

Elk Run Phase IV
Home Owners Association
Annual Members Meeting
January 16, 2019

2019 Plan, Budget, and Projections

6:00 PM

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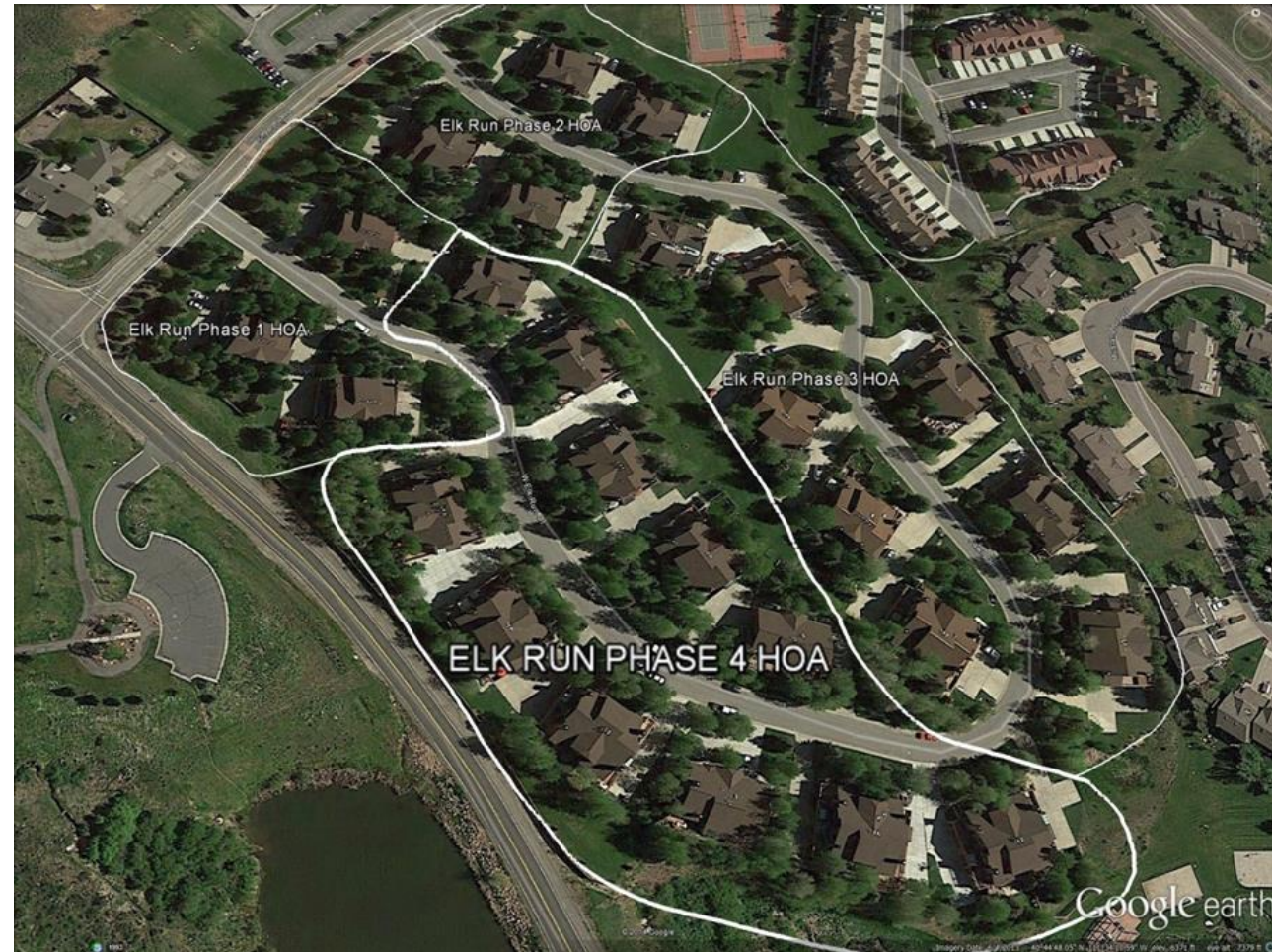
Elk Run Phase IV HOA – Annual Members Meeting 2019 Plan, Budget, and Projections

- **6:00 pm call to order**
- **Determination of Quorum**
- **2018 Minutes Approval**
- **Accountant's Report 2018**
 - Balance sheet
 - Profit & Loss
 - Budget vs. Actual
 - Current vs. Prior Year
- **Old Business 2018**
 - Major Projects for 2018
 - Budget vs. Actual
- **New Business for 2019**
 - Reserve Funding for 2019
- **Budget Plan & Projections for 2019 & Beyond**
 - Major Projects and Special Assessment
 - Driveways
 - Maintenance and Painting Plan
 - Existing Plan, Revised Plan
- **2019 Dues & Assessment Payment Schedule**
- **2019 HOA Meeting Schedule**
- **Election of New Board Members**
- **7:30 pm Open Forum and Adjournment**

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- **Elk Run Phase IV HOA**

- Was Constructed Between
 - 1990 to 1992
- Consists of
 - 11 Buildings
 - 9 – Four-plex Buildings
 - 2 – Duplex Buildings
 - 14 Driveways
 - 40 Individual Units Total



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- The Primary Purpose of a Homeowners Association
is to Maintain and Enhance Property Values
And Preserve the Character of the Community

Guide to Understanding Homeowners Associations - HOA-USA.com

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- The Primary Purpose of a Homeowners Association
is to Maintain and Enhance Property Values
And Preserve the Character of the Community
Through Enforcing the Covenants,
Bylaws, Rules & Regulations
and Maintenance of the Buildings & Common Areas

Guide to Understanding Homeowners Associations - HOA-USA.com

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For Your Information
Changes, Accomplishments, & Highlights
2018

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- Changes, Accomplishments, & Highlights for 2018
 - Building Maintenance and Painting
 - Original Garden Windows with Water Penetration Damage Replaced
 - All Unit Owners Have Replaced Their Original Garden Windows
 - Fire Sprinkler Annual Riser Room Checkups and Identified Recharges Completed
 - Elk Run Phase 4 HOA's website updated
 - Added Project Updates, News Items, Meeting Info, and Policy Reminders
 - Grounds Maintenance and Landscaping
 - GMS-Grounds Maintenance Service provided landscaping and snow removal in 2018 and will continue through 2021
 - Greenleaf Co. a Certified Arborist, Removed Trees Identified as Hazardous or Diseased
 - Greenleaf Co is also providing the HOA's tree spraying needs
 - Tru-Green is providing the HOA with grounds aeration, fertilization, and weed control
 - New Accountant Search and Appointment was Conducted
 - Horrocks Accounting, Inc., Heber City, Utah
 - In 2018 Elk Run Phase 4 had three units sold to our new neighbors
 - Two Board Members have resigned and will need to be replaced

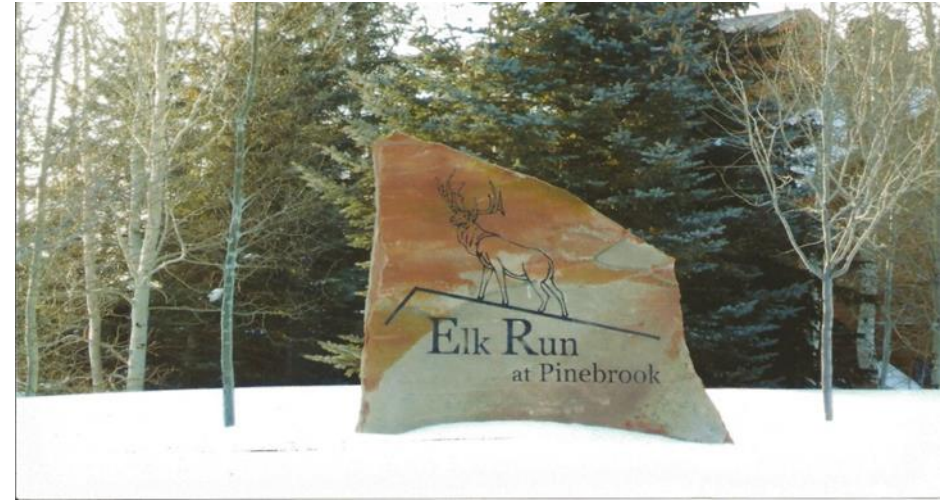
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- **Budget Observations and Potential Impacts**
- **The following may/will have a significant financial impact on the 2018 and 2019 Elk Run Phase 4 Operating Budget at its current funding level.**
 - **Updated for 2019**
- **During the Paint & Maintenance work in 2017 water damage to vertical walls were observed and repaired. Will this damage be observed in the future?**
 - Will require continued observation.
- **Two lower roofs were observed to be “spongey” during other building repairs in the fall. This will need to be investigated in 2018 and may require unbudgeted repairs.**
 - Both Roofs repaired by OnTop Roofing at their expense.
- **The HOA’s three year contract for Landscaping and Snow Removal will be up for renewal.**
 - Three year agreement with cost increase from \$2825. to \$3050. monthly.

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Elk Run Phase IV Website can be found at:
<http://elkrun4.weebly.com/>



- **Elk Run Phase IV e-mail address:**
 - elkrun4hoa@gmail.com

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Goals and Strategy

- Fund the Annual Recurring Expense Budget
 - Through Quarterly Dues
 - Use proceeds to pay recurring annual expenses
 - Recurring Expense Budget funds remaining at the end of the year are moved to reserve funds
 - Re-evaluate HOA dues requirements annually
- Fund Non-Recurring Expenses Through Special Assessments
 - Upgrades or emergency one time events in the year they are to be repaired / replaced / upgraded
- Remain in Compliance with Utah State Legislation
- Fund reserve accounts
 - Roofing
 - Driveways
 - Buildings
 - Fence

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Budget

Elk Run Phase IV HOA – Annual Members Meeting

2019 Plan, Budget, and Projections

Balance Sheet		Dec 31, 18	Dec 31, 17
ASSETS			
Current Assets			
Checking/Savings			
Current Cash			
Chase Checking (8834)		34,605.30	19,660.52
Savings (5926) Liquid		<u>22,970.94</u>	<u>22,959.47</u>
Total Current Cash		57,576.24	42,619.99
Reserve Accounts			
Roofing #105 (3294)		21,015.69	9,010.97
Insurance Deductable (3302)		10,042.60	10,037.60
Fence #1001 (3328)		3,626.14	2,624.93
Driveway Fund #403 (3310)		77,788.32	67,720.06
Bldgs Maint Paint # 217 (7888)		<u>137,845.87</u>	<u>101,190.35</u>
Total Reserve Accounts		<u>250,318.62</u>	<u>190,583.91</u>
Total Checking/Savings		307,894.86	233,203.90
Accounts Receivable			
Accounts Receivable		<u>(17,694.07)</u>	<u>(6,031.57)</u>
Total Accounts Receivable		(17,694.07)	(6,031.57)
Other Current Assets			
Undeposited Funds		<u>11,288.20</u>	<u>0.00</u>
Total Other Current Assets		<u>11,288.20</u>	<u>0.00</u>
Total Current Assets		<u>301,488.99</u>	<u>227,172.33</u>
TOTAL ASSETS		<u>301,488.99</u>	<u>227,172.33</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable		<u>2,417.33</u>	<u>(8.49)</u>
Total Accounts Payable		<u>2,417.33</u>	<u>(8.49)</u>
Total Current Liabilities		<u>2,417.33</u>	<u>(8.49)</u>
Total Liabilities		2,417.33	(8.49)
Equity			
Opening Balance Equity		48.00	760.00
Retained Earnings		226,420.82	309,491.71
Net Income		<u>72,602.84</u>	<u>(83,070.89)</u>
Total Equity		<u>299,071.66</u>	<u>227,180.82</u>
TOTAL LIABILITIES & EQUITY		<u>301,488.99</u>	<u>227,172.33</u>

Elk Run Phase IV HOA – Annual Members Meeting 2019 Plan, Budget, and Projections

Profit & Loss		Jan - Dec 18
Ordinary Income/Expense		
Income		
RegDues		158000
Spec.Assess		-475
Demand Letter		0
Misc.		0
Late Fee		485.51
No Proxy		0
Parking Charge		<u>500</u>
Total Dues		158510.51
Document Service		<u>750</u>
Total Income		<u>159260.51</u>
Gross Profit		159260.51
Expense		
Grounds Maintenance		
Improvements Small Projects		772
Basic Grounds Contract		36031.67
Lawn Sprinklers		5798.58
Tree Spray Application		954.51
Lawn Fertilization		1380.01
Loader, Winter		0
Tree Trimming & Removal		1700
Water		3774.94
Electric		<u>55.3</u>
Total Grounds Maintenance		50467.01
Sealing of Concrete		0
Professional Fees		
Accounting		3749
Legal		1600
Professional Fees - Other		0
Total Professional Fees		5349
Insurance		
Master Policy		9181
D & O Insurance		<u>1441</u>
Total Insurance		10622
AdminExp		
Office		
Bank Charge		4
Office Expense		35.25
Postage		171.6
Total Office		210.85
Total Operating Expense		<u>13987.38</u>
Total AdminExp		14198.23
Building Maintenance		
Fire Sprinklers		1606.98
Fence Maintenance		0
General Maintenance		295.09
Small General		271.81
Building Maintenance - Other		0
Total Building Maintenance		<u>2173.88</u>
Total Expense		<u>82810.12</u>
Net Ordinary Income		76450.39
Other Income/Expense		
Interest		<u>204.38</u>
Total Other Income		204.38
Reserve Spending		
Driveway		106.93
Fence		0
Paint & Maintenance		<u>3945</u>
Total Reserve Spending		<u>4051.93</u>
Total Other Expense		<u>4051.93</u>
Net Other Income		<u>-3847.55</u>
Net Income		<u>72602.84</u>

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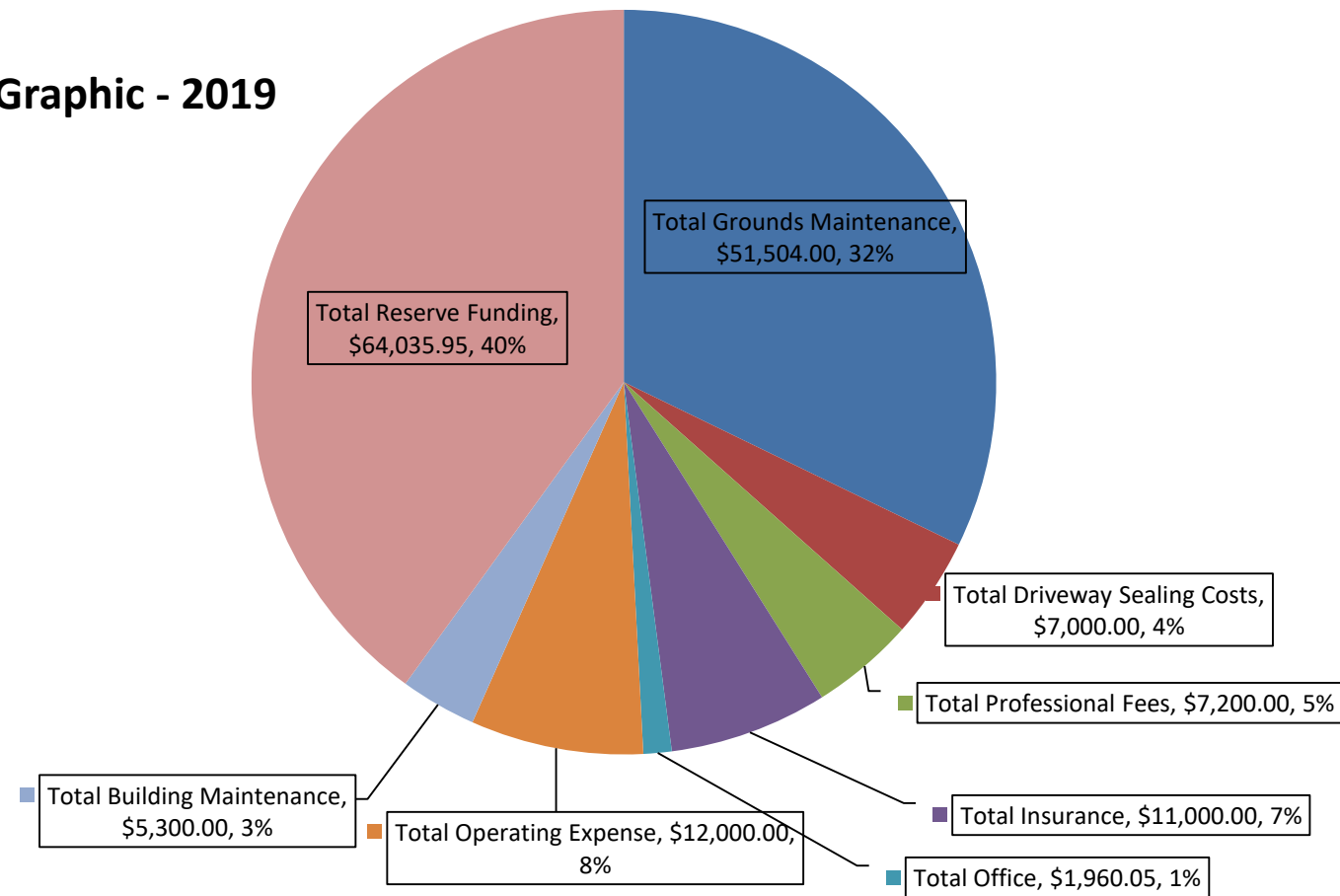
2019 Plan, Budget, and Projections

Annual Recurring Expenses - Budget Plan Projections - 2019

	2019 Totals	Unit Owner Breakout	%age of Annual Dues
Expense Budget			
Total Grounds Maintenance	\$51,504.00	\$1,287.60	32.2%
Total Driveway Sealing Costs	\$7,000.00	\$175.00	4.4%
Total Professional Fees	\$7,200.00	\$180.00	4.5%
Total Insurance	\$11,000.00	\$275.00	6.9%
Total Office	\$1,960.05	\$49.00	1.2%
Total Operating Expense	\$12,000.00	\$300.00	7.5%
Total Building Maintenance	\$5,300.00	\$132.50	3.3%
Total Reserve Funding	\$64,035.95	\$1,600.90	40.0%
Total Expense	\$160,000.00	\$4,000.00	100.0%
Total Dues	\$160,000.00	\$4,000.00	100.0%

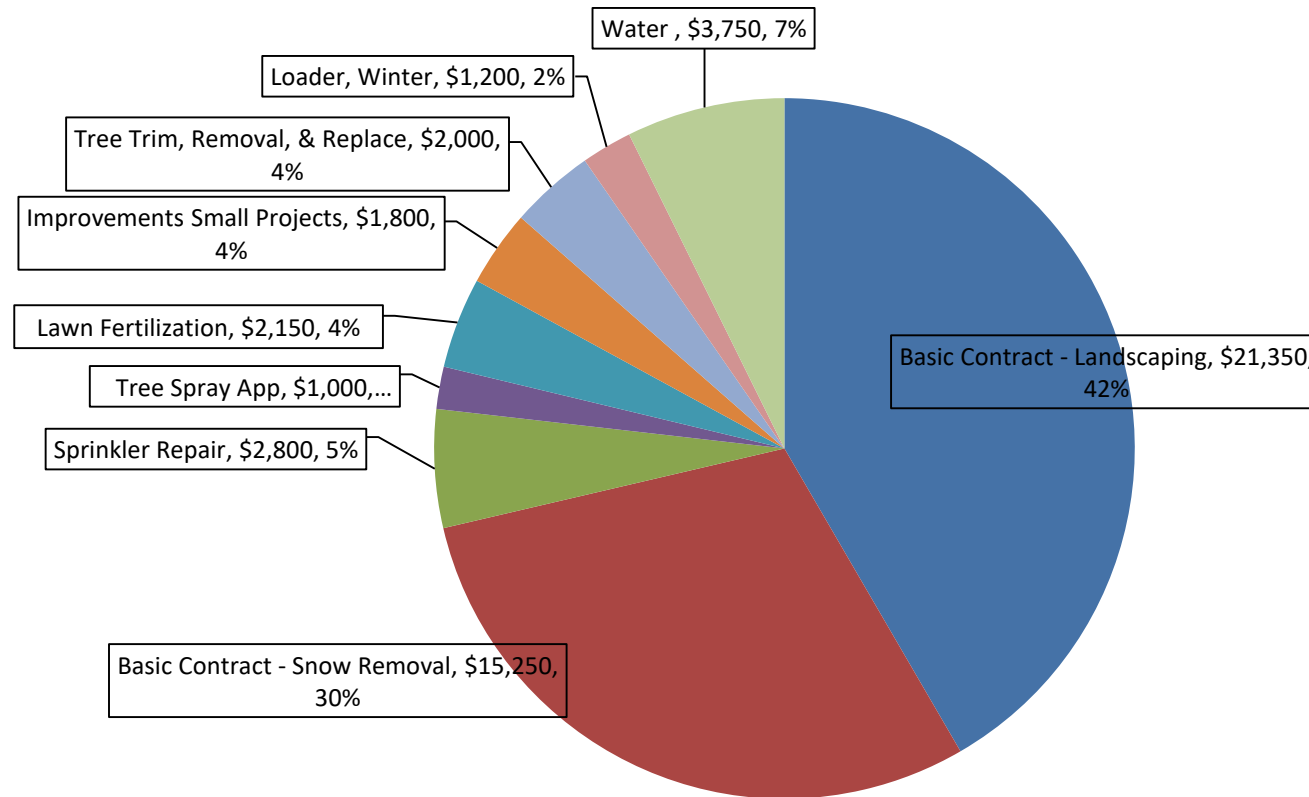
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Annual Expense Budget Graphic - 2019



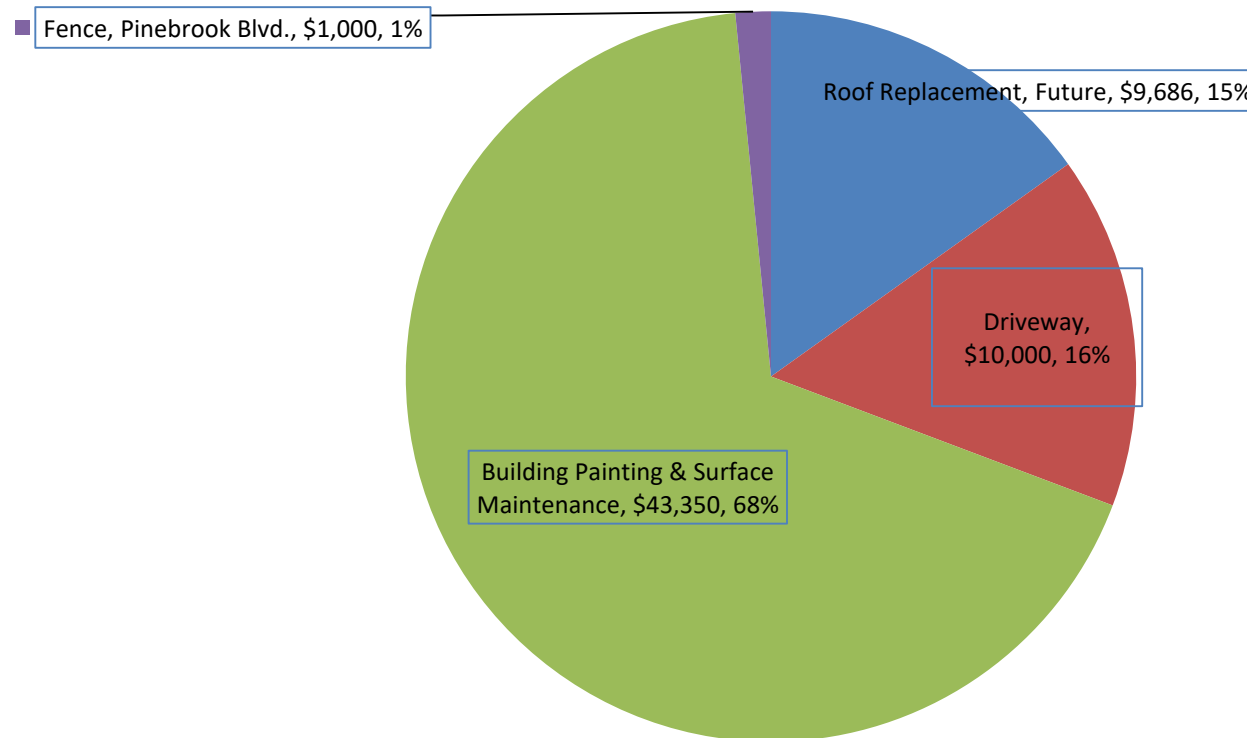
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Total Grounds Maintenance - 2019



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Reserve Funding for 2019



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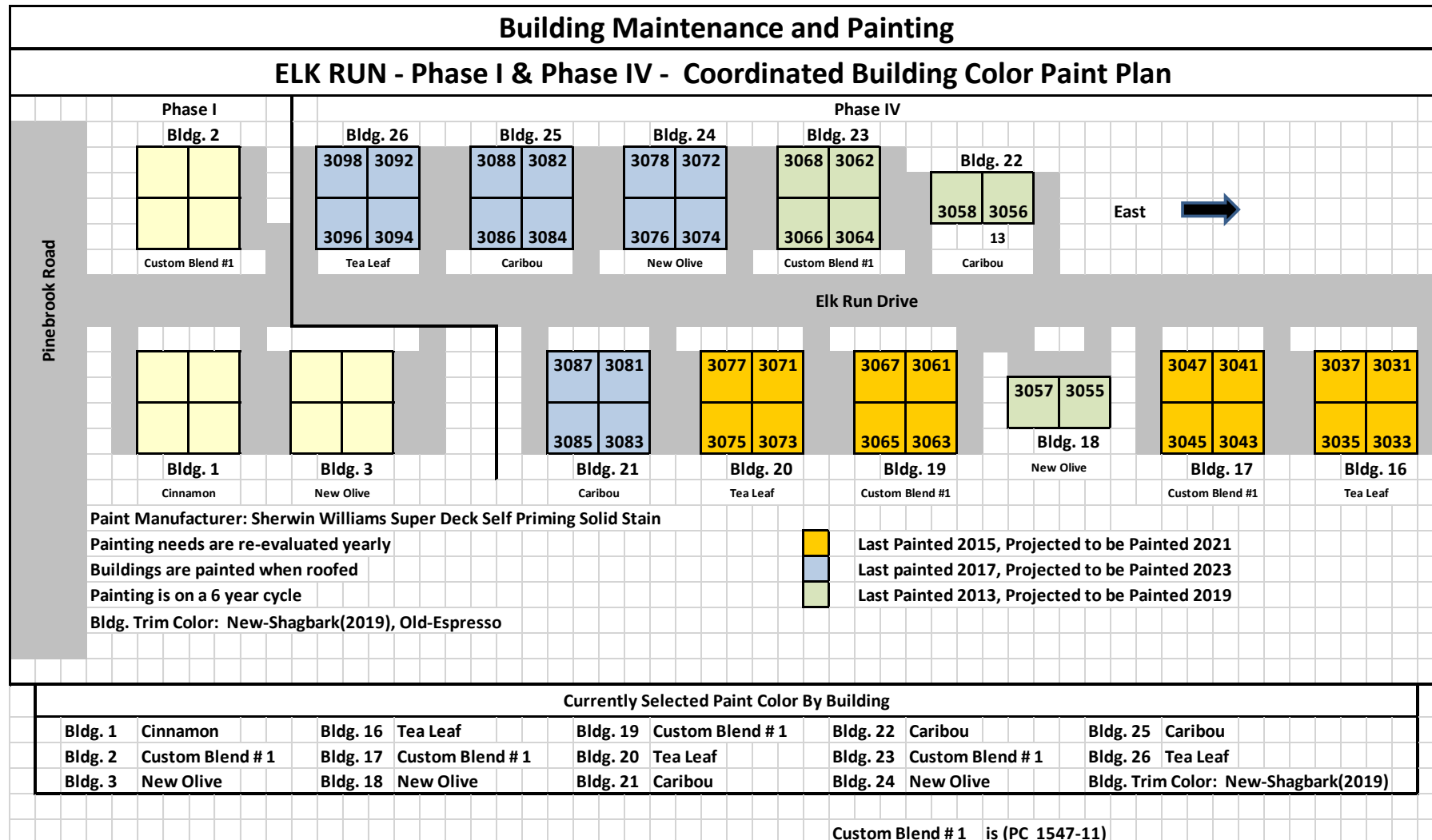
Projects

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2019 Plan, Budget, and Projections

Major Projects Completed in 2018		
Major Projects Proposed for 2019		
Paint & Provide Carpentry on Three Buildings in 2019		
	**2019 Budget	** 2019 Actual
Paint & Maintenance Project		
Carpentry	\$20,000	
Painting	\$76,000	
Total	\$96,000	
** Carpentry & Painting Costs are for four buildings		
2019 Actual painting includes: building, current trim package,		
chimney caps, garage doors, and pedestrian doors on driveway level		
Two Driveway Replacement With No Assessment in 2019		
	2019 Budget	2019 Actual
Driveway Replacement Project		
Concrete Replacement	\$64,000	
Grounds & Sprinkler Restoration	\$5,000	
Total	\$69,000	

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Elk Run Phase IV HOA – Annual Members Meeting

2019 Plan, Budget, and Projections

Building Maintenance and Painting

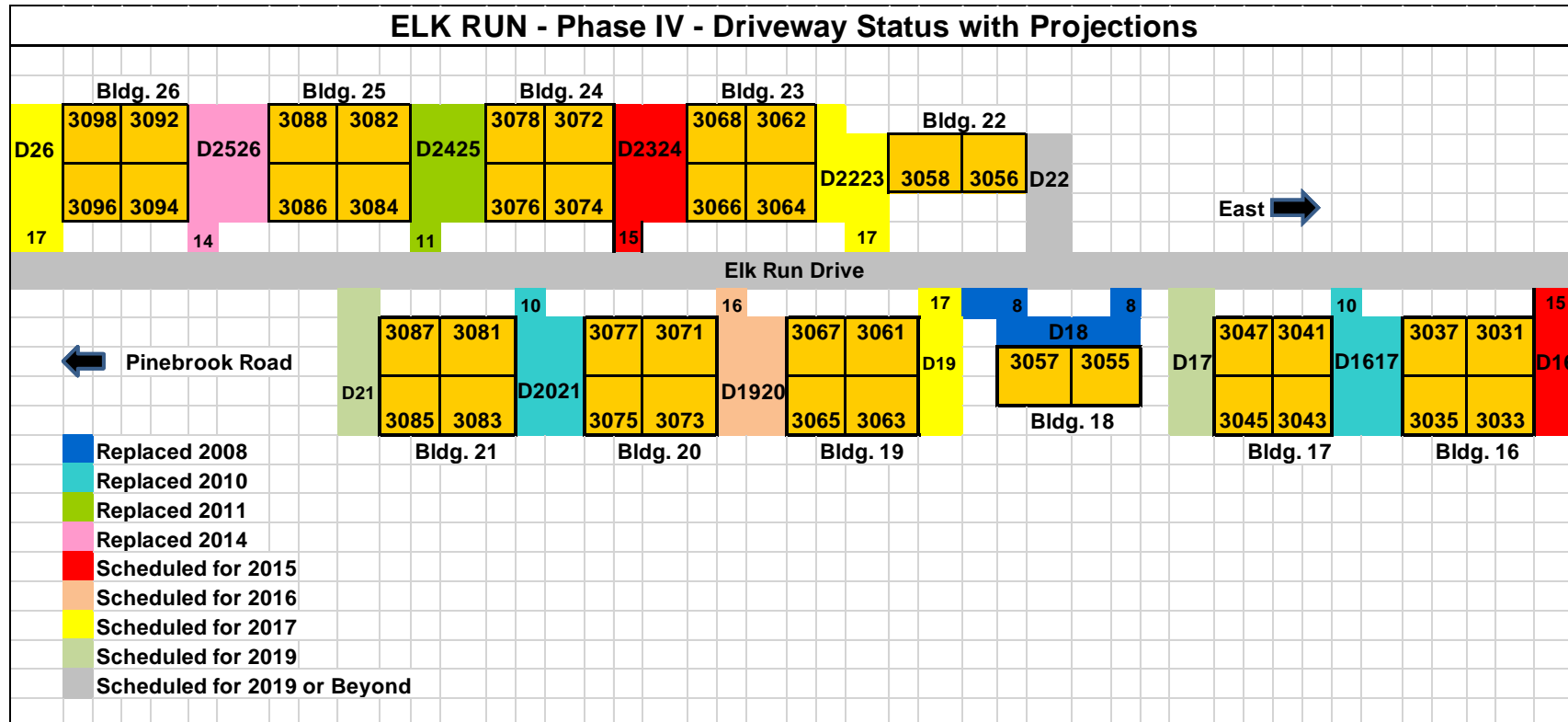
Building Major Maintenance Schedule	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Deposit Reserve Account # 217	\$40,500	\$43,335	\$44,635	\$45,974	\$47,353	\$48,774	\$50,237	\$51,744	\$53,297	\$54,895	
Balance from Previous End of Year	\$97,336	\$137,836	\$102,571	\$147,206	\$82,092	\$129,446	\$60,466	\$110,703	\$69,484	\$122,781	
Total Working Yearly Balance	\$137,836	\$181,171	\$147,206	\$193,180	\$129,446	\$178,219	\$110,703	\$162,448	\$122,781	\$177,676	
Building 16											
Painting				(\$20,458)						(\$24,136)	
Carpentry				(\$7,314)						(\$8,711)	
Building 17											
Painting				(\$20,458)						(\$24,136)	
Carpentry				(\$7,314)						(\$8,711)	
Building 18 Duplex											
Painting		(\$19,300)						(\$22,770)			
Carpentry		(\$6,900)						(\$8,218)			
Building 19											
Painting				(\$20,458)						(\$24,136)	
Carpentry				(\$7,314)						(\$8,711)	
Building 20											
Painting				(\$20,458)						(\$24,136)	
Carpentry				(\$7,314)						(\$8,711)	
Building 21											
Painting						(\$21,685)					
Carpentry						(\$7,753)					
Building 22 Duplex											
Painting		(\$19,300)						(\$22,770)			
Carpentry		(\$6,900)						(\$8,218)			
Building 23											
Painting		(\$19,300)									
Carpentry		(\$6,900)									
Building 24											
Painting						(\$21,685)		(\$22,770)			
Carpentry						(\$7,753)		(\$8,218)			
Building 25											
Painting						(\$21,685)					
Carpentry						(\$7,753)					
Building 26											
Painting						(\$21,685)					
Carpentry						(\$7,753)					
Annual Expenditure		(\$78,600)		(\$111,088)		(\$117,753)		(\$92,963)		(\$131,388)	
End of Year Balance	\$137,836	\$102,571	\$147,206	\$82,092	\$129,446	\$60,466	\$110,703	\$69,484	\$122,781	\$46,288	

Painting includes garage and pedestrian doors on driveway level along with chimney caps

Paint and Maintenance Costs are Inflation Adjusted by 3% compounded annually to be in harmony with 2012 Reserve Study

At year end of 2019 the Building Painting / Maintenance Reserve Contributions #217 will be reevaluated

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Driveway replacement costs are the sum of concrete replacement, project management, grounds repairs, and sprinkler repairs / restoration
 Driveway replacement costs are placeholder projections and are not modified for out years labor and materials changes
 Selection of driveway replacement is dependent on physical condition
 Driveways replacement schedule is re-evaluated yearly

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2019 Plan, Budget, and Projections

Driveway Replacement Costs

Driveway Replacement Projections	2018	2019	2020	2021
Balance from Previous End of Year	\$67,782	\$77,782	\$23,782	\$33,782
Annual Deposit Reserve Account # 403 *RC	\$10,000	\$10,000	\$10,000	\$10,000
Total Working Balance	\$77,782	\$87,782	\$33,782	\$43,782
Building 16, Driveway D16, Replaced				
Building 16/17, Driveway D1617, Replaced				
Building 17, Driveway D17		(\$32,000)		
Building 18 Duplex, Driveway D18, Replaced				
Building 19, Driveway D19 Replaced				
Building 19/20, Driveway D1920, Replaced				
Building 20/21, Driveway D2021, Replaced				
Building 21, Driveway D21		(\$32,000)		
Building 22 Duplex, Driveway D22				(\$44,000)
Building 22/23, Driveway D2223 Replaced				
Building 23/24, Driveway D2324, Replaced				
Building 24/25, Driveway D2425, Replaced				
Building 25/26, Driveway D2526, Replaced				
Building 26, Driveway D26 Replaced				
Possible Special Assessment Needed				
End of Year Balance	\$77,782	\$23,782	\$33,782	(\$218)

Driveway replacement costs are the sum of concrete replacement, grounds repairs, project management, and sprinkler repairs / restoration

Driveway replacement costs for 2019 and beyond are placeholder projections and are only unsupported estimates

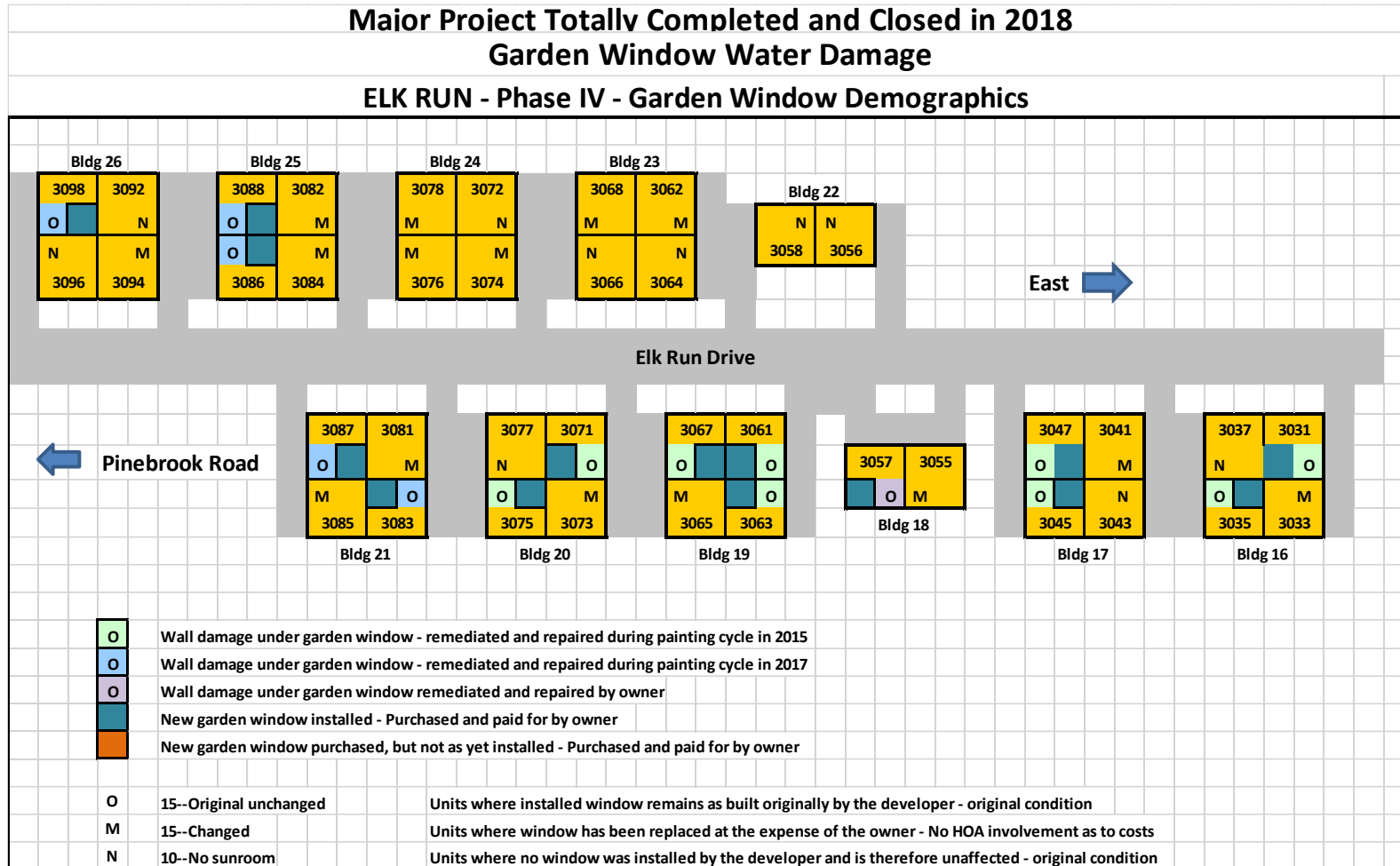
Selection of driveway replacement is dependent on physical condition

Driveways replacement schedule is re-evaluated yearly

*RC = Recurring Expenses Budget, Driveway Reserve #403 Contributions



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- Bringing Matters to the HOA Board's Attention
 - The HOA Board would like to have Matters Brought to its Attention by e-mail.
 - elkrun4hoa@gmail.com

Elk Run Phase IV HOA – Annual Members Meeting 2019 Plan, Budget, and Projections

Dues and Assessment Payment Schedule for 2019

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2019 Plan, Budget, and Projections

2019 Dues and Assessment Payment Schedule				
Payment	Due Date	Dues	Assessment	Payment Amount
1st. Qtr.	1-Jan	\$1,000	\$0	\$1,000
2nd. Qtr	1-Apr	\$1,000	\$0	\$1,000
3rd. Qtr	1-Jul	\$1,000	\$0	\$1,000
4th. Qtr	1-Oct	\$1,000	\$0	\$1,000
Totals		\$4,000	\$0	\$4,000

2019 Annual Dues for Pinebrook Master Association				
Payment	Due Date	Dues	Assessment	Payment Amount
1st. Qtr.	1-Feb	\$97.75	\$0	\$97.75

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End of Presentation