

Lakeview Park Villas 2015 Financial Report

April 3, 2016

Dear Members,

Enclosed are our yearend financial reports for 2015. You will find both the Profit and Loss Statement and the Balance Sheet. We hope that you will spend a few moments to review our results. We will also provide copies and will be happy to answer any questions that you might have at our annual meeting that will be scheduled in the near future.

As part of your review it may be helpful to consider a few of the following highlights:

- We ended the year with an **operating surplus of \$14,168.75** as a result of finding some operational efficiency, some aggressive bidding and a better understanding of the amounts needed to fully fund our roofing and painting reserve funds. Most of these funds will be spent in 2016 to cover the costs associated with the special landscaping test bed project that was outlined in our last newsletter. The purpose of these tests is to determine best plants and best practices for our particular soil composition. Some of this money will also be spent to cover the cost of our recent flood plain survey that was explained in our recent mailing.
- We established a new operational reserve fund which was a requirement of our new member approved covenants. You will see that the current balance for this fund is **\$10,000.17**
- The new operational reserve fund was established with a one-time contribution. Monies equivalent to this contribution will be used to help fund a few projects slated for 2016. These include driveway sealing and door painting at selected units as was outlined in the 2016 budget that was included in our last newsletter.
- Our total dues collections which includes total income for operations and other income equaled \$138,934.52 indicating that **our 33 member units on average are good faith current and supporting our neighborhood.**

We think that these results indicate that we had a solid first year with our fledgling HOA. We learned to deliver our expected services at lower cost with improved quality. We received a number of positive comments as to the visible landscaping improvements. However, we also recognize that we as a community can do better in the coming years. As a result we really ask for your help and participation at our meeting this summer. Feedback and suggestions are critical.

Please consider one last note. You will see a lot of expense categories that were carried over from the reports of our old consolidated Eagle Bend HOA reports. Our new reports for next year have been considerably simplified.

Thank You

Board of Governors

LPPV 2015 Profit and Loss Statement

Income	Association Dues for Operations	\$ 92,365.00
	Interest Income	\$ 87.94
	Transfer Fee	\$ 806.58
	Total Income for Operations	\$ 93,259.52
Expense	Legal	\$ 4,379.00
	Property Management	\$ 7,200.00
	Insurance	\$ 1,061.00
	General Administration	\$ 517.50
	Bank Fees	\$ 10.00
	Misc.	\$ 225.00
	Landscaping General Care	\$ 34,676.50
	Landscaping Common Area	\$ 5,565.00
	Landscaping Common Area Other	\$ 710.00
	Landscaping Irrigation Maintenance and Repair	\$ 6,666.12
	Landscaping Consulting	\$ 1,497.50
	Landscaping Bushes	\$ 4,020.00
	Landscaping Flower Supplies	\$ 389.40
	Landscaping Flowers Other	\$ 544.50
	Landscaping Other	\$ 750.00
	Landscaping Tree Maintenance	\$ 70.00
	Pest Control	\$ 3,535.00
	Aquatic Weed Control	\$ 1,120.00
	Utilities – Electric	\$ 1,170.02
	Utilities – Electric	\$ (25.56)
	Utilities – Water & Sewer	\$ 1,863.97
	Utilities – Other	\$ 31.75
	Road Maintenance & Snow Removal	\$ 203.77
	Road Repair	\$ 628.65
	Road Sweeping	\$ 132.00
	Pavilion Maintenance Contribution	\$ 2,040.00
Christmas Decorations	\$ 109.65	
	Total Expenses	\$ 79,090.77
Net Income	Net Income to be Carried Over for 2016 Operations	\$ 14,168.75
Other Income	Roof Reserve Contribution	\$ 9,520.00
	Painting Reserve Contribution	\$ 24,480.00
	Operating Reserve Contribution	\$ 11,675.00
	Total Other Income	\$ 45,675.00
Cash Flow	Net Income and Other Income	\$ 59,843.59

LVPV 2015 Balance Sheet

Assets	Checking and Savings	Paint/Roof Reserve	\$ 142,817.26
		Operating Reserve	\$ 10,000.17
		Checking	<u>\$ 33,600.59</u>
		Total Checking and Savings	\$ 186,418.02
	Accounts Receivable	Accounts Receivable	<u>(\$10,520.00)</u>
		Total Accounts Receivable	(\$10,520.00)
	Other Current Assets	Undeposited Funds	\$ 2,030.00
		Prepaid Expenses	<u>\$ 5,734.84</u>
		Total Other Current Assets	\$ 7,764.84
	Total Assets		\$ 183,662.86
Liabilities and Equity	Equity	Retained Earnings	\$ 123,819.27
		Net Income	<u>\$ 59,843.59</u>
		Total Liabilities and Equity	\$ 183,662.86

2016 Budget

Income	
Dues	\$ 133,980
Operational Expenses	
Property Management & Administration	\$ 9,415
Legal	\$ 3,000
Lawn Care & Maintenance	\$ 40,115
Common Area Lawn Care & Maintenance	\$ 5,565
Entrances Lawn Care & Maintenance	\$ 2,500
Road Maintenance & Snow Removal	\$ 2,000
Utilities & Irrigation	\$ 5,800
Misc. (Pavilion, Aquatic Weed Abatement)	\$ 3,990
Pest Control	\$ 3,535
Special Projects	
Door Painting	\$ 5,500
Gutters and Downspouts	\$ 1,700
Driveway Sealing	\$ 2,000
Street Light Maintenance	\$ 1,200
Special Landscaping Program	\$ 10,000
Survey	\$ 5,000
Contingency	\$ 4,065
Bad Debt	\$ 2,000
Operations Total	\$ 107,385
Reserve Contribution Expenses	
Painting Reserve	\$ 23,500
Roof Reserve	\$ 12,800
Reserve Total	\$ 36,300
Total Expenses	\$ 143,685
Net Income	\$ (9,705)
Draw from 2015 Unspent Funds	\$ 10,000
Net	\$ 295

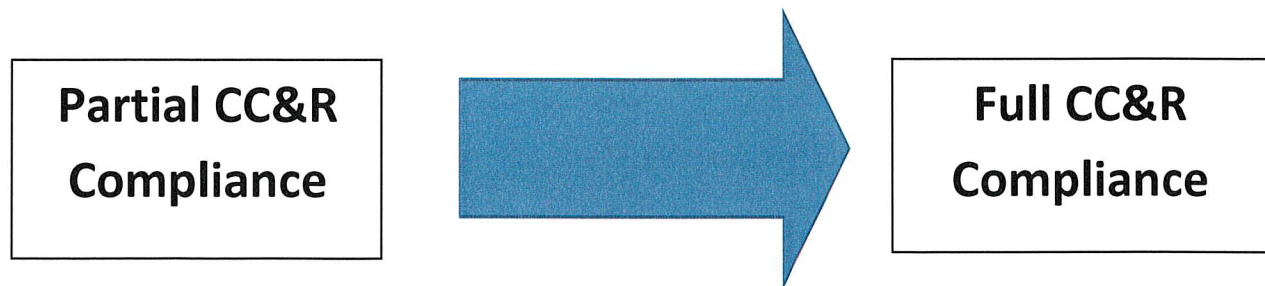
Long Range “Capital” Funding Plan

Argument for Developing a Long Range Funding Plan

- Currently we are in Transition and Not Fully Budgeted for All Future Needs
- A Plan is a Common Sense Tool to Fill our Current Gaps Going Forward
- A Plan will Provide a Clear List of Services Provided (Dues vs. Assessment)
- A Plan is a CC&R Requirement: Declaration; Recitals; Item (G):

G. By this Declaration, Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration, and improvement of Lake View Park Villas Home Owners Association, and the interests therein conveyed and to establish thereon a planned unit development.

We Need Your Help with Our Transition Plan!



DRAFT!

Potential List with Plan and Costs over 20 Years

Notes: * Currently Covered Fund; ** Funded This Year; *** City?

Item	\$ /Bldg	Year(1)	Life	Events	Totals
Painting (*)	9,500	2018	6	3	470,250
Roof Replacement (*)	20,000	2027	27	1	330,000
Upper Balcony Repair	1,000	2017	10	2	33,000
Road Chip Seal (\$/Event)	10,000	2021	5	3	30,000
Driveway Repair	2,000	2030	20	1	33,000
Irrigation Repair	1,200	2020	15	1	19,800
Pond Embankment Repair	2000	2017	20	1	26,000
Flower Bed Program (**)	5000	2016	25	1	82,500
Pole Light Maintenance	200	2019	20	1	3,300
Gutter/Fascia Repair	1000	2027	27	1	16,500
Siding Repair	200	2024	6	2	6,600
Fire Alarm Replacement	500	2020	15	1	8,200
Patio Repair	1500	2025	25	1	24,750
Mail Box Replacement (***)	200	2031	30	1	6,800
Outside Lighting Replacement	160	2022	20	1	2,640
Mulch	760	2020	7	2	33,400

Other Potential Items:

- Garage Door Repairs
- Door Repairs (Hardware, Door Replacement)
- Window Repairs and Replacement
- Misc. Painting Signage, Other Alarm Systems (CO, Security), etc.
- Underground Drainage Maintenance
- Achieve Full Operational Reserve of \$25,000

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Big Picture

(Paint & Roof Costs are based on Bids; Other Costs are ROM Estimates):

- Total Expenditures Potential > \$1,100,000 over 20 Years
- Currently Covering \$800,000 (Painting Exteriors & Roofing)
- Would Need Annual Cap. Avg. Dues Increase of \$600 from \$1,000 to \$1,600
- Increase Equal to 57% of Current Capital Dues or 15% of Current Total Dues

Going Forward

We Need to Work to Provide a Real Plan:

- Challenge the List
- Develop Better Estimates for Costs, Life and Year Needed
- Separate the List into HOA Funded vs. Individual Owner Funded
- Develop Funding Alternative Plans (Assessments, Dues, Mix of Both)
- Provide Plan Recommendation for Member Discussion and Involvement

We Need Your Help (Volunteers for Our Team)!