

Las Colinas

Condominium Owners' Association

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

2020 Financial Report

1.) The Year of COVID – Stayed in the Black, \$21,000.00

Every year we think, this will be the easy year. One International pandemic later, success is being here and healthy. A study revealed that family, community, and nature are what makes people happy. Las Colinas provides home for our families, community, and nature. Even in quarantine we had our patio/balconies to see friends, flowers, and singing birds. A safe port in the storm.

This was a difficult year financially for almost everybody. The work we have done to create non-dues reimbursements provided a cushion in this challenging year. The reimbursements from our laundries as well as all the escrow collections that usually go to management companies – go into our Community budget instead. Thanks to that planning, we still managed to put \$526,000.00 into the bank. This is \$21,000.00 over 100% of our \$505,000.000 budget for 2020 dues.

In 2020 we approved our first dues increase since 2007. That is 14 years. Because we are self-managed, we are always looking for ways to reduce costs in the long-term. In a world where rates are rising – we look for savings to offset those increases. Our free-time as Board members is spent looking for ways to put money into Las Colinas, because we joined the Board to be able to get things done. And getting things done takes money, creativity, and dedication.

Rather than do special assessments, like other Associations do, we build money for capital projects into our monthly dues amount. We knew we would be replacing the boilers, they were over ten years old. 2020 was the year we got new ones. It was \$50,000.00 to replace all three of them, including a new tank and installation. As you see from the 2020 Balance Sheet, we borrowed \$50,000.00 from the Reserve. Our new boilers have just been a dream. By May 4, 2021 we returned the \$50,000.00 to the Reserve, as shown in the updated Balance Sheet.

Maintaining infrastructure requires attention to all that you do NOT see. For example, protecting the wood structure of our buildings with regular property-wide termite treatments. In 2020 we spent \$10,000.00 on our scheduled property-wide termite treatment.

2.) Financial Statements

2020 Income Statement

Income:			
	Dues		\$493,000.00
	Fees & Reimbursements		<u>\$ 33,000.00</u>
	Total		\$526,000.00
Expense:			
	Administrative & Legal	\$ 7,500.00	
	Insurance	\$ 85,000.00	
	Common Area Facilities	\$ 82,500.00	
	Utilities	\$ 150,000.00	
	Common Area Maintenance	\$ 199,000.00	
	Total		\$524,000.00
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Net Income:			\$ 2,000.00
Reserve Project:			
	Transfer from Reserve		\$ 50,000.00
	3 Boilers, Tank, Install		\$ 50,000.00

2020 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 2,000.00	Liabilities (loan)**	\$ 15,000.00
Reserves	<u>\$ 35,000.00</u>	Owner's Equity	<u>\$ 49,000.00</u>
Equipment *	\$ 27,000.00		
Total Assets	\$ 64,000.00	Total	\$ 64,000.00

**Note: Represents \$45,000.00 purchase of scale solver water treatment system. Straight line depreciation over 60 months.

5/4/2021 Balance Sheet

Assets:		Liabilities:	
Cash on Hand	\$ 2,000.00	Liabilities (loan)**	\$ 9,000.00
Reserves	<u>\$ 80,000.00</u>	Owner's Equity	<u>\$ 96,000.00</u>
Equipment	\$ 23,000.00		
Total Assets	\$105,000.00	Total	\$105,000.00

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.

3.) 2020 Management Analysis

Infinite needs – finite resources. Our Association budget is just like our individual household budgets. “Adult-ing” first. We spend money on utilities, insurance, repairs, savings. When there is time left – then we can do projects 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, we must prioritize sustainability. We have to be here 30 years from now. 50 years from now.

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 2020 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)	\$ 2.50	\$ 30.00
2.) Insurance (Includes blanket hazard insurance, D&O)	\$ 28.33	\$ 340.00
3.) Common Area Facilities (Includes pools, pest control, boilers and softeners)	\$ 27.50	\$ 330.00
4.) Utilities (Southwest Gas, TEP, Trash, Water & Sewer)	\$ 50.00	\$ 600.00
5.) Common Area Maintenance (Includes staff and materials for landscaping, laundries, plumbing, fascia, fencing, roof coating and painting.)	\$ 66.33	\$ 796.00
6.) New Boilers	<u>\$ 16.70</u>	<u>\$ 200.00</u>
TOTAL AVERAGE	\$191.35	\$2,296.00