



2009 YEAR-TO-DATE REPORT AND 2010 BUDGET COMMENTS

Both our year to date 2009 results and our 2010 budget details are on the West Lake web site. I do want to make a few comments and invite your comments and questions should you have any.

2009 FINANCIAL YEAR TO DATE

Keep in mind that July 1, 2009, we switched property managers and that Mountain Managers replaced Copper. This resulted in our going to a cash accounting basis versus an accrual accounting basis. Therefore it was a transition year in more ways than one.

Just a bit of history. Copper had exceeded our budget \$40,000 in 2007 and \$60,000 in 2008. I'm not suggesting that it was all Copper's fault, but, the \$100,000 had to be transferred from our reserve fund to the operating fund. We were receiving the monthly financials two to three months after the month closed. It made it just about impossible to control expenses. We are now receiving the financials in 20 to 30 days and have much better control.

Our reserve fund balance was \$105,000 when Mountain Managers took over in July. At year end it was \$133,000. This is after installing a new Ving reader, replacing deck rails, stairwell repairs, valve replacements in the garage, a new dumpster door, and replacement of the concrete pad in front of garage door. We have budgeted \$75,000 for the 2010 reserve contribution plus \$9,000 due from the special assessment for a total contribution of \$84,000. This is a gross number since there will be expenditures. I will comment on the proposed expenditures when I comment on the 2010 budget. I would like to see \$250,000 in our reserve fund and that is my goal, however, as you all know the building is old and requires maintenance and replacements.

The bottom line is that we ended the year with a \$48,000 operating surplus. The primary reason was our ability to control expenses and having a dedicated live in manager made that possible. Dainis is doing a good job and here are a few of the projects he has completed that Copper would have billed us for: Maintaining our landscape program; painting deck rails; replacing circulation filters; sealing the wood around the hot tub; planting 3 large trees; painting stairwell and rails; painting gas meter; power washing garage etc. I'm pleased and feel we are on the right track, but, still have a ways to go.

2010BUDGET

There is not a lot I can say about the 2010 budget except that we have a fee increase of 2.5%. My goal is not to have an increase next year.

All the support detail for the budget is on the West Lake web site, but, I will point out that the two largest increases are management fees \$17,868 and resident manager rent \$5,000. The off set is repair and maintenance (\$9,455), and legal and accounting (\$3,388). The savings would be larger, but, half of the savings was realized during the second half of 2009. I also expect other savings as a result of having a live-in manager.

As stated above \$84,000 will go into the reserve fund, but, there will be expenditures. The proposed expenditures are: Replace the spa and fitness room windows; repair/replace the concrete retaining wall; repair/replace the roof access door; replace/repair the southern lower roof gutter; replace/repair the asphalt; install snow bars on the north roof; repair/replace the men's shower wall and floor tile; and replace the south west wall with railing. The board has approved this list, but each item will be reviewed prior to spending the money.

MISCELLANEOUS

All of our rules and regulations have been posted on the web site. Please take the time to read them, especially the one on parking. Basically it states that each kitchen will receive one inside space. Commercial is also entitled to 4 inside spaces. This is all based on our bylaws and square footage of ownership. What this means is that we are short 5 spaces short in the garage. However, since commercial is not there at night or on the weekends we can make it work. **THE PROBLEM IS**, I have been advised by several unit owners that the policy is being abused. Cars are being used for storage and some owners are parking up to 3 cars in the garage. Please help me correct these situations.

Finally, thanks to all you owners and to the board for your contributions and support. I do feel we have rounded the corner and I'm very pleased with the overall condition and appearance of the building. Again, I welcome your comment and questions

Ken Mitchell
President West Lake HOA
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