
Long Range Planning and Finance Committee

OVERVIEW

The Long Range Planning and Finance Committee (LRP&FC) is charged with the recommendation and oversight of both current and long term budgeting and spending in the Village. The Board makes the final decisions on the budget and actual spending.

2014 AUDIT

The 2014 outside audit was completed and resulted in another **Grade A** audit report for the Village. CPHA accountant **Carol Tilton** maintains the Village records consistent with acceptable HOA accounting practices, and supported with all appropriate documentation.

2015 CAPITAL PROJECTS

In 2015, \$910,000 was spent on capital projects, of which \$285,000 was for replacing or maintaining existing assets (which is funded by the Reserve Fund) and \$625,000 was for new capital expenditures. The new capital expenditures primarily were to extend our trail system (\$310,000) and for the construction of a new guardhouse at gate 2 (\$224,000).

2015 BUDGET

2015 revenue was on budget for the year. Overall, expenses were under budget by \$157,000 (excluding depreciation expense). Budgeted mitigation costs of \$150,000 for the Meadows interchange will not be required until 2016. Our operating cash position at the end of 2015 was \$830,000

2016 BUDGET

Dues for 2016 will continue at the 2015 level. Overall expenses will increase by \$390,000 or 8.8%. The increases include \$175,000 for the full year operation of the new guardhouse, \$150,000 for Meadows mitigation expenses deferred from 2015, \$85,000 for increases for Waste Management due to their no longer providing free pickup for recycling and for the additional new homes, and \$99,000 for additional Village landscape projects.

The Board approved the elimination of the Village's Bulk Service agreement with Comcast in midyear 2016 which will result in a reduction in 2016 Comcast expenses of \$200,000, and a savings of approximately \$450,000 on a full year basis.

The 2016 Capital Plan is \$841,000, of which \$347,000 is for replacing or maintaining existing assets, and \$494,000 is for new capital expenditures. New capital projects include expanding our trail system, adding a fifth tennis court, constructing a picnic pavilion, and upgrading one of our guardhouses (as part of a multi-year plan to upgrade all guardhouses). Each project is approved by the Board when detailed plans are submitted.

The strong operating cash position at the end of 2015 and our cash projections are adequate to fund our budgeted operating expenses and new capital projects in 2016.

VILLAGE GROWTH

Castle Pines Village ended 2015 with 1610 constructed homes, which represents an increase of 41 homes during the year. Adding 8 platted lots in 2015, which are also responsible for monthly dues, brings the total dues-paying lots in the Village to 1789.

Although in preliminary planning stages, there are two major land tracts in the Village being considered for development in the foreseeable future. The first is inside gate 3, where approximately 50 new homes are being planned. The second is North and West of our Metro facilities, where approximately 90 new homes are being considered. These tracts have not been platted as of this report.

The final build-out total including additional platted lots is currently estimated at approximately 1950.

RESERVE FUND

The 2015 year-end balance of the Village Reserve Fund was \$2,188,000. Consistent with the Reserve Study completed in late 2013, this amount is adequate to meet future needs for replacement and/or maintenance of the Village assets. An updated Reserve Study will be completed in 2016.

SUMMARY

Castle Pines Village continues to be financially sound with a solid balance sheet, cash flow, and the ability to meet our capital needs in the future.

With the majority of the Village's infrastructure in place, major future financial expenditures will be focused on maintaining/improving the Village's existing assets and operations, as well as mitigating, wherever possible, the impact of development surrounding the Village. Although not identified at this time, it is anticipated that this may require expenditures to cover the costs of enhanced security. The one major financial expenditure identified in our Long Range Financial Plan is the expansion of the Canyon Club sometime in the future to accommodate the growth in the Village.

Due to the elimination of the Comcast bulk service agreement, our current long-range financial plan anticipates that our dues will remain constant for the next several years.

Long Range Planning and Finance Committee Members for 2014 include: Len Jacob (Chairman), Frank Jacobsen, Jim Lovell, Bill Smith and Don Watson.

Respectfully Submitted,

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Len Jacob (Chairman)