

Treasurer Report

5-01-2020

Agenda

- Bank balances
- Reserve account
- Checking account activity
- Dues/Income collected
- Interest income received
- Bills paid in April
- Expected Bills in May
- Insurance costs
- Final Budget for 2019/20 Fiscal year

Bank Balances as of 05-01-20

- Checking - \$565.89
- Checking 20/21- \$67,176.26
- Total Checking - \$67,742.15
- Reserves - \$42,781.66
- Special/emergency assessment account - \$1,200.00
- Total Operations and Reserves - \$111,723.81
- Increase \$24,228.90 from last period
- Bond Account - \$40,144.19 (account liabilities \$40,000)
- Increase of \$20.63 from last period

Reserve Account

- January 2019, we voted to borrow \$25,000 from reserves
- Repayment is required.
- Current Balance - \$42,781.66
- We repaid \$20,000
- Balance to be repaid remains at \$5,000.00

Checking account activity

- Opening balance - \$4,168.73
- Deposits - \$806.68
- Interest - \$.27
- Total bills/Withdrawals - \$4,409.79 (breakdown on slide 10)
- Ending balance- \$565.89

Income April

- March collections fiscal year 2019/2020 - \$0
- Fiscal year dues collected for 2019/2020 - \$110,818.99
(Regular dues only, excludes late fees and finance charges)
- Transfer fees \$250.00 (2 escrows closed)
- Member prepay - \$60.00
- 2020/2021 Dues collected in April - \$28,163.04
- Fiscal Year to date 2020/2021 - \$67,176.26

Dues collected for Fiscal year 20/21

- April collection - \$28,103.04
- Pre-Payment - \$60.00
- Total April - \$28,163.04
- Fiscal Year 2020/2021 - \$67,176.26

Emergency/special assessment collected

- April collections - \$200.00 (partial payment)
- Fiscal year to date collected - \$19,842.48
- Total collected 2018 to present - \$139,893.92
- 86% collected to date
- Approximately \$22k 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.
- Our insurance has made final settlement

Interest Income - April

- Checking - \$.27
- 20/21 sub account - \$12.05
- Reserve Account - \$21.98
- Special assessment - \$0 paid quarterly
- Bond Account - \$20.63
- Total - \$54.93

Bills/Withdrawals in April

- Office depot - \$25.00
- Low balance fee - \$12.00
- National Partners - \$1,929.15
- Frontier office phones - \$134.36
- Payroll - \$2,309.28
- Total - \$4,409.79

Expected Bills in May

- Insurance installment - \$1,925.15
- Payroll tax - Approx. \$2,800.00 - est.
- Labor - approx. \$TBD.
- Chase bill - \$695.37 (mailing packets, stamps for 5300 report)
- Office Depot - \$501.79 (general office ink, etc.)
- Utilities - Approx. \$135.00
- All standard operations
- Motion to pay bills

New Insurance Costs 2020/2021

- D&O Insurance - \$15,000
- Broker fee - \$1,105
- Aggregate insurance - \$ 2,429.27 (Davis Stirling 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
- Out 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 measure 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 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 like we experienced in the past due to irresponsible actions taken by former Board Members and/or Associates.

- Move to 2019/2020 BUDGET vs. Actual