



CENTENNIAL GLEN HOA

2016 ANNUAL MEETING

NOVEMBER 2, 2016

AGENDA

- ❖ **Neighborhood Watch**
- ❖ **Election of 2017 Board of Directors**
- ❖ **Current Board and Architectural Committee**
- ❖ **2016 Accomplishments**
- ❖ **Reserve Study**
- ❖ **2016 Financial Results**
- ❖ **2017 Goals/Projects**
- ❖ **Major Expenses/2017 Budget & Annual Dues**
- ❖ **Other/Q&A**
- ❖ **Election Results/Adjournment**

2016 Accomplishments

- ❖ **Revised Covenants/Bylaws - Approved by Homeowners and filed with El Paso County**
- ❖ **Reserve Study finalized**
- ❖ **All Required Policies & Procedures – completed and approved by the Board**
- ❖ **Neighborhood Directory Updated**
- ❖ **Continued Neighborhood Watch program**
- ❖ **Street issues – City Street Department inspected Centennial Glen Drive - gave it a low priority**

Reserve Study Results

❖ Purpose

- ✓ The purpose of a Reserve Analysis is to provide a guideline (educated estimate) to the Board as to what the Reserve Allocation needs to be in the future to replace the Physical Assets in the Common Areas of the Association as they deteriorate and need replacement.
- ✓ The Reserve Study also provides estimated annual Reserve funding requirements (in addition to Operating Costs) needed to meet the estimates provided in the Study to cover the costs of replacing these assets.
- ✓ The intent is to avoid special Homeowner Assessments to cover the costs to replace these assets.

❖ Physical Asset Inventory

| | Estimated Useful Life | Estimated Remaining Life | Estimated Replacement Cost | |
|---|-----------------------|--------------------------|----------------------------|------------|
| | | | Best | Worst |
| Ironwork Fencing on exterior of Association | 28 | 16 | \$ 94,725 | \$ 105,250 |
| Centennial Glen Monument at upper entrance | 25 | 12 | \$ 30,000 | \$ 35,000 |
| Six Stone Columns located along the exterior fence | 16 | 8 | \$ 1,800 | \$ 2,100 |
| Retaining Wall along Centennial Boulevard | NA | | | |
| Exterior Lighting – 65 lights & 3 Transformers | 12 | 7 | \$ 2,750 | \$ 3,000 |
| Three Mail boxes in neighborhood | 20 | 7 | \$ 4,950 | \$ 5,700 |
| Irrigation System – drip & lawn | NA | | | |
| Two RainMaster Controllers – timers for sprinkler/drip | 15 | 5 | \$ 8,000 | \$ 9,500 |
| Two Febco Blackflow Devices – valves for sprinkler system | NA | | | |
| Painting of Ironwork Fencing on exterior of Association | 4 | 0 | \$ 14,750 | \$ 16,325 |
| Landscaping in Common Areas | NA | | | |

Reserve Study Results (continued)

❖ Financial Analysis

✓ Status as of 1/1/2016

| | |
|--|---|
| Reserve Balance as of January 1, 2016 | \$51,851 |
| Ideal Reserve Balance as January 1, 2016 | \$86,757 |
| Percent Funded as of January 1, 2016 | 60% - This is considered to be in the “fair” financial position |
| Recommended Funding level for 2016 | \$13,800 to \$14,400 |

✓ Percent Funded as of January 1, 2017 based on \$14,400 funding at end of 2016

79% (Reserve Study assumed \$15K was spent on painting
of fence in 2016 – this project was not completed)

If we spent the \$15k on painting we would be in the
60% range

✓ Actual 2016 Funding - Board will review Operating Cash position at end of year and will move up to \$14k depending on available Operating Cash at the end of year

Reserve Study Results (continued)

- ✓ 2017 Recommended Annual Reserve Contribution - \$14,832 or \$1,236 per month
- ✓ 2017 Reserve Contribution will be accomplished by using Operating Cash combined with 2017 Budgeted Net Income of \$8071 to meet the recommended Reserve contribution amount of \$14,832 - Could be tough to meet.
- ✓ Recommended Reserve Contributions per Reserve Study:

| <u>Amount:</u> | <u>Percent Funded:</u> |
|-----------------|------------------------|
| 2018 - \$15,277 | 68% |
| 2019 - \$15,735 | 73% |
| 2020 - \$16,207 | 77% |
| 2021 - \$16,694 | 77% |
| 2022 - \$17,194 | 79% |

- ✓ Future Reserve Contributions will be met from Operating Cash (via reduced expenses) or a possible increase in monthly dues in the future

2016 Financial Results

Centennial Glen HOA

Balance Sheet

As of September 30, 2016

| | <u>Amounts</u> |
|---------------------------------------|-------------------------|
| ASSETS | |
| Current Assets | |
| General Operating Account | \$ 34,664 |
| Capital Reserve Account | |
| Savings | 31,815 |
| CDs | 20,119 |
| Total Capital Reserves | <u>\$ 51,934</u> |
| Total Checking and Capital Reseve | \$ 86,598 |
| Accounts Receivable | 320 |
| TOTAL ASSETS | <u><u>\$ 86,918</u></u> |
| LIABILITIES & EQUITY | |
| Current Liabilities | |
| Prepaid HOA Dues | \$ 3,180 |
| Total Liabilities | <u>\$ 3,180</u> |
| EQUITY | |
| Retained Earnings | \$ 70,110 |
| Net Income | 13,628 |
| Total Equity | <u>83,738</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>\$ 86,918</u></u> |

Centennial Glen HOA
Profit & Loss Budget vs. Actual
January through September 2016

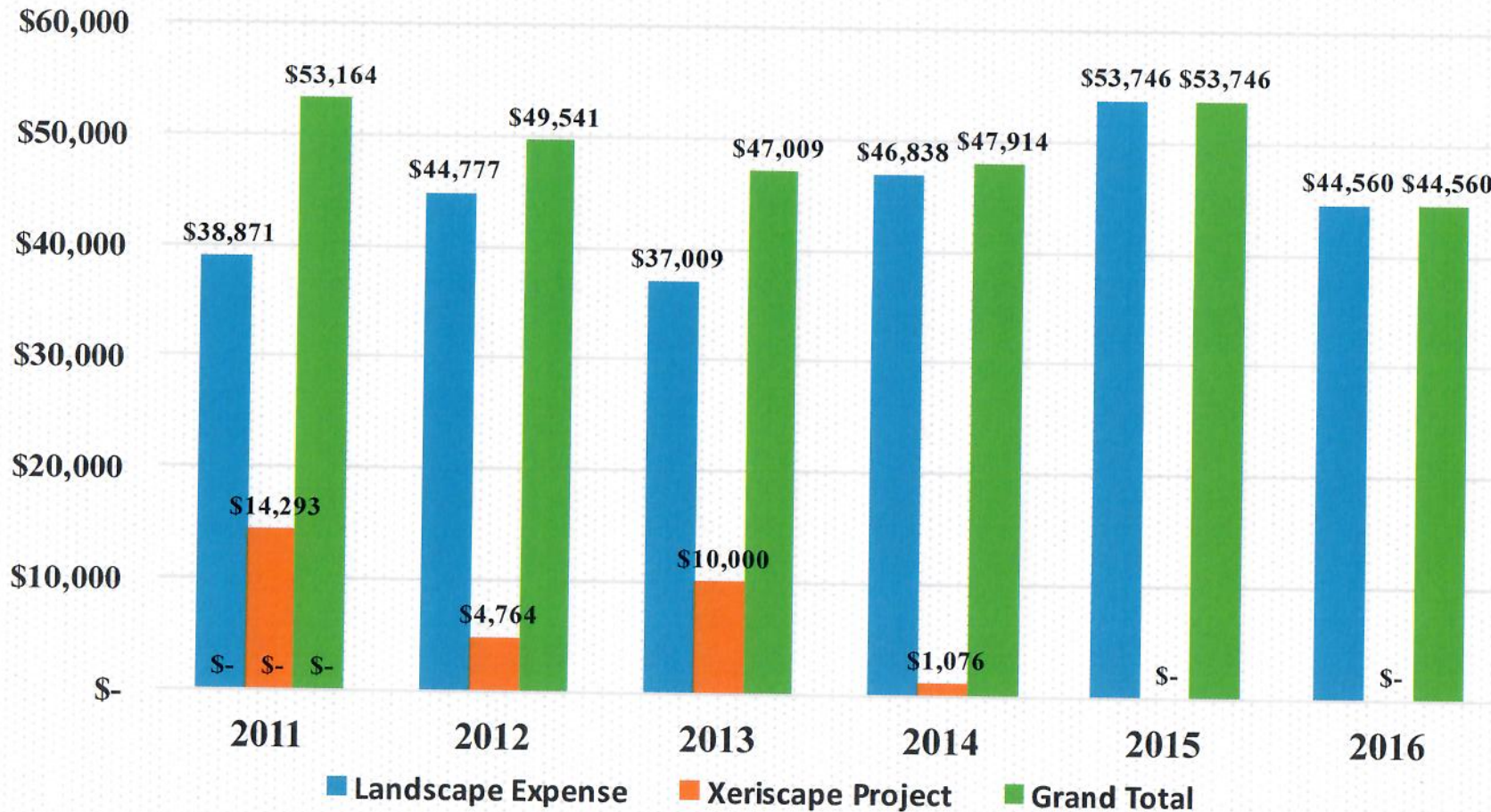
| | <u>Jan - Sep 16</u> | <u>Budget</u> | <u>\$ Over Budget</u> |
|--------------------------------|---------------------|---------------|-----------------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Homeowner Dues | 66,600 | 66,600 | 0 |
| Interest Income | 83 | 43 | 41 |
| Total Income | <u>66,683</u> | <u>66,643</u> | <u>41</u> |
| Expense | | | |
| Accounting | 435 | 450 | -15 |
| Bank Service Charges | 30 | 18 | 12 |
| Fees & Licenses | 0 | 10 | -10 |
| Insurance | 0 | 625 | -625 |
| Landscaping | 23,768 | 36,000 | -12,232 |
| Legal Fees | 5,767 | 5,000 | 767 |
| P. O. Box Rent | 0 | 130 | -130 |
| Postage | 146 | 90 | 56 |
| Security | 0 | 452 | -452 |
| Supplies | 215 | 90 | 125 |
| Tax Preparation | 500 | 500 | 0 |
| Trash Service | 6,322 | 6,000 | 322 |
| Utilities | | | |
| Electric | 1,005 | 990 | 15 |
| Water | 14,867 | 14,000 | 867 |
| Total Utilities | <u>15,872</u> | <u>14,990</u> | <u>882</u> |
| Total Expense | <u>53,055</u> | <u>64,355</u> | <u>-11,300</u> |
| Net Ordinary Income | <u>13,628</u> | <u>2,288</u> | <u>11,340</u> |
| Net Income | <u>13,628</u> | <u>2,288</u> | <u>11,340</u> |

2017 Goals/Projects

- ❖ **Complete 2016 Projects**
 - ✓ **Update Neighborhood Directory**
 - ✓ **Investigate measures for further water conservation**
- ❖ **Review Reserve Study funding options for 2017 & future years**
- ❖ **Review HOA Records for compliance with record retention policy**
- ❖ **Work with Colorado Springs Street Department on issues with street**
- ❖ **Review expenses for possible cost saving -trash removal, etc.**

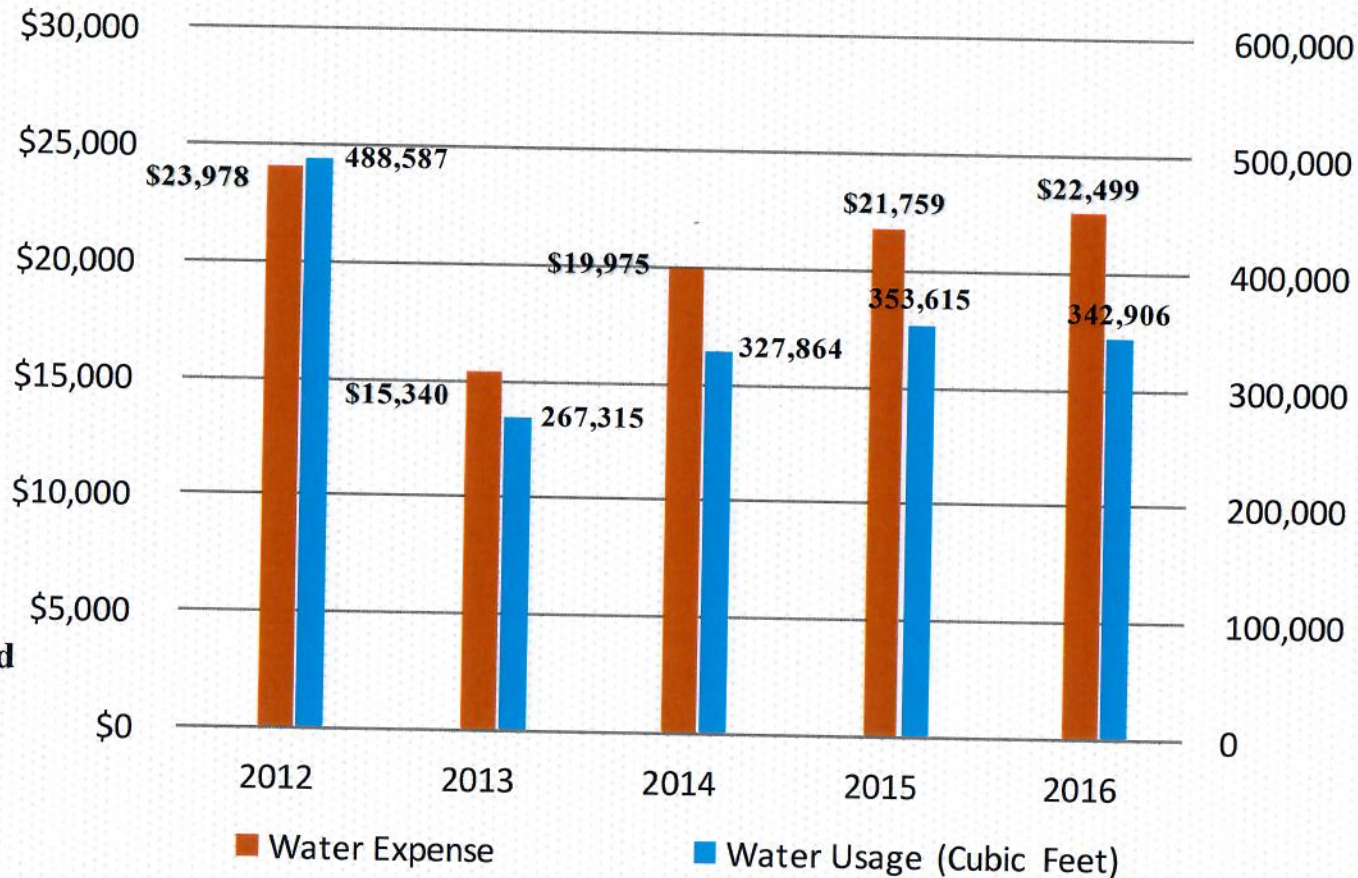
**MAJOR EXPENSES,
2017 BUDGET & DUES**

Robertson's Landscaping Expense Comparison 2011-2016



2016 Data
projected
through
12/31/2016

Colorado Springs Utilities Water Expense and Usage (Cubic Feet)



Water rates increased 39.5% from 2012 to 2016 – at 2012 rates 2016 costs would be \$16,126

Centennial Glen HOA

2017 Budget

| Ordinary Income/Expense | 2016 Budget | Jan-Sep 16 Actuals | Oct-Dec 16 Projected | Projected 2016 Actuals | 2017 Budget |
|--------------------------|----------------|-----------------------|-------------------------|---------------------------|----------------|
| Income | | | | | |
| Homeowner Dues | \$ 88,800 | \$ 66,600 | \$ 22,200 | \$ 88,800 | \$ 88,800 /1 |
| Interest Income | 63 | 83 | 28 | 111 | 111 |
| Total Income | \$ 88,863 | \$ 66,683 | \$ 22,228 | \$ 88,911 | \$ 88,911 |
| Expense | | | | | |
| Accounting | \$ 625 | \$ 435 | \$ 145 | \$ 580 | \$ 700 |
| Bank Service Charges | 30 | 30 | 10 | 40 | 40 |
| Block Party | 100 | - | - | - | 100 |
| Fees & Licenses | 10 | - | 10 | 10 | 10 |
| Insurance | 625 | - | - | - | 625 |
| Landscaping/Snow Removal | 47,000 | 23,768 | 20,794 | 44,562 | 45,000 |
| Legal Fees | 5,000 | 5,767 | - | 5,767 | - |
| P. O. Box Rent | 130 | - | 130 | 130 | 130 |
| Postage & Copies | 100 | 146 | - | 146 | 75 |
| Reserve Study | 775 | - | - | 775 | - |
| Security | 1,000 | - | - | - | 1,000 |
| Supplies | 130 | 215 | 72 | 287 | 300 |
| Tax Preparation | 500 | 500 | - | 500 | 500 |
| Trash Service | 8,400 | 6,322 | 2,107 | 8,429 | 8,429 |
| Utilities | | | | | |
| Electric | 1,560 | 1,005 | 335 | 1,340 | 1,407 |
| Water | 22,324 | 14,867 | 7,632 | 22,499 | 22,499 |
| Total Utilities | \$ 23,884 | \$ 15,872 | \$ 7,967 | \$ 23,839 | \$ 23,906 |
| Web Site Renewal | \$ 25 | \$ - | \$ 25 | \$ 25 | \$ 25 |
| Total Expense | \$ 88,334 | \$ 53,055 | \$ 31,260 | \$ 85,090 | \$ 80,840 |
| Net Ordinary Income | \$ 529 | \$ 13,628 | \$ (9,032) | \$ 3,820 | \$ 8,071 /2 |

/1 Revenues are based on dues level of \$160 per month. Same as 2016

/2 Any net income will be transferred to the Capital Reserve Fund

Other

❖ Covenants – Issues

- Exterior maintenance on houses – exterior of homes needs to be maintained in good condition – includes exterior surfaces, stucco, decks, walks and driveways
- Trash receptacles – Should not be left out over night – should only be out on pickup day which is Wednesday
- Garage doors being left open – for security purposes they should not be left open for extended period of times
- Gardening tools, bags of fertilizer and top soil being stored outside – these items need to be stored inside when not being used

❖ Any changes to the exterior of your house or yard should be approved by the Architectural Committee

❖ Please water on warm winter days – this will maintain the health and prevent winter kill due to sunny dry winter weather - we currently are watering one day a week.

❖ Questions???

❖ Election Results

❖ Adjournment

