

Las Colinas

Condominium Owner's Association

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2015 Financial Report

1.) We did it again – \$84,000.00

2015 ended \$84,000.00 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 \$84,000.00 over dues, for a grand total of \$591,000.00 in reimbursements and fees.

The \$84,000.00 included \$43,000.00 for the sale of Unit 419. As we told you last year, we had taken Unit 419 in settlement of litigation. The laundry equipment was paid off last year, so the reimbursements from our private laundry facilities all goes into improvements, such as the beautiful pool remodeling projects. This is the reward of 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 equivalent to almost 2 months of dues.

2.) 2015 – the Dream Year!

Someday we dreamed we would have flagstone walk-ways, marble floors in the Clubhouse with French doors with a Bistro set on the balcony, new windows in all the Common area buildings. And someday arrived! In January we found the Sedona Red Flagstone of our dreams and installed walk-ways in the three atriums, with more flagstone projects planned around the property. Both pools got the decks painted and new pool furniture. The re-plaster and new tile of the lower pool exceeded our expectations, and came in under budget. The upper pool gets its turn for upgraded “baby-feet” plaster, auto-fill, new light, and more of that beautiful blue tile this year.

The surprise project was the Clubhouse remodel. The French doors really opened up the room, with its sweeping view of the freshly done pool and mountains in the distance. We created a seating area on the balcony, with a Bistro set and blue umbrella. Then an anonymous owner found some beautiful marble and donated it to us for the Clubhouse. One of our owners is an expert in laying tile and donated his time so that it would be perfect. As owners at Las Colinas, we deserve nothing less.

Of course then we needed fresh paint on the Clubhouse walls. And once the vanities were out, we weren't going to put those nasty old things back, and bought new ones. Does this sound familiar? Finally the fluorescent lighting had to go! New light fixtures went in.

When the real estate decline started, we committed to investing in our property. We are all upgrading our Units. House projects are part of the Las Colinas culture. The Common amenities should reflect the standards we use in our own homes. We deserve no less.

This was the year we finished replacing the Common area windows and doors. When we started, 25 windows and nine doors seemed like a tall order. But we improved the security and comfort of our facilities, not to mention the more successful look. We started with 90 staircases and landings that need serious work. It was pretty intimidating, even for the contractors we asked to bid. Now we only have 20 left to do! Night to day improvement. Almost there.

We put in irrigation and replaced oleanders with two dozen new Tacomas that provide a cool crisp look in the hot summers. The safety signs, curbs and yellow safety markings had become faded. The signs were replaced and the safety markings all freshly painted. We also did a deep cleaning, made repairs, and put a fresh coat of paint on the laundry rooms.

We terminated the gutters into French drains to prevent pooling of water in the walk-way between Bldgs. 2 & 3. Dirt was added to level the ground in front. This was also the year we started installing new gutters. These are the seamless ones that are custom made on-site. They look great, and help channel the water to protect the buildings.

The entire property was treated to prevent termites, and we renewed our contract for inspection and re-treatment if termites are spotted. Our wood frame buildings rely upon us for this diligence. We continue to upgrade the camera security system.

As we start 2016, we are beginning the Upper pool re-plastering project so the pool will be ready for summer. The other big dollar project is roofs 13, 15, 26, 27 and 31. This should be the year we finish the staircases. We have plans to sharpen up the front of the property. And of course there is plenty of painting to do. It is time for another pass of replacing bad fascia. The replacements we have made using the hardy-backer (a concrete composite) have held up beautifully.

3.) Financial Statements

2015 Income Statement

Income:			
Dues			\$517,000.00
Fees, Reimbursements, Sale of 419			<u>\$ 84,000.00</u>
Total			\$601,000.00
Expense:			
General and Administrative	\$ 9,800.00		
Insurance	\$ 64,000.00		
Common Area Facilities	\$ 79,200.00		
Utilities	\$ 162,000.00		
Common Area Maintenance	\$ 137,000.00		
Common Area Projects	\$ 78,500.00		
Total			\$530,500.00
Reserve:			
Reserve Expense (Major Projects)			
Structural Improvements	\$ 30,000.00		
424 Renovation	\$ 10,000.00		
Pool Upgrades	\$ 14,500.00		
Termite Treatment	\$ 9,000.00		
Reserve Contribution	\$ 6,000.00		
Total			\$ 69,500.00
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Net Income:			\$ 1,000.00

2015 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 1,000.00	Liabilities (loan)	\$ - 0 -
Reserves	<u>\$ 63,000.00</u>	Owner's Equity	<u>\$104,000.00</u>
Equipment (less dep)*	\$ 30,000.00		
Unit 419	\$ 10,000.00		
Total Assets	\$104,000.00	Total	\$104,000.00

*Note: Represents \$60,000.00 purchase of laundry equipment for Association private laundry facilities. Straight line depreciation over 60 months. Unit 424 was taken in settlement of litigation for \$10,000.00.

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.) 2015 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 2015 expenses were spent per average homeowner:

	<u>Ave. per Month</u>	<u>Ave. per Year</u>
1.) General and Administrative (Includes newsletters, accounting, and compliance)	\$ 3.25	\$ 39.25
2.) Insurance (Includes blanket hazard insurance, D&O)	\$ 21.25	\$ 256.00
3.) Common Area Facilities (Includes pools, pest control, boilers)	\$ 26.50	\$ 316.75
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer, hot water softeners)	\$ 54.00	\$ 648.00
5.) Common Area Maintenance (Includes staff and materials for landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	\$ 45.00	\$ 548.00
6.) Common Area Projects (Includes staff and materials for sewer line and water line replacement, toilet replacement program.)	\$ 26.50	\$ 314.00
7.) Reserve Projects (Includes pool upgrade, staircase upgrades, roofs, gutters and drainage, and termite treatment.)	\$ 23.00	\$ 278.00
TOTAL AVERAGE	\$200.00	\$2,400.00