



THE BARTLETT

Treasurer's Report

Bartlett Homeowners Association

July 2006



Davis-Stirling Act

- **Civil Code 1365 - Financial Records and Reporting**
- Operating Budget: due 30-90 days before end of Fiscal Year.
- Review of Financial Statement: due within 120 days of the close of the Fiscal Year.
- Fiscal Year 2005 ended on 12/31/05.
- What happened?



Operating Budget

- Condo Properties piecing together our financial picture from 2005.
 - Condo Properties started in November 2005.
 - Budget should be drafted in September of prior year.
 - Previous Management Company did not start this process in 2005.
 - 2005 records not readily available or properly transferred to Condo Properties.
- Last budget was Pro Forma budget prepared in October 2004 by developer.
- This budget does not account for several new expenses that we have incurred (next slide).
- A copy of Budget Expenses is available.
- New dues are pending completion of new square footage assessments.
- **Please schedule measurements (if needed) with Condo Properties before July 31st so new budget/dues can be mailed for your approval!**



Current Budget/Dues Versus Actual Expenses

- We need a budget that reflects our current reality.

ITEM	PRO FORMA BUDGET	2006 AVERAGE
Trash	\$600	\$1.5K
Elevators	\$563	\$2.3K
Maintenance/Cleaning	\$1.5K	\$6.8K
Security	\$0	\$12.5K



New Dues

- Current dues based on Pro Forma budget prepared in Oct. 2004 by developer.
- Square Footage needed to be re-measured for new dues which are part of new budget.
- County Assessor's measurements and CC&R measurements inconsistent.
- New dues based on consistent square footage measurements by Appraisal West.
- New dues will use a consistent formula (based on square footage) to apply to Commercial and Residential units.
 - Commercial Unit (inclusive of garage) currently occupies 27% of the square footage, but pays only 3% of the dues.
- Has taken months to schedule measurements around certain homeowner schedules.
- **Please schedule measurements (if needed) with Condo Properties before July 31st so new budget/dues can be mailed for your approval!**



Units to Be Measured!

1403, 1404, 1405, 1406

1302, 1304, 1305, 1308, 1309, 1310

1111

1002

508

201



Financial Statement Review

- Delayed due to ...
 - Done in conjunction with tax returns.
 - Incorrect Tax ID number provided by the developer to previous management company.
 - Required a copy of latest Reserve Study (distributed).
- Gordon McNamee, CPA is doing our taxes and our Financial Statement Review.
- Review will be issued “no later than August 4, 2006”.



Reserve Study

- Part of Operating Budget.
- Determines Cost Estimates for Maintenance and/or Replacement of Physical Assets.
- Funds put aside into separate Reserve Account.
- Challenged some numbers. Went through 2 drafts before finalizing.
- 20.2% funded = Weak Position: Common for First Year development.
- In about 5+ years: 70% funded, a strong position.



June

- Why is there a negative cash flow?
- Unexpected Expenses
 - Spike in gas bill, due to A/C changeover.
 - Unpaid Dues (\$20k in collections).
 - Outdated budget/dues structure (from 2004 Pro Forma budget).
- Collections coming in and new budget/dues structure will put us back on track.
- **Please schedule measurements (if needed) with Condo Properties before July 31st so new budget/dues can be mailed for your approval!**



Collections

- \$20k currently in collections!
- Your dues pay the bills!
- **Please pay dues on time so that we can pay our bills and not dip into our reserves!**



Legal Consultation

- Bartlett Loft LLC is a \$600k+ per year corporation, in which we all are shareholders.
- Legal consultation is occasionally necessary to insure the proper operation of our business.
- So far in 2006, \$1,800 was spent on legal consultation or .03% of the annual budget.



Filming Revenue

- Separate Reserve Account set up for revenue from Filming.
- So far in 2006, Filming has earned \$24k.
- Thank the Film Committee for ...
 - Historic Photo project,
 - Pilot maintenance project: Floor Buffing/Waxing.
 - Upcoming Block Party next Monday!
 - RSVP at rsvp@thebartlettbuilding.com



Action Item List

- Schedule your measurements (if needed) with Condo Properties before July 31st.
- Send in your positive vote for your new budget/dues and square footage amendment to the CC&Rs (two votes, one ballot).



Thank you...

- ... for your patience!
- First year issues.
 - Building Infrastructure.
 - Evaluating real operating costs of this corporation.
- Please direct your questions to Condo Properties.
- New budget process for 2007 starts in September.
- **Please schedule measurements with Condo Properties before July 31st so new budget/dues can be mailed for your approval!**



Further Questions

- E-mail Condo Properties at management@thebartlettbuilding.com
- Financial information no longer posted on website until login/password system set up.
- Condo Properties can e-mail PDFs of any financials you request.



Q&A

- Richard Monson from Condo Properties will handle any questions that you have.

