool License	(244)	(436)	(450)	(460)	(470)
585 Utility Electric	(3,176)	(4,330)	(4,000)	(3,000)	(3,200)
586 Utility Natural Gas	(4,534)	(4,426)	(4,500)	(6,000)	(5,000)
588 Utility Telephone	(219)	(225)	(600)	(1,200)	(1,200)
589 Utility Trash	(243)	(301)	(300)	(320)	(350)
610 Common Area Facilities	(28,625)	(41,618)	(25,580)	(26,870)	(26,650)
611 Payroll	(728)	(451)	(700)	(320)	(350)
614 Payroll Taxes	(71)	(46)	(70)	(30)	(50)
621 Landscape Service	(8,730)	(8,160)	(8,300)	(8,300)	(8,500)
624 Pet Service	(1,004)	(824)	(860)	(980)	(1,000)
630 Material & Supply	(1,025)	(65)	(500)	(500)	(500)
631 Bark Dust	-	(1,343)	(1,400)	(750)	(1,000)
640 Repair & Maintenance	(1,621)	(2,106)	(500)	(290)	(500)
641 Power Washing	-	(225)	(250)	-	(250)
641 Storm Damage Oak at Pool '17	-	(5,347)	-	-	-
650 Invasive Plant Removal	-	-	-	-	(2,000)
656 Tree Preservation/Removal	(11,800)	(20,067)	(10,000)	(13,500)	(10,000)
690 Utility Water	(3,646)	(2,983)	(3,000)	(2,200)	(2,500)
710 Social	(3,007)	(2,813)	(3,650)	(3,777)	(3,900)
711 Easter Egg Hunt	(120)	(145)	(150)	(169)	(200)
712 Garage Sale	(60)	(65)	(100)	(65)	(100)
714 th of July	(1,137)	(1,131)	(1,200)	(1,034)	(1,200)
715 Annual Meeting	(209)	(143)	(300)	(609)	(500)
716 Holiday	(1,481)	(1,255)	(1,800)	(1,800)	(1,800)
719 Welcome New Neighbors	-	(74)	(100)	(100)	(100)
720 Neighborhood Trash	(6,284)	(6,840)	(6,400)	(6,400)	(6,500)
721 Homeowners Trash	(6,284)	(6,840)	(6,400)	(6,400)	(6,500)
750 Communication	(1,170)	(973)	(1,150)	(730)	(950)
754 Newsletter	(840)	(589)	(750)	(550)	(750)
757 Website	(329)	(385)	(400)	(180)	(200)
810 Administration	(7,995)	(8,932)	(12,370)	(9,220)	(11,670)
812 Accounting QBO	-	(230)	(240)	(300)	(350)
814 Bank Services	(682)	(889)	(820)	(820)	(820)
815 Legal	-	-	(1,000)	-	(1,000)
817 Registration	(50)	(50)	(50)	(50)	(50)
818 Tax Preparation	(350)	(350)	(350)	(350)	(350)
819 Annual Financial Review	(2,000)	(2,100)	(2,100)	(2,100)	(2,100)
820 Office Supplies	(761)	(713)	(510)	(200)	(500)
823 Postage	(86)	(93)	(200)	(200)	(200)
826 QBO Credit Card Fees	(49)	(440)	(2,000)	(1,000)	(1,700)
840 Insurance	(4,018)	(4,007)	(5,000)	(4,200)	(4,500)
851 Architecture Supplies	-	(60)	(100)	-	(100)
800 One-Time Projects	(17,050)	(2,882)	(3,000)	(9,350)	(8,000)
800 One-Time Project	-	-	-	-	(2,000)
801 By-Laws By-Laws Update '17, '18	-	(788)	(2,500)	(2,500)	-
802 Survey '07, '10, '13, '15, '16	(9,361)	-	-	-	-
803 Encroachment External 15	47	-	-	-	-
804 Encroachment Internal 16	(7,736)	-	-	-	-
805 Pool Safety & Security '17, '18	-	(2,095)	-	(850)	-
806 Common Area Trails '19	-	-	(500)	(6,000)	(6,000)
B Capital	(26,002)	(2,853)	-	-	(47,000)
850 Capital - Pool	(26,002)	(2,018)	-	-	(47,000)
852 Refurbish Big Pool 16	(26,002)	-	-	-	-
853 Pool Chairs 17 '19	-	(2,018)	-	-	(2,000)
858 Pool Patio '06, '19	-	-	-	-	(45,000)
900 Capital - Common Area	-	(835)	-	-	-
904 Notice Board by Pool 17	-	(835)	-	-	-
C Transfer	10,000	(4,000)	(18,000)	(26,000)	18,000
990 Transfer from RR&R	10,000	-	-	-	20,000
996 Transfer to RR&R	-	(4,000)	(18,000)	(26,000)	(2,000)
Change in Cash & Reserve Cash	(12,842)	905	7,490	643	(2,050)