Carnahan Crest Home Owners Association

1800 S. Viewcrest Lane, Spokane WA 99212

Carnahan Crest HOA Treasurer's Annual Report for 2022

Statement of Financial Position

On a positive note, the HOA ended the year with slightly over $61,000 in total assets, an increase of $11,076 in total assets from the previous year. This was partially the result of monies set aside from homeowner quarterly dues into the Operating Reserve Fund ($1,400) and the Capital Reserve Fund ($6,160). Net equity also increased by $11,344 over the prior year.

Also, $5,400 was transferred to the Operating Reserve Fund on December 31, 2022, due to unexpectedly lower landscaping expenses at the end of the 2022 fiscal year. These lowered expenses were due primarily to early and long-lasting snow covering in the fall that prevented the HOA from doing its usual fall cleanup and pruning. It is anticipated that a portion of this surplus $5,400 will be used in 2023 as needed to pay for general operating expenses not funded by the general operating homeowner dues.

Conversely, $1,661 was withdrawn from the Capital Reserve Fund to cover the cost of repairing several small sections of the road.

Overall, the HOA's financial position improved significantly in 2022.

Profit & Loss Budget vs Actual Statement

While most income and expense line items came close to budget projections, the end of the year expenses in grounds & landscaping were significantly below expectations due to early and long-lasting snow cover, thus resulting in unspent monies being available at the end of the fiscal year. At the Homeowner's Annual Meeting in December, it was decided to transfer that unspent money (approximately $5,400) to the Operating Reserve Fund to be used in 2023 to cover general operating expenses as needed in 2023 and keep the homeowner's dues to $925/quarter. In the 2022 Profit & Loss Budget Statement, the line item **Reserve Fund Allocations**, shows a minus $3,739.23. This is the combination of the $5,400 end of year transfer of unspent monies to the Operating Reserve and the transfer of $1,660.73 from the

Capital Reserve Fund earlier in the year for road repairs. The result of these authorized transfers resulted in a general operating surplus in 2022 of $44.78.

Projections for 2023

Utilizing historical data and contract proposals from vendors, we project the 2023 general operating expenses for the HOA to roughly equal $49,000. At its annual meeting in December, 2022, the HOA membership also desired to keep the 2023 homeowner's dues ($925/quarter: $815 for 2023 general operations and $110 as a set aside to the Capital Reserve Fund) at the same level as was assessed in 2022. However, that level of dues assessment is not expected cover all of the 2023 general expenses. Therefore, monies set aside into the Operating Reserve from the 2022 unspent monies will likely be utilized to cover some 2023 expenses as needed. At the end of 2023, any funds in excess of $10,000 in the Operating Reserve will be transferred over to the Capital Reserve Fund.

Respectfully submitted,

Gary Teale
Treasurer, Carnahan Crest HOA

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Accrual Basis

Carnahan Crest HOA
Statement of Financial Position
As of December 31, 2022

	Dec 31, 22	Dec 31, 21	$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
OPERATING FUND ACCOUNTS				
Carnahan Crest Checking (10)	203.55	578.60	-375.05	-64.82%
Total OPERATING FUND ACCOUNTS	203.55	578.60	-375.05	-64.82%
RESERVE FUND ACCOUNTS				
Operating Reserve Savings (20)	13,833.31	7,033.31	6,800.00	96.68%
Capital Reserve Savings (21)	32,314.44	27,815.17	4,499.27	16.18%
Septic Reserve Savings (00)	2,000.00	2,000.00	0.00	0.0%
Total RESERVE FUND ACCOUNTS	48,147.75	36,848.48	11,299.27	30.66%
Total Checking/Savings	**48,351.30**	**37,427.08**	**10,924.22**	**29.19%**
Accounts Receivable				
Accounts Receivable	-3,548.41	-7,250.00	3,701.59	51.06%
Total Accounts Receivable	**-3,548.41**	**-7,250.00**	**3,701.59**	**51.06%**
Other Current Assets				
Undeposited Funds	3,700.00	7,250.00	-3,550.00	-48.97%
Total Other Current Assets	3,700.00	7,250.00	-3,550.00	-48.97%
Total Current Assets	**48,502.89**	**37,427.08**	**11,075.81**	**29.59%**
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	**61,002.89**	**49,927.08**	**11,075.81**	**22.18%**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	310.36	578.60	-268.24	-46.36%
Total Accounts Payable	310.36	578.60	-268.24	-46.36%
Total Current Liabilities	310.36	578.60	-268.24	-46.36%
Total Liabilities	**310.36**	**578.60**	**-268.24**	**-46.36%**
Equity				
RESERVE FUNDS				
OPERATING RESERVE FUND				
Balance Jan 1-Operating Reserve	7,033.31	7,355.62	-322.31	-4.38%
YTD Deposits-Operating Reserve	6,800.00	1,400.00	5,400.00	385.71%
YTD Withdrawals-Operating Res.	0.00	-1,722.31	1,722.31	100.0%
Total OPERATING RESERVE FUND	**13,833.31**	**7,033.31**	**6,800.00**	**96.68%**
CAPITAL RESERVE FUND				
Balance Jan 1-Capital Reserve	27,815.17	23,969.29	3,845.88	16.05%
YTD Deposits-Capital Reserve	6,160.00	6,160.00	0.00	0.0%
YTD Withdrawals-Capital Reserve	-1,660.73	-2,314.12	653.39	28.24%
Total CAPITAL RESERVE FUND	**32,314.44**	**27,815.17**	**4,499.27**	**16.18%**
SEPTIC RESERVE FUND	2,000.00	2,000.00	0.00	0.0%
Total RESERVE FUNDS	**48,147.75**	**36,848.48**	**11,299.27**	**30.66%**
RETAINED EARNINGS-PRIOR YEARS	12,500.00	11,966.27	533.73	4.46%
Net Income	44.78	533.73	-488.95	-91.61%
Total Equity	60,692.53	49,348.48	11,344.05	22.99%
TOTAL LIABILITIES & EQUITY	**61,002.89**	**49,927.08**	**11,075.81**	**22.18%**

Carnahan Crest HOA
Profit & Loss Budget vs. Actual
January through December 2022

	Jan - Dec 22	Budget	Over Budget	% of Budget
Income				
EXEMPT FUNCTION INCOME				
Carnahan Crest Quarterly Dues	44,240.00	44,240.00	0.00	100.0%
Special Assessments	40.00	0.00	40.00	100.0%
Late Payment Fees	71.59	0.00	71.59	100.0%
Reserve Fund Allocations	-3,739.27	1,660.00	-5,399.27	-225.26%
Total EXEMPT FUNCTION INCOME	**40,612.32**	**45,900.00**	**-5,287.68**	**88.48%**
NON-EXEMPT FUNCTION INCOME				
Taxable Interest Income	35.92	30.00	5.92	119.73%
Total NON-EXEMPT FUNCTION INCOME	35.92	30.00	5.92	119.73%
Total Income	**40,648.24**	**45,930.00**	**-5,281.76**	**88.5%**
Expense				
EXEMPT FUNCTION EXPENSES				
GROUNDS/LANDSCAPING				
Lawn Care	13,720.76	16,511.00	-2,790.24	83.1%
Sprinkler System	3,852.65	2,455.00	1,397.65	156.93%
Trees/Shrubs/Common Beds	5,250.21	9,344.00	-4,093.79	56.19%
Yard Waste Pickup	324.24	330.00	-5.76	98.26%
Other Landscaping Expense	0.00	0.00	0.00	0.0%
Total GROUNDS/LANDSCAPING	**23,147.86**	**28,640.00**	**-5,492.14**	**80.82%**
UTILITIES				
Water				
Water-1921 (23980)	6,166.36	7,080.00	-913.64	87.1%
Water-1811 (23981)	4,258.33	3,850.00	408.33	110.61%
Total Water	10,424.69	10,930.00	-505.31	95.38%
Septic System Maintenance	0.00	0.00	0.00	0.0%
Total UTILITIES	**10,424.69**	**10,930.00**	**-505.31**	**95.38%**
ROAD MAINTENANCE				
Road Repair/Repaving	4,601.03	4,600.00	1.03	100.02%
Snow Removal	1,661.30	1,228.00	433.30	135.29%
Total ROAD MAINTENANCE	**6,262.33**	**5,828.00**	**434.33**	**107.45%**
ADMIN/PROFESSIONAL SERVICES				
Insurance Expense	507.00	507.00	0.00	100.0%
Other Administrative Expenses	241.58	5.00	236.58	4,831.6%
Total ADMIN/PROFESSIONAL SERVICES	**748.58**	**512.00**	**236.58**	**146.21%**
GOVERNMENT TAXES/FEES				
Corporation Renewal Fee	20.00	20.00	0.00	100.0%
Total GOVERNMENT TAXES/FEES	20.00	20.00	0.00	100.0%
Total EXEMPT FUNCTION EXPENSES	40,603.46	45,930.00	-5,326.54	88.4%
TOTAL EXPENSES	**40,603.46**	**45,930.00**	**-5,326.54**	**88.4%**
NET OPERATING SURPLUS	**44.78**	**0.00**	**44.78**	**100.0%**