

PECOS PARK-SUNFLOWER HOMEOWNERS ASSOCIATION

OCTOBER 21, 2020

TO ALL HOMEOWNERS

In accordance with the Association's Governing Documents and pursuant to NRS/NAC, you are being sent the Annual Operating & Reserve budget for 2021. The Budget is for the daily operations of the association and for the reserves which must be assessed against all units.

The Board has reviewed and formally adopted the enclosed 2021 budget. To balance the budget for 2021, the Board at this time feels that;

A CHANGE IN THE ANNUAL ASSESSMENT IS NOT NECESSARY.

Therefore, the *Annual Assessment for 2021 will remain \$ 516.00 payable in installments of \$ 43.00 per month per unit.*

The Board does not anticipate the levy of any more assessments. The 2016 Reserve Study, using the Full Funding Plan, calls for the projected Reserve Funds at the end of 2021 to be \$187,647.81 while the anticipated actual Reserve Fund balance at the end of 2021 is projected to be \$74,233.78.

Within 60 days after adoption of any proposed budget for the common-interest community, the executive board shall provide a summary of the proposed budget to each unit's owner and shall set a date for a meeting of the units' owners to consider ratification of the proposed budget not less than 15 days or more than 30 days after the mailing of the summaries. Unless at that meeting a majority of all units' owners, or any larger vote specified in the declaration (75%) reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present.

This letter serves as the notice that a Budget Ratification VIRTUAL meeting will be held on **NOVEMBER 9, 2020 directly after the Regular Board meeting using the same virtual invitation data.** The Reserve Study was performed by Doug Taylor (Permit Number RSS 0017 with Nevada Reserves Studies). The Full Funding plan and projected component expenses are enclosed. The Collection and Investment policies remain unchanged. Should you like a copy please email your request to gerry@pcam.vegas .

BUDGET RATIFICATION VIRTUAL MEETING AGENDA

Please take a minute to read through the agenda(s). General questions will be taken from the floor. *The Board has determined that Roberts Rules of Order will be used to conduct the meeting as necessary.*

- ITEM I MEETING SIGN-IN / WELCOME / CALL TO ORDER**
- ITEM II GENERAL BUDGET QUESTIONS FROM OWNERS**
- ITEM III RATIFICATION OF 2021 ANNUAL OPERATING BUDGET**
- ITEM IV ADJOURNMENT**

Sincerely,

The Executive Board of Directors

PECOS PARK-SUNFLOWER HOA 304 HOMES ANNUAL ASSESSMENT \$ 516.00 MONTHLY INSTALLMENT \$ 43.00	2020 BUDGET ANNUAL	ACTUALS AS OF 083120	2021 BUDGET ANNUAL	MONTHLY	PER LOT
OPERATING REVENUE					
Assessments	\$156,864.00	\$104,576.00	\$156,864.00	\$13,072.00	\$43.00
Capital Contributions	\$0.00	\$2,815.00	\$0.00	\$0.00	\$0.00
Late Fees	\$0.00	\$1,697.00	\$0.00	\$0.00	\$0.00
Interest - Operating	\$0.00	\$69.62	\$0.00	\$0.00	\$0.00
Collection Costs	\$0.00	-\$325.00	\$0.00	\$0.00	\$0.00
Interest - Homeowner	\$0.00	\$2.14	\$0.00	\$0.00	\$0.00
Fines	\$0.00	\$7,825.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$371.00	\$0.00	\$0.00	\$0.00
TOTAL OPERATING REVENUE	\$156,864.00	\$117,030.76	\$156,864.00	\$13,072.00	\$43.00
OPERATING EXPENSES					
Administrative					
Copies	\$2,000.00	\$1,015.05	\$2,000.00	\$166.67	\$0.55
Coupons	\$100.00	\$91.00	\$100.00	\$8.33	\$0.03
Statements	\$0.00	\$339.00	\$400.00	\$33.33	\$0.11
Postage	\$2,000.00	\$1,574.29	\$2,000.00	\$166.67	\$0.55
Storage	\$180.00	\$120.00	\$180.00	\$15.00	\$0.05
TOTAL	\$4,280.00	\$3,139.34	\$4,680.00	\$390.00	\$1.28
Common					
Doggies Stations	\$0.00	\$750.00	\$0.00	\$0.00	\$0.00
Lighting	\$500.00	-\$227.06	\$500.00	\$41.67	\$0.14
Graffiti Removal	\$300.00	\$0.00	\$300.00	\$25.00	\$0.08
Plumbing Repairs	\$0.00	-\$215.00	\$0.00	\$0.00	\$0.00
Other R&M	\$0.00	\$227.06	\$300.00	\$25.00	\$0.08
TOTAL	\$800.00	\$535.00	\$1,100.00	\$91.67	\$0.30
Community					
Secretary of State	\$50.00	\$50.00	\$50.00	\$4.17	\$0.01
NRED - Ombudsman (\$4.25 per lot)	\$1,292.00	\$1,292.00	\$1,292.00	\$107.67	\$0.35
Meeting/Event	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$1.37
TOTAL	\$6,342.00	\$1,342.00	\$6,342.00	\$528.50	\$1.74
Insurance					
Directors & Officers	\$0.00	\$10,000.00	\$10,000.00	\$833.33	\$2.74
Property Insurance (+5%)	\$2,000.00	\$3,255.00	\$3,255.00	\$271.25	\$0.89
Liability Insurance	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$12,000.00	\$13,255.00	\$13,255.00	\$1,104.58	\$3.63
Landscaping					
Backflow Testing	\$1,000.00	\$605.00	\$700.00	\$58.33	\$0.19
Contract	\$47,040.00	\$31,399.00	\$47,040.00	\$3,920.00	\$12.89
Irrigation	\$200.00	\$1,210.00	\$200.00	\$16.67	\$0.05
Repair & Maintenance	\$0.00	\$425.00	\$0.00	\$0.00	\$0.00
TOTAL	\$48,240.00	\$33,639.00	\$47,940.00	\$3,995.00	\$13.14

Management					
Management Contract	\$25,200.00	\$19,350.00	\$25,200.00	\$2,100.00	\$6.91
Meeting Refreshments	\$0.00	\$130.00	\$0.00	\$0.00	\$0.00
Other Mgmt Services	\$400.00	\$699.10	\$500.00	\$41.67	\$0.14
TOTAL	\$25,600.00	\$20,179.10	\$25,700.00	\$2,141.67	\$7.04
Other					
Notice of Delinquent Assessment	\$0.00	-\$170.00	\$160.00	\$13.33	\$0.04
Notice of Intent to Lien	\$0.00	-\$300.00	\$0.00	\$0.00	\$0.00
Collection Costs	\$0.00	\$308.00	\$350.00	\$29.17	\$0.10
Legal Fees	\$5,000.00	\$56.00	\$1,000.00	\$83.33	\$0.27
TOTAL	\$5,000.00	-\$106.00	\$1,510.00	\$125.83	\$0.41
Other Expenses					
General Maintenance	\$1,000.00	\$0.00	\$1,000.00	\$83.33	\$0.27
Bank Charges	\$0.00	\$30.00	\$0.00	\$0.00	\$0.00
Form 1099	\$100.00	\$100.00	\$100.00	\$8.33	\$0.03
Audit	\$1,650.00	\$1,250.00	\$1,250.00	\$104.17	\$0.34
TOTAL	\$2,750.00	\$1,380.00	\$2,350.00	\$195.83	\$0.64
Reserve					
Reserve Contribution	\$34,118.75	\$22,745.84	\$35,176.56	\$2,931.38	\$9.64
TOTAL	\$34,118.75	\$22,745.84	\$35,176.56	\$2,931.38	\$9.64
Taxes					
Tax Return	\$125.00	\$275.00	\$275.00	\$22.92	\$0.08
Commerce Tax Return	\$50.00	\$0.00	\$50.00	\$4.17	\$0.01
TOTAL	\$175.00	\$275.00	\$325.00	\$27.08	\$0.09
Utility					
Electricity/Power	\$750.00	\$451.41	\$550.00	\$45.83	\$0.15
Water	\$12,000.00	\$9,685.01	\$12,000.00	\$1,000.00	\$3.29
TOTAL	\$12,750.00	\$10,136.42	\$12,550.00	\$1,045.83	\$3.44
TOTAL EXPENSES	\$152,055.75	\$106,520.70	\$150,928.56	\$12,577.38	\$41.37
NET INCOME/(LOSS)	\$4,808.25	\$10,510.06	\$5,935.44	\$494.62	\$1.63
RESERVE SUMMARY					
	Actual		Reserve Study		
Reserve Beginning Balance 1/1/21	\$126,638.12		\$240,160.14		
Reserve Contribution +	\$35,176.56		\$35,176.56		
Interest Contribution (est.) +	\$132.00		\$24.02		
Reserve Expenditures -	\$87,712.90		\$87,712.90		
Anticipated Ending Balance 12/31/21	\$74,233.78		\$187,647.82		

Projected Maintenance

Park Playstations repair/replace	\$27,000.00
Park Playstations rubber matting repair/replace	\$50,240.00
Park Furnishings repair/replace	\$1,400.00
Block Walls graffiti removal	\$299.00
Metal Fencing paint	\$150.00
Full 5 year Reserve Study	\$650.00
2% Inflation	\$7,973.00
TOTAL	\$87,712.90

2016 – 2021 Projected Maintenance

We are recommending the following Component Replacement and/or repair in the next six (6) years. It is ultimately the Board's decision as to accelerate or defer the following maintenance schedule:

Projected Expense	Component Cost	Yearly
YEAR 2016		
#12 Metal Fencing, paint	150.00	
#15 Full 5 Year Reserve Study, field survey & report	650.00	
0% Inflation Expense	0.00	
		800.00
YEAR 2017		
#7 Park Metal Pergolas, paint	300.00	
2% Inflation Expense	6.00	
		306.00
YEAR 2018		
None	0.00	
0% Inflation Expense	0.00	
		0.00
YEAR 2019		
None	0.00	
0% Inflation Expense	0.00	
		0.00
YEAR 2020		
#8 Park Area BBQ Grill, repair/replace	350.00	
#16 Park Pole Coach Light Fixtures, repair/replace	9,775.00	
2% Inflation Expense	810.00	
		10,935.00
YEAR 2021		
#3 Park Area Playstations, repair/replace	27,000.00	
#4 Park Playstations Rubber Matting, repair/replace	50,240.00	
#5 Park Furnishings, repair/replace	1,400.00	
#10 Block Walls One Side, graffiti removal only	299.00	
#12 Metal Fencing, paint	150.00	
#15 Full 5 Year Reserve Study, field survey & report	650.00	
2% Inflation Expense	7,973.90	
		87,712.90

This maintenance / replacement schedule is subject to change due to actual wear and tear and deterioration of each Component. This schedule should be reviewed and adjusted as needed from year to year.

Pecos-Park Sunflower Homeowners Association

30 Year Projected Income and Expense Summary Report

Full Funding Plan

Year	Beginning Balance	Annual Reserve Contribution	Interest Contribution	Projected Expenditures	Projected Ending Balance	(100% Funded) Year End Funding Goal	Percent Funded
9/30/2016	159,075.21	1,824.00	15.91	800.00	160,115.12	122,145.73	131.1%
2017	160,115.12	0.00	16.01	306.00	159,825.13	152,365.12	104.9%
2018	159,825.13	24,215.44	15.98	0.00	184,056.55	184,056.55	100.0%
2019	184,056.55	32,879.73	18.41	0.00	216,954.69	216,954.69	100.0%
2020	216,954.69	34,118.75	21.70	10,935.00	240,160.14	240,160.13	100.0%
2021	240,160.14	35,176.56	24.02	87,712.90	187,647.81	187,647.81	100.0%
2022	187,647.81	34,739.52	18.76	868.00	221,538.09	221,538.09	100.0%
2023	221,538.09	36,034.04	22.15	216,891.84	40,702.45	40,702.45	100.0%
2024	40,702.45	33,067.92	4.07	0.00	73,774.44	73,774.43	100.0%
2025	73,774.44	34,371.21	7.38	8,850.00	99,303.02	99,303.02	100.0%
2026	99,303.02	35,537.29	9.93	1,318.80	133,531.44	133,531.44	100.0%
2027	133,531.44	36,889.66	13.35	366.00	170,068.45	170,068.45	100.0%
2028	170,068.45	38,301.39	17.01	0.00	208,386.85	208,386.85	100.0%
2029	208,386.85	39,762.27	20.84	3,780.00	244,389.96	244,389.96	100.0%
2030	244,389.96	41,191.04	24.44	0.00	285,605.44	285,605.44	100.0%
2031	285,605.44	42,737.78	28.56	66,740.70	261,631.08	261,631.08	100.0%
2032	261,631.08	43,001.78	26.16	396.00	304,263.02	304,263.02	100.0%
2033	304,263.02	44,606.06	30.43	254,943.04	93,956.46	93,956.46	100.0%
2034	93,956.46	41,191.98	9.40	646.00	134,511.84	134,511.84	100.0%
2035	134,511.84	42,785.48	13.45	13,972.50	163,338.27	163,338.27	100.0%
2036	163,338.27	44,161.30	16.33	1,538.60	205,977.30	205,977.30	100.0%
2037	205,977.30	45,828.03	20.60	426.00	251,399.93	251,399.93	100.0%
2038	251,399.93	47,566.52	25.14	0.00	298,991.60	298,991.60	100.0%
2039	298,991.60	49,364.87	29.90	39,420.00	308,966.37	308,966.37	100.0%
2040	308,966.37	50,431.67	30.90	1,184.00	358,244.93	358,244.93	100.0%
2041	358,244.93	52,297.98	35.82	79,108.50	331,470.23	331,470.23	100.0%
2042	331,470.23	52,668.54	33.15	456.00	383,715.92	383,715.92	100.0%
2043	383,715.92	54,629.67	38.37	292,994.24	145,389.72	145,389.72	100.0%
2044	145,389.72	50,826.86	14.54	0.00	196,231.12	196,231.12	100.0%
2045	196,231.12	52,797.27	19.62	30,810.00	218,238.01	218,238.01	100.0%

Cash Flow Projection
2016 - 2045
Full Funding Plan

CALENDAR YEAR YEAR #	2016 1	2017 2	2018 3	2019 4	2020 5	2021 6
PROJECTED RESERVE INCOME:						
	As of 09-30-2016					
Starting Reserve Balance	159,075.21	160,115.12	159,825.13	184,056.55	216,954.69	240,160.14
Annual Reserve Contribution with 2% Inflation Rate	1,824.00	0.00	24,215.44	32,879.73	34,118.75	35,176.56
APR (After 30% Income Tax) 0.01%	15.91	16.01	15.98	18.41	21.70	24.02
Additional Reserve Contribution	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE FUNDS AVAILABLE	160,915.12	160,131.13	184,056.55	216,954.69	251,095.14	275,360.71
PROJECTED COMPONENT EXPENSES:						
COMMON ELEMENT COMPONENTS						
PARK & LANDSCAPE FACILITIES						
1	Parks, Interior & Exterior Landscape & Irrigation, Renovatio	0.00	0.00	0.00	0.00	0.00
2	Concrete Sidewalks & Flatwork, repair/replace	0.00	0.00	0.00	0.00	0.00
3	Park Area Playstations, repair/replace	0.00	0.00	0.00	0.00	27,000.00
4	Park Playstations Rubber Matting, repair/replace	0.00	0.00	0.00	0.00	50,240.00
5	Park Furnishings, repair/replace	0.00	0.00	0.00	0.00	1,400.00
6	Park Metal Pergolas, repair/replace	0.00	0.00	0.00	0.00	0.00
7	Park Metal Pergolas, paint	0.00	300.00	0.00	0.00	0.00
8	Park Area BBQ Grill, repair/replace	0.00	0.00	0.00	0.00	350.00
9	Pet Sanitation Bag Dispensers, repair/replace	0.00	0.00	0.00	0.00	0.00
GENERAL COMPONENTS						
10	Block Walls One Side, graffiti removal only	0.00	0.00	0.00	0.00	299.00
11	Metal Fencing, repair/replace	0.00	0.00	0.00	0.00	0.00
12	Metal Fencing, paint	150.00	0.00	0.00	0.00	150.00
13	Rock Monument Signage, repair/replace	0.00	0.00	0.00	0.00	0.00
14	Granite Monument Signage, repair/replace	0.00	0.00	0.00	0.00	0.00
15	Full 5 Year Reserve Study, field survey & report	650.00	0.00	0.00	0.00	650.00

Cash Flow Projection
2016 - 2045
Full Funding Plan

CALENDAR YEAR	2016	2017	2018	2019	2020	2021
COMPONENTS ADDED TO 2016 STUDY						
16 Park Pole Coach Light Fixtures, repair/replace	0.00	0.00	0.00	0.00	9,775.00	0.00
17 Circuit Breaker Boxes, repair/replace	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	800.00	300.00	0.00	0.00	10,125.00	79,739.00
2.0% Inflation Expense	0.00	6.00	0.00	0.00	810.00	7,973.90
Adjusted Total Expense with 2.0% Inflation	800.00	306.00	0.00	0.00	10,935.00	87,712.90
ENDING RESERVE BALANCE	160,115.12	159,825.13	184,056.55	216,954.69	240,160.14	187,647.81
Year Ending Full Fund Balance Percentage:	131.1%	104.9%	100.0%	100.0%	100.0%	100.0%
Year Ending Full Funding Goal: Cashflow	122,145.73	152,365.12	184,056.55	216,954.69	240,160.13	187,647.81
Inflation Factor Rate: 2% APR	0.00%	2.00%	4.00%	6.00%	8.00%	10.00%
Annual Minimum Threshold Level:	27,531.84	28,082.48	28,644.13	29,217.01	29,801.35	30,397.38
Total Projected Replacement Cost	310,195.00	317,949.88	325,898.62	334,046.09	342,397.24	350,957.17