

Treasurer Report 6-16-18

Agenda

- Bank Balances
- Dues collected
- Outstanding dues
- Collections
- Special assessment
- Bills paid
- Legal bills
- Audit update/ CPA
- Road budget and maintenance due

Bank Balances

- Checking- \$65,581.31
 - Mailbox Account \$400 (donations)
 - Reserves- \$39,889.80
 - Total Operations and Reserves- \$105,871.11
 - Decrease of \$113.77 from previous period
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- Bond Account- 64,436.33
 - Increase of \$32.71

Dues collected

- Collected this month- \$3,361.60
- Collected to date- \$70,247.16
- Total outstanding dues \$27,738.04
- Dues one year past due \$7,073.77 (collectable)
- 2 major delinquencies total \$12,630 have been determined as not collectable with exception of \$1954 so uncollectable totals \$10,676
- Timber Cove Rd property that was \$7354.67 sold at tax auction not collectable but we were able to collect 2016,2017 and 2018 dues totaling \$1,954 accumulated since tax sale. Finding contact information for new owner to collect was a challenge.
- This property was actually had lien placed in 2013 and original came back from the county on 12-23-13

Dues collected continued

- 9-9-14, pro solutions recommended to HOA to file notice of default
- In 2016, pro solutions notified HOA that property could be foreclosed on
- In November 2016, then President of HOA notified HOA and Water co. that he represents new owner of the property in attempt to have water meter installed.
- HOA office manager reminded him that they were significantly behind on dues
- In March 31,2017, pro solutions asked for ledger on the property in attempt to collect debt on foreclosure.
- HOA responded late so debt went uncollected and lien expired
- Other property that was past due \$5,275.33 was never liened (that we can find) and is not collectable as well because it was sold as a tax lien but new owner has stayed current since acquiring the property

Collections

- We have now sent 5 properties to collections (4 owners)
- Total owed on these properties is \$6,647.86 not including late fees
- 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 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

- \$198.94-Frontier office phones
- \$277.00- State fund compensation insurance premium
- \$422.43 Office depot for office supplies (printer ink)

Legal bills

- We received an additional bill in the amount of \$2887.23 on legal since last period from new attorney
- New firm Spaulding, McCullough & Tansil LLP- \$5,000 for legal retainer on Lawsuit defense was paid and was included in previous months report
- Legal budgeted for \$7,500 (budget was prepared prior to filing of Lawsuit) so we have already exceeded the budget.
- This is a new law firm as we have discontinued doing business with Perry Law Firm
- Our attorney has met with John Gray on June 8th and obtained documents required in discovery for Lawsuit. We have not yet been billed for discovery work. This work has not yet been billed.

Audit Update/ Tax Prep

- Audit of HOA finances began 6-14-18
- CPA firm doing audit is Susan Gorenson and Associates from Santa Rosa
- Estimated cost between \$10,000-\$12000 and includes tax prep fees
- We budgeted \$11,500 for CPA fees for fiscal year and expect to come in at or below budget on CPA expense.
- Auditor commented that our files are well organized but has also shared early concerns on some records missing from past couple years.

Road Budget and maintenance due

- This years Roads budget is \$15,000
- We will need to hold off majority of this spend pending better understanding of what our legal costs require
- Road sweep however is due and needs to be performed promptly. This will help to minimize further deterioration
- Cost is \$2,500 and is part of the allowed budget.
- Move to completed work ASAP