

Park Plazas Community Services Association

Executive Summary: 2026 Approved Budget Overview

Generally, the 2025 projected results in column A are the sum of the actual results through 10/31/2025 plus 16.70% of those results to account for the last two months of 2025. Exceptions to that are for accounts where no additional expenses are expected to be incurred in 2025.

OPERATING FUND

Income

Assessments (Note #1): GL40100 - The 2026 monthly assessment amount of \$168 includes the year-over-year 2.9% CPI increase (\$5.00) unanimously approved by the board at the July, 2025 board meeting. Of the \$5 increase, \$2 was allocated to the Operating Fund and \$3 to the Reserve Fund. The budgeted amount for 2026 is \$530,400.

Water & Sewer (Note #2): GL40200 - All water and sewer costs billed by the City to the Association are allocated to all lot owners.

Transfer Fees: GL40200 - Through 10/31/2025, 30 properties have changed hands resulting in \$6,000 of Transfer Fees income. It's possible 6 more will close in 2025. For 2026, a conservative approach projects 24 sales in 2026 resulting in \$4,800 in Transfer Fees income.

Miscellaneous Income: GL40200 - 2025 income is the result of unrecurring sponsorship sales to help cover the cost of the 50th Anniversary Celebration of Park Plazas.

Interest & Dividends: GL40800 - Little change is projected in 2026.

Expenses

Expenses can be broken down into 3 primary categories:

Administrative: GL 60110 through GL61090. The 2026 budgeted amount for that account range is \$27,721 less than the projected total for 2025. This is due primarily to the absence of an employed landscape crew for 10 months in 2025.

Maintenance: GL 62010 through 63010. The 2026 budgeted amount for this account range is \$42,138 less than the projected actual total for 2025. This is due primarily to:

1. GL62055 Landscape Mgt Services reflects 10 months in 2025 and 12 months in 2026. There is no change in the monthly cost for 2026. An increase of \$32,317.
2. GL62065 – 62080 (CDS Paving, Sewer lines and Water lines) reflects a decrease of \$83,350. Going forward, and at the recommendation of our accountant, these costs will be paid from the Reserve Fund.
3. GL62090 – 63010 (All other maintenance related accounts) reflects an increase of \$2,331.

Utilities: GL63020 – 63040 (Water, Sewer and Electricity) reflects an increase of \$22,438. This is primarily due to the increase in the sewer rates implemented last August and the projected water increase that will be implemented by the City in 2026.

An Operating Fund budget surplus of \$78,213 is projected.

RESERVE FUND

Income

Assessments (Note 1): Budgeted amount for 2026 is \$530,400.

Interest Income: Interest income earned on the Reserve Fund cash are credited to the Deferred Reserve Fund Liability Account and are not shown on the income statement.

Expenses

Expenses paid from the Reserve Fund are used for the repair and replacement of infrastructure elements which are many and include: asphalt (for cul-de-sacs, walking paths and parking areas), underground water and sewer lines connecting houses to the City's water and sewer main lines, the irrigation system, PAR Exercise Course, playground equipment, bridges, path and cul-de-sac lighting, the perimeter property fence, all signs, the tennis courts, off leash dog park, the basketball court, the monument entrance areas at Rodeo Road, Camino Carlos Rey and Plaza Verde.

Major Infrastructure categories for 2026 involve:

Electrical and Lighting (Note #9) *There are a number of areas where path lights are out due to shorts, broken lines or fixtures.*

Paving (Note #10): GL70180-70190 (cul-de-sacs, walking paths and trails) - Inspection of the asphalt was completed this past September and proposals from AFJ have been received. The total amount budgeted for 2025 is \$28,533.

Plumbing (Notes #11 & 12): GL70210 - 70220 - Though expenses for the repair of underground water and sewer lines (laterals) will occur, they are unpredictable. Generally, the lines are deep in the ground and in some cases, have to be dug to by hand. Water and Sewer line repairs for 2025 total \$76,164. The 2026 budgeted amounts for both accounts total \$86,500.

Inside Water Lines & Meters (Note #13): GL70230 - The potential exists for needing to replace 5 to 10 water meters in 2026. We have the meters, so the only cost will be for installation. No new meters have been installed in 2025.

Water and Land Conservation (Note #14): GL70270 – Most, if not all of the breaks in the irrigation lines were repaired in 2025. The amount budgeted for 202 is \$17,000. We'll have a better handle on these costs, if any, once the irrigation lines are activated for the 2026 growing season.

GL Account 21010 - Deferred Reserve Fund Liability

The projected increase in this account for 2026 is \$177,369.

**PARK PLAZAS COMMUNITY SERVICES ASSOCIATION
2026 APPROVED BUDGET**

Operating Fund Income Statement						
		A	B	C	D	E
Acct #	Account Name	Projected Results 2025	Proposed Budget 2026	% CHANGE Projected to 2025 Budget	\$ CHANGE Projected to 2025 Budget	Notes
	Income					
40100	Assessments	519,792	530,400	2.00%	10,608	1
40200	Water & Sewer Charges	281,530	311,496	9.62%	29,966	2
40300	Transfer Fees	7,200	4,800	-50.00%	(2,400)	
40310	Permits and Fees	84	84	0.00%	0	
40600	Misc Income	4,250	0	0.00%	(4,250)	
40800	Operating Fund - Interest & Dividends	20,614	20,000	-3.07%	(614)	
49035	NSF Fees Collected	146	0	0.00%	(146)	
	Total Operating Income	833,616	866,780	3.83%	33,165	
	Expense					
60110	Postage & Delivery	1,022	1,100	7.06%	78	
60120	Office Supplies	1,344	1,400	3.97%	56	
60130	Printing/Copies	1,141	1,200	4.90%	59	
60140	Accounting & Tax Prep	14,447	17,250	16.25%	2,803	3
60150	Legal	13,150	13,000	-1.15%	(150)	
60160	Bank Service Charges	1,192	1,800	33.78%	608	
60180	Telephone & Internet	3,876	4,000	3.09%	124	
60190	Insurance Premiums	14,495	13,760	-5.34%	(735)	4
60195	Licenses & Fees	92	95	3.08%	3	
60210	Meetings	6,585	7,000	5.93%	415	
60230	Office Equipment	513	500	-2.65%	(13)	
60235	Rent & Utilities	10,466	11,000	4.85%	534	
60240	Office Expense	1,602	1,700	5.78%	98	
60245	Office Expense - SW Subs	5,611	5,800	3.26%	189	

Acct #	Account Name	Projected Results 2025	Proposed Budget 2026	% CHANGE Projected to 2025 Budget	\$ CHANGE Projected to 2025 Budget	Notes
60250	Bookkeeping	5,040	4,800	-5.00%	(240)	5
60265	Continuing Education	0	500	100.00%	500	
60270	Dues & Subscriptions	397	500	20.64%	103	
60280	Management SW Subs	10,268	10,558	2.75%	290	6
61010	Wages - Managerial	110,812	115,408	3.98%	4,596	
61020	Wages - Landscape	34,679	0	-	(34,679)	
61030	Employee Benefits	0	0	-	0	
Combined	<i>Payroll Taxes: ER Contr + FFUTA/SUTA/WC</i>	11,945	9,632	-24.01%	(2,313)	
61090	Payroll Processing Fee	660	613	-7.69%	(47)	
62010	Equipment Rental	1,136	1,296	12.32%	160	
62030	Maintenance - Dog Park	0	500	100.00%	500	
62040	Maintenance - Electrical	1,875	500	-275.05%	(1,375)	
62050	Maintenance - Property	9,686	8,300	-16.69%	(1,386)	
62055	Maintenance - Landscape Mgt Services	161,581	193,898	16.67%	32,317	7
62060	Maintenance - Other	894	1,000	10.62%	106	
62065	Maintenance - Cul-de-Sacs & Paths	51,629	5,000	-932.58%	(46,629)	
62070	Maintenance - Plumbing - Sewer	16,391	4,000	-309.78%	(12,391)	
62080	Maintenance - Plumbing - Water	26,830	2,500	-973.18%	(24,330)	
62090	Maintenance - RV Storage Lot	977	750	-30.22%	(227)	
62100	Maintenance - Signs	0	500	100.00%	500	
62110	Maintenance - Tennis & Petanque	13	1,000	98.70%	987	
62120	Maintenance - Trees	11,012	19,000	42.04%	7,988	8
62130	Maintenance - Vehicles	223	0	-	(223)	
62140	Maintenance - Vehicle Fuel	343	0	-	(343)	
62150	Maintenance - Water & Land Conservation	9,793	2,000	-389.65%	(7,793)	
63010	Refuse	8,560	10,000	14.40%	1,440	
63020	Water	177,479	186,871	5.03%	9,393	
63030	Sewer	111,972	124,625	10.15%	12,653	
63040	Electricity	4,708	5,100	7.69%	392	
64010	Taxes - Federal Income	0	0	-	0	

Acct #	Account Name	Projected Results 2025	Proposed Budget 2026	% CHANGE Projected to 2025 Budget	\$ CHANGE Projected to 2025 Budget	Notes
64030	Taxes - Franchise and Other	0	110	100.00%	110	
	Total Operating Expense	844,437	788,567	-7.09%	(55,870)	
	Total Operating Income	833,616	866,780	3.83%	33,165	
	Total Operating Expense	844,437	788,567	-7.09%	(55,870)	
	NOI - Net Operating Income	(10,822)	78,213	113.84%	89,035	

Acct #	Account Name	Projected Results 2025	Proposed Budget 2026	% CHANGE Projected to 2025 Budget	\$ CHANGE Projected to 2025 Budget	Notes
Reserve Fund Income Statement						
	Income					
42100	Reserve Fund Assessments	116,731	360,672			
	Total Reserve Fund Assessments	116,731	360,672			
	Expense					
70120	Dog Park	0	1,500	100.00%	1,500	
70130	Electrical & Lighting	2,379	10,000	76.21%	7,621	
70140	Equipment	0	2,000	-	2,000	
70160	Property Repairs	8,114	6,500	-24.83%	(1,614)	
70180	Paving - Cul-de-Sacs	6,163	28,553	78.42%	22,390	9
70190	Paving - Walking Paths & Trails	10,183	10,000	-1.83%	(183)	
70210	Plumbing - Sewer Lines	22,200	46,500	52.26%	24,300	10
70220	Plumbing - Water Lines	11,743	40,000	70.64%	28,257	11
70230	Inside Water Lines & Meters	0	5,250	100.00%	5,250	12
70250	Signs - Permanent	0	3,000	100.00%	3,000	
70260	Tennis & Petanque Courts	0	1,000	100.00%	1,000	
70270	Water & Land Conservation	44,724	17,000	-163.08%	(27,724)	13
74005	Bank Service Charge - RF	225	900	75.00%	675	
74010	Taxes - Federal Income	8,913.00	9,000	0.97%	87	
74020	Taxes - State Income	2,087.00	2,100	0.62%	13	
74040	Late Payment Fees	0				
	Total Reserve Expense	116,731	183,303	36.32%	66,572	
	Total Reserve Income	116,731	183,303			
	Total Reserve Expense	116,731	183,303			
	Net Reserve	0	0			

Acct #	Account Name	Projected Results 2025	Proposed Budget 2026	% CHANGE Projected to 2025 Budget	\$ CHANGE Projected to 2025 Budget	Notes
	Deferred Reserve Fund Liability Account GL 21010					
	Reserve Fund Assessments		360,672			
	Total Projected Reserve Fund Expenses	Less	183,303			
	Net projected increase in the DRFLA Balance		177,369			14

Note	2026 Budget Notes
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1	Operating Fund
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Change in Monthly Assessment and Projected Revenue
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Revenue	2025	Change	2026 Amount
Operating	\$98	\$2	\$100
Reserve	\$65	\$3	\$68
Total	\$163	\$5	\$168
Months	12	12	
Lots	442	442	
			CHANGE
Operating	\$519,792	\$530,400	\$10,608
Reserve	\$344,760	\$360,672	\$15,912
Total	\$864,552	\$891,072	\$26,520

2	Water and Sewer
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Description	2025	2026 Budget
EXPENSE		
Water	\$186,322	\$186,871
Sewer	\$109,344	\$124,625
Water + Sewer	\$295,666	\$311,496

3	Accounting and Tax Preparation
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Description	Amount
CliftonLarsonAllen - CPAs 2025 Audit + 1120H	\$17,250

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Insurance

Policy	2025	2026 Budget
Package Policy	\$9,311	\$7,890
Work Comp	\$3,481	\$2,700
Directors & Officers	\$2,623	\$3,170
	<u>\$15,415</u>	<u>\$13,760</u>

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Bookkeeping

Description	Cost per Month	Months	2026 Budget
Optimal Bookkeeping Svc	\$400	12	<u>\$4,800</u>

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AppFolio Management Software

Description	Cost per Month	Months	2026 Budget
Appfolio	\$880	12	<u>\$10,558</u>

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Maintenance - Landscape Management Services

Vendor	Cost per Month	Months	2026 Budget
Tierra Bonita	\$16,158	12	\$193,898
Additional worker per month	\$6,059	0	<u>\$0</u>
Total			<u>\$193,898</u>

8	Trees: Pruning, Removal and Spraying
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Description	2026 Budget
Spraying	\$7,000
Dead wood + Removal	\$10,000
Other	\$2,000
Total:	<u>\$19,000</u>

Reserve Fund

9	Electrical and Lighting
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Repairs to Path lighting	Amount 10,000
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10	Asphalt - Crack Sealing and Sealing Coating
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CDS	Description	2026 Budget
Manzana:	Crack seal	\$4,086
Mariposa:	Crack seal	\$2,656
Iguana:	Crack seal	\$1,739
Clavel:	Seal Coat - 16947sf	\$5,741
Clavel:	Asphalt Repair	\$4,332
Nube:	Seal CoaT - 25830sf	\$8,578
Lirio:	Crack seal	\$1,421
Total		<u>\$28,553</u>

11	Sewer Lines
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Description	2026 Budget
Hydrojetting cleanouts	\$16,500
Direct repair/replacement of sewer line laterals	\$30,000
	<u>\$46,500</u>

12

Water Lines

Description	2026 Budget
Direct repair/replacement of water line laterals	\$40,000

13

Meter Replacement

Install Dates	Meters to Install	Avg Cost	2026 Budget
As Needed	10	\$525	<u>\$5,250</u>

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Water & Land Conservation: Renovation of Irrigation System

Description	Hours	Rate	2026 Budget
Labor rate for an irrigation tech and helper	100	\$120	\$12,000
Materials			<u>\$5,000</u>
		Total	<u>\$17,000</u>

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GL Account 21010 - Deferred Reserve Fund Liability

Monthly assessments allocated to the Reserve Fund are posted on the first of each month to

Liability account as a result of incurred 2026 expenditures. **\$177,369**