

November 20, 2020

Dear Fellow Cobblestone Homeowner,

Attached is your copy of our 2021 budget, 2020 projected expenses and the 2020 budget. Also attached is the reserve study along with individual HOA dues for 2021. Like our first year, our second year also came with some surprises. First was the need to hire an attorney to assist in the removal of an addition to a unit's Limited Common area. The second was the notification by PAWSD (Pagosa water) of the mandated requirement to install a backflow preventer. Both of these will require a special assessment in 2021. At the time of the homeowners' meeting the proposed cost of the backflow project was \$20,000. Fortunately our manager (Tammy Walters, Unit 3) has been able to reduce the proposed cost to approximately \$12,000 and with her tenacity it could be lower (GO TAMMY!). For your planning expect the March special assessment to be from \$250-\$300 per unit and the August/September assessment to be approximately \$750.

We currently have two units up for resale. Number 2 and number 15. Please let your friends know they, too, can enjoy our part of the world.

Ryan agreed to complete Steve Blechschmidt's remaining term on the Board this past year. Ryan has been a great help in the transition from BWD. When you see or speak with him, please thank him for his service.

Your 2021 Board is:

Kristin McCollam, Unit 1
Dick Roberts, Unit 5
Bruce Stuart, Unit 8

We look forward to FY 2021 and hope that we will be able to improve our landscaping and other improvements that may arise.

Thank you for your support.

Bruce Stuart, President
Cobblestone Townhome HOA

COBBLESTONE HOMEOWNERS ASSOCIATION

November 20, 2020

Dear Cobblestone Unit Owners,

State law requires that certain financial documents should be distributed to the membership of all planned communities each fiscal year.

Accordingly, attached to this email are the following documents:

1. 2021 Dues Summary 2021 thru 2025
2. 2021 Dues by unit
3. 2021 Operating Budget Report
4. 2021 Disclosure Statement
5. 2021 Maintenance Reserve Study.

If you have any comments/questions concerning these attachments, please feel free to contact a member of the Board.

Cobblestone Board Members:

Bruce Stuart (President)
Dick Roberts (Vice President)
Ryan Searle (Treasurer/Secretary)

2021 Overview

Dues Summary with projection thru 2025					
Dues:	2021	2022	2023	2024	2025
Maintenance Reserve(1)	\$29,952	\$35,431	\$38,174	\$40,919	\$43,667
Operating Exp. (2)	\$43,500	\$45,240	\$47,050	\$48,932	\$50,889
Total Combined 16 Units	\$73,452	\$80,671	\$85,224	\$89,851	\$94,556
Total Per Unit Per Yr.					
Units: 3,9,10,13,14,15,16	\$3,886	\$4,267	\$4,508	\$4,753	\$5,002
Units: 1,2,4,5,6,7,8,11,12	\$5,142	\$5,647	\$5,966	\$6,290	\$6,619

(1) Based on 2020 Reserve Study

(2) Based on the 2021 Operating Budget

Notes:

The Maintenance Reserve Study must be updated at least every (3) years.

At this time, a total update of all information herein will be accomplished. Necessary updates to the 30 year forecast will be made at this time. The next reserve study is planned for 2021.

The Operating Budget is established on an annual basis. Changes to the dues forecast will be made as necessary to reflect any changes. Inflation rate for the Operating Budget is scheduled at 4% per year.

Summary of Maintenance Reserve Account

Maintenance Reserve Account Balance (Estimated) at 12-31-2020: \$46,670.00

COBBLESTONE HOMEOWNER'S ASSOCIATION
Maintenance/Operating Budget Dues By Unit Per the CC&R's
January through December 2021

Unit #	Percentage	Reserve Fund	Operating	Annual	Quarterly	Monthly
1	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
2	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
3	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
4	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
5	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
6	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
7	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
8	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
9	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
10	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
11	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
12	7.00%	\$2,096.64	\$3,044.00	\$5,140.64	\$1,285.16	\$428.39
13	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
14	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
15	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
16	5.29%	\$1,584.46	\$2,300.15	\$3,884.61	\$971.15	\$323.72
TOTAL	100.0%	\$29,952.00	\$43,500.00	\$73,458.04		

Late Fees: 18% per annum if not fully paid by the 10th day after the date when due plus a late fee of \$20 per month.

Monthly Payments: If you choose to pay monthly there is an additional fee of \$25 per payment due to administrative costs. Annual or quarterly payments are not charged any additional fees.

COBBLESTONE HOMEOWNERS ASSOCIATION**Projected 2020 Actual & 2021 Budget**

	Projected 2020 Actual	Proposed 2021 Budget
INCOME,		
Assessments/Dues	32,750.00	43,500.00
Transfer Fees,	-	
Other Fees,	75.00	
In Kind,	-	
Interest Income,	83.71	
Total Income	32,908.71	43,500.00
EXPENSES,		
Insurance Liability	5,750.00	8,000.00
Licenses and Fees	80.00	100.00
Misc Expense	-	
Web Hosting	-	350.00
Professional fees	-	
Legal/CPA	8,000.00	1,500.00
Accounting/Admin	2,432.00	2,400.00
Management Fee	2,400.00	2,400.00
Total Professional Fees	12,832.00	6,300.00
Taxes	-	
Building & Ground Expenses		
Landscaping,	1,361.43	4,300.00
Tree Removal		700.00
Winterizing		750.00
Snow removal,	3,000.00	3,000.00
Gas/Propane	-	200.00
Street Expense,	-	
Repair & Maintenance Exp	1,783.37	1,400.00
Spraying Weeds	-	-
Total Building & Ground E	7,133.19	10,350.00
Office Supplies Expense	32.01	200.00
Bank Service Fees	-	200.00
Utilities Expense		
Electric (Sewer Pump Lift)	338.89	1,000.00
Water	13,203.85	13,000.00
Total Utilities Expense	13,542.75	14,000.00
Contingency	-	4,000.00
TOTAL EXPENSES	35,981.56	43,500.00
Summary:		
Operating Budget	32908.71	43,500.00
Capital Reserve Budget	26780.00	29,950.00
Expected Total Dues Income	59688.71	73,450.00

Assessment and Reserve Funding Disclosure Summary

(Data is valid as of November, 2020)

1. The 2021 assessment per ownership ranges from \$3,884.61 to \$5,140.64/year. This will allow the association to build a reserve fund of \$29,952.00 in 2021.
2. There are two special assessments anticipated in 2021. Please see the cover letter for additional details.
3. Based on the most recent reserve study and other information available to the Board of Directors, there will be balances sufficient at the end of each year to meet the Association's obligation for repair and/or replacement components during the next 30 years.
4. The 2021 budget allows for a reserve fund of \$29,951.00. If the reserve fund is increased as shown in the dues summary page there will be enough in the reserve fund to cover all anticipated future expenses.
5. All major components are included in the reserve study and are included in its calculations.
6. The reserve fund cash and CD balance at the end of the 2020 Fiscal Year is anticipated to be \$46,670.00.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at this time. The estimates are subject to change. This disclosure was produced based on data available at 11/20/20.

COSTS		plan year number>				-1	0	1	2
		cost	life	last	fiscal year>	2020	2021	2022	2023
CAPITAL ASSET	per event	cycle	service	remaining life					
PROJECT	2021	(years)	year	(years)					
1	Roadway Sealing	3,000.00	5	2015	0	3,000	3,152		
2	Roadway Crack Sealing	1,500.00	4	2015	0	1,500	1,576		
3	Roadway Remove & Replace	80,000.00	40	2012	32	16,000			
4	Sidewalks & Driveways	70,000.00	40	2012	32	14,000			
5	Paint Exterior Units: 1-3	9,000.00	4	2018	2	4,500			9,456
6	Paint Exterior Units: 4/5	3,750.00	4	2019	3	938			
7	Paint Exterior Units: 6/7	3,750.00	4	2019	3	938			
8	Paint Exterior Units: 8/9	5,000.00	4	2016	0	5,000	5,125		
9	Paint Exterior Units: 10-12	10,000.00	4	2020	4	0			
10	Paint Exterior Units: 13-16	10,000.00	4	2016	0	10,000	10,506		
11	Roof Replacement Units: 1-3	15,000.00	30	2018	28	1,000			
12	Roof Replacement Units: 4/5	10,000.00	30	2014	24	2,000			
13	Roof Replacement Units: 6/7	10,000.00	30	2013	23	2,333			
14	Roof Replacement Units: 8/9	10,000.00	30	2012	22	2,667			
15	Roof Replacement Units: 10-12	15,000.00	30	2015	25	2,500			
16	Roof Replacement Units: 13-16	20,000.00	30	2016	26	2,667			
17	Roof Repair	10,000.00	10	2013	3	7,000			
18	Electrical Ice removal Equipment	1,500.00	7	2013	0	1,500	1,576		
19	Garage Doors Units: 1-3	12,600.00	45	2018	43	560			
20	Garage Doors Units: 4/5	8,400.00	45	2014	39	1,120			
21	Garage Doors Units: 6/7	8,400.00	45	2013	38	1,307			
22	Garage Doors Units: 8/9	7,800.00	45	2012	37	1,387			
23	Garage Doors Units: 10-12	12,600.00	45	2015	40	1,400			
24	Garage Doors Units: 13-16	10,400.00	45	2016	41	924			
25	Doors	70,000.00	45	2015	40	7,778			
26	Windows	100,000.00	50	2015	45	10,000			
27	Light Fixtures	5,000.00	40	2015	35	625			
28	Street Signs Replace	1,000.00	40	2017	37	75			
29	Landscape Replacement	12,000.00	15	2012	7	6,400			
30	Lift Pump	3,000.00	5	2018	3	1,200			
31	Lift Pump	3,000.00	5	2016	1	2,400		3,152	
32	Lift Pump	3,000.00	5	2017	2	1,800			3,231
33	Heated Backflow Valve	20,000.00	15	2021	15	0			
34	Northside Fence Replacement	20,000.00	29	2021	30	0			
35	Staining North Fence	4,000.00	4	2021	4	0			
TOTAL CAPITAL COSTS		\$588,700				\$114,518	21,935	3,152	12,686
CAPITAL REVENUE									
Annual Capital Dues (16 Units) Capital Portion Only							26,780	29,950	35,431
Reserve Fund Interest (CD) accumulated during the year per assumed rate							5	1	9
TOTAL GROSS REVENUE (allocated to Reserve Fund)						26,780	26,785	29,951	35,440
NET ANNUAL REVENUE						(87,738)	(60,953)	(52,937)	32,288
CAPITAL RESERVES									
Capital Reserve Fund (CD's) at beginning of year						(114,518)	(87,738)	(82,888)	(56,089)
Transfers (to) from O&M Fund at end of year						0	(21,935)	(3,152)	(12,686)
Net Annual Revenue						26,780	26,785	29,951	35,440
CAPITAL RESERVE FUND at year end						(87,738)	(82,888)	(56,089)	(33,335)
CAPITAL DUES									
Total Dues Collected per unit (16 units) allocated to the Reserve Fund only:						\$26,780	\$29,950	35,431	38,174
ASSUMPTIONS									
Capital cost rate of inflation		2.50%	per year for construction work						
annual rate of dues increase		0.80%	per year on capital dues portion only						
Reserve Fund (CD) rate of return		0.03%	per year						
								1.025	105%
								1.0080	102%

	3	4	5	6	7	8	9	10	11	12	13	14
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			3,566					4,035				
	1,697				1,873				2,068			
						10,966				12,104		
	-				4,139				4,569			
	-				4,139				4,569			
		5,657				6,244				6,893		
	11,314				12,489				13,785			
		11,597				12,801				14,130		
	11,314										14,483	
				1,740					1,968			
					14,986					16,956		
	3,231					3,655					4,136	
				3,566					4,035			
					3,655					4,136		
		4,526				4,995				5,514		
	27,556	21,780	3,566	5,306	41,282	38,661	-	4,035	30,994	59,732	18,619	-
	38,174	40,919	43,667	46,416	46,667	46,921	47,176	47,434	47,693	47,955	48,218	48,484
	8	2	(2)	(2)	(2)	(13)	(25)	42	55	58	46	37
	38,182	40,922	43,664	46,414	46,666	46,908	47,151	47,475	47,748	48,013	48,264	48,521
	25,496	13,366	21,885	42,848	41,360	5,625	8,490	47,475	43,713	17,019	(11,468)	29,902
	(33,335)	(22,708)	(3,566)	36,532	77,641	83,025	91,271	138,422	181,863	194,582	151,870	121,783
	(27,556)	(21,780)	(3,566)	(5,306)	(41,282)	(38,661)	0	(4,035)	(30,994)	(59,732)	(18,619)	0
	38,182	40,922	43,664	46,414	46,666	46,908	47,151	47,475	43,713	17,019	(11,468)	29,902
	(22,708)	(3,566)	36,532	77,641	83,025	91,271	138,422	181,863	194,582	151,870	121,783	151,685
	40,919	43,667	46,416	46,667	46,921	47,176	47,434	47,693	47,955	48,218	48,484	48,752
	108%	110%	113%	116%	119%	122%	125%	128%	131%	134%	138%	141%
	102%	103%	104%	105%	106%	107%	107%	108%	109%	110%	111%	112%

27	28	29	30		
2048	2049	2050	2051		
				-	
	3,146				
		18,418			
6,783					
6,783					
	10,232				
20,464					
	20,976				
	30,696				
				3,225	
24,557					
	5,989				
5,989					
		41,951			
		41,951			
	8,186				
64,576	79,225	102,320			
52,138	52,436	52,735	53,037		
(48)	(67)	(67)	(134)		
52,091	52,368	52,668	52,903		
(1,549)	(12,208)	(26,558)	(49,417)		
(158,801)	(224,925)	(316,358)	(445,236)		
(64,576)	(79,225)	(102,320)	0	(21,935)	
(1,549)	(12,208)	(26,558)	(49,417)		
(224,925)	(316,358)	(445,236)	(494,653)		
52,436	52,735	53,037	53,341		
195%	200%	205%	210%	215%	220%
124%	125%	126%	127%	128%	129%