

# Treasurer Report 5-19-18

# Agenda

- Bank Balances
- Dues collected
- Outstanding dues
- Accounts sent to collection
- Accounts 1 year past due
- Accounts to be sent to collections
- Bills paid
- Bills coming due
- Outstanding legal invoices
- Audit update/ CPA

# Bank Balances

- Checking- \$66,112.08
- Reserves- \$39,872.97
- Total Operations and Reserves- \$105,985.05
- Increase of \$12,841.23 from previous period
- Increase reflects dues collected, insurance refund of \$2,919 and State refund of \$59.48 minus expenses
  
- Bond Account- \$64,403.62
- Increase of \$1,031.48
- This includes new bond posted of \$800 plus interest accrued

# Dues collected

- Collected this month- \$25,745.20
- Collected to date- \$67,205.51
- Total outstanding dues this year \$28,588
- Dues one year past due \$7,073.77
- 2 major delinquencies total \$12,630

# Collections

- 2 major delinquencies have been sent to collections with attempt to place liens on properties.
- Note: had these properties had liens placed as required by policy, we would have received our fees from the sales of these properties in 2016.
- Dues 1 year past due have been notified they are being sent to collections and are in process.
- Liens will be placed on all past due accounts that collection agencies fail to collect
- This years past due accounts will receive a pre-lien notice going out after June 15th that include a \$35 late fee, \$45 office expense and 12% finance charge.
- Properties will then to be sent to collections and liens placed if owners fail to bring account current.
- If forced to file a lien, then an additional \$533 of costs will be assessed, **not including** fees from collection agency.

# Special Assessment

- As stated in previous report, we will have a special assessment of approximately \$336 to bring reserve fund for roads to minimum funding requirement
- This assessment will come in summer but may need to be increased due to additional legal fees that may incur due to current lawsuit depending on alternate cost sharing being explored ( insurance counsel etc.)
- Members will be kept informed as we learn more and your board is working to keep assessment to a minimum.

# Bills paid this period

- Frontier office phones \$198.94
- Franchise tax board \$25.00
- IRS- 2107 Amended Form 1120- \$57.00
- Melany Collett \$49.40 Expense reimbursement for postage
- EDD payroll taxes- \$646.53
- Ron Case reimbursement for mailbox building supplies- \$721.86
- Office Depot- \$838.45
- Kapalahi Accounting- \$3,561.06
- Legal retainer \$5,000 ( explanation on next slide)
- Total bills including office manager salary \$15,298.24

# Bills continued

- Spaulding, McCullough & Tansil LLP- \$5,000 for legal retainer on Lawsuit defense.
- This is a new law firm as we have discontinued doing business with Perry Law Firm.



# Outstanding legal invoices not paid

- We have received a billing from the Perry Law firm which we have significant questions.
- Questions include the authorization for services.
- Whether the time and expenses indicated were reasonable
- Whether work product value was received.
- We will follow up with the Perry Law firm
- Pursuant to State Bar practice rules, Perry Law has been requested to provide a copy of their complete file to our new legal Counsel. There is no charge for this service and their cooperation is appreciated.

# Bills coming due

- State Workers Compensation Insurance \$277.
- Fort Ross School \$50 for use of Multi Purpose room for meetings.
- Susan Goranson CPA firm retainer to be determined.

# Audit Update/ Tax Prep

- John Gray interviewed new CPA firms to take care of audits, reviews and taxes.
- Decision made to not utilize the past accounting firm for an audit to get a fresh set of eyes to review.
- This is not a reflection of the work from last accountant but rather to get another look at our financial picture utilizing another source as well as resources of a larger firm.
- Each firm interviewed gave estimates that exceeded our original cost quotes after they examined our needs. With 2 firms unable to give a total cost quote.
- Total cost estimate is \$15,000 but includes taxes and reviews
- Reference we received from prior law firm not used as we discontinued relationship with that law firm
- Interviewed Gary Bong firm out of Walnut Creek Ca who was recommended by Ernst accounting ( past election coordinator).

# Audit Tax Prep continued

- Decision made to use local CPA firm
- We are changing to a new CPA firm Susan Goranson in Santa Rosa
- Letter of engagement was sent this week
- Taxes and Audit to begin shortly