

Las Colinas

Condominium Owners' Association

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

2016 Financial Report

1.) We did it again – \$66,000.00

2016 ended \$66,000.00 over budget for revenue again! Our budget for dues to collect is \$505,500.00. Again this year we surpassed that number. We collected an additional \$66,000.00 over dues, for a grand total of \$573,500.00 in reimbursements and fees.

The \$66,000.00 included the sales of Units 424 and 330, after remediation and senior liens. Unit 424 was taken in settlement of litigation. Unit 330 was taken in by the Association in a foreclosure action, subject to a senior lien. The laundry equipment was paid off two years ago, so the reimbursements from our private laundry facilities all goes into improvements, such as the beautiful pool remodeling projects. Your quarters cleaned your clothes, and then paid for your pool remodel. Our money should work as hard as we do. Beautiful things are our reward for the decisions we have made and the strategic planning we have done. The money the strategic planning of our Board brought in this year was once again the reason we can improve our property, and not increase our dues. For ten consecutive years we have not had to raise our dues.

2.) 2016 – the Dream Continues!

We started 2016 with the upper pool re-plastering project. We were so happy with the lower pool the previous year we did everything the same for the upper pool. We used the same upgraded plaster, coated rails, and beautiful blue tile. The pool was ready right on time for the swimming season.

The other big dollar project was the roofs 13, 15, 26, 27 and 31. That was a big investment in our roofs, \$19,700.00. As we have invested in our roofs, the number of roof leaks has plummeted. Protecting the staircases continues. Hamed joined our staff and took over painting and coating the staircases. We have fewer than ten staircases left to finish. He likes painting wrought iron, so we have made wonderful progress protecting our exposed wrought iron with the urethane paint we have had such good results with.

3.) The Wilmot Road Upgrade

2016 was the year that we were the beneficiary of the City of Tucson's major upgrade of our intersection. Our Board President worked with the supervisor to improve safety by widening our north entrance. They installed new street signs, lights, and sidewalk. The retaining wall gave the front of the property an updated look. Once the City completed their work, we were able to begin the remodel the front of our property, as we had been wanting to do. The retaining wall modified the drainage, causing pooling in the walkways. So we corrected this problem by adding a drainage system to the front. The split rail fence got repaired with posts and rails replaced and repainted. We upgraded the palm tree and other front lighting.

Our Wilmot Road improvements were a result of a successful bond issue. The improvements to our streets were overdue. As we were a part of the process, we were impressed from the beginning when we were included in the planning, through the quality of the design, and final work. It was professional all the way, and an important investment in our community, and our future. We have had a taste of how much better things can be. Our local government has vision and then gets it done. Before us this year is Proposition 101, which will fund many of the "but what abouts" – the streets that were not included in the Bond issue. One of them is our own Pima Street. Proposition 101 is our opportunity to raise money in our community with a sales tax that will stay in our community and benefit everyone. It also gives us a way to show our appreciation for our police and firemen by supporting them with the tools they need to stay safe, and keep us safe.

4.) Improving Real Estate Market

Our prices are finally going up. We started the year with a \$10.00 per square foot boost, and prices are continuing to rise. Our Rental Ban has made our Community more attractive to home buyers. From just 51% owner occupied ten years ago, we are up to 75% owner occupied now.

5.) The Joys of Community

Our Community is becoming more beautiful every day. And this is because of the kindness and caring that we all show each other. We just feel so very blessed to have such wonderful neighbors and friends at Las Colinas. We would like to express our gratitude for the support and trust you have given us on the Board, and this opportunity to create the world we want to live in.

3.) Financial Statements

2016 Income Statement

Income:			
Dues			\$507,700.00
Fees, Reimbursements, Sale of 330, 424			<u>\$ 65,800.00</u>
Total			\$573,500.00
Expense:			
Administrative & Collections	\$ 18,500.00		
Insurance	\$ 61,400.00		
Common Area Facilities	\$ 57,200.00		
Utilities	\$ 159,400.00		
Common Area Maintenance	\$ 133,000.00		
Common Area Projects	\$ 63,400.00		
Total			\$492,900.00
Reserve:			
Reserve Expense (Major Projects)			
Structural Improvements	\$ 40,800.00		
Pool Upgrades	\$ 14,500.00		
Roofs	\$ 19,700.00		
Signs	\$ 4,600.00		
Total			\$ 79,600.00
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Net Income:			\$ 1,000.00

2016 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 1,000.00	Liabilities (loan)	\$ - 0 -
Reserves	<u>\$ 45,000.00</u>	Owner's Equity	<u>\$ 64,000.00</u>
Equipment (less dep)*	\$ 18,000.00		
Total Assets	\$ 64,000.00	Total	\$ 64,000.00

*Note: Represents \$60,000.00 purchase of laundry equipment for Association private laundry facilities. Straight line depreciation over 60 months.

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.) 2016 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 fees.

Here is how the 2016 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)	\$ 6.10	\$ 74.00
2.) Insurance (Includes blanket hazard insurance, D&O)	\$ 20.50	\$ 245.60
3.) Common Area Facilities (Includes pools, pest control, boilers and softeners)	\$ 19.00	\$ 228.85
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer)	\$ 53.10	\$ 637.60
5.) Common Area Maintenance (Includes staff and materials for landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	\$ 44.30	\$ 532.00
6.) Common Area Projects (Includes staff and materials for sewer line and water line replacement, toilet replacement program.)	\$ 21.10	\$ 253.60
7.) Reserve Projects (Includes pool upgrade, staircase upgrades, roofs, and signs)	\$ 26.53	\$ 318.00
TOTAL AVERAGE	<u>\$191.00</u>	<u>\$2,294.00</u>