

WOOD CREEK CONDOMINIUM ASSOCIATION
Board of Directors Budget Meeting
June 8, 2005

Directors present (by phone)

Bob Mannix
Charles Kerr
Donna Hayley

Management Company

Lynn Kiklevich
Danny Myers

Meeting was called to order at 3:07pm by Bob Mannix.

Quorum was established with 2 of 3 members present (3 of 3 present when Donna joined at 3:34pm).

FINANCIAL REPORT

Lynn presented the Financial Report.

Balance Sheet

As of April 30, 2005, total cash on hand was \$90,705. Accounts receivable was \$10,172 and pre-paid expenses and deposits equaled \$1,975. Total Assets equaled \$103,011. Current Liabilities totaled \$67,085, with accounts payable of \$9,772. The long term portion of the note payable equaled \$86,480.

Income Statement

As of April 30, 2005, the income statement reflects a positive net margin of \$15,482. This is \$14,962 less than budgeted. Operating Expenses total \$104,967, \$3,333 less than budget. Capital expenses total \$56,485, \$31,485 more than budget. \$49,450 of capital is budgeted in May and June, although the atrium project will exceed this amount considerably. At the time this budget was approved, we only had a tentative bid for the project of about \$60,000.

Fund Balances

The Unrestricted (Operating) Fund balance on April 30, 2005 was (\$14,678), an improvement of \$7,300 from one year ago. This negative balance is a result of the HOA operating expenses exceeding operating assessments in the previous fiscal year. The Restricted (Capital) Fund showed a balance of (\$35,876) on April 30, 2005.

Cash Position

Available cash balance on June 30, 2005 projected to be \$32,038.

Capital Expenses

Capital projects this past year included the lobby tile, the dumpster enclosure, some painting and landscaping, installation of the portico planter, and the Atrium Walkway

Project. The account is currently \$17,964 under budget, yet will be substantially over budget following the completion of the Atrium Walkway Project (budget revised from \$60,000 to \$180,000).

MOTION by Charles to approve the Financial Report as submitted.

Seconded by Bob

Unanimous approval.

OLD BUSINESS

Atrium Walkway Project

Bob reported that the Walkway Project was progressing well and should be completed by the end of June. All the new wood supports are in place, as well as the new decking. Painting and the application of a waterproof sealant is scheduled to take place June 22-24. Bob explained that the building cannot be occupied during those three days and even the full time residents will have to move out temporarily.

Three unanticipated problems did present themselves, but have been resolved without substantial cost increases. Those three problems were: having to replace 6 large support beams instead of 3; additional work needed to be completed to shore up the roof of the lobby; water damage occurred in a laundry chute located near the elevator. With some contingency built into the project estimates, this additional work will not substantially increase the total project costs.

Special Assessment Amount

Bob then went over the worksheet that he and Lynn had used to estimate the assessment for the Atrium Walkway Project. Construction costs were estimated to be \$159,000; engineering costs will be approximately \$14,000; Legal Fees, \$900; Landscaping, \$1,250; assistance from CBMR Properties, \$1,200. After some discussion, the group also agreed that \$5,000 should be included for unanticipated expenses from now until project completion. This brought the total estimated cost of the project to \$182,000.

After much discussion, it was decided that trying to maintain a Reserve of \$40,000 at this time would be most desirable, leaving \$48,000 that could be applied to the project to reduce the special assessment. This would leave a Special Assessment of \$134,000 to be paid by the owners. This would translate to an average assessment of \$3,800 for the owners of one-bedrooms, \$5,500 for two-bedrooms; \$7,200 for three-bedrooms.

MOTION by Charles to set the Special Assessment for the Atrium Walkway Project at \$134,000 to be divided proportionally amongst the owners depending on their unit square footage.

Seconded by Donna.

Unanimous approval.

Loan Terms

Bob reported that owners will have the option of paying their assessment in full by July 31, 2005 or taking advantage of a 60-month loan provided through Community Banks of Colorado. After some discussion, it was agreed that the variable rate of 0.5% over Prime, (adjusted monthly) offered by Community Banks was a good option to offer the owners.

MOTION by Bob to offer owners the option of paying their assessment over 60 months at a variable rate of 0.5% over Prime, adjusted monthly.

Seconded by Donna.

Unanimous approval.

NEW BUSINESS

2005-06 Operating Budget

Lynn presented the 2005-2006 Operating Budget to the Board. Expenses are expected to be 3% less than projected actual for 2004-2005. While increases are expected in insurance and utilities, these will be offset by decreases in Maintenance Labor and Supplies, Contract Labor, and Snow Removal.

Lynn noted that no increase seemed to be necessary in operating assessments at this time – as they seemed to be sufficient to cover anticipated expenses this year. Bob added that an increase is probably likely in the near future, however.

MOTION by Charles to approve the proposed 2005-06 Operating Budget.

Seconded by Donna.

Unanimous approval.

2005-06 Capital Plan

Proposed Capital Projects for the upcoming year were modest, totaling just \$7,000. They include the planting of several trees in front of the building, finishing the planter by the driveway breezeway, drywall work and painting in the lobby, and the installation of gutters on the south roof line.

MOTION by Donna to approve the proposed 2005-06 Capital Budget of \$7,000.

Seconded by Charles.

Unanimous approval.

There being no additional business, the meeting was adjourned at 4:19PM.

Respectfully Submitted,

Approved by,

Lynn Kiklevich

Bob Mannix

General Manager

Association Manager