

Goldcrest Homeowners Association
Treasurer's Report
October 16, 2014

Banking

The balances in the bank accounts are:

| | |
|--|--------------------|
| First Citizen's checking account (September 30 th) | \$ 7,538.90 |
| First Citizen's savings account (September 30 th) | 30,009.43 |
| First Citizen's 6 Month CD (September 30 th) | 30,072.58 |
| First Citizen's Reserve Saving (September 30 th) | 20,020.57 |
| Total Account Balances | <u>\$87,641.48</u> |
| Assessments received and in transit to bank | <u>\$.00</u> |

Outstanding bills:

There are no known outstanding bills to pay.

Monthly payments due within 30 days of the end of the month:

| | |
|------------------|-------------------|
| Vista Accounting | 316.00 |
| Total | <u>\$2,653.05</u> |

Note that all accounts payable were paid by September 31, 2014

Two transfers were made after the end of the month, on October 16, 2014:

- \$5,000 from savings to checking to cover operating expenses from October to the end of the year.
- \$10,000 from savings to checking to fund the reserve account for the year.

Action Item:

- None

Financial Statements

The balance sheet and profit and loss statements at September 30, 2014 accompany this report. The profit and loss statement reports the current month of September and the fiscal year to date as well as a budget to actual comparison. Notable variances are described below:

- Balance Sheet
 - Total cash balance at September 31, 2014 was \$97,642, an \$8,216 increase in its total cash balance compared to September 31, 2013. There are 6 months left in our operating year. At \$2,700 a month, our recurring monthly expenses total about \$8,200 for the rest of the year. Other expected significant expenses over the next 6 months include the audit fee (\$2,000), the reserve study fee (\$1,175), the

- fall and spring meeting expenses (\$800). Contingent expenses include storm damage clean up (\$3,000) and tree and shrub planting (\$1,000).
- Accounts receivable (annual assessments and delinquent accounts) were \$7,102 at August 31, 2014 compared to \$7,925 at August 31, 2013.
 - Profit Loss Statement (accrual basis)
 - The statement reports an excess of revenue over expenses of \$30,399. Compare with the prior year excess of revenue over expenses (\$35,457). As can be seen on the accompany year to year comparison, the Association has, with the Board's approval, spent money outside the budget:
 1. Landscaping – there were two separate landscaping invoices for the month the prior company was terminated (August). We paid the prior company for their final month and paid the new provider for some extra work in the same month. Unplanned cost was about \$2,200.
 2. Tree and shrub maintenance for the clean up of various areas was incurred for an unexpected cost of \$3,700.
 3. The cost of moss control on the pathway and sidewalk was \$2,212 was not planned in the budget.
 - The Association also saved some money and has delayed some expense.
 1. Fees paid to Vista Accounting are \$829 less this year.
 2. The \$2,000 fee for the audit has not been paid yet.

Action Item:

- None.

Property Transactions

There was one request for assessment status:

- 3811 Westpark Court NW by the Borns. There was an outstanding balance of assessment on this property. The balance due was paid at closing and the homeowner also paid it. The duplicate payment will be refunded to the prior home owner.
- An assessment payoff request was received from Thurston County Title for the Beers' house. Madelaine and Simon, with the help of Vista Accounting, provided the necessary information.
- An assessment status request was received on September 12, 2014 on 3703 Goldcrest Heights, Brian and Vivian Cavallo. A response was sent on September 25, 2014.
- An assessment status request was received on September 10, 2014 on 3811 Westpark Court. A response was sent on September 10, 2014.

Action Item: _____

- Maintain contact with foreclosure agent to secure payment of delinquent assessment.

Delinquent Accounts

A delinquent accounts list, provided by the Association's accountant updated through September 30, 2014, is attached.

Action Item:

- Waive small dollar amounts of interest assessed.
 - Altheide - \$6.76
 - Mahar - \$6.76
 - Malsbaary - \$6.76
 - O'Connell, Trustees - \$20.29
- The check for annual assessments from the Borns was not honored by the bank. It was deposited after the effective date of the check passed. Payment is being pursued.
- Consider conditions that justify filing a lien on the delinquent lots.

Treasurer Duties

I have not been able to schedule the audit yet. Will continue to try and find time to do so.

I met with Stu Wilkinson of Reserve Study Group on September 25th. We discussed his preliminary work and the important issues facing the Association. He did his walk through evaluation and followed up with an information request that has not been answered..

Action Items:

- Follow up on reserve study.
- Follow up on audit preparation.

Other issues

An article from Wall Street Journal regarding homeowner association foreclosures on liens for delinquent assessments is included with this report. Homeowner associations in some states have been foreclosing on liens for annual assessments and have forced the lenders out of the first place in line for funds due to the super lien status granted by the state.

Also attached is an article from Brian Sommer discussing the same issue in the state of Washington. Depending on the language in the covenant and the resolution of a pending case, Goldcrest may be able to do the same, or at least threaten to do so to for the lender to take action.

Action Items:

- Follow up meeting with attorney for his evaluation of the issue.

Respectfully Submitted October 16, 2014
Anthony J. Mailhot, Treasurer

Goldcrest Homeowners Association
Balance Sheet

As of September 30, 2014

| | Sep 30, 14 | Sep 30, 13 | \$ Change |
|---------------------------------------|----------------|----------------|---------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| FCB Operating savings 9659 | 30,009 | 20,004 | 10,005 |
| FCB CD 6 month 7978 | 30,073 | 30,043 | 30 |
| FCB Reserve savings 0211 | 20,021 | 20,013 | 8 |
| First Citizens Checking | 7,539 | 9,366 | -1,827 |
| Total Checking/Savings | 87,642 | 79,426 | 8,216 |
| Accounts Receivable | | | |
| Accounts Receivable | 6,558 | 6,974 | -416 |
| Total Accounts Receivable | 6,558 | 6,974 | -416 |
| Other Current Assets | | | |
| Prepaid Insurance | 1,873 | 1,696 | 177 |
| Total Other Current Assets | 1,873 | 1,696 | 177 |
| Total Current Assets | 96,073 | 88,096 | 7,977 |
| Fixed Assets | | | |
| Land Improvements and Equipment | 138,500 | 138,500 | 0 |
| Accumulated Depreciation | -77,995 | -74,905 | -3,090 |
| Total Fixed Assets | 60,505 | 63,595 | -3,090 |
| TOTAL ASSETS | 156,578 | 151,691 | 4,887 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| Accounts Payable | 316 | 4,457 | -4,141 |
| Total Accounts Payable | 316 | 4,457 | -4,141 |
| Total Current Liabilities | 316 | 4,457 | -4,141 |
| Total Liabilities | 316 | 4,457 | -4,141 |
| Equity | | | |
| Retained Earnings | 125,863 | 111,775 | 14,088 |
| Net Income | 30,398 | 35,458 | -5,060 |
| Total Equity | 156,261 | 147,233 | 9,028 |
| TOTAL LIABILITIES & EQUITY | 156,577 | 151,690 | 4,887 |

**Goldcrest Homeowners Association
Profit & Loss Budget Performance
September 2014**

| | <u>Month End September 30, 2014</u> | | | <u>Year to Date September 30, 2014</u> | | | <u>2014-2015</u> |
|--|-------------------------------------|---------------|-------------------|--|---------------|-------------------|----------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over/Under</u> | <u>Actual</u> | <u>Budget</u> | <u>Over/Under</u> | <u>Annual Budget</u> |
| Revenue | | | | | | | |
| Uncollected Finance Charge | 0 | -167 | 167 | 0 | -1,029 | 1,029 | -2,103 |
| Adopt a Tree | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assessments | 0 | | 0 | 58,825 | 56,875 | 1,950 | 56,875 |
| Finance Charges assessed | 139 | 167 | -28 | 947 | 1,029 | -82 | 2,103 |
| Interest | 4 | 10 | -6 | 21 | 75 | -54 | 90 |
| Reimbursed Process fees | 0 | 0 | 0 | 0 | 144 | -144 | 144 |
| Recovery of Past Due Account | 0 | 2,000 | -2,000 | 0 | 2,000 | -2,000 | 2,000 |
| Total Income | 143 | 2,010 | -1,867 | 59,793 | 59,094 | 699 | 59,109 |
| Expense | | | | | | | |
| Depreciation Expense | 258 | 0 | 258 | 1,545 | 0 | 1,545 | 0 |
| Insurance Expense | | | | | | | |
| Directors and Board Insurance | 138 | 0 | 138 | 796 | 1,450 | -654 | 1,450 |
| Liability | 70 | 0 | 70 | 425 | 850 | -425 | 850 |
| Insurance Expense - Other | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Insurance Expense | 208 | 0 | 208 | 1,221 | 2,300 | -1,079 | 2,300 |
| Legal, Professional and Liens | | | | | | | |
| Henderson Shelton Retainer | 0 | 0 | 0 | 300 | 300 | 0 | 600 |
| Henderson Shelton Supplemental | 0 | 0 | 0 | 0 | 100 | -100 | 200 |
| J Morton CPA Corp Tax Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WOBA Membership | 0 | 0 | 0 | 0 | 0 | 0 | 150 |
| Aiken & Sanders Audit | 0 | 2,000 | -2,000 | 0 | 2,000 | -2,000 | 2,000 |
| Thurston County Liens | 0 | 0 | 0 | 109 | 0 | 109 | 0 |
| Vista Accounting Services | 316 | 316 | 0 | 3,171 | 3,171 | 0 | 5,580 |
| Other Legal and Accounting | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal, Professional and Liens - Other | 0 | | 0 | 0 | 0 | 0 | |
| Total Legal, Professional and Liens | 316 | 2,316 | -2,000 | 3,580 | 5,571 | -1,991 | 8,530 |
| Member Communications | | | | | | | |
| Member Mailings Spring Mtg | 0 | 0 | 0 | 0 | 0 | 0 | 375 |
| Fedex Off - Newsletter/Fall Mtg | 0 | 400 | -400 | 35 | 400 | -365 | 400 |
| Member Communications - Other | 0 | | 0 | 0 | 0 | 0 | |
| Total Member Communications | 0 | 400 | -400 | 35 | 400 | -365 | 775 |
| Supplies, Copies, Etc | | | | | | | |
| Bank service charge | 8 | 1 | | 8 | 6 | 2 | 12 |
| Miscellaneous Secretarial | 0 | 50 | -50 | 72 | 75 | -3 | 125 |
| Total Supplies, Copies, Etc | 8 | 51 | -43 | 80 | 81 | -1 | 137 |

**Goldcrest Homeowners Association
Profit & Loss Budget Performance
September 2014**

| | <u>Month End September 30, 2014</u> | | | <u>Year to Date September 30, 2014</u> | | | <u>2014-2015</u> |
|---|-------------------------------------|---------------|-------------------|--|---------------|-------------------|----------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over/Under</u> | <u>Actual</u> | <u>Budget</u> | <u>Over/Under</u> | <u>Annual Budget</u> |
| Landscape Maintenance | | | | | | | |
| Landscape Contract | 4,461 | 2,174 | 2,287 | 15,549 | 13,044 | 2,505 | 26,088 |
| Reforestation | 0 | 0 | 0 | | 0 | 0 | 0 |
| Garbage and Debris Removal | 0 | 0 | 0 | | | 0 | 0 |
| Maintenance Supplies | 0 | 0 | 0 | 104 | | 104 | 0 |
| Water | 0 | 0 | 0 | 211 | 150 | 61 | 225 |
| Maintenance Contingency | 0 | 0 | 0 | 250 | 652 | -402 | 2,608 |
| Total Landscape Maintenance | <u>4,461</u> | <u>2,174</u> | <u>2,287</u> | <u>16,114</u> | <u>13,846</u> | <u>2,268</u> | <u>28,921</u> |
| Debris Removal and Front Entry | | | | | | | |
| Winter Storm Damage & clean up | 0 | 0 | 0 | 0 | 0 | 0 | 3,000 |
| Total Debris Removal and Front Entry | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,000</u> |
| Miscellaneous Maintenance | | | | | | | |
| Equipment and Supplies | 0 | 0 | 0 | 0 | 125 | -125 | 330 |
| Neighborhood Gar. Sale Cleanup | 0 | 0 | 0 | 0 | 50 | -50 | 50 |
| Green Belt Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | |
| Dog Waste clean up & other | 18 | 18 | 0 | 255 | 235 | 20 | 470 |
| Miscellaneous Maintenance - Other | 0 | | | 0 | | | |
| Total Miscellaneous Maintenance | <u>18</u> | <u>18</u> | <u>0</u> | <u>255</u> | <u>410</u> | <u>-155</u> | <u>850</u> |
| Special Projects | | | | | | | |
| Rebarking | 0 | 0 | 0 | 0 | 0 | 0 | |
| Pathway repair | 0 | 0 | 0 | 0 | 5,000 | -5,000 | 5,000 |
| Tree and Shrub Planting | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 |
| Tree Seedlings | 0 | 0 | 0 | 0 | 0 | 0 | |
| Arborist Assess. of Tree Healt | 0 | 0 | 0 | 0 | 500 | -500 | 500 |
| Tree and Shrub Maintenance | 0 | 1,000 | -1,000 | 4,352 | 3,000 | 1,352 | 3,000 |
| Sidewalk Moss Control | 0 | 0 | 0 | 2,212 | 0 | 2,212 | 0 |
| Reserve Study | 0 | | 0 | 0 | 2,000 | -2,000 | 2,000 |
| Public Pathways Grant | 0 | 0 | 0 | 0 | 0 | 0 | |
| City Grant | 0 | 0 | 0 | 0 | -5,000 | 5,000 | -5,000 |
| Total Special Projects | <u>0</u> | <u>1,000</u> | <u>-1,000</u> | <u>6,564</u> | <u>5,500</u> | <u>1,064</u> | <u>6,500</u> |
| Transfer to reserve | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,000</u> | <u>-10,000</u> | <u>10,000</u> |
| Total Expense | <u>5,269</u> | <u>5,959</u> | <u>-690</u> | <u>29,394</u> | <u>38,108</u> | <u>-8,714</u> | <u>61,013</u> |
| Excess of Revenue over Expenses | <u>-5,126</u> | <u>-3,949</u> | <u>-1,177</u> | <u>30,399</u> | <u>20,986</u> | <u>9,413</u> | <u>-1,904</u> |

Goldcrest Homeowners Association
A/R Aging Summary
As of September 30, 2014

| | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>> 90</u> | <u>TOTAL</u> |
|---|----------------|---------------|----------------|----------------|-----------------|-----------------|
| Altheide, Lance and Sadie | 0.00 | 0.00 | 6.76 | 0.00 | 0.00 | 6.76 |
| Beers, Zachory | 0.00 | 4.78 | 4.68 | 4.59 | 229.50 | 243.55 |
| Born, Darrell and Cynthia | 0.00 | 0.00 | 0.00 | 0.00 | 344.89 | 344.89 |
| Duncan, Misty | 0.00 | 7.18 | 7.04 | 6.90 | 345.08 | 366.20 |
| Frinell, Kimberly | 0.00 | 0.00 | 0.00 | -11.87 | 0.00 | -11.87 |
| Hobbs, William and Joy | 0.00 | 0.00 | -212.81 | 0.00 | 0.00 | -212.81 |
| Isaacson, John and Megan | 0.00 | 6.90 | 6.76 | 6.63 | 331.50 | 351.79 |
| Mahar, Azizullah and Elizabeth | 0.00 | 0.00 | 6.76 | 0.00 | 0.00 | 6.76 |
| Malsbary, David and Sharon | 0.00 | 0.00 | 6.76 | 0.00 | 0.00 | 6.76 |
| Meza, Frank and Dennie | 0.00 | 6.90 | 6.76 | 6.63 | 331.50 | 351.79 |
| O'Connell, Trustees, John and Siobhain-Su | 0.00 | 6.90 | 6.76 | 6.63 | 0.00 | 20.29 |
| Rubidoux, Brady | 0.00 | 49.58 | 48.61 | 47.66 | 2,382.88 | 2,528.73 |
| Whitesell, Trustees, William and Jeanne | 0.00 | 49.58 | 48.61 | 47.66 | 2,382.88 | 2,528.73 |
| TOTAL | 0.00 | 131.82 | -63.31 | 114.83 | 6,348.23 | 6,531.57 |