

Treasurer Report 9-15-18

Agenda

- Bank balances
- Dues collected
- Emergency assessments collected
- Assessment payment options
- Bills paid
- Performance bond return
- Budget update
- Audit update, summary of findings

Bank Balances

- Checking - \$12,322.80
- Mailbox Account \$1,458.46 (donations)
- Reserves - \$4,943.07
- Total - \$18,724.33
- Decrease of \$40,150.60 (without emergency assessment)
- Emergency assessment account \$44,496.10
- Total Operations and Reserves- \$63,220.43
- Increase of \$4,346.23 from previous period (includes emergency assessment)
- Bond Account - \$61,553.37
- Decrease of \$7,960.63

Assessment collections

- As stated, we have given 30 days due, late in 60, and delinquent in 90 days
- This was due to the emergency we are facing and must have funding to defend the association
- Some members are put at financial hardship
- Board to decide if we can work on plans for those who are currently unable to pay entire amount by due date.

Dues collected

- Collected this month - \$2,755.20
- Adjustments from prior entries \$2,744.09
- Collected to date - \$82,711.33
- Total outstanding dues \$16,140.67

Fees collected

- 1 transfer fee \$125
- 1 prepayment \$60

Collections

- We have now sent 3 properties to collections (2 owners)
- Properties will be sent to collections, and liens placed if owners fail to bring account current
- If forced to file a lien, and additional \$533 of costs will be assessed **NOT INCLUDING** fees from collection agency

Bills paid this period

- Goranson and Associates \$4,000 - Audit
- Spaulding Law firm - \$42,071.70 -Defense of lawsuit, discovery actions, coverage counsel
- Office depot - \$675.06
- Frontier office phones - \$201.81
- Chase card - \$1,104.09- mailing emergency assessments, ballots
- Payroll

Special Assessment (Emergency)

- As stated in previous reports, we will have a special assessment of approximately \$336 to bring reserve fund for roads to minimum funding requirement
- This comes from a shortfall of \$25,000 per our reserve study, and borrowing of an additional \$45,000 to pay our bills, leaving a total of \$70,000 shortfall in road reserve fund required
- We have been advised to expect \$100,000 in fees this year to defend the lawsuit by our current attorney. Our legal budget this year is \$7,500
- Additional legal fees paid and expected to be paid bring our current funding shortfall to \$170,000 (not including any adverse judgement against HOA)
- The fees amount to an assessment of \$444.71 per property (additional \$92,500 over budget)

Special Assessment (Emergency)

- \$444.71 plus \$336.53 come to total assessment of \$781.25
- This unfortunately does not cover any judgement that could be assessed against us in a trial
- Members will be kept informed as we learn more. Your Board is working to defend our membership and intend to hold those responsible accountable
- Assessment has been sent
- Due in 30 days, late in 60 days, and subject to late fees and interest
- Collections in 90 days

Special Assessment (Emergency)

- Some individuals are sending out protests and encouraging members not to pay
- While we understand their concern, this is ill advised as properties who refuse payment will be sent to collections and this will result in higher fees to owners
- We are working with coverage counsel in an attempt to get some coverage and, if successful, additional assessments may not be necessary and may possibly result in partial refund

Performance bond return

- We have one bond discovered that has been on books since 2007
- The homeowners fulfilled their obligation and should have had bond returned years ago.
- John Gray spoke with the member. He simply forgot about the bond after completing the home
- Motion to refund their bond and get off our books

Budget update

- See spread sheet

Auditor summary

- Whistleblower policy
- Confidentiality agreement
- Policies and procedures
- Conflict of interest
- Letter from Auditor on presentation