

# *Las Colinas*

## *Condominium Owners' Association*

1600 N. Wilmot  
Tucson, AZ 85712  
520-390-2310

## **2017 Financial Report**

### **1.) We did it again – \$47,000.00**

2017 ended \$47,000.00 over budget for revenue again. Our budget for dues to collect is \$505,500.00. Again this year, one more time, we surpassed that number. We collected an additional \$47,000.00, for a grand total of \$552,200.00 in reimbursements and fees.

Further, there was an additional \$18,000.00 that was in transit at year end, and not reflected in this total. Your Association was awarded its fees and costs of \$12,000.00 in a foreclosure action on Unit 237. The Sheriff's sale to satisfy the debt owed to your Association was held in December. The new buyer promptly paid. However, it took almost two months for the check to be processed through Pima County. It was received in February of 2018. Likewise, an overseas owner initiated an international wire of \$6,000.00 in funds to the Association before year end that did not clear Treasury, and arrive in our account, until 2018. Since we are on a cash basis, even though legally these funds were ours, they had not become cash-in-hand yet. Therefore this information is a footnote to the financials explaining why these funds are not recognized as income until 2018.

Almost all of us pay our dues on time. A quarter of us pre-pay our dues. Thank you! Unfortunately, there are exceptions. We have some latitude to work out payment plans, and we do. However, we also have a duty to all of the owners here to collect. All previous years legal reimbursements off-set legal costs in the same year. 2017 was the exception, where the Association incurred collection costs of \$37,000.00 where the collection actions were not resolved and paid prior to year end. As is obvious from the history of our financial statements, our collection activities have kept us in black all these years. Our ability to remain in the black and collect our dues is what keeps mortgage companies willing to write loans on our Units here.

The strategic planning of our Board brought in money again this year that was the reason we can continue to improve our property, yet not increase our dues. For ten consecutive years we have had no dues increase.

## **2.) Peace is Priceless**

We love the fact that Las Colinas is quiet and safe. Las Colinas is designed to be Crime Free in our governing documents, and by the will of our Community. It takes all of us. Feeling safe in your home and having peaceful enjoyment is priceless. A new year starts and you never know what challenges you will face. 2017 saw the departure of those reported, arrested and convicted of crimes at Las Colinas. The victims, witnesses, Board members, law enforcement, prosecutors, and Association legal counsel worked together an incredible number of hours, to arrive at justice. Thank you.

## **3.) 2017 Projects**

Because humans are made primarily of water, we do not think of water as caustic. However, water corrodes, rots, and dissolves metal, wood, and stucco. Protecting our buildings means sealing and protecting them from water damage. So, we work on drainage, gutters, caulking, and coating. While the coatings are pretty, the purpose is protection. This isn't flashy work, but it is really important. This was brought home to us when a condo community just like ours, but across town, was denied insurance coverage because of their failure to address the maintenance we have done to protect the integrity of our property. This is a big property, with 8 acres and 32 buildings. It is a work in progress – but our underwriters are of proud of us.

We always like to spend our “laundry money” on nice things. This year we upgraded to LED lighting. It gives a very clear light, while saving electricity, and not needing to be replaced as often. A win-win-win. Originally we had glass globes lighting the walkways and pool areas. However, they were vulnerable to vandalism. New technology developed acrylic globes. We fell in love with them. It upgraded the look of our property. We got the first batches of Unit signs up. Our own Robert does the art work. So we have metal Unit numbers with custom art, in our custom colors, with our custom font. All this for less than \$5.00 apiece, in comparison to custom metal Unit numbers that start at \$50.00 apiece.

## **4.) The Wilmot Road Upgrade – Update**

The City of Tucson got so much right in the major upgrade of our intersection. It is so attractive and so much safer. However, the new asphalt did not perform up to expectations. It had already started to crack. So, they took it out and replaced it – with a newer technology using recycled materials. While the unexpected work was a inconvenience, it is so good to have no compromise in the quality of work. As money permits, we are also looking at new asphalt for our property, and plan to benefit from their learning experience.

### 3.) Financial Statements

#### 2017 Income Statement

Income:			
Dues			\$518,700.00
Fees & Reimbursements			<u>\$ 33,500.00</u>
Total			\$552,200.00
Expense:			
Administrative	\$ 11,200.00		
Collections	\$ 37,500.00		
Insurance	\$ 65,000.00		
Common Area Facilities	\$ 59,000.00		
Utilities	\$ 156,900.00		
Common Area Maintenance	\$ 132,200.00		
Common Area Projects	\$ 40,800.00		
Total			\$502,600.00
Reserve:			
Reserve Expense (Major Projects)			
Structural Improvements	\$ 48,600.00		
Total			<u>\$ 48,600.00</u>
			=====
<b>Net Income:</b>			<b>\$ 1,000.00</b>

#### 2017 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 1,000.00	Liabilities (loan)	\$ - 0 -
Reserves	<u>\$ 52,000.00</u>	Owner's Equity	<u>\$ 73,000.00</u>
Equipment (less dep)*	\$ 6,000.00		
Secured Note	\$ 14,000.00		
<b>Total Assets</b>	<b>\$ 73,000.00</b>	<b>Total</b>	<b>\$ 73,000.00</b>

\*Note: Represents \$60,000.00 purchase of laundry equipment for Association private laundry facilities. Straight line depreciation over 60 months. \*\*Note: Does not include an additional \$18,000.00 of Las Colinas incoming funds in transit from a Sheriff's sale of Unit 237 and International wire of back dues. This income will be included in 2018.

This Compilation was prepared by the Managing Agent in accordance with the requirements stated in the Arizona Revised Statutes. The books of the Association are maintained on a cash basis. These statements fairly state the condition of the entity consistent with generally accepted accounting principles.

## 4.) 2017 Management Analysis

Infinite needs – finite resources. Our Association budget is just like our individual household budgets. We spend money on utilities, insurance, repairs, savings, and then improvements to make our property look nice. Just like at home, we can think of ten ways to spend every dollar. But we can only spend each dollar once. As we look at how we make decisions about caring for our property, balancing the many demands on our resources, we look at these decisions much like we look at our budgets as individual homeowners.

Totals by budget category are divided by 250 homes to get the average amount per owner/per year, and then by 12 months to get the average per owner/per month. This includes the amount paid by dues, and supplemented with fees and non-dues reimbursements.

Here is how the 2017 expenses were spent per average homeowner:

	<u>Ave. per Month</u>	<u>Ave. per Year</u>
1.) General and Administrative (Includes newsletters, compliance and collections)	<b>\$16.25</b>	<b>\$195.00</b>
2.) Insurance (Includes blanket hazard insurance, D&O)	<b>\$ 21.70</b>	<b>\$ 260.00</b>
3.) Common Area Facilities (Includes pools, pest control, boilers and softeners)	<b>\$ 19.70</b>	<b>\$ 236.00</b>
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer)	<b>\$ 52.30</b>	<b>\$ 627.60</b>
5.) Common Area Maintenance (Includes staff and materials for landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	<b>\$ 44.00</b>	<b>\$ 528.80</b>
6.) Common Area Projects (Includes staff and materials for sewer line and water line replacement, toilet replacement program.)	<b>\$ 13.60</b>	<b>\$ 163.20</b>
7.) Reserve Projects (Includes sealing and signs)	<b>\$ 16.20</b>	<b>\$ 194.40</b>
<b>TOTAL AVERAGE</b>	<b>\$184.00</b>	<b>\$2,208.00</b>