



To: The Members of Pinewood Village Condominium Association

From: Herriman & Associates, Inc., Management Agent  
Pinewood Village Condominium Association

Date: November 20, 2017

Subject: 2018 Budget

**Overview**

- **Beginning January 1, 2018 monthly assessments shall increase to \$190 per month**
- Includes 2018 budget and 2017 budget and projections
- Check the last column of the budget for your approximate costs
- Pinewood Village Condominium Association continues to provide excellent value in a highly desired location

**2018 Budget Summary**

The 2018 budget is described below:

	<u>Budget</u>	<u>Per Unit Annually</u>
Member Assessments:	\$273,600	\$2,280
Total Operating Expenses:	\$236,433	\$1,970
Transfers to Reserves:	\$37,567	\$313
Net Transfers from Operations		
After Transfers to Reserves:	\$0	\$0
Total Reserve Expenditures:	\$22,700	\$189

**Details**

Enclosed is a copy of the 2018 operating budget for Pinewood Village Condominium Association, which was approved by the Board of Directors on November 10, 2017. **Effective January 1, 2018, the monthly assessment will increase to \$190 per month.**

The Board continually reviews and monitors the financial position of the Association throughout the year to determine if the budget is adequately funding operating expenses and the reserve fund requirements for major maintenance, repairs and replacements. Your Board works diligently to keep operating costs as low as possible while dealing with the ever-increasing cost of items like water, salt and basic services like lawn mowing, snow removal and trash pick-up. The buildings are aging and they need more maintenance to keep them in the best possible condition.

The Board commissioned a Reserve Study, performed by a professional firm, and this is a tool which is assisting the Board when they determine how much money needs to be in the reserve account for long term capital items which will eventually need to be replaced, like the asphalt road, the roofing system, the carports and other major items and when funds will need to be available. 2018 projects include gutter guards, concrete and possible asphalt patching. We will need to increase reserves by quite a bit in years to come in preparation for a major asphalt replacement over the next few years.

If you currently use the electronic funds transfer/automated clearinghouse ("ACH") service, management will automatically continue the deduction of your monthly payments, at the same rate. If you have not signed up for ACH, a payment coupon booklet is enclosed. You have the option of signing up for ACH at any time during the year using the enclosed ACH Authorization Form. Please return your completed form at any time to sign up for this service.

Payments are due the first of each month and are payable without late charge through the tenth of the month. Payments by mail (check and coupon) are to be sent to:

Pinewood Village Condominium Association  
c/o Herriman and Associates, Inc.  
P.O. Box 6409  
Plymouth, MI 48170-0972

If you have any questions, comments or suggestions, please do not hesitate to call any Director or Kim Harraf, management representative, at 734-459-5440.

Enclosures: 2018 Budget  
ACH Authorization Agreement (for new enrollments)  
Payment coupons (those not on ACH)

# Pinewood Village 2018 Approved Budget With 2017 Budget and Projections

	2017 Budget	2017 Projected Actual	Variance	2018 Budget	Cost Per Unit Annually
Member Assessments Per Unit Per Month	\$ 175.00	\$ -	\$ -	\$ 190.00	\$ 2,280
		-			
<b>OPERATING INCOME</b>					
Member Assessments	\$ 252,000	\$ 252,000	\$ -	\$ 273,600	\$ 2,280
Late Charges	600	1,166	566	750	6
Late Charge Expense	(300)	(584)	(284)	(350)	(3)
Miscellaneous Income	-	101	101	-	-
<b>TOTAL OPERATING INCOME</b>	<b>\$ 252,300</b>	<b>\$ 252,683</b>	<b>\$ 383</b>	<b>\$ 274,000</b>	<b>\$ 2,283</b>
<b>OPERATING EXPENSES</b>					
<u>Administrative Expenses</u>					
Audit / Review	\$ 2,600	\$ 2,600	\$ -	\$ 2,600	\$ 22
Copies & Postage	1,900	3,693	(1,793)	3,693	31
Insurance-Property/Liability	31,890	25,000	6,890	26,000	217
Legal Fees	6,000	2,848	3,152	2,000	17
Management Fees	20,131	20,131	-	20,534	171
Miscellaneous Admin.	1,200	1,427	(227)	1,200	10
Phone for Keith	700	749	(49)	800	7
<b>Total Administrative Expenses</b>	<b>\$ 64,421</b>	<b>\$ 56,448</b>	<b>\$ 7,973</b>	<b>\$ 56,827</b>	<b>\$ 474</b>
<u>Buildings &amp; Grounds</u>					
Atrium Polycarbonate	\$ -	\$ -	\$ -	\$ -	\$ -
Building Repairs	20,000	19,632	368	20,000	167
Dryer Vent Covers	4,200	8,200	(4,000)	4,200	35
Exterminator	1,100	1,629	(529)	1,400	12
Landscape Improvements	1,500	1,000	500	1,500	13
Lawn Fertilization	4,300	1,445	2,855	930	8
Lawn Mowing	7,700	7,700	-	7,700	64
Mole Control	-	-	-	1,000	8
Other Grounds	1,000	1,167	(167)	1,000	8
Snow Removal	10,000	9,400	600	12,000	100
Salt and Ice Melt	7,000	6,400	600	8,500	71
Retention Pond Maintenance	300	180	120	300	3
Spring & Fall Clean Ups	1,800	1,800	-	1,800	15
Solid Waste Removal	8,000	7,062	938	8,000	67
Sprinkler Maintenance	4,375	6,854	(2,479)	5,500	46
Tree Planting	9,500	8,246	1,254	10,000	83
Tree Care/Spraying	4,227	4,227	-	4,227	35
Tree Trimming & Removals	5,000	9,227	(4,227)	7,500	63
<b>Total Building &amp; Grounds Expenses</b>	<b>\$ 90,002</b>	<b>\$ 94,169</b>	<b>\$ (4,167)</b>	<b>\$ 95,557</b>	<b>\$ 796</b>
<u>Insurance and Taxes</u>					
Insurance-Workers Compensation	\$ 749	\$ 552	\$ 197	\$ 749	\$ 6
Payroll Taxes	1,700	1,537	163	1,700	14
Wages	15,000	13,950	1,050	15,000	125
<b>Total Insurance and Taxes</b>	<b>\$ 17,449</b>	<b>\$ 16,039</b>	<b>\$ 1,410</b>	<b>\$ 17,449</b>	<b>\$ 145</b>
<u>Utilities</u>					
Electricity	\$ 1,500	\$ 1,560	\$ (60)	\$ 1,600	\$ 13
Water & Sewer	56,000	70,190	(14,190)	65,000	542
<b>Total Utilities</b>	<b>\$ 57,500</b>	<b>\$ 71,750</b>	<b>\$ (14,250)</b>	<b>\$ 66,600</b>	<b>\$ 555</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 229,372</b>	<b>\$ 238,406</b>	<b>\$ (9,034)</b>	<b>\$ 236,433</b>	<b>\$ 1,970</b>

# Pinewood Village 2018 Approved Budget With 2017 Budget and Projections

	2017 Budget	2017 Projected Actual	Variance	2018 Budget	Cost Per Unit Annually
Net Operating Income Before Transfers to Reserves	\$ 22,928	\$ 22,928	\$ -	\$ 37,567	\$ 313
Transfers to Reserves	22,928	22,928	-	37,567	313
<b>Net Operating Income After Transfers to Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RESERVES INCOME</b>					
Transfers from Operations	\$ 22,928	\$ 22,928	\$ -	\$ 37,567	\$ 313
Investment Income	97	96	(1)	97	1
<b>TOTAL RESERVES INCOME</b>	<b>\$ 23,025</b>	<b>23,024</b>	<b>\$ (1)</b>	<b>\$ 37,664</b>	<b>\$ 314</b>
<b>RESERVES EXPENDITURES</b>					
Carport Gutters/ Gutter Guards	\$ 6,000	\$ 6,000	\$ -	\$ 4,700	\$ 39
Masonry / Concrete / Ashphalt	13,000	24,475	(11,475)	10,000	83
Landscaping Project	10,000	-	10,000	3,000	25
Parking Lot Engineering	-	-	-	-	-
Power Wash Buildings and Carports	-	-	-	5,000	42
Reserve Study	2,000	2,260	(260)	-	-
<b>TOTAL RESERVES EXPENDITURES</b>	<b>\$ 31,000</b>	<b>\$ 32,735</b>	<b>\$ (1,735)</b>	<b>\$ 22,700</b>	<b>\$ 189</b>
<b>Net Reserves Fund Transactions</b>	<b>\$ (7,975)</b>	<b>\$ (9,711)</b>	<b>\$ (1,736)</b>	<b>\$ 14,964</b>	<b>\$ 125</b>
<b>RESERVES FUND EQUITY</b>					
Reserves Fund Balance, Beginning of Year	\$ 115,286	\$ 143,474	\$ 28,188	\$ 133,763	\$ 1,114.69
Add: Total Reserves Income	23,025	23,024	(1)	37,664	314
Reserves Funds Available	138,311	166,498	28,187	171,427	1,429
Less: Total Reserves Expenditures	31,000	32,735	(1,735)	22,700	189
<b>Reserves Fund Balance, End of Year</b>	<b>\$ 107,311</b>	<b>\$ 133,763</b>	<b>\$ 26,452</b>	<b>\$ 148,727</b>	<b>\$ 1,239</b>

Prepared by Herriman & Associates: 10/11/17

Approved by Board of Directors: 11/10/17