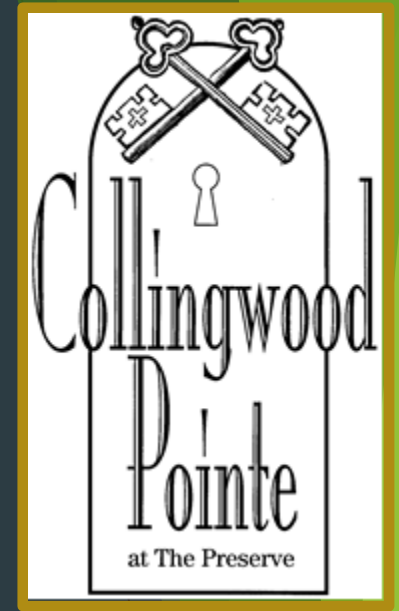


FINANCIAL PERFORMANCE 2019 & 2020

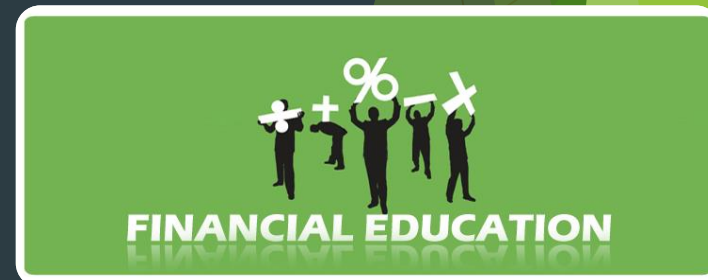


COLLINGWOOD POINTE AT THE PRESERVE

*An Overview of Financial Performance for
2019 year ending and anticipated 2020*

AGENDA

- **Volunteer Project List/ 2019**
- **Operating and Reserve Budget**
- **Reserve Budgeting & Expense Breakdown**
- **Reserve Study Funding, Strengths & Weakness**
- **Anticipated Expenditure Worksheets / 5 year**



Community Volunteer Projects List / 2017

- *The projects completed by volunteers and tracked for savings only include work that would have been outsourced to VGL or other vendors. These hours do not include volunteer hours for committees.*
- Volunteers have completed 296 man hours of work for 2019.
- Savings for Community - \$15,863.00.
 - Consultant hours totaling 474 hours with a savings to Community of \$12673.00.
 - Overall savings of \$28,536.00
 - Example of savings: Each unit owner would need to pay an extra \$19.82 per month to cover these expenses
- Thank you to all the volunteers this year for your time and hard work to make this community a better place to live

Operating & Reserve Budget



Operating and Reserve Budget

- The operating portion of the budget identifies the categories of expenses (called line items) that relates to the day-to-day operation of the association. These expenses can be anticipated to be incurred on a fairly regular basis such as monthly or annually.
- Associations need to anticipate for future capital expenses such as a new roof, street paving, and repairs or replacements of other major components. The funds that are required for such future capital expenditures are commonly referred to as the association's "reserve funds."

2019 Year Ending



| | | |
|---------------------------------------|-------------------------|---|
| Total Liabilities & Equity | \$237,463.67 | <i>Total as of December 31, 2019 Last year/Year end = \$234,488</i> |
| Total Operating Revenues | \$307,841 | <i>Association fees, late fees, misc. fees & Reserves</i> |
| Total Operating Expenses | \$290,848 | |
| Capital Reserves Expenses | <u>\$180,176</u> | <i>\$164,377 / Reserve Revenues</i> |
| Total Expenses: | \$471,024 | <i>\$472,218 Total Revenues</i> |
| Total Gain/Loss/ Year ending: | \$1194.00 | <i>Under budget</i> |

Operating Expenses / 2019

| | | Operating |
|--|-----------------|---------------------------|
| Utilities (<i>water, trash & electric</i>) | \$96,147 | 33% |
| Landscape | \$63,693 | 22% |
| Buildings (<i>does not include capital improvements</i>) | \$10,043 | |
| Grounds | \$916 | 84% (\$242,837) |
| Clubhouse | \$9135 | |
| Pool | \$7139 | |
| Snow & Ice | \$20,778 | |
| Administrative (<i>VGL, Insurance, Attorney fees</i>) | <u>\$82,997</u> | 29% |
| | | 84% based on 3 line items |
| <u>Total Expenses=</u> | \$290,848 | |



Financial Projections Upcoming Year

2020 Budget

\$467,395.00 *Revenues*

-\$292,496.00 *Total Operating Expenses*

\$170,000.00 *Reserve funding*

-\$157,625.00 *Total Capital Expenses*

This total includes loan amount

\$17,274.00 *Gain*

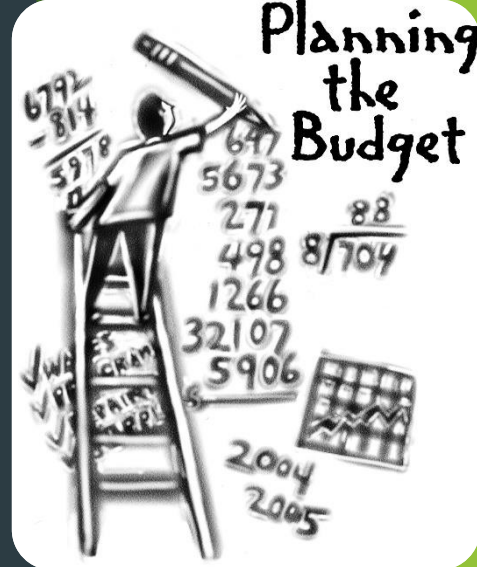
Let's talk about Reserve Budgeting

The Funding Plan

- An association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund



Planning the Budget



- The maintenance of an accurate replacement reserve budget is very important. Not only does the information supplement the association's operating budget, but it also an important tool for the preservation of property values and the control of annual costs for the association's membership.
- A good reserve plan provides owners and potential buyers (and their lenders) with a more accurate picture of the association's financial strength and market value.

| RESERVE EXPENSES/ 2018 | 7000 | Original Budget Based on Reserve Study | Encumbrance Actuals | |
|---|--|--|------------------------|--|
| 7015 | Replacement/ Repair Curb | \$4,000 | \$4,000.00 | |
| 70 | Buildings/ Masonry | \$9,800 | \$5,000 | |
| 7024 | Clubhouse/ Interior | \$10,000 | \$10,000 | |
| 7032 | HVAC/ AC | \$4,500 | \$4,500 | |
| 7025 | Storage Building and Electric | \$10,000 | \$13,000 | |
| 7028 | Loan | \$112,125 | \$112,000.00 | |
| 7033 | Tree / Shrub Replacement | \$7,000.00 | \$7,000.00 | |
| 7099 | Maintenance Build./ Grounds Lighting | \$12,000 | \$2,000.00 | |
| Total Reserve Expenses | | | | |
| | Total Budget / Reserve | \$169,425 | \$157,500 | |
| Net Reserve Income / Drain | Reserve Net Income (Loss) | \$575 | \$12,500 | |
| | 03/09/2020 | | | |

2020 Reserve Expense Breakdown

Reserve Underfunding

An Association's reserves are considered "underfunded" when the Reserve Fund Strength at the start of their fiscal year is less than 70% funded. This means that the amount of money in an Association's reserve account is less than 70% of the amount required to match the current common area deterioration. Currently we are at 10% funded.



Reserve Study/2010

Recommendations for Reserve Contributions

Recommended = \$249,900

Actual/ 2020 = \$170,000

03/09/2020

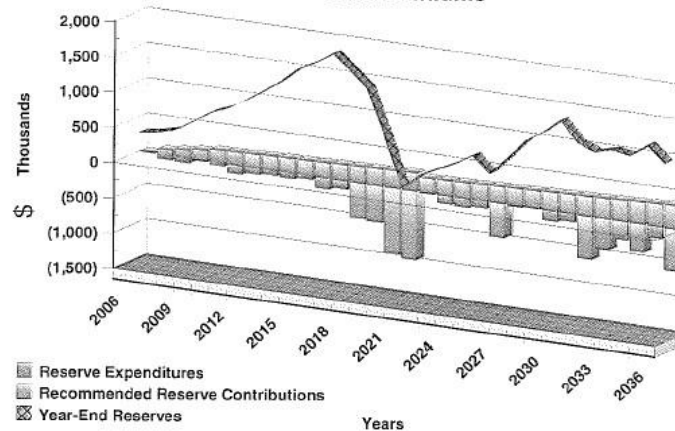
- 1 Based on the investigation and analysis as detailed in the accompanying narrative, we
- 2 recommend the following Reserve Funding Plan (Reserve Contributions) to offset the anticipated
- 3 future Reserve Expenditures of the subject Reserve Components during the next 30 years.

Recommended Reserve Contributions

| Year | \$ | Year | \$ | Year | \$ |
|------|---------|------|---------|------|---------|
| 2007 | 78,500 | 2017 | 226,700 | 2027 | 247,000 |
| 2008 | 112,500 | 2018 | 234,200 | 2028 | 255,200 |
| 2009 | 146,500 | 2019 | 241,900 | 2029 | 263,600 |
| 2010 | 180,500 | 2020 | 249,900 | 2030 | 272,300 |
| 2011 | 186,500 | 2021 | 258,100 | 2031 | 281,300 |
| 2012 | 192,700 | 2022 | 210,000 | 2032 | 290,600 |
| 2013 | 199,100 | 2023 | 216,900 | 2033 | 300,200 |
| 2014 | 205,700 | 2024 | 224,100 | 2034 | 310,100 |
| 2015 | 212,500 | 2025 | 231,500 | 2035 | 320,300 |
| 2016 | 219,500 | 2026 | 239,100 | 2036 | 330,900 |

4

Recommended Reserve Funding Plan
Collingwood Pointe at The Preserve
Condominiums



5

Reserve Funding Strength

Common area deterioration can be “monetized” by a term called “Fully Funded Balance”. Fully Funded Balance is the computed value of the deterioration of the association’s common area assets. This figure is determined by multiplying the “fractional age” (Age/Useful Life) of each component by its current estimated Replacement Cost, then summing them all together.“

Reserve Fund Strength/ Balances = Total replacement cost /divided by life years/ multiplied by years remaining

Example will be shown on worksheets coming up

[illegible]

| <i>Inventory</i> | <i>Estimated 1st Year of Replacement</i> | <i>Life/ Years</i> | <i>Future Cost of Replacement</i> |
|------------------|--|------------------------|---|
|------------------|--|------------------------|---|

| <i>Pool Elements</i> | | | | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------|------|----------|-----------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|----------------|-----------------|
| Concrete Deck Replacement/ Repairs | 2400 Sq.ft | 2017 | 10 | \$6,720.00 | | | \$3,509 | | | | | |
| Pool Painting | | 2017 | 10 to 15 | \$2,000.00 | | \$1,900 | | | | | | |
| Fence, Wood and Metal | 220 Lin.ft | 2022 | 25 | \$9,539.00 | | \$500.00 | | | | | | |
| Furniture | | 2014 | 12 | \$6,000.00 | | | | \$3,000 | | | | |
| Mechanical Equipment | | 2015 | 10 to 15 | \$8,500.00 | | | | | | | | |
| Plaster finish/ Structure and Repair | 640 Sq.ft | 2013 | 8 to 12 | \$8,320.00 | | | | | | | | |
| | | | | \$41,079.00 | \$0.00 | \$2,400 | \$3,509 | \$3,000 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | | | | | | | | | | | | |
| Anticipated Expenditures for Repairs/ Replacement | | | | \$3,637,058.00 | \$228,696 | \$118,029 | \$138,986 | \$74,266 | \$31,700 | \$91,700 | \$8,000 | \$73,000 |

Anticipated Reserve Revenues through 2024/ 5 Year plan

| <i>Expense Increases based on CPI @ 2% Average annually</i> | | | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--|--|--|--|--------------|--------------|-------------|-----------|-------------|--------------|
| Total Current Assets/ Year Beginning | | | | | \$234,488.00 | \$234,439 | \$251,722 | \$251,455 | \$294,550 | \$297,536 |
| <i>Anticipated Total Revenue/ Current Year/ 3% annually</i> | | | | | \$448,320.00 | \$467,395 | \$477,120 | \$491,520 | \$505,920 | \$520,320.00 |
| <i>Total Operating Expenses/ 2% Annually</i> | | | | | \$281,304.00 | \$292,496 | \$301,721 | \$310,309 | \$319,618 | \$329,207 |
| <i>Liabilities/ Loan Amount</i> | | | | | \$112,116.00 | \$112,116.00 | \$112,116 | \$112,116 | \$112,116 | \$112,116 |
| Total Asset Balance | | | | | \$289,388.00 | \$292,547 | \$315,422 | \$320,550 | \$368,736 | \$376,533 |
| | | | | | | | | | | |
| <i>Anticipated Reserve Expenses</i> | | | | | \$54,949 | \$45,500 | \$64,000.00 | \$26,000 | \$71,200.00 | \$39,250.00 |
| <i>Anticipated Reserves/Asset Year Ending</i> | | | | | \$234,439 | \$251,722 | \$251,455 | \$294,550 | \$297,536 | \$337,283 |



We hope you have gained an insight into the learning process and that you have enjoyed this presentation and learnt from it?

