

TREASURER'S REPORT EXPENSE AND RESERVE ACCOUNTS

**2016 Summit Park Condominium
Association**

Annual Meeting Oct. 22, 2016

SUMMIT PARK CONDOMINIUMS BUDGET REPORT

- ▶ **Summit Park finances are in excellent shape**
- ▶ **Expense accounts - \$162,154 (Sep., 2016)**
 - ▶ **Checking account (day to day expenses)**
 - ▶ **\$59,020**
 - ▶ **Monthly 2016 (thru Sept) operating expenses: \$20,254**
 - ▶ **Savings account**
 - ▶ **\$103,134 (end Sep., 2016)**
- ▶ **Reserve Account (Sep. 2016)**
 - ▶ **\$292,847**

2016 SUMMARY (THRU SEP.)

Source	Amount
Checking-National Bank Of Arizona	\$59,020
Savings (MMkt)-National Bank of Arizona	\$103,134
Reserve - Schwab	\$298,578
Total Receivables	\$5,151
Total Assets	\$465,883

Source	Amount
Current Liabilities	\$32,956
Reserves	\$243,966
Equity (Operating Fund)	\$142,145
Net Income	\$46,816
Total Liabilities and Equity	\$465, 883

Monthly summaries are found on the Summit Park
Web site
(<http://www.summitparkcondos.com/>)

2016 EXPENSE DETAILS (THRU SEP.)

EXPENSES ARE FOR DAY-TO-DAY OPERATION OF THE COMPLEX

- Expenses (actuals): \$182,286
 - \$3,134 over budget
- Significant Under Budget Items
 - Grounds & street maintenance: \$5,195
 - Landscape maintenance: \$3,895
 - Contingency: \$5,324
- Significant Over Budget Items
 - Bad debt: \$4,907
 - Repairs and maintenance: \$13,340
 - Painting: \$4,439
 - Stairways (steps): \$7,995

CONCERNS AND WATCHES

▶ Concerns

- ▶ Past due assessments: \$12,061
- ▶ Dominated by two units: \$8,884
 - ▶ One is with a collection agency
 - ▶ One has been notified of an intent to lien

The BOD and HOAMCO take this issue seriously and take all allowable appropriate actions

SIGNIFICANT UNBUDGETED EXPENDITURES FROM THE OPERATING BUDGET EXPECTED BY THE END OF 2016

- ▶ Complete gutter project: \$15,000
 - ▶ Replace stairs as required (labor): \$7,000
 - ▶ Parking lot repairs: \$7,900
 - ▶ BOD decided to use expense account monies
 - ▶ Expense account has developed a significant surplus above what is necessary over the last several years.
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- Operating budget will overrun the 2017 budget by approx. \$33,000 in 2016 due to projects above and the planned deficit
 - Operating account balance at the end of 2016 estimated \$130,000

RESERVE STATUS

MONIES COLLECT FOR LARGE, FUTURE PROJECTS

- ▶ Total: \$292, 847
- ▶ Cash and Money Market: \$111,670
- ▶ CDs: \$181,177
 - ▶ All CDs are 100% insured
- ▶ 2016 expenditures (steps): \$9,500
- ▶ Significant Future Expenditures Start in 2022
 - ▶ Replace roofs
 - ▶ Replace bollard lights
 - ▶ Repave parking lot

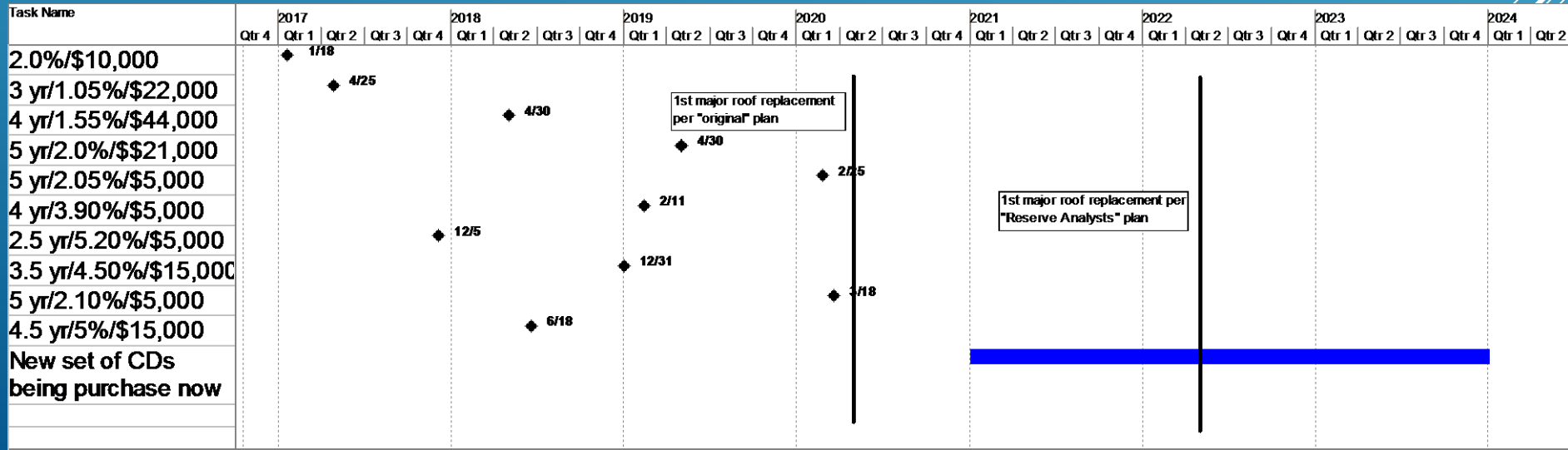
RESERVE STATUS – INVESTMENTS AND FUNDING LEVEL

▶ Investment Plan

- ▶ Continue building the CD ladder
 - ▶ Mix of maturity dates and length
- ▶ Remaining dollars in insured savings and money market accounts
- ▶ Accounts managed in a Charles Schwab account

▶ Completed updated capital reserve assessment

- ▶ Confirms we are on a solid path to fund future capital improvements
- ▶ Improved reserve balance from 27.8% of fully funded in 2013 to 55.5% in 2016



2017 BUDGET

2017 APPROVED BUDGET

- ▶ Operating Income: \$230,174
 - ▶ Assessments (unit/garage/storage): \$226,824
 - ▶ Late Fees: \$250
 - ▶ Lien/Collection Fees: \$1,000
 - ▶ Interest: \$100
 - ▶ Tenant Utilities: \$2,000
- ▶ Disbursements: \$239,750
- ▶ Projected Operating Budget Deficit: **(\$9,576)**
- ▶ Reserve Account income: \$76,360
 - ▶ Assessment: \$66,960
 - ▶ Reserve: \$5,000
 - ▶ Interest: \$4,400
- ▶ No change in assessments for operating expenses or reserve account
 - ▶ \$143/month/condo. unit
 - ▶ \$20/month/garage unit
 - ▶ \$10/month/storage unit
 - ▶ Reserve account: \$45/mo.

2017 BUDGET SUMMARY

- ▶ Utilities increase per known rate increases
- ▶ Minimal change in management fee
- ▶ Increase in building maintenance
- ▶ Minimal changes in other budgets
- ▶ Maintain contingency fund

DUES HISTORY

	2011	2012	2013	2014	2015	2016
Expenses	\$148.98	\$143.00	\$148.00	\$148.00	\$143.00	\$143.00
Reserve	\$11.23	\$20.00	\$30.00	\$40.00	\$45.00	\$45.00
Sub Total	\$160.21	\$163.00	\$178.00	\$188.00	\$188.00	\$188.00
Garage	\$19.45	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Storage Unit	\$9.70	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Condo Only	\$160.21	\$163.00	\$178.00	\$188.00	\$188.00	\$188.00
Condo + Garage	\$179.66	\$183.00	\$198.00	\$208.00	\$208.00	\$208.00
Condo + Storage Unit	\$169.91	\$173.00	\$188.00	\$198.00	\$198.00	\$198.00

QUESTIONS