

Las Colinas

Condominium Owner's Association

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

2011 Financial Report

1.) Highlights

2011 ended **\$104,000.00 over budget for Revenue!** Our annual budget is \$505,000.00. Our Association brought in an additional \$104,000.00 in foreclosure fee collections, paid by banks. With another \$31,000.00 of reimbursements, we ended the year with total receipts of **\$630,000.00.**

This \$104,000.00 in foreclosure fees collected from banks in 2011 reimbursed the Association for the costs associated with these properties. This year we accomplished many projects that enhanced our property. From the parking lot, to the signs, to the shingles and lighting across the front of the property we were able to make much desired improvements. Expenses were reduced in administration, and all utilities except sewer, to increase the money available to protect and enhance our property. And, we were able to add to the Reserve. We ended the year with a Reserve balance of \$86,000.00.

2.) Financial Statements

Income Statement

Income:		
Dues		\$495,000.00
Foreclosure Fees		\$104,000.00
Other Reimbursements (laundry, lien fees, toilets)		\$ 31,000.00
Total		\$630,000.00
Expense:		
General and Administrative	\$ 9,000.00	
Insurance	\$ 75,000.00	
Common Area Facilities	\$ 60,000.00	
Utilities	\$132,000.00	
Common Area Repair	\$147,000.00	
Common Area Projects	\$ 68,000.00	
Total		\$491,000.00
Reserve:		
Reserve Expense (Major Projects)	\$ 67,000.00	
Reserve Contribution	\$ 36,000.00	
Total		\$594,000.00
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Net Income:		\$ 36,000.00

Balance Sheet

Assets: Cash on Hand \$ 36,000.00 Reserve <u>\$ 86,000.00</u> Total Assets \$122,000.00	Liabilities: Liabilities - 0 - Owner's Equity <u>\$124,000.00</u> Total \$124,000.00
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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.

3.) Management Analysis

The Association's budget is much like our individual household budgets. We spend money on utilities, insurance, repairs, replacement of what is worn out, and making our property look nicer. Just like at home, we can think of ten ways to spend every dollar! But we can only spend each dollar once, and then have to go make more money. After you pay for all responsible stuff like utilities and insurance, what is more important? Putting that dollar in savings? Or preventative maintenance? Or replacing something before it dies? Or doing something to improve the appearance? The answer is -- they are ALL important!

As we look at how we make decisions about caring for our property, and balancing the many demands on our resources, we look at these decisions much like we look at our budgets as individual property owners.

Here is how the 2011 expenses were spent per average homeowner: (Totals by budget category, divided by 250 homes. Includes \$416.00 average per homeowner contribution from collection of foreclosure fees.)

	<u>Ave. per Month</u>	<u>Ave. per Year</u>
1.) General and Administrative (Includes newsletters, accounting, and compliance)	\$ 3.00	\$ 36.00
2.) Insurance (Includes blanket hazard insurance, D&O, wrks comp & med)	\$ 25.00	\$ 300.00
3.) Common Area Facilities (Includes pools, pest control, boilers, hot water softeners)	\$ 20.00	\$ 240.00
4.) Utilities	\$ 44.00	\$ 528.00

(Southwest Gas, TEP, Trash, Water & Sewer)

5.) Common Area Repair (Includes maintenance staff and materials for landscaping, laundries, plumbing, fascia, fencing, and painting)	\$ 49.00	\$588.00
6.) Common Area Projects (Includes staff and materials for pool remodel, BBQ Area, stucco repair, toilet replacement program, and collection of the money to pay for them.)	\$ 23.00	\$272.00
7.) Reserve Expense (Major Projects) (Includes termite treatment, parking lot crack seal & coat, new roof, shingles, building signs & numbers, drainage, lighting)	\$ 22.00	\$ 268.00
8.) Reserve Contribution	\$ 12.00	\$ 144.00
Average from dues & reimbursements	\$163.00	\$1,960.00
Average from foreclosure fees	35.00	416.00
TOTAL AVERAGE	\$198.00	\$2,376.00

4.) Expense Summary

	<u>Actual</u>	<u>Budget</u>
1.) General and Administrative	\$ 9,000.00	\$ 14,000.00
Printing & newsletters	2,006.00	1,800.00
Office & postage	2,153.00	3,600.00
Accounting software*	2,684.00	2,100.00
Licenses, dues & fees	878.00	500.00
Legal expenses	1,268.00	6,000.00
 (Added Bank provided anti-fraud software)		
2.) Insurance	\$ 75,000.00	\$ 75,000.00
Blanket Hazzard, D&O	55,161.00	58,000.00
Workman's comp	4,868.00	6,000.00
Medical insurance	14,953.00	10,800.00
3.) Common Area Facilities	\$ 60,000.00	\$ 240.00
Pool service & repair	7,796.00	13,800.00
Pest control	2,519.00	6,700.00
Boiler maintenance	7,511.00	1,000.00
Hot water softeners	6,193.00	0.00
Toilet replacement	11,950.00	0.00

Sewer maintenance	10,050.00	12,000.00
Locksmith (foreclosed units)	1,043.73	1,200.00
Vandalism repair	1,371.91	0.00
Irrigation	960.00	2,400.00
Tools	776.00	1,200.00
Safety signs	35.00	600.00

4.) Utilities	\$132,000.00	\$ 125,000.00
Southwest Gas	21,730.00	30,000.00
Tucson Electric Power	16,295.00	18,000.00
Phone & Internet	3,050.00	2,800.00
Water	35,500.00	36,000.00
Sewer*	40,003.00	0.00
Trash	15,210.00	18,000.00
Contingency	18,000.00	18,000.00

(Huge increase in the City sewer bill, due to new treatment facility and major sewer line repairs. We would have been about \$10,000 under budget due to cost saving measures, had this increase in sewer costs not occurred. This is \$30,000.00 that we anticipate becoming a permanent operating cost. The increase in the sewer bill used the entire \$18,000.00 contingency.)

5.) Payroll Expense	\$166,400.00	\$144,000.00
Maintenance & Mgt.	\$125,507.00	\$132,000.00
Payroll Taxes (32%)	40,893.00	12,000.00

(Staff is allocated to Common Area Repair and Projects)

5.) Common Area Repair	\$147,000.00	\$ 94,350.00
Supplies*	72,320.00	19,200.00
Maintenance & Mgt.	56,500.00	60,750.00
Payroll Taxes	18,400.00	5,400.00
Laundry	0.00	9,000.00

(Includes maintenance staff and materials for laundries, plumbing, facia, fencing, and painting)

6.) Common Area Projects	\$ 68,000.00	\$272.00
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(Includes staff and materials for pool remodel, BBQ Area, stucco repair, toilet replacement program, and collection of the money to pay for them.

7.) Reserve Expense (Major Projects)	\$ 67,000.00	\$ 268.00
Structural	2,995.00	14,000.00
Roof seal.	8,600.00	12,000.00
Parking lot	19,426.00	20,000.00
Shingles	9,000.00	27,000.00

Termite Treatment	7,200.00	7,200.00
Lighting	7,400.00	7,400.00
Roof # 22	8,500.00	8,500.00

(Includes termite treatment, parking lot crack seal & coat, new roof, shingles, building signs & numbers, drainage, lighting)

8.) Reserve Contribution	\$ 36,000.00	\$ 144.00
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