

November 8, 2015

Daniels Loft Homeowners Association Annual Meeting Notification

Dear Owner,

We will be having our 2015 Annual Meeting on Tuesday December 8, 2015 at 6:30 PM MT at Wylene's loft. For those not able to attend in person you may participate be using the following conference call information:

Conference Call Number: 866 740-1260

Access Code: 6302243

(Please note that you will be put on hold until I start the meeting, which might be closer to 6:40 PM MT as people get settled.)

The agenda for the meeting is as follows:

- Update on status of the building
- Review 2015 Financials and Reserve Account
- Review proposed 2016 Budget
- Nomination and election of officers – Laurie and Diane's two-year term is up. Mark has one more year on his term
- Open Discussion

As a reminder, our governing documents, minutes and current financial information can be found at [www.danielslofts.org](http://www.danielslofts.org). In preparation for the meeting, please review the following information:

- 2015 Monthly Financial Statements – Profit & Loss, Balance Sheet, Budget Variance Report, and Check Detail ([www.danielslofts.org](http://www.danielslofts.org))
- 2015 Forecasted P & L (attached)
- 2016 Proposed Budget (attached)

Overall, the building remains in very good shape. Other than the heavy rains last spring, we did not encounter any major unexpected expenses in 2015 and were able to continue to build our Reserve Account. Our only planned major expense between now and the end of the year is a security light for the Tejon Street entrance for \$1,450. We are proposing to keep our HOA dues the same as last year and expect expenses to be relatively flat.

Following is a high-level analysis of our financials:

<b>2015 Budget Variance*</b>	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
Income	\$ 51,792	\$ 53,690	\$ 2,012
Expenses	<u>41,630</u>	<u>43,642</u>	<u>1,898</u>
Net Income	\$ 10,162	\$ 10,048**	\$ (114)

\* Actual through October and forecasted November – December

\*\*19% Contribution to the Reserve Fund

### **2016 Proposed Budget**

Income	\$ 52,336
Expenses	<u>42,583</u>
Net Income	<b>\$ 9,798*</b>

\*19% Contribution to reserve Fund

<b>Reserve Fund Analysis</b>	<b><u>2013</u></b>	<b><u>2104</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
2012 Study Target	\$65,588	\$86,099	\$ 107,360	\$ 127,004
<u>Forecasted EOY 2015</u>				
Savings			\$ 81,675	\$ 97,575
Checking			11,103	5,000
Accounts Receivable				
Total Reserve			<u>\$ 92,778</u>	<u>\$102,575</u>

We should be able to get our Reserve fund above \$100,000 by the end of 2016. We are planning to update our Reserve Study in March 2016. Given the good shape of the building and the manner in which it has been maintained over the years, we feel that the study is overly conservative and calls for too high a contribution to the fund in 2016 and beyond. (For reference, the Reserve Study and Update can also be found on our website under **Financials**). Please feel free to email or call if you have any questions or issues that you would like to discuss at the meeting.

Thanks,

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