

Cottonwood Homeowners Association, Inc.




*2016 Annual Meeting
Thursday, May 26, 2016*

Prepared By:
Linda Le
Community Manager
Principal Management Group of Houston, Inc.
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**COTTONWOOD HOMEOWNERS ASSOCIATION, INC.
2016 ANNUAL MEETING
(TRANSITIONAL)**

**Time: 6:00 P.M. to 7:00 P.M.
Date: Thursday, May 26, 2016**

AGENDA

- 
- I. **Establish a Quorum and Call Meeting to Order**
 - II. **Introductions**
 - I. **Pulte-Kris Maxwell**
 - II. **Principal Management Group - Linda Le, Association Manager**
 - III. **Approve 2015 Meeting Minutes**
 - IV. **Explanation or Transition between Developer to Homeowner Control**
 - V. **Election of three (3) Board of Directors**
 - I. **Call for Nominations**
 - II. **Brief Candidate Introduction**
 - III. **Call for Vote**
 - VI. **Financial Review**
 - I. **2015 Financial Review**
 - II. **2016 Budget**
 - VII. **2015 Accomplishments / 2016 Goals**
 - VIII. **Open Forum**
 - I. **Speed Humps**
 - IX. **Election Results**
 - X. **Adjournment**

Cottonwood

Account Balances as of
December 31, 2015

OPERATING FUNDS:

Pacific Premier Checking	\$55,236.12
Pacific Premier MM	\$ 5,039.77

TOTAL OPERATING FUNDS \$60,275.89

ACCOUNTS RECEIVABLE:

Residential Assessment Receivable \$37,453.71

TOTAL ACCOUNTS RECEIVABLE \$37,453.71

Reviewed & Approved by:

Sonia LeCompte

Sonia LeCompte
Community Association Manager

Balance Sheet Report

Cottonwood H.O.A.

As of December 31, 2015

	<u>Balance Dec 31, 2015</u>	<u>Balance Nov 30, 2015</u>	<u>Change</u>
<u>Assets</u>			
Operating Funds			
1000 - Pacific Premier Bank CK - 1655	55,236.12	20,588.02	34,648.10
1100 - Pacific Premier Bank MM - 1555	5,039.77	5,039.13	0.64
Total Operating Funds	60,275.89	25,627.15	34,648.74
Accounts Receivable			
1500 - Residential Assessments Receivable	37,453.71	41,084.65	(3,630.94)
Total Accounts Receivable	37,453.71	41,084.65	(3,630.94)
Other Current Assets			
1600 - Prepaid Insurance	1,601.51	2,135.37	(533.86)
Total Other Current Assets	1,601.51	2,135.37	(533.86)
Total Assets	99,331.11	68,847.17	30,483.94
<u>Liabilities</u>			
Liabilities			
2000 - Accounts Payable	0.00	85.87	(85.87)
2025 - Transfer Fee Payable	965.00	130.00	835.00
2036 - PMG Collections	7,740.12	7,915.12	(175.00)
2037 - Payment Plan Fees	940.00	900.00	40.00
2395 - Other Accrued Expenses	1,293.05	1,158.46	134.59
2550 - Prepaid Assessments	45,747.01	6,869.83	38,877.18
2595 - Deferred Revenue	0.00	10,298.74	(10,298.74)
Total Liabilities	56,685.18	27,358.02	29,327.16
Total Liabilities	56,685.18	27,358.02	29,327.16

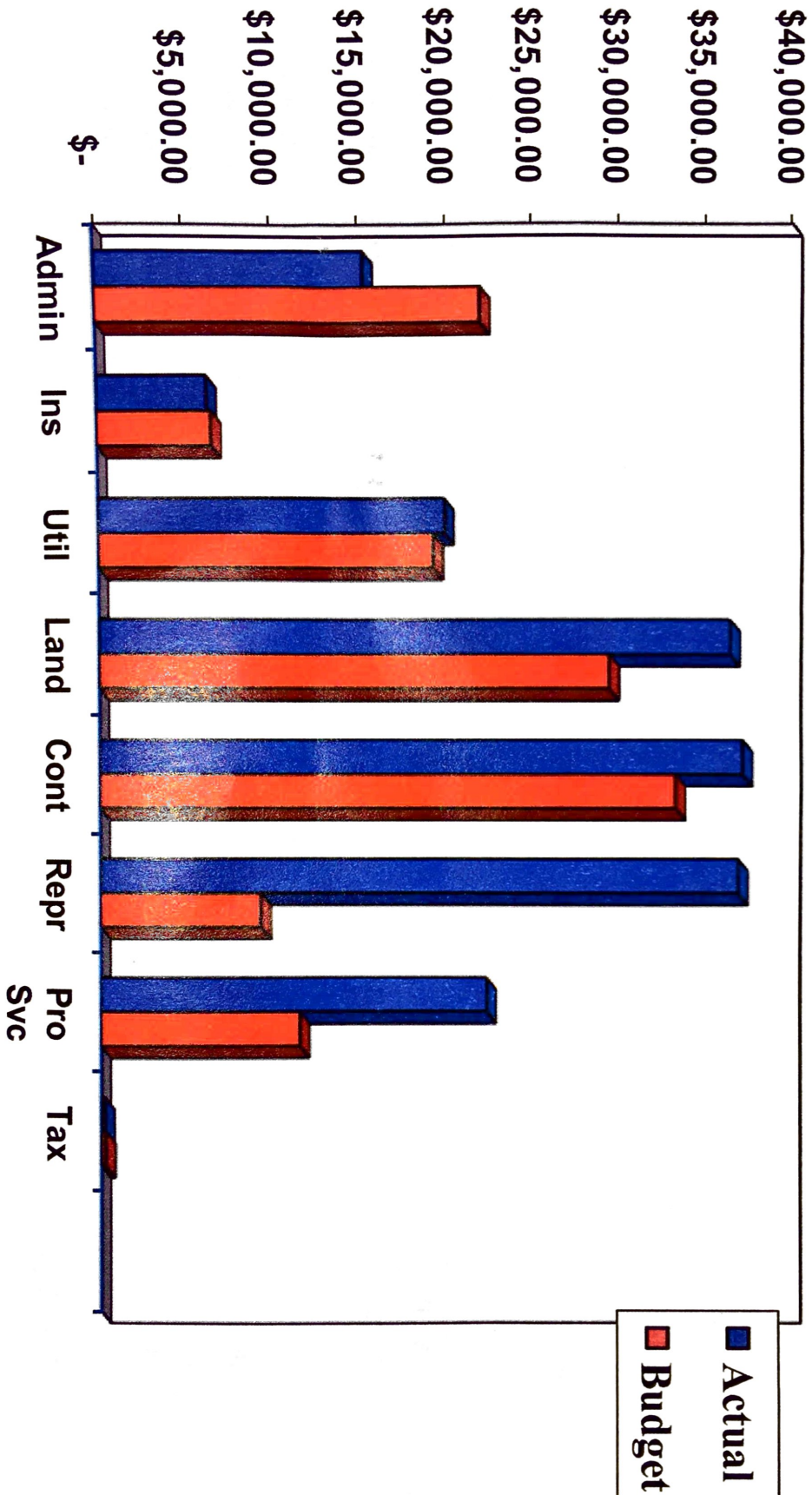
Balance Sheet Report

Cottonwood H.O.A.

As of December 31, 2015

	<u>Balance Dec 31, 2015</u>	<u>Balance Nov 30, 2015</u>	<u>Change</u>
<u>Owners' Equity</u>			
Owners Equity - Prior Years			
3000 - Operating Fund - Prior Year	57,975.26	57,975.26	0.00
3005 - Equity Adjustments - Prior Periods	460.00	460.00	0.00
Total Owners Equity - Prior Years	<u>58,435.26</u>	<u>58,435.26</u>	<u>0.00</u>
Total Owners' Equity	<u>58,435.26</u>	<u>58,435.26</u>	<u>0.00</u>
Net Income / (Loss)	<u>(15,789.33)</u>	<u>(16,946.11)</u>	<u>1,156.78</u>
Total Liabilities and Equity	<u>99,331.11</u>	<u>68,847.17</u>	<u>30,483.94</u>

2015 Unaudited Expenses vs. Budget



Reviewed & Approved by:

Sonia LeCompte
 Sonia LeCompte
 Community Association Manager

Income Statement Report
Cottonwood H.O.A.
 December 01, 2015 thru December 31, 2015

	Current Period			Year to Date (12 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Income								
4000 - Residential Assessments	10,519.18	9,882.00	637.18	135,812.02	118,580.00	17,232.02	118,580.00	(17,232.02)
4019 - Prorated Closing	0.00	208.00	(208.00)	0.00	2,500.00	(2,500.00)	2,500.00	2,500.00
4120 - Capitalization Fee	384.96	58.00	326.96	3,785.45	700.00	3,085.45	700.00	(3,085.45)
4250 - Pool Income	0.00	0.00	0.00	210.00	100.00	110.00	100.00	(110.00)
4710 - Late Fees & Interest	380.03	417.00	(36.97)	14,640.30	5,000.00	9,640.30	5,000.00	(9,640.30)
4720 - Legal Reimbursements	0.00	80.00	(80.00)	4,520.32	950.00	3,570.32	950.00	(3,570.32)
4900 - Interest Earned - Operating Accounts	0.64	0.00	0.64	7.54	0.00	7.54	0.00	(7.54)
Total Income	11,284.81	10,645.00	639.81	158,975.63	127,830.00	31,145.63	127,830.00	(31,145.63)
Expense								
Administrative								
5000 - General Administrative	29.28	104.00	(74.72)	263.24	1,250.00	(986.76)	1,250.00	986.76
5005 - Application/Processing	100.00	0.00	100.00	600.00	400.00	200.00	400.00	(200.00)
5010 - Bad Debt	0.00	125.00	(125.00)	856.88	1,500.00	(643.12)	1,500.00	643.12
5015 - Bank Charges	0.00	0.00	0.00	75.00	100.00	(25.00)	100.00	25.00
5025 - Billing/Collections	0.00	1,083.00	(1,083.00)	7,252.76	13,000.00	(5,747.24)	13,000.00	5,747.24
5030 - Coupon Costs	579.68	0.00	579.68	1,990.72	0.00	1,990.72	0.00	(1,990.72)
5075 - Meeting Room Rentals	0.00	0.00	0.00	120.00	60.00	60.00	60.00	(60.00)
5090 - Office Supplies	105.32	0.00	105.32	151.74	0.00	151.74	0.00	(151.74)
5100 - Records Storage	36.00	19.00	17.00	216.00	230.00	(14.00)	230.00	14.00
5115 - Web Site Maintenance	0.00	60.00	(60.00)	300.00	720.00	(420.00)	720.00	420.00
5200 - Community Events	0.00	0.00	0.00	416.02	0.00	416.02	0.00	(416.02)
5210 - Copies	62.51	108.00	(45.49)	1,371.08	1,300.00	71.08	1,300.00	(71.08)
5215 - Postage	391.68	292.00	99.68	1,747.44	3,500.00	(1,752.56)	3,500.00	1,752.56
Total Administrative	1,304.47	1,791.00	(486.53)	15,360.88	22,060.00	(6,699.12)	22,060.00	6,699.12
Insurance								
5415 - D&O Insurance Premiums	159.86	154.00	5.86	1,811.41	1,846.00	(34.59)	1,846.00	34.59
5460 - Property Insurance Premiums	283.33	326.00	(42.67)	3,616.18	3,912.00	(295.82)	3,912.00	295.82

Income Statement Report Cottonwood H.O.A.

December 01, 2015 thru December 31, 2015

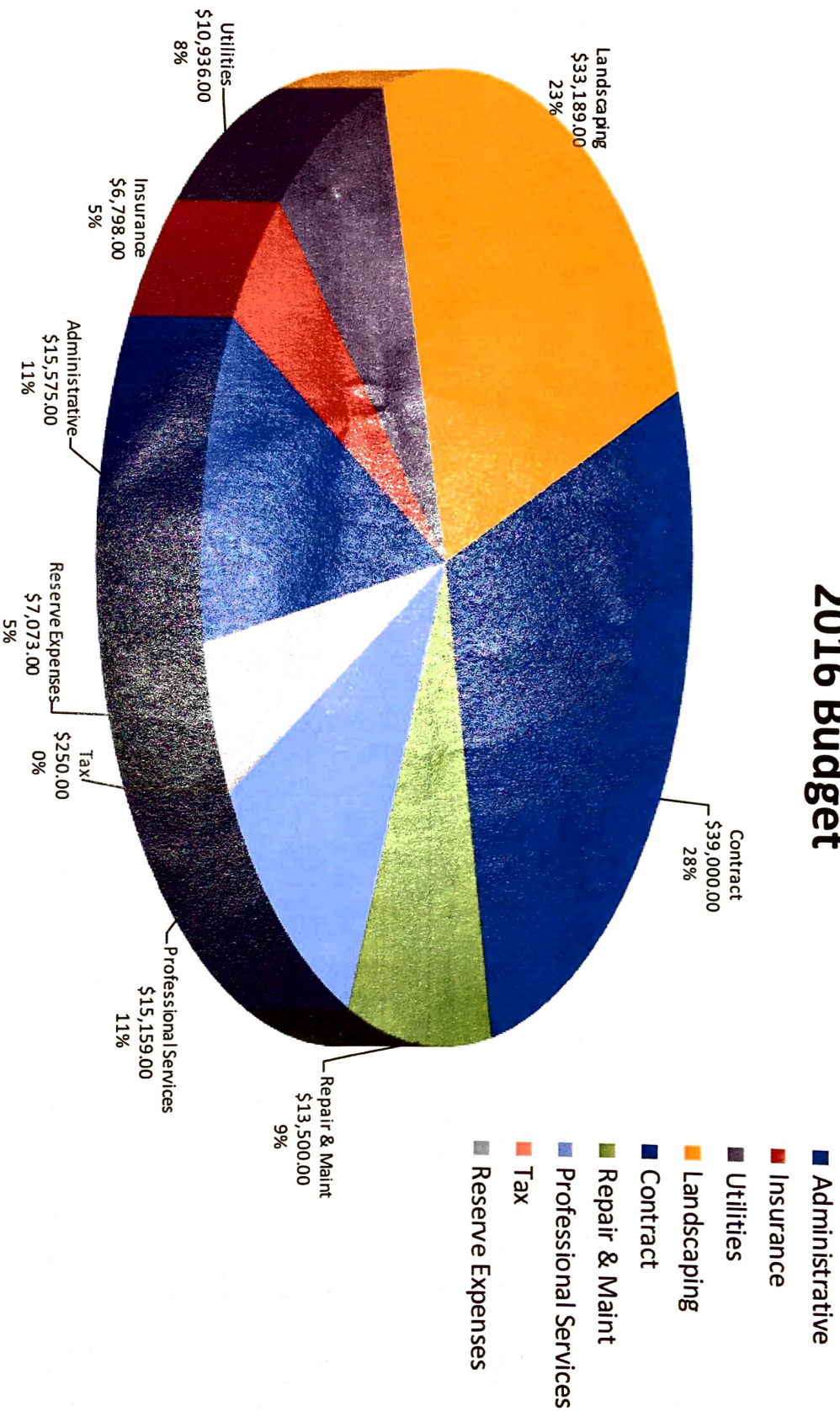
Expense	Current Period			Year to Date (12 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Insurance								
5470 - Other Insurance Premiums	90.67	66.00	24.67	866.08	793.00	73.08	793.00	(73.08)
Total Insurance	533.86	546.00	(12.14)	6,293.67	6,551.00	(257.33)	6,551.00	257.33
Utilities								
6000 - Electric Service	552.68	679.00	(126.32)	5,724.16	8,150.00	(2,425.84)	8,150.00	2,425.84
6025 - Water Service	1,293.05	825.00	468.05	13,389.46	9,900.00	3,489.46	9,900.00	(3,489.46)
6050 - Telephone Service	52.61	108.00	(55.39)	874.43	1,300.00	(425.57)	1,300.00	425.57
Total Utilities	1,898.34	1,612.00	286.34	19,988.05	19,350.00	638.05	19,350.00	(638.05)
Landscaping								
6100 - Grounds & Landscaping - Contract	2,345.41	2,393.00	(47.59)	28,144.92	28,715.00	(570.08)	28,715.00	570.08
6110 - Landscape Replacement & Installation	0.00	0.00	0.00	3,247.50	0.00	3,247.50	0.00	(3,247.50)
6140 - Force Mow	0.00	0.00	0.00	0.00	300.00	(300.00)	300.00	300.00
6199 - Landscape Other	0.00	0.00	0.00	1,407.25	0.00	1,407.25	0.00	(1,407.25)
6200 - Irrigation Repair & Maintenance	0.00	0.00	0.00	3,662.26	500.00	3,162.26	500.00	(3,162.26)
Total Landscaping	2,345.41	2,393.00	(47.59)	36,461.93	29,515.00	6,946.93	29,515.00	(6,946.93)
Contracted Services								
6438 - Pool Management	568.31	820.00	(251.69)	37,183.69	33,350.00	3,833.69	33,350.00	(3,833.69)
Total Contracted Services	568.31	820.00	(251.69)	37,183.69	33,350.00	3,833.69	33,350.00	(3,833.69)
Repair & Maintenance								
6545 - Electrical Supplies/Repair & Maintenance	0.00	0.00	0.00	224.00	200.00	24.00	200.00	(24.00)
6560 - Fences & Gates Repair & Maintenance	0.00	0.00	0.00	17,790.93	600.00	17,190.93	600.00	(17,190.93)
6595 - Monument Repair & Maintenance	0.00	0.00	0.00	610.52	300.00	310.52	300.00	(310.52)
6600 - General Repair & Maintenance	0.00	0.00	0.00	566.10	3,700.00	(3,133.90)	3,700.00	3,133.90
6685 - Park Repair & Maintenance	0.00	0.00	0.00	9,118.06	500.00	8,618.06	500.00	(8,618.06)
6700 - Pool Supplies/Repair & Maintenance	0.00	0.00	0.00	8,652.95	3,600.00	5,052.95	3,600.00	(5,052.95)
6745 - Signage Repair & Maintenance	0.00	0.00	0.00	0.00	300.00	(300.00)	300.00	300.00
Total Repair & Maintenance	0.00	0.00	0.00	36,962.56	9,200.00	27,762.56	9,200.00	(27,762.56)

Income Statement Report
Cottonwood H.O.A.
 December 01, 2015 thru December 31, 2015

	Current Period			Year to Date (12 months)			Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Budget Remaining
Expense								
Professional Services								
7000 - Audit & Tax Services	0.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00
7020 - Legal Services	0.00	8.00	(8.00)	722.00	50.00	672.00	50.00	(672.00)
7025 - Legal Services - Collections	1,297.34	83.00	1,214.34	8,737.83	1,000.00	7,737.83	1,000.00	(7,737.83)
7040 - Management Fees	1,100.30	830.00	270.30	11,392.55	9,960.00	1,432.55	9,960.00	(1,432.55)
7095 - Other Professional Services	1,080.00	0.00	1,080.00	1,080.00	0.00	1,080.00	0.00	(1,080.00)
Total Professional Services	3,477.64	921.00	2,556.64	22,332.38	11,410.00	10,922.38	11,410.00	(10,922.38)
Taxes								
9015 - Property/Real Estate Tax	0.00	250.00	(250.00)	181.80	250.00	(68.20)	250.00	68.20
Total Taxes	0.00	250.00	(250.00)	181.80	250.00	(68.20)	250.00	68.20
Total Expense	10,128.03	8,333.00	1,795.03	174,764.96	131,686.00	43,078.96	131,686.00	(43,078.96)
Net Income / (Loss)	1,156.78	2,312.00	(1,155.22)	(15,789.33)	(3,856.00)	(11,933.33)	(3,856.00)	11,933.33

Cottonwood

2016 Budget



**Budget Summary Report
Cottonwood H.O.A.
Dept: 138 - Operating**

	<u>2016 Budget</u>
Income	
4000 - Residential Assessments	133,980.00
4120 - Capitalization Fee	1,200.00
4250 - Pool Income	100.00
4710 - Late Fees & Interest	5,200.00
4720 - Legal Reimbursements	1,000.00
Total Income	141,480.00
Total Operating Income	141,480.00
Administrative	
5000 - General Administrative	450.00
5005 - Application/Processing	400.00
5010 - Bad Debt	1,300.00
5015 - Bank Charges	100.00
5025 - Billing/Collections	6,500.00
5030 - Coupon Costs	1,500.00
5075 - Meeting Room Rentals	180.00
5100 - Records Storage	325.00
5115 - Web Site Maintenance	720.00
5200 - Community Events	500.00
5210 - Copies	1,700.00
5215 - Postage	1,900.00
Total Administrative	15,575.00
Insurance	
5415 - D&O Insurance Premiums	1,916.00
5460 - Property Insurance Premiums	4,059.00
5470 - Other Insurance Premiums	823.00
Total Insurance	6,798.00
Utilities	
6000 - Electric Service	5,700.00
6025 - Water Service	4,600.00
6050 - Telephone Service	636.00
Total Utilities	10,936.00
Landscaping	
6100 - Grounds & Landscaping - Contract	28,989.00
6110 - Landscape Replacement & Installation	3,200.00
6140 - Force Mow	300.00
6200 - Irrigation Repair & Maintenance	700.00
Total Landscaping	33,189.00
Contracted Services	
6438 - Pool Management	39,000.00
Total Contracted Services	39,000.00
Repair & Maintenance	
6545 - Electrical Supplies/Repair & Maintenance	200.00
6560 - Fences & Gates Repair & Maintenance	1,000.00
6595 - Monument Repair & Maintenance	900.00
6600 - General Repair & Maintenance	3,700.00
6685 - Park Repair & Maintenance	4,000.00

**Budget Summary Report
Cottonwood H.O.A.
Dept: 138 - Operating**

	<u>2016 Budget</u>
Repair & Maintenance	
6700 - Pool Supplies/Repair & Maintenance	3,500.00
6745 - Signage Repair & Maintenance	200.00
Total Repair & Maintenance	<u>13,500.00</u>
Professional Services	
7000 - Audit & Tax Services	400.00
7020 - Legal Services	500.00
7025 - Legal Services - Collections	4,000.00
7040 - Management Fees	10,259.00
Total Professional Services	<u>15,159.00</u>
Taxes	
9015 - Property/Real Estate Tax	250.00
Total Taxes	<u>250.00</u>
Other Expenses	
9105 - Reserve Contribution Expense	7,073.00
Total Other Expenses	<u>7,073.00</u>
Total Operating Expense	<u>141,480.00</u>
Total Operating Net Income / (Loss)	<u>0.00</u>

**Budget Summary Report
Cottonwood H.O.A.
Dept: RESERVE - Reserves**

	<u>2016 Budget</u>
Income	
4905 - Reserve Contribution Income	7,073.00
Total Income	<u>7,073.00</u>
Total Reserves Income	<u>7,073.00</u>
Total Reserves Net Income / (Loss)	<u>7,073.00</u>
Total Association Net Income / (Loss)	<u>7,073.00</u>

Cottonwood 2015 Accomplishments

▶ *Communication*

- New Manager
- Email Monthly Financials
- Improved Communication Between Owners and Board of Directors
- Encouraged Better Communication Amongst Neighbors

▶ *Financial Improvements*

- Careful Review of Finances
- Requesting bids on all projects

▶ *Improve Appearance of the Homeowners*

- Replaced Pool Fence
- Increased Deed Restriction Enforcement



Cottonwood 2016 Goals

- ▶ ***Improve Communication***
 - Continue to Improve Communication Between Owners and Board of Directors
 - Encourage Better Communication Amongst Neighbors
 - More Frequent Updating of Homeowners Website
 - Distribute Quarterly Newsletters

- ▶ ***Increase Homeowners Involvement***
 - Increase Owner Participation in Homeowners
 - Organize Homeowners Events
 - Hold a National Night Out Event
 - Holiday Lighting Contest

- ▶ ***Maintain Balanced Budget for 2016***

- ▶ ***Improve Collections***

- ▶ ***Improve Appearance of the Homeowners***
 - Install “Children at Play” signs near park entrances
 - New Pool Company
 - Continued Deed Restriction Enforcement