

Strand Master Property Owners Association, Inc.

Dear Presidents and Neighborhood Representatives:

Enclosed is a copy of the 2017 Budget and 2017 Reserve Schedule adopted at our November 9, 2016 Board Meeting.

The Adopted Budget reflects a \$325.00 quarterly assessment for 2017 which will be shown on your January 2017 invoice.

Please note that all assessment fees are due within 30 days from the first day of each quarter. We will send you or your Property Management a reminder of when it is due. Sometimes the courtesy invoice may get lost in the mail and/or may not be received. Therefore, please remember it is each Neighborhood Association's responsibility to ensure that the assessments are received on-time, regardless if an invoice is received or not, to avoid any late fees being imposed.

As in the past, the Board is committed to managing our Association in a way that maintains the beauty and structural soundness of the community in a cost-effective and fiscally prudent manner. We believe our 2017 budget accomplishes these goals.

Regards,

Strand Master POA
Board of Directors
November 29, 2016

The Strand Master Property Owners Association - Adopted Budget 2017
Issued 11-9-2016 - (Rev 0)

Acct #	Account Name	Budget 2014	Budget 2015	Budget 2016	EOY 2016	Notes	Budget 2017
Revenue:							
411	Maintenance Income	922,350	1,008,149	1,394,250			1,394,900
454	Miscellaneous Income						
455	Interest Income						
460	Late Fees						
	Total Revenue	922,350	1,008,149	1,394,250			1,394,900
Maintenance and Operations:							
504	Primary Road Irrigation	3,800	4,000	8,000	5,662		10,000
505	Public Road Irrigation	500	500	500	2,804		3,500
508	Cable Television	468,770	405,335	793,170	744,677	1	757,745
509	Christmas Décor	15,000	15,000	12,000	12,200		12,000
510	Signage	1,000	500	500	817		500
540	Primary Road Tree Trimming			18,000	11,950	2	12,400
541	Primary Road Sidewalk Power Wash			6,000	10,700	2	5,800
542	Primary Road ROW maintenance	178,790	183,162	170,406	167,198		168,332
543	Public Up-lighting	1,500	2,000	2,000	952		1,000
545	Public Road ROW Maintenance	27,332	40,326	34,855	33,769		32,855
546	Public Roadway Tree Trimming			1,500	1,725	2	4,400
547	Public Road Sidewalk Power Wash			1,000	3,600	2	2,000
551	Primary Road Street Lighting	26,500	24,640	28,800	30,509		32,000
553	Primary Road Street Sweeping	500	1,000	1,000	0		1,800
554	Public Street Lights	2,200	1,500	2,400	1,644		2,500
555	Landscape Replacement	5,000	20,000	5,000	3,118		7,500
556	Landscape (not shared)	2,500	5,500	30,000	88,643	3	10,000
558	Electric (non-shared)	5,000	6,360	600	238	4	600
559	Billing of Shared Expenses	(67,435)	(75,015)	(77,106)			(77,782)
	Total Maintenance and Operations	670,956	634,807	1,038,624			987,151
Environmental Management:							
606	Lakes & Water management	30,000	22,814	27,700	39,540	5	39,524
607	Irrigation (electric) & Reporting	13,500	15,000	13,600	11,029		14,000
618	Preserves Maintenance incl I-75	38,850	31,000	25,000	28,750	6	26,000
619	Berm Maintenance at Eden, Trophy Club	3,500	4,200	5,000	9,125		5,500
669	Billing of Shared Expenses	(30,371)	(24,038)	(24,985)			(31,968)
	Total Environmental Management	55,480	48,976	46,315			53,056

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Acct #	Account Name	Budget 2014	Budget 2015	Budget 2016	EOY 2016	Notes	Budget 2017
Security:							
702	Water/Sewer- Guardhouse	1,000	1,000	1,000	828		1,000
705	Telephone-Guardhouse	2,000	2,000	2,000	2,321		2,500
707	Custodial- Guardhouse	1,600	1,600	1,600	1,200		1,600
710	Pest Control-Guardhouse	500	500	500	331		500
720	Security Contract	178,500	183,750	171,000	173,365	7	185,700
740	Electricity-Guardhouse	2,100	2,200	2,200	2,133		2,300
745	Guardhouse Supplies	1,500	3,000	3,000	2,587		3,000
746	Gate Access Software	750	2,000	2,000	1,000		1,500
750	Guardhouse Structural Repairs	500	1,000	1,000	1,647		2,000
752	Non Shared Gate Repairs (back)	1,000	3,000	3,000	2,633		3,000
753	Gate Repairs (front)	4,000	6,000	6,000	6,385		6,500
775	Bar Code Decals	2,500	3,000	3,000	2,787		3,500
799	Billing of Shared Expenses	(18,970)	(19,805)	(18,530)			(20,185)
	Total Security	176,980	189,245	177,770			192,915
Administrative:							
801	Records Storage	-	-	-			-
802	Office Supplies	1,500	500	500	60		300
803	Miscellaneous Expense	5,000	5,000	5,000	4,784		5,000
804	Postage	600	300	300	185		300
808	Accounting	-	0	0	0		0
809	Legal	3,000	10,000	5,000	3,763		5,000
810	Engineering	1,000	1,000	1,000	1,000		1,000
812	Telephone	-	-	-	-		-
814	Management Fees	38,533	39,000	40,500	40,500		41,025
815	Cable Consultant Fee	-	16,080	16,080	18,199		19,837
817	Loan Interest	-	-	-	-		-
820	Insurance Property /Casualty	6,800	6,800	7,200	6,644		7,500
822	Insurance Liability	1,500	1,500	2,500	0		0
840	Taxes	250	250	250	250		250
899	Contingency	2,987	6,691	8,211	2,800		10,567
	CPA Financial Audit 2014		5,000	0	0		0
900	Reserve Contribution	12,765	78,000	90,000	90,000	8	96,000
	Total Administrative	73,935	170,121	176,541			186,779
	Total Expenses	977,350	1,043,149	1,439,250			1,419,900
	Net Carryforward from previous Yr.	55,000	20,000	45,000		9	25,000
	Contribution from Capital Fund	-	15,000	-			-
	Total Budget Expense	922,350	1,008,149	1,394,250			1,394,900
	Total maintenance fees divided by 1073 divided by 4 quarters	215	235	325		10	325.00

**The Strand Master Property Owners Association - Adopted Budget 2017
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Capital Account Reconciliation and Funding

Estimated EOY 2016		17,050
Anticipated payments 2017		24,000
	Total EOY 2017	41,050
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Future Projects		
Back Gate - Automatic sliding Fence closure	Est	25,000

NOTES:

- 1 508 -New Comcast Bulk Video Contract and Bulk Internet
- 2 540-1,546-7 - Tree trimming and power washing previously included in roadway maintenance account
- 3 556- Includes monies for Ashford Lane sidewalk powerwash - not shared
- 4 558- Cost for north gate only - Veteran Pkwy Street Lights now maintained by Talis Park
- 5 606 - Change in contract price for lake maintenance for 36 treatments per year
- 6 618 - Eliminated quarterly treatment of I-75 berm area.
- 7 720- New Gate House personnel contract
- 8 900-Reserve funding includes perimeter wall/fencing and Ashford Lane paving and sidewalk maintenance
- 9 Estimated carry-forward of net bank operating account balance based on 8-31-16 Financial report
- 10 Account for new house SFHOA - 1073 total units 2017 forward

RESERVE SCHEDULE - STRAND MASTER ASSOCIATION

Asset	Total Replacement Cost	Est. Cost - Master Share	Total per Account	Useful Life (years)	For 2017		Reserve Balance @12/31/2017	NOTES for Reserve Items for 2017
					Remaining # of Years	Annual Requirement		
Well Pumps (incl. electrical)(Note 9)			19,500					
Sandstone SS-1, SS-2	11,500	11,500		6	1	1,916.67	9,583	
Water Table, WT-1, WT-2	8,000	8,000		6	1	1,333.33	6,667	
Water meters- Irrigation (16) (Note 8)	16,000	16,000		6	1	2,666.67	13,333	
Wells - 4 Cased wells	60,000	60,000		20	13	3,000.00	21,000	
Repaving Strand Blvd. (Note 1)			530,490					
Front Gate to Club	370,800	296,640		25	6	11,865.60	225,446	3% incr. for 2017
Club to Back Gate	237,312	189,850		25	10	7,593.98	113,910	3% incr. for 2017
Street Signs - Strand Blvd.	30,000	24,000		15	12	1,600.00	4,800	
Road Stripes - Stencils-Strand Blvd	25,000	20,000		7	0	2,857.14	20,000	
Repaving Ashford Lane (Note 10)	115,200	115,200		25	10	4,608.00	69,120	
Sidewalks - Strand Blvd (Note 2)			246,000					
Front Gate to Club	187,500	150,000		40	22	3,750.00	67,500	
Club to Back Gate	120,000	96,000		40	26	2,400.00	33,600	
Ashford Lane (Note 10)	105,678	105,678		40	26	2,641.95	36,987	Added in 2015 - 3% cost increase 2017
Water Management System (Note 7)	25,000	11,250		5	1	2,250.00	9,000	Added in 2015
Guardhouse roof (Note 3)	7,000	5,600		25	6	224.00	4,256	
Property Perimeter			147,000					
Perimeter Wall (Note 6)	160,000	112,000		40	18	2,800.00	61,600	Added in 2015 - Initial Start 15 K - for 2016 per formula
Perimeter Fence (Note 6)	50,000	35,000		20	8	1,750.00	21,000	Added in 2015 - Initial Start 10 K - for 2016 per formula
Gate House Access Control			16,380					
Barcode readers Back (Note 4)	7,000	7,000		10	0	700.00	7,000	
Barcode readers Front (Note 4)	7,000	6,300		10	8	630.00	1,260	(reset 2015 new Reader installed)
Gate Arms controls (4) Front (Note 5)	7,200	6,480		7	1	925.71	5,554	
Gate Arm controls (2) -Back (Note 5)	3,600	3,600		7	1	1,290.00	7,740	
Total		1,280,098				56,803	739,357	Total 2017 Balance Required

Monthly =	4,734
Yearly =	56,803

0 2017 - Contribution from Capital Fund
 96,000 Funding 2017
 517,605 Est EOY 2016

613,605 Est EOY 2017

Difference EOY 2017 vs Balance Req'd = -125,752
 Years to fully fund at current level assuming roadway repaving done in sections and not all in same year. = 3.2

Budget Value = **8,000.00** Monthly
 Total to Reserve = **96,000.00**

RESERVE SCHEDULE - STRAND MASTER ASSOCIATION

For 2017

Notes to Reserve Schedule:

Note 1: The total is 10,250 linear feet gate to gate shared with the Club. Assumed repavement cost for 2" layer on good base, based on recent front gate repair. 2015 Incr. cost for inflation to \$1.6 - was \$0.9. Separated gate to Club and Club to north gate based on usage and when completed. Road signs New for 2015; Striping shown separate - was in road costs Shared 20% Club, 80% Master. See note 9 for Ashford Lane.

Note 2: Cost based on 2014 cost = \$6. per sq. ft. Shared 20% Club, 80% Master Concrete Curb repair considered minor cost as req. from operating account Useful Life was 50 years and remaining life was 34 years

Note 3: Total cost increased to \$ 8 K (2015), was \$5 K, shared 10% Club, 90% Master

Note 4: The reader at the main gate cost shared with 10% Club, 90% Master 2015 Revised cost due to Maintenance Contract - was \$ 30.4 K and revised remain life - was 2 yr.

Note 5: The four units at the main gate cost shared with Club 10%. Back gate not shared. Cost each unit \$ 2.1 K. 2015 Rev. life remaining-was 2 years, due to Maintenance Contract

Note 6: Perimeter Walls and Fence New for 2015 Adjusted Requirement to reflect start 2015 with accumulation of funds.

Note 7: Water Management grates, drainage system Total costs of \$25 K assumed 2 repairs every 5 years Shared 45% Club, 10% Commercial, 45% Master

Note 8: New for 2015 - Cost of irrigation meter replacements within communities/wells.

Note 9: 2015 Rev. usefull life (was 8) based on current performance

Note 10: New for 2015 - Agreed to include Ashford Lane in Reserve Fund due to transfer of ownership from Club to Master Association mid 2011. Repair - Maintenance not shared

Reserve Monies Spent To-date

-28,378	Striping of Strand Blvd 7/2010
-1,996	Sidewalk Repairs 7/2012
-6,120	Front Gate Road Repair 2013-2014
-7,225	2014 Spent, wells, utility boxes and sidewalks
-850	Well Meter 2015
-10,703	Perimeter Fence Repairs 2015 net
-5265	New Bar Code Reader 2015 net
-1750	Sidewalk Repairs Ashford lane 2015
-1260	Spraying of Wall with fungicide 8-2015
-8,498	Perimeter wall and fence repairs 5-2016 net
-854.25	Perimeter wall and fence repairs 10-2016 net
-2100	Sidewalk repair Ashford Lane 8-2016

-75,000 Total from Reserve Accounts spent over years
When monies spent, Life Remaining values for those items are reset to account for new unit

		Per Financial Reports			
		Capital Account (sales of units)	Reserve Fund Balance		
End 2010	17,504		243,049	Actual End 2010	
End 2011	40,723		301,564	Actual End 2011	
End 2012	77,470		331,587	Actual End 2012	
End 2013	106,669		356,605	Actual End 2013	
End 2014	100,036		355,341	Actual End 2014	
End 2015	11,002	Est. After Charge for new Medians	439,991	Actual End 2015	
			535,991	Est. End of 2016	

The components' actual replacement cost, useful lives, and investment income may vary from estimated amounts and the variation may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association, through its' Board, has the power to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available.