Carnahan Crest Home Owners Association

1800 S. Viewcrest Lane, Spokane WA 99212

Carnahan Crest HOA Treasurer's Annual Report for 2020

2020 will be remembered as a challenging year in many ways.

Overall, the HOA saw its total assets (primarily cash in checking and savings) drop from $49,224 to $46,917, a decrease of $2,307.

There were several factors that contributed to the overall decrease in the HOA's total assets. One was the refunding of the Septic Reserve deposits, and any accrued interest earned by that account, to all of the current homeowners. The reason for that distribution was that the recording of accrued interest earned by each homeowner was so small (less than $0.13/year) that it wasn't worth the extra bookkeeping work it took to record each homeowner's yearly earned interest.

Also impacting the decrease in total assets was the fact that our general operating **loss** for the year was $2,545. There were multiple reasons for that operating loss:

1. The cost of water exceeded our budgeted projections by slightly over $900.
2. There were expenses of $520 not charged back to the homeowners related to the septic tank inspections and cleaning in October.
3. A large tree blown over in a windstorm in September took out several sections of fencing on the north end of the property, with the costs of replacing that fencing totaling $370 more than was reimbursed to us by the insurance company.
4. Our landscaping expenses ran just slightly over budget. This overage was due to more extensive work than planned for repairing the sprinkler system, and addressing deferred maintenance (tree pruning, shrub thinning, etc.) in the HOA managed islands, the west-side berm, and the north-side beds.
5. The board incurred several unbudgeted administrative expenses to 1.) Establish the Carnahan Crest HOA website ($281), and 2.) Filing revised CC&R's ($127) that removed the requirement for homeowners to deposit monies into the Septic Reserve.

Fortunately, because of prior contributions to the Capital Reserve and accumulations from prior years in the Operating Reserve, the HOA was able to absorb this operating loss and the Septic Tank Reserve refunds without major negative impact to the HOA's overall financial position.

However, in order to begin recouping the decrease in the Operating Reserve, to increase the amount being set aside in the Capital reserve (which was approved at the 2019 annual homeowner's meeting), and to have a budget for 2021 that more closely matched our projected expenses, the board recommended to the HOA membership at its annual meeting in December, an increase in the quarterly homeowner dues to $850/quarter. Of the ten (10) homeowners represented at the meeting (a quorum), nine (9) voted to approve the increase to the $850 level, with one (1) voting for a smaller increase in the quarterly dues.

Respectfully submitted,

Gary A. Teale
Treasurer, Carnahan Crest HOA

Carnahan Crest HOA
Balance Sheet
As of December 31, 2020

		Dec 31, 20
ASSETS		
Current Assets		
Checking/Savings		
OPERATING FUND ACCOUNTS		
Carnahan Crest Checking (10)	4,697.00	
Total OPERATING FUND ACCOUNTS		4,697.00
RESERVE FUND ACCOUNTS		
Operating Reserve Savings (20)	7,355.62	
Capital Reserve Savings (21)	23,969.29	
Septic Reserve Savings (00)	2,000.00	
Total RESERVE FUND ACCOUNTS		33,324.91
Total Checking/Savings		38,021.91
Accounts Receivable		
Accounts Receivable		-5,221.21
Total Accounts Receivable		-5,221.21
Other Current Assets		
Undeposited Funds		1,616.61
Total Other Current Assets		1,616.61
Total Current Assets		34,417.31
Fixed Assets		
Land		7,500.00
Monument Sign		5,000.00
Total Fixed Assets		12,500.00
TOTAL ASSETS		**46,917.31**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		1,626.13
Total Accounts Payable		1,626.13
Total Current Liabilities		1,626.13
Total Liabilities		1,626.13
Equity		
RESERVE FUNDS		
OPERATING RESERVE FUND	7,355.62	
CAPITAL RESERVE FUND		
Balance Jan 1-Capital Reserve	21,693.56	
YTD Deposits-Capital Reserve	4,200.00	
YTD Withdrawals-Capital Reserve	-1,924.27	
Total CAPITAL RESERVE FUND	23,969.29	
SEPTIC RESERVE FUND	2,000.00	
Total RESERVE FUNDS		33,324.91
RETAINED EARNINGS-PRIOR YEARS		14,511.64
Net Income		-2,545.37
Total Equity		45,291.18
TOTAL LIABILITIES & EQUITY		**46,917.31**

Carnahan Crest HOA
Profit & Loss
January through December 2020

	Jan - Dec 20
Income	
EXEMPT FUNCTION INCOME	
Carnahan Crest Quarterly Dues	37,800.00
Special Assessments	3,664.80
Late Payment Fees	21.89
Allocations from Reserve Funds	1,924.27
Total EXEMPT FUNCTION INCOME	43,410.96
NON-EXEMPT FUNCTION INCOME	
Taxable Interest Income	61.49
Total NON-EXEMPT FUNCTION INCOME	61.49
Total Income	43,472.45
Gross Profit	43,472.45
Expense	
EXEMPT FUNCTION EXPENSES	
GROUNDS/LANDSCAPING	
Lawn Care	10,765.41
Sprinkler System	1,603.85
Trees/Shrubs/Common Beds	13,410.07
Yard Waste Pickup	310.88
Other Landscaping Expense	2,295.09
Total GROUNDS/LANDSCAPING	28,385.30
UTILITIES	
Water	
Water-1921 (2398.0)	7,025.23
Water-1811 (2398.1)	2,894.00
Total Water	9,919.23
Septic System Maintenance	4,185.33
Total UTILITIES	14,104.56
ROAD MAINTENANCE	
Road Repair/Repaving	1,705.44
Snow Removal	887.70
Total ROAD MAINTENANCE	2,593.14
ADMIN/PROFESSIONAL SERVICES	
Insurance Expense	507.00
Legal/Attorney Fees	127.50
Postage and Delivery	9.05
Other Administrative Expenses	281.27
Total ADMIN/PROFESSIONAL SERVICES	924.82
GOVERNMENT TAXES/FEES	
Corporation Renewal Fee	10.00
Total GOVERNMENT TAXES/FEES	10.00
Total EXEMPT FUNCTION EXPENSES	46,017.82
Total Expense	46,017.82
Net Income	**-2,545.37**