



JOHNSON & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2014

Oak Trail Estates Homeowners Association
Santa Ynez, CA 93460

The accompanying Forecasted Statement of Revenues and Expenditures for the upcoming year ending December 31, 2015 and Information Regarding Funding of Future Repairs and Replacements to Association Property are management's estimates of the most probable results of operations for the forecast period. Accordingly, the forecast reflects management's judgement, based on present circumstances, of the most likely set of conditions and its most likely course of action. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved during the forecast period will vary from the forecast, and the variations may be material.

We have compiled the forecasted financial statements referred to above in accordance with statements on standards for accounting and review services issued by the American Institute of certified public accountants. A compilation of a forecast does not include evaluation of the support for the assumptions underlying the forecast. Because a compilation of a forecast is limited as described above, we do not express a conclusion or any other form of assurance on the accompanying statements or other information. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the forecasted statements, they might influence the users' conclusions about the Company's results of operations for the forecast period. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Oak Trail Estate Homeowners Association.

Johnson and Johnson, CPAs

Enclosures

OAK TRAIL ESTATES HOMEOWNERS ASSOCIATION
FORECASTED STATEMENT OF REVENUES AND EXPENDITURES
(ACCRUAL BASIS)
FOR THE YEAR ENDING DECEMBER 31, 2015

	OPERATIONS	MAJOR REPAIRS & REPLACEMENTS	TOTALS
REVENUE:			
Assesments	\$ 18,900	\$ 56,700	\$ 75,600
Road Usage		5,749	5,749
Cattle Fees	2,500		2,500
Transfer Fees	900		900
Interest Income		600	600
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	22,300	63,049	85,349
EXPENDITURES:			
Billing/Management Fees	5,100		5,100
Annual Meeting	400		400
Contingency	1,000		1,000
Federal Taxes	200		200
Franchise Tax Board Taxes	150		150
Insurance	5,000		5,000
Legal	1,000		1,000
Mowing	1,300		1,300
Office/Postage	1,000		1,000
Squirrel & Thistle Abatement	4,000		4,000
Repair & Maintenance	3,000		3,000
Road Repairs - Major	-	55,000	55,000
Road Repairs - Annual		5,000	5,000
Transfer Fees	150		150
Tree Trimming	1,500		1,500
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	23,800	60,000	83,800
EXCESS (DEFICIENCY) OF			
REVENUE OVER EXPENDITURES	<u>\$ (1,500)</u>	<u>\$ 3,049</u>	<u>\$ 1,549</u>

SEE ACCOUNTANTS' COMPILATION REPORT

OAK TRAIL ESTATE HOMEOWNERS ASSOCIATION
 INFORMATION REGARDING FUNDING OF FUTURE REPAIRS AND
 REPLACEMENTS TO ASSOCIATION PROPERTY

1. The Association has cash reserves of \$45,466.94 currently available for major repairs and replacements as of September 30, 2014. The Association has emergency reserves of \$50,000.00 as of September 30, 2014.
2. The following is a list of the major components of the common areas and facilities for which the Association is responsible:

<u>DESCRIPTION</u>	<u>YEAR INSTALLED</u>	<u>REPLACEMENT YEAR</u>	<u>REMAINING LIFE (YEARS)</u>	<u>REPLACEMENT COST</u>
Hillcrest - *	2011	2016	2	39,480
Box Canyon - *	2013	2018	4	12,924
Badger Road - *	2009	2014	0	14,982
Little Montecielo - *	2008	2013	0	22,271
Montecielo - *	2013	2018	4	46,824
Fawn Canyon - *	2010	2015	1	14,122
Buck Canyon - *	2010	2015	1	18,642
Stag Canyon - *	2009	2014	0	18,099
Spring Canyon - *	2008	2013	0	13,711
Long Canyon - *	2014	2019	5	54,386
Woodstock - *	2006	2011	0	38,039

* Chip Seal (Road Repair)

3. The procedure used to calculate and establish the reserves to defray the costs of repairs, replacements and additions to major components of the Association's common facilities are as follows: first, establish the remaining life and replacement cost, and then calculate the amount required to be set aside to meet these needs. Special assessments will be made when it is deemed necessary to provide for the repair, replacement and additions to major components.
4. The estimated prorata cash reserves necessary, through September 30, 2014, to repair, restore, or maintain these major components is \$168,952.00. (approx. \$2,682 per owner) The Association is currently 26.91% funded regarding the cash reserves necessary for the repair and replacement fund.

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OAK TRAIL ESTATE HOMEOWNERS ASSOCIATION
FORCASTED STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2015
SUMMARY OF SIGNIFICANT ASSUMPTIONS

- Note 1: The financial statements have been prepared on the income tax accrual basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.
- Note 2: Assessments for operations and major repairs & replacements are based on the fixed per unit current amount annualized over twelve months. Full collection of fees is assumed.
- Note 3: Expenditures are determined through annualizing over a twelve month period actual expenses incurred for the first ten months of the current fiscal year adjusted for seasonal fluctuations.
- Note 4: Any association member may, upon request obtain copies of the reserve study.

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