

TREASURER'S REPORT EXPENSE AND RESERVE ACCOUNTS

A scenic landscape featuring a range of mountains in the background, their peaks partially obscured by a hazy sky. In the middle ground, a dense forest of evergreen trees is visible. The foreground is a field of tall, dry grass. The overall scene is a natural, outdoor setting.

**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.

- 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

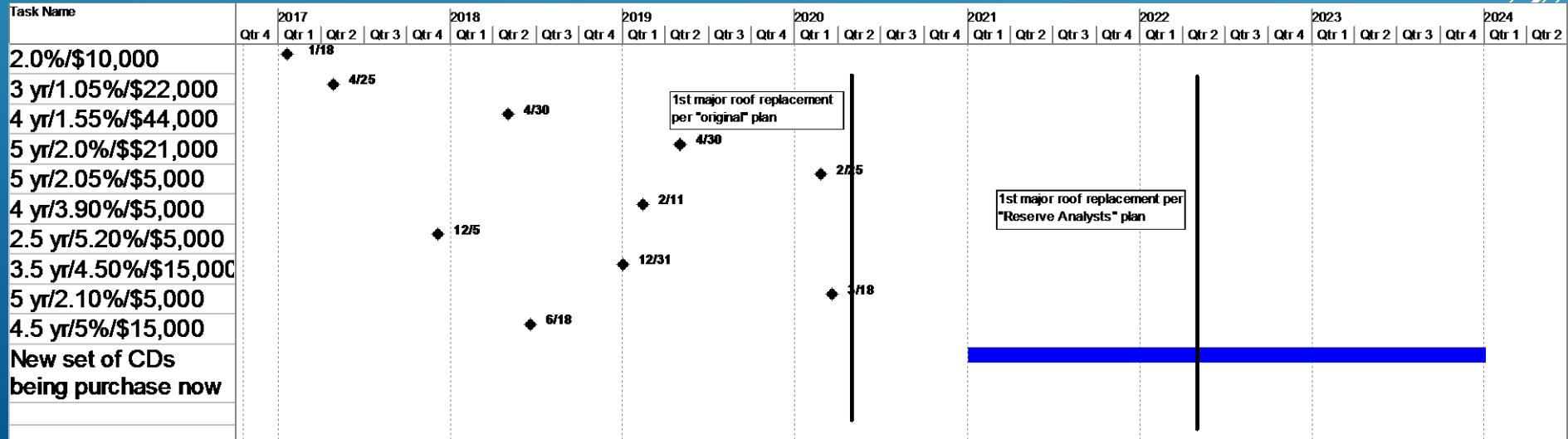
RESERVE STATUS – INVESTMENTS AND FUNDING LEVEL

► 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