

Las Colinas

Condominium Owner's Association

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

2014 Financial Report

1.) 12 Straight Years in the Black – \$50,000.00

2014 ended \$50,000.00 over budget for revenue again! This is one of the ways we avoided a dues increase, for the eighth straight year. Our budget for dues is \$505,500.00. Again this year we surpassed that number. We collected an additional \$50,000.00, for \$555,000.00 in reimbursements and fees. This represents over one month's dues. 2014 ended with an additional \$50,000.00 in revenue, assets of \$144,000.00, and zero debt.

We paid off our new laundry machines. We own them free and clear after only 18 months. We upgraded the electrical panels and added panel level surge protection. We started installing an underground irrigation system to save water. Common area projects included the second third of the staircases, and repainting of the mailboxes. Blue bumpers were installed to protect our underground water lines. The Association took possession of Unit 419 in settlement of litigation. After renovation, it is in escrow for \$43,000.00. Sale of this property will pay for more improvements at Las Colinas.

2.) Fast Start for 2015!

2015 started with so many opportunities. After many years of infrastructure projects, it is such a treat to do the things that add enjoyment to our lives. In January we found the Sedona Red Flagstone of our dreams and installed walk-ways in the three atriums. More flagstone projects are planned all over the property.

After over 40 years, the lower pool has now been re-plastered. Both pools are being remodeled. When five years ago we had them coated to buy us some time, bids for plaster were starting at \$20,000.00 and up. That was like asking for the moon. However, with the help of our pool maintenance company we took advantage of pre-season pricing and his buying power to get the lower pool redone with upgraded tile and plaster for under \$15,000.00. The new railings are the same as used in the Disney resorts. New furniture is coming, and both pools are getting fresh paint on fences and decks. The upper pool gets its new plaster and tile next year.

After finishing the second third of the staircases, a number of balconies and stucco walls were also repaired and painted. In addition, we have temporary help who has re-painted the red fire lanes and is re-painting the yellow caution markings. Replacement signs have been ordered and will be installed soon.

We also completed a number of important maintenance projects. We did the annual maintenance on the boilers and back-flow. We added drainage between Buildings 2 and 3. And we have repaired the walkway on Building 31 that had settled and cracked. When this Board started working together we realized there had been no termite treatment in a long time. We started having the entire property regularly treated and inspected. Our wood frame buildings rely upon us for this diligence. Every five years we have the entire property retreated for termites. 2015 is that year.

This Board has spent hundreds of thousands of dollars replacing over half of the property's 32 roofs in the last twelve years. This year we had the opportunity to up our game by bringing in a professional roof maintenance company. The owner told us he could see from the aerial view that we had spend several thousand dollars more on our roofs, than the adjoining property. He did not recommend replacing any of our roofs at this time, instead he recommended a program of protecting our investment, which we have voted to implement.

As those of you who have served on the Board know, it is a difficult job. We do it because we care about our neighbors, and making our community more beautiful. We want to thank of you for the tremendous outpouring of empathy and support we have received. We could not do this without you.

3.) Financial Statements

2014 Income Statement

Income:			
	Dues		\$517,000.00
	Fees, Reimbursements		\$ 38,000.00
	Total		<u>\$555,000.00</u>
Expense:			
	General and Administrative	\$ 13,900.00	
	Insurance	\$ 58,600.00	
	Common Area Facilities	\$ 67,000.00	
	Utilities	\$ 165,500.00	
	Common Area Maintenance	\$ 127,500.00	
	Common Area Projects	\$ 69,000.00	
	Total		\$501,500.00
Reserve:			
	Reserve Expense (Major Projects)		
	Laundry Machines	\$ 29,000.00	
	419 Renovation	\$ 14,000.00	
	Structural Upgrades	\$ 8,500.00	
	Total		\$ 51,500.00
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Net Income:			\$ 2,000.00

2014 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 2,000.00	Liabilities (loan)	\$ - 0 -
Reserves	<u>\$ 57,000.00</u>	Owner's Equity	<u>\$144,000.00</u>
Equipment (less dep)*	\$ 42,000.00		
Unit 419	\$ 43,000.00		
Total Assets	\$144,000.00	Total	\$144,000.00

*Note: Represents \$60,000.00 purchase of laundry equipment for Association private laundry facilities. Straight line depreciation over 60 months. Unit 419 was taken in settlement of litigation and is in escrow for a purchase price of \$43,000.00.

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.) 2014 Management Analysis

The Association's budget is much 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 the foreclosure fees.

Here is how the 2014 expenses were spent per average homeowner:

	<u>Ave. per Month</u>	<u>Ave. per Year</u>
1.) General and Administrative (Includes newsletters, accounting, compliance and enforcement)	\$ 4.50	\$ 55.00
2.) Insurance (Includes blanket hazard insurance, D&O, wrks comp & med)	\$ 19.50	\$ 234.00
3.) Common Area Facilities (Includes pools, pest control, hot water boiler system)	\$ 22.00	\$ 264.00
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer, hot water softeners)	\$ 56.00	\$ 672.00
5.) Common Area Maintenance (Includes staff and materials for sewer line replacements, landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	\$ 43.00	\$ 516.00
6.) Common Area Projects (Includes staff and materials for sewer line and water line replacement, toilet replacement program.)	\$ 23.00	\$ 276.00
7.) Reserve Projects (Includes paying off 18 new Maytag washers & dryers, 24 staircases & landings upgrade, and renovation of Unit 419 to sell)	\$ 17.00	\$ 204.00
TOTAL AVERAGE	<u>\$185.00</u>	<u>\$2,220.00</u>