Carnahan Crest Home Owners Association

1800 S. Viewcrest Lane, Spokane WA 99212

Carnahan Crest HOA Treasurer's Annual Report for 2021

Statement of Financial Position

In general, our HOA made it through another challenging year in relatively decent shape financially.

The good news was that overall, the HOA saw its total assets increase from $46,917.31 on December 31, 2020, to $49,927.08 on December 31, 2021, an increase of $3,009.77.

Within our reserve funds, our Capital Reserve fund increased by $3,845.88, while our Operating Reserve saw net decrease of -$322.31. The reason for this decrease was the need to allocate a portion of our Operating Reserve to cover an end of year cash flow shortfall and operating loss in our general operating budget.

Profit & Loss Statement

Even though our "official" Profit and Loss Statement for 2021 showed an operating surplus of $533.73, that was possible only because it was necessary to draw down our Operating Reserve by $1,722.31 and record that amount as part of the total Allocations from Reserve Funds of $4,036.43. (Allocations from the Capital Reserve equaled $2,314.12 to cover the expenses of new trees and shrubs on the north border of the HOA property.)

Had we not allocated funds from the operating reserve to cover some of our general operating expenses, the actual operating loss for 2021 would have been $1,188.58.

Areas in the budget that ended up contributing to this loss and subsequent reduction in our Operating Reserve were:

1. The cost of repairing our aging sprinkler system exceeded our budget projections by $941.00
2. Because of the very high heat in June and July, our water bills exceeded our budget projections by $1,178.
3. We were able to partially offset those expenses somewhat by forgoing the annual restriping of our road in 2021.

Projections for 2022

Utilizing financial data from previous years, plus taking into account inflationary pressures on our vendors, the board proposed an operating budget that will require an increase in HOA dues to $925 per quarter for 2022. Hopefully, this will allow us to adequately maintain our grounds and road without having to operate at a loss (and drawing down our reserves) in 2022.

Carnahan Crest HOA
Statement of Financial Position
As of December 31, 2021

	Dec 31, 21	Dec 31, 20	$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
OPERATING FUND ACCOUNTS				
Carnahan Crest Checking (10)	578.60	4,697.00	-4,118.40	-87.68%
Total OPERATING FUND ACCOUNTS	578.60	4,697.00	-4,118.40	-87.68%
RESERVE FUND ACCOUNTS				
Operating Reserve Savings (20)	7,033.31	7,355.62	-322.31	-4.38%
Capital Reserve Savings (21)	27,815.17	23,969.29	3,845.88	16.05%
Septic Reserve Savings (00)	2,000.00	2,000.00	0.00	0.0%
Total RESERVE FUND ACCOUNTS	36,848.48	33,324.91	3,523.57	10.57%
Total Checking/Savings	**37,427.08**	**38,021.91**	**-594.83**	**-1.56%**
Accounts Receivable				
Accounts Receivable	-7,250.00	-5,221.21	-2,028.79	-38.86%
Total Accounts Receivable	-7,250.00	-5,221.21	-2,028.79	-38.86%
Other Current Assets				
Undeposited Funds	7,250.00	1,616.61	5,633.39	348.47%
Total Other Current Assets	7,250.00	1,616.61	5,633.39	348.47%
Total Current Assets	**37,427.08**	**34,417.31**	**3,009.77**	**8.75%**
Fixed Assets				
Land	7,500.00	7,500.00	0.00	0.0%
Monument Sign	5,000.00	5,000.00	0.00	0.0%
Total Fixed Assets	**12,500.00**	**12,500.00**	**0.00**	**0.0%**
TOTAL ASSETS	**49,927.08**	**46,917.31**	**3,009.77**	**6.42%**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	578.60	1,626.13	-1,047.53	-64.42%
Total Accounts Payable	578.60	1,626.13	-1,047.53	-64.42%
Total Current Liabilities	578.60	1,626.13	-1,047.53	-64.42%
Total Liabilities	**578.60**	**1,626.13**	**-1,047.53**	**-64.42%**

Carnahan Crest HOA
Statement of Financial Position
As of December 31, 2021

	Dec 31, 21	Dec 31, 20	$ Change	% Change
Equity				
RESERVE FUNDS				
OPERATING RESERVE FUND				
Balance Jan 1-Operating Reserve	7,355.62	0.00	7,355.62	100.0%
YTD Deposits-Operating Reserve	1,400.00	0.00	1,400.00	100.0%
YTD Withdrawals-Operating Res.	-1,722.31	0.00	-1,722.31	-100.0%
OPERATING RESERVE FUND - Other	0.00	7,355.62	-7,355.62	-100.0%
Total OPERATING RESERVE FUND	**7,033.31**	**7,355.62**	**-322.31**	**-4.38%**
CAPITAL RESERVE FUND				
Balance Jan 1-Capital Reserve	23,969.29	21,693.56	2,275.73	10.49%
YTD Deposits-Capital Reserve	6,160.00	4,200.00	1,960.00	46.67%
YTD Withdrawals-Capital Reserve	-2,314.12	-1,924.27	-389.85	-20.26%
Total CAPITAL RESERVE FUND	**27,815.17**	**23,969.29**	**3,845.88**	**16.05%**
SEPTIC RESERVE FUND	**2,000.00**	**2,000.00**	**0.00**	**0.0%**
Total RESERVE FUNDS	**36,848.48**	**33,324.91**	**3,523.57**	**10.57%**
RETAINED EARNINGS-PRIOR YEARS	11,966.27	14,511.64	-2,545.37	-17.54%
Net Income	533.73	-2,545.37	3,079.10	120.97%
Total Equity	**49,348.48**	**45,291.18**	**4,057.30**	**8.96%**
TOTAL LIABILITIES & EQUITY	**49,927.08**	**46,917.31**	**3,009.77**	**6.42%**

9:49 AM
01/02/22
Accrual Basis

Carnahan Crest HOA
Profit & Loss
January through December 2021

	Jan - Dec 21
INCOME	
EXEMPT FUNCTION INCOME	
Carnahan Crest Quarterly Dues	40,040.00
Special Assessments	87.07
Late Payment Fees	0.02
Allocations from Reserve Funds	4,036.43
Total EXEMPT FUNCTION INCOME	44,163.52
NON-EXEMPT FUNCTION INCOME	
Taxable Interest Income	31.91
Total NON-EXEMPT FUNCTION INCOME	31.91
TOTAL INCOME	**44,195.43**
EXPENSE	
EXEMPT FUNCTION EXPENSES	
GROUNDS/LANDSCAPING	
Lawn Care	11,412.34
Sprinkler System	1,973.18
Trees/Shrubs/Common Beds	16,411.64
Yard Waste Pickup	320.52
Other Landscaping Expense	87.07
Total GROUNDS/LANDSCAPING	30,204.75
UTILITIES	
Water	
Water-1921 (23980)	7,757.37
Water-1811 (23981)	3,376.41
Total Water	11,133.78
Septic System Maintenance	-10.08
Total UTILITIES	11,123.70
ROAD MAINTENANCE	
Road Repair/Repaving	767.42
Snow Removal	1,045.84
Total ROAD MAINTENANCE	1,813.26
ADMIN/PROFESSIONAL SERVICES	
Insurance Expense	507.00
Other Administrative Expenses	2.99
Total ADMIN/PROFESSIONAL SERVICES	509.99
GOVERNMENT TAXES/FEES	
Corporation Renewal Fee	10.00
Total GOVERNMENT TAXES/FEES	10.00
Total EXEMPT FUNCTION EXPENSES	43,661.70
TOTAL EXPENSE	**43,661.70**
NET SURPLUS/LOSS	**533.73**