

Financial Overview

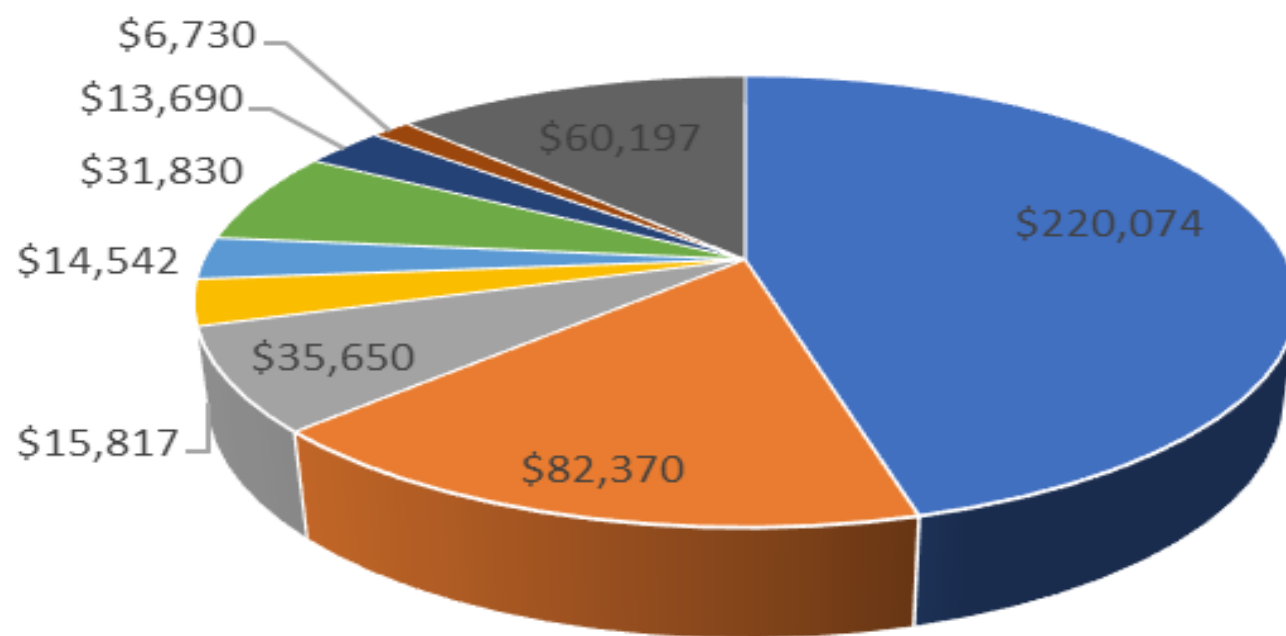
Villas Las Palmas Community
Annual Meeting

3/12/24

Villas Las Palmas, Inc.
Balance Sheet Comparison
As Of 1/31/2024

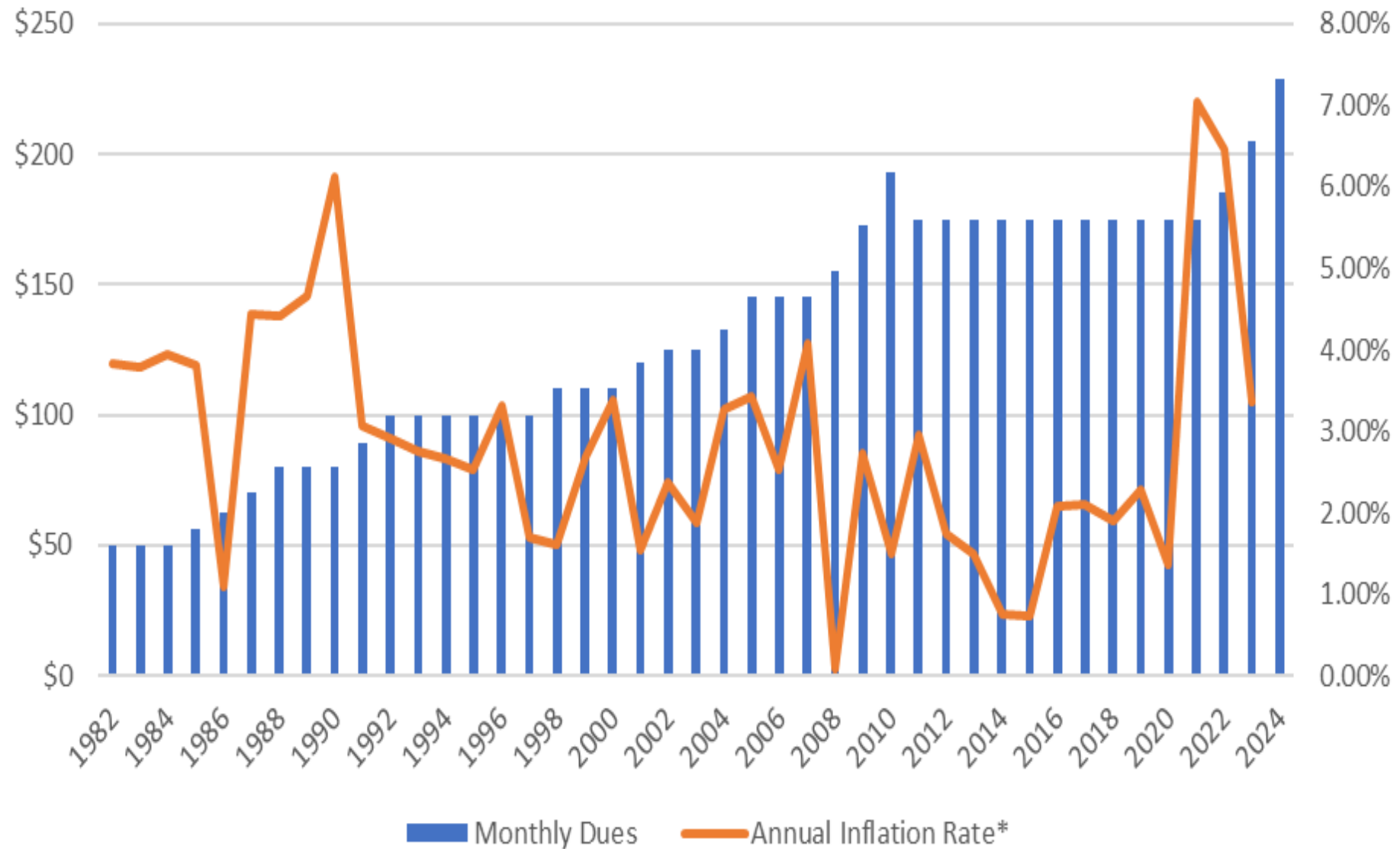
	<u>Balance</u> <u>1/31/2024</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Change</u>
Assets			
Cash-Operating			
1010 - AAB Operating Checking - 2505	\$37,872.62	\$17,565.28	\$20,307.34
<u>Cash-Operating Total</u>	<u>\$37,872.62</u>	<u>\$17,565.28</u>	<u>\$20,307.34</u>
Cash-Reserves			
1050 - AAB Money Market Account - 0207	\$78,830.22	\$73,802.37	\$5,027.85
1103 - Republic Bank ICS 008	\$463,753.73	\$463,753.73	\$0.00
1105 - AAB CDAR 0865 02/22/24 3.75%	\$131,555.01	\$131,136.70	\$418.31
1106 - Alerus CD 3920 5/7/24 - 5.30%	\$161,507.09	\$161,507.09	\$0.00
<u>Cash-Reserves Total</u>	<u>\$835,646.05</u>	<u>\$830,199.89</u>	<u>\$5,446.16</u>
Assets Total	\$873,518.67	\$847,765.17	\$25,753.50
Liabilities and Equity			
Current Liability			
2020 - Prepaid Owner Assessments	\$19,298.18	\$17,565.28	\$1,732.90
<u>Current Liability Total</u>	<u>\$19,298.18</u>	<u>\$17,565.28</u>	<u>\$1,732.90</u>
Reserves			
3020 - General Reserves	\$829,528.81	\$824,949.89	\$4,578.92
3040 - Contingencies	\$5,687.54	\$5,250.00	\$437.54
3400 - Reserve Interest	\$429.70	\$0.00	\$429.70
<u>Reserves Total</u>	<u>\$835,646.05</u>	<u>\$830,199.89</u>	<u>\$5,446.16</u>
<u>Net Income</u>	<u>\$18,574.44</u>	<u>\$0.00</u>	<u>\$18,574.44</u>
Liabilities & Equity Total	\$873,518.67	\$847,765.17	\$25,753.50

Villas Las Palmas 2024 Budget-\$480,900




- Landscaping= 45.8%
- Water= 17.1%
- Other Utilities= 7.4%
- Administration= 3.3%
- Pool Service and Maintenance= 3.0%
- Professional= 6.6%
- Structure Maintenance= 2.8%
- Insurance= 1.4%
- Reserve Contributions= 12.5%

Historical Assessment and Inflation Data



*Inflation Rate as reported at www.macrotrends.net



Cost to Maintain the Community

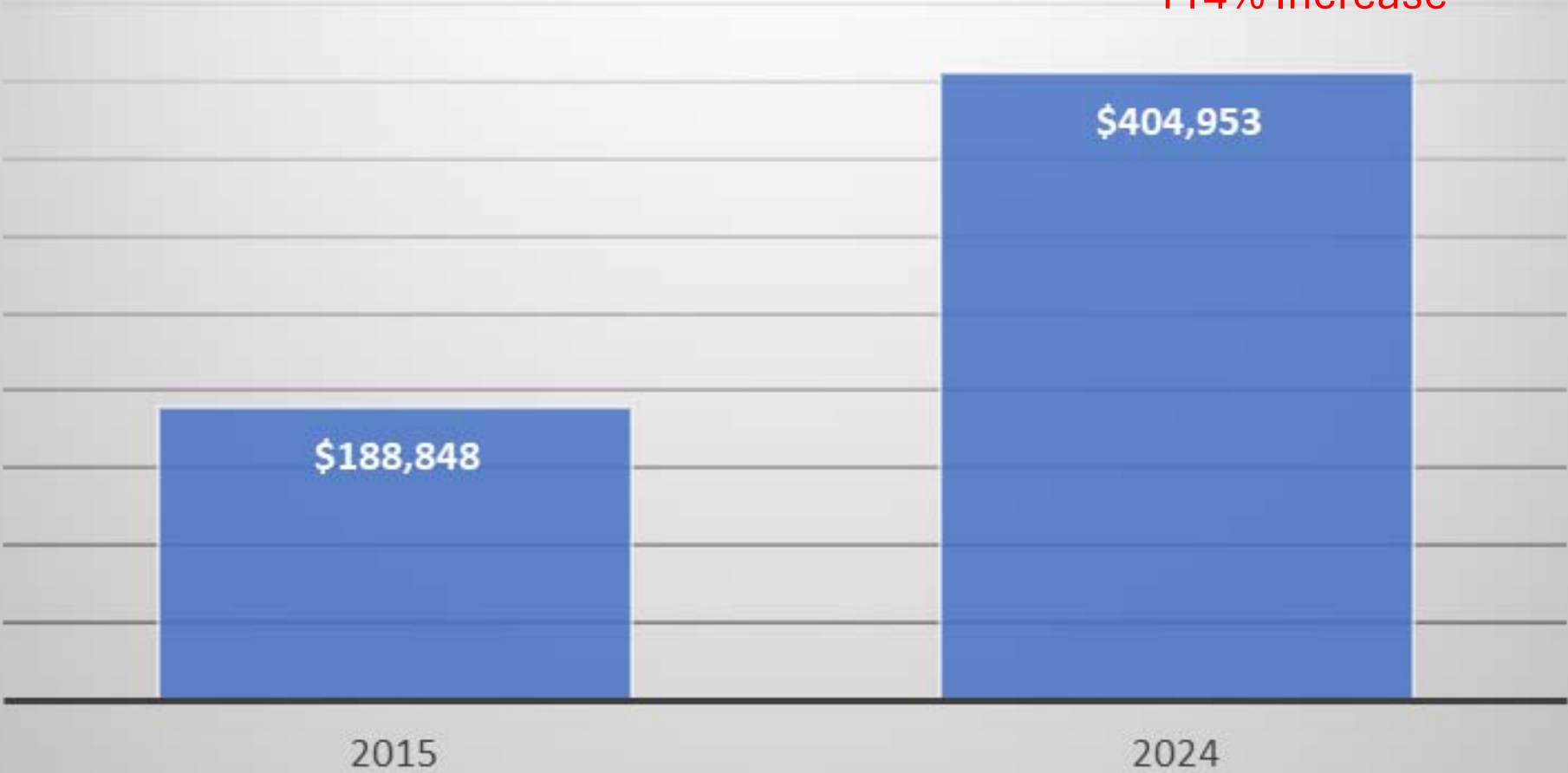
Community Age Contributing to Multiple Major
Maintenance Projects Due Now

Maintenance Costs Are Far Outpacing Recent
Inflation Rates

- Pool Decking and Surface (Reserve Past Due)
- Pergola Repair (Completed)
- Pool Electrical Panels (Completed)
- Community Painting (In Progress)

Community Painting Cost Increase

114% Increase



Board Actions Taken to Proactively Identify Reserve Requirements

✓ Reserve Study in late 2022 by Third Party

- Identify All Common Elements, Life Expectancy, Cost of Repair /Replacement
- Roadmap of Reserve Expenditure timing
- Periodic Reserve Study updates necessary
- Can be reviewed on website portal

✓ Villas Las Palmas Maintenance Matrix 2023

- Legal Review of Association Governing Documents
- Clarifies Association Maintenance Responsibility versus Owner Responsibility
- Can be viewed on website portal



Major Expenditures on Horizon

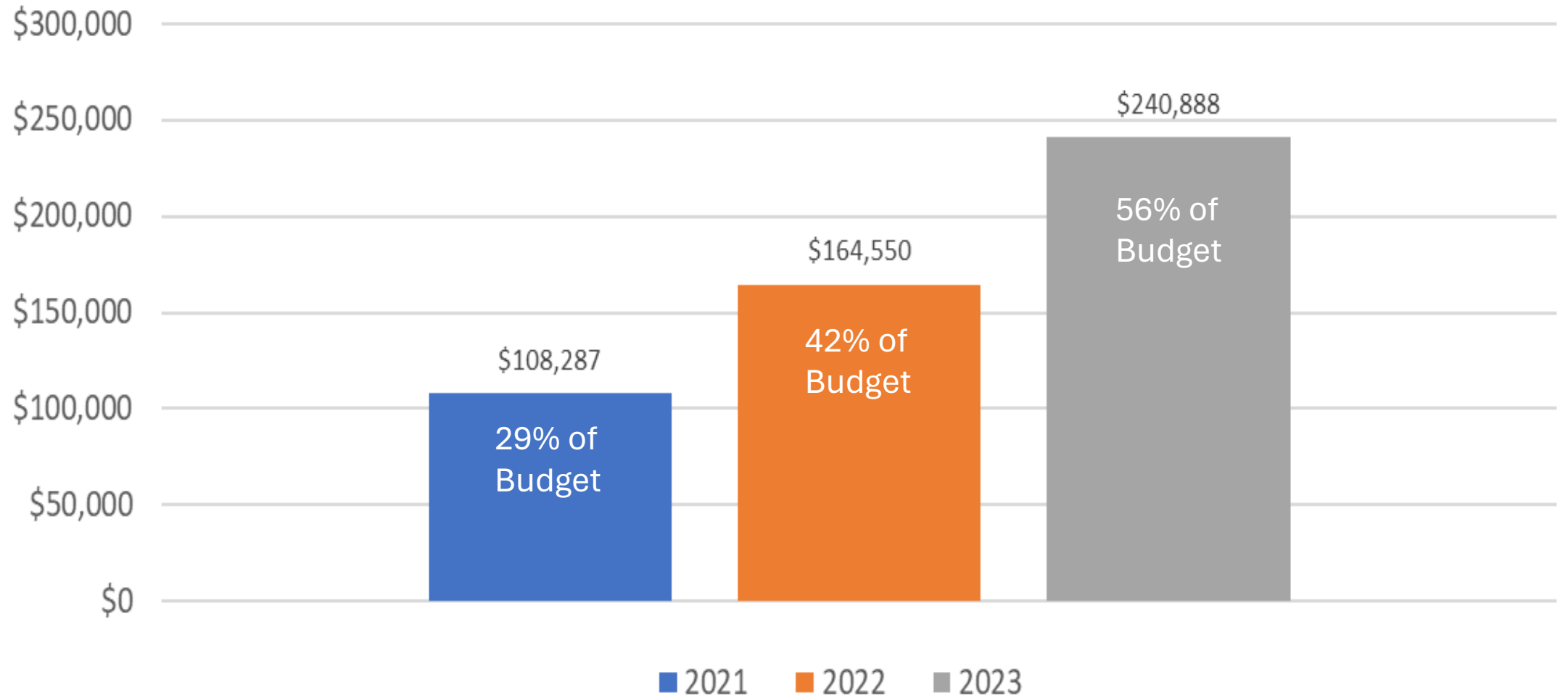
- ☐ Perimeter Wall Repair
- ☐ Turf Conversion to Desert Landscape (reduce upkeep costs and use less water)

Perimeter Wall Repair Plan

Perimeter Wall Repair Phases
(Low Bid Estimates 2024)
Phase 1 - \$250,566 ●
Phase 2 - \$ 71,858 ●
Phase 3 - \$ 83,175 ●



Historical Lanscape and Common Area Maintenance Costs

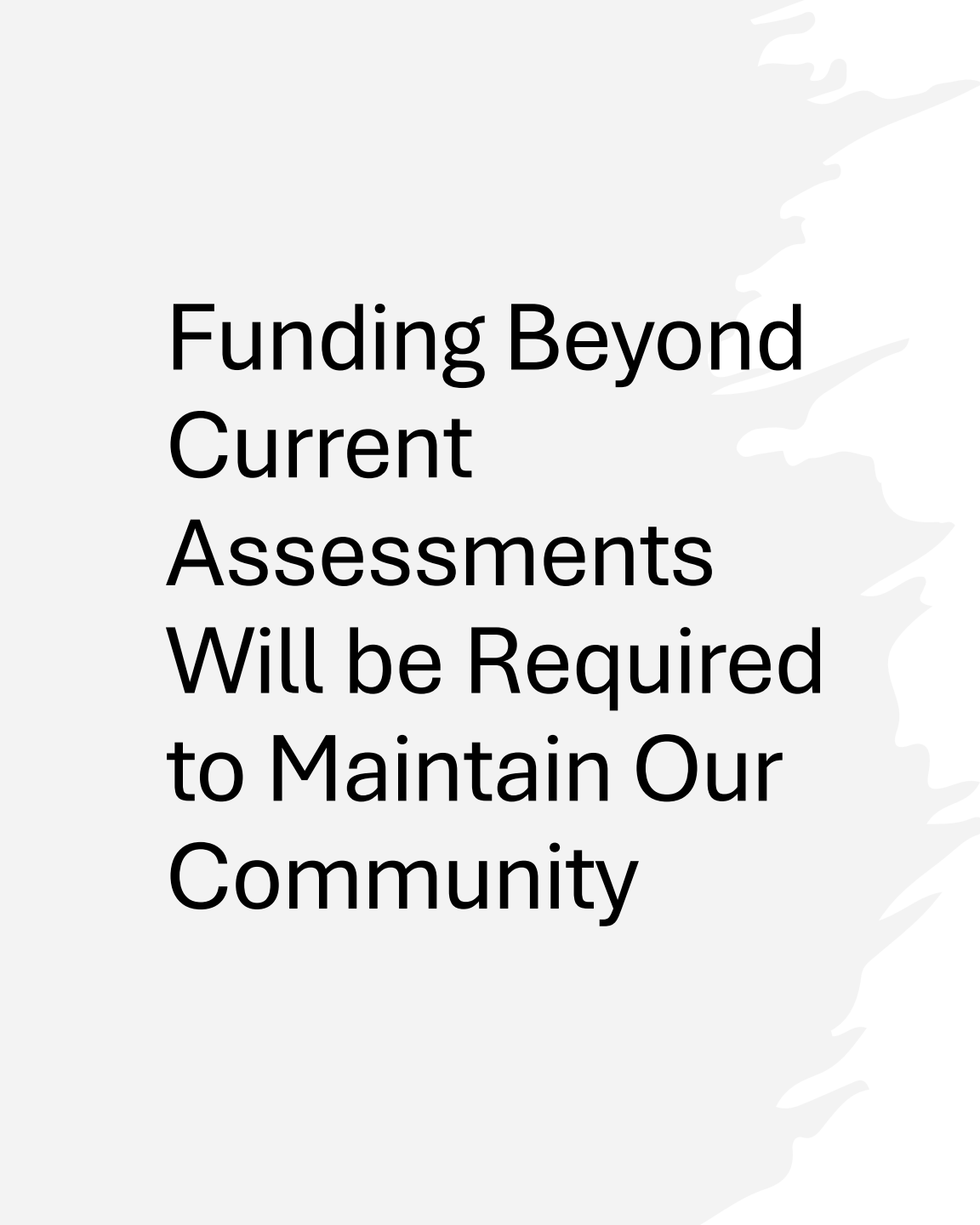


Front Yard Turf Conversion Estimate

Conversion Cost Total Estimate (Front yards only; ~ 127,000 sf)	\$420,000
Annual Cost Savings potential:	
Lawn maintenance	\$ 48,060
Water Usage	\$ 27,000
Irrigation repairs	\$ 3,300
Winter grass seed	\$ 4,100
Total Annual Savings	\$82,460
Break Even Analysis (\$420,000 / \$82,460)	5 to 5.5 Years

Reserve Balance Projections for 2024

Reserve Balance (As of 1/31/2024)	\$835,646
Projected 2024 additions to reserves	+\$32,447
Projected 2024 reserve expenditures	- \$499,480
Year End projected reserve balance	\$368,613



Funding Beyond
Current
Assessments
Will be Required
to Maintain Our
Community

Projected 2024 Reserve Funds Available-

\$ 368,613

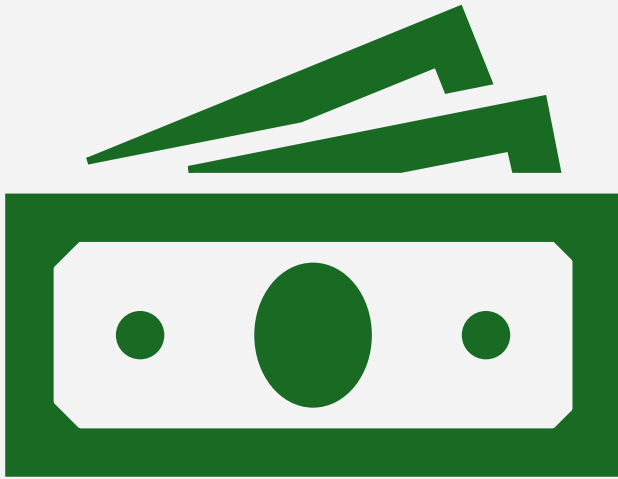
Perimeter Wall Project Low Bid-

\$ 405,599

Front Yard Turf Conversion Estimate-

\$ 420,000

Possible Funding Sources for Insufficient Reserves



- ☐ Annual Assessment Increases
- ☐ Acquire a Community Loan
- ☐ Pass a Special Assessment
- ☐ Combination of All the Above
- ☐ Defer repairs until sufficient funds available (Not recommended)