

Treasurer Report

4-01-2020

Agenda

- Bank balances
- Reserve account
- Checking account activity
- Dues/ Income collected
- Interest income received
- Bills paid in March
- Expected Bills April
- Insurance costs

Bank Balances as of 04-01-20

- Checking - \$4,168.73
- Checking 20/21 - \$38,876.15
- Total Checking - \$43,044.88
- Sub accounts 024,25,26 - \$7.67
- Reserves - \$42,759.68
- Special/emergency assessment account - \$1681.68
- Total Operations and Reserves - \$87,493.91
- Increase \$28,911.90 from last period
- Bond Account - \$40,123.56 (account liabilities \$40,000)
- Increase of \$24.26 from last period

Reserve Account

- January 2019, we voted to borrow \$25,000 from reserves
- Repayment is required.
- Current Balance - \$42,759.68
- We repaid \$20,000
- Balance to be repaid remains at \$5,000.00

Checking account activity

- Opening balance - \$14,072.73
- Deposits - \$125.00
- Interest - \$1.39
- Total bills/withdrawals - \$10,030.39 (breakdown on slide 10)
- Ending balance - \$4168.73

Dues collected/Income March

- March collections fiscal year 2019/2020 - \$0
 - Fiscal year dues collected to date - \$110,818.99
- (Regular dues only excludes late fees and finance charges)
- Late Fee - \$35.00
 - Finance charge - \$75.77
 - Transfer fees - \$125.00 (1 escrow closed)

Dues collected for Fiscal year 20/21

- March collection - \$36,919.68
- Pre-Payment - \$60.00
- Total to date - \$38,876.15

Emergency/special assessment collected

- March collections - \$1,676.68
- Fiscal year to date collected - \$19,642.48
- Total collected 2018 to present - \$139,693.92
- 86% collected to date
- Approximately \$22,000 outstanding
- We are working with our Legal Counsel on the best way to proceed with collection efforts

Benefit from assessment

- We were able to raise funds for defense that included forcing our insurers to reverse their denial to defend us
- The lawsuit was settled with no further funds from the HOA
- The cost of the lawsuit exceeded 5 times what we assessed the membership including the settlement.
- The potential costs to the membership based on the final costs of this legal action taken against us could have likely exceeded \$2,500 per property, not including potential punitive damages.

Interest Income February

- Checking - \$1.39
- 20/21 sub account - \$1.05
- Reserve Account - \$25.85
- Special assessment - \$3.43
- Bond Account - \$24.26
- Total – \$55.98

Bills/ Withdrawals in March

- Office Depot - \$25.00 (autopay on office card)
- Chase \$318.87 - Office expense
- FTB- \$16.00 - Corp entity fee
- FTB- \$38.00 - Form 100es
- FTB- \$10.00 - Form 358ES
- IRS- Payroll tax - \$1300.32
- National Partner Insurance - \$3,858.30 (2 months payment)
- Walls Law - \$840.00
- Frontier - \$134.70
- Payroll - \$3,489.20
- Total - \$10,030.39

Expected Bills in April

- Insurance installment - \$0 Paid (2 months premiums deducted in March)
- Payroll tax - Approx. \$1,000.00 - Balance 1st Quarter Jan-March
- Labor - \$TBD.
- General office supplies, TBD - Approx. \$300.00 - \$400.00
- Utilities - Approx. \$0. We expect a credit from overpayment
- All standard operations.

New Insurance costs 2020/2021

- D&O Insurance - \$15,000
- Broker fee - \$1,105
- Aggregate insurance - \$2,429.27 (Davis Sterling requires \$3 million in coverage)
- General Liability - \$6,064.89
- Finance charge - \$500.60 (D&O)
- Finance charge - \$364.46 (GL/XS)
- Total - \$25,463.62
- This compares to \$28,253.00 for previous year, a slight reduction.
- Monthly payments are now \$1,929.15
- Our broker informs us the “head butting” incident drops off next year, but the current lawsuit will remain another year minimum for disclosure purposes.
- Our rate was reduced slightly this year due to measures put in place; including new bylaws, conflict of interest, code of conduct and whistleblower policies, even though the other incidents remain an issue for insurability.

Insurance costs

- Why are these listed every month?
- As a reminder that our overall financial issues continue due to insurance costs of more than 5x historical costs
- Without maintaining proper coverage, the membership is put in danger of more assessments.
- Your Board has been open and transparent with our insurers, informing them of threats to ensure we do not face future issues of denial of coverage that we experienced in the past due to the irresponsible actions taken by former Board Members and/or Associates.