

Hidden Valley Quarterly Review
January 2022-March 2022

-Budget Line item Data is included in the Excel Treasurers Review. As of March 31, 2022 we have an operating fund surplus of \$15,666.

-We have one unit owner in arrears for HOA dues in the amount of \$1,150.60

-We have 4 unit owners who are in arrears with fines and late fees for a total amount of \$945.18

-Items on the Excel Treasurers Review include data which Civil Code 5001 and the Hidden Valley Bylaws require all board members to review on a monthly basis. These items are:

- A current reconciliation of the operating accounts
- A current reconciliation of the reserve accounts
- The current year's actual operating revenues and expenses compared to the current year's budget
- The latest bank statements for operating and reserve accounts
- An income and expense statement for the association's operating and reserve accounts, the check register, monthly general ledger and delinquent assessments receivable reports

Items of note in the Operating Fund line items are:

- Projections for Utilities are higher than usual this may level out with warmer spring and summer weather and less usage of the lower Jacuzzi
- Management Fees will not increase for June 1, 2022-May 31, 2023 the surplus for managers Fees will be \$2,415 at year end.
- Snow Removal Costs so far this year have been exclusively for Roof Shoveling. The contract that management drafted with our loader service stipulates that the loader company only clear the driveway when called. Curt and Bird have been able to keep the driveway clear using our Truck and plow. We have zero cost for loader service for the first quarter of the year. Budget for snow removal is \$37,481 we have spent \$8,237 on roof shoveling. So we should have sufficient funds for snow removal for the months of Oct-Dec. This will depend on fall and winter snowfall we could be looking at a surplus in the snow removal line of the budget.
- At this point it looks like we will be running a deficit in the buildings and Maintenance line as well as utilities.

Overall it looks like we will be hitting our zero balance budget goals for the operating fund.

Items of note in the Reserve Fund Budget are:

- We may be over budget for the following Reserve Fund projects: Driveway Slurry, Residence Front Doors and Chimney Chase Replacement. All other Scheduled Reserve fund projects should be right on budget or a little under. The Spa Heater Replacement is unnecessary at this time. The \$10,000 earmarked for Unscheduled Capital Expense will

be used to cover any extra expenses, or rolled over to 2023 if we do not need it. It is hoped to use the unscheduled capital expense funds to replace the shower stalls in the pool area in 2023 if the funds are not needed to cover overspending in other areas.

- The Lower Jacuzzi coping could not be economically repaired so the board has chosen to proceed with the lower Jacuzzi replacement and lower concrete deck this year at a cost not to exceed the Reserve Study budget of \$70,000. This early completion of the project should not create an increase in dues provided the project stays within the budget.

Items of note in the Contingency Fund Budget:

- At the end of 2021 the Contingency Fund had \$90,000. \$30,000 of this was transferred to the Reserve Fund in order to minimize the effect that the increase of major capital expense items in the 2021 Reserve Study had on the monthly dues collection for all owners.
- The Contingency Fund Balance is currently \$60,000. The \$30,000 transfer of contingency funds helped keep the HOA monthly dues collection increase for the 2022 Reserve Funding portion of our dues slightly under \$5.00/month.
- It is hoped that if we have a surplus in the operating fund at year end, we will be able to transfer those funds to the Contingency fund with the goal of building it up to \$100,000.
- The Contingency fund can be used for excessive unexpected costs such as roof shoveling. Unforeseen weather related expenses have resulted in special assessments in the past. It is hoped that having a well-funded contingency account will minimize the need for special assessments.

Actions taken by the Board and Treasurer Jan-March 2022.

- Transferred the Credit Card account to Alliance Bank and set up an auto-pay system to avoid the late charges that we were encountering last year.
- Set up an electronic signing system for the Treasurer and President. This allows us to avoid late payments to vendors caused by the need to mail checks for signatures. It also saves in postage.
- Development of an excel spreadsheet by Treasurer, Ruth Wheeler that can be used by all board members to monitor monthly financial statements as required by law. This monthly reviewed spreadsheet is posted to the website and available to homeowners
- Development of an improved tracking spreadsheet for Reserve fund projects and associated expenses by Secretary, Debra Martin. The spreadsheet is posted on the website
- We rolled over 2 of our \$100,000 CD's for 3 months in hopes that interest earnings would improve when it is time to roll them over again. These CD's will mature June 9, 2022. The accountant, Cindy Butner along with the Board will decide how to reinvest the money at that time. The remaining CD will mature on Oct. 6, 2022. As outlined in the 2021 Reserve Study interest earned will go into the Reserve fund rather than into the operating or contingency funds.

- Assisted Butner's in filling out a form required by the lender for a new homeowner.
- Reviewed and signed the 2021 tax and reviewed financial statements engagement letter from the CPA, Lydia Jensen.
- The Treasurer communicated with Cindy Butner to clarify the effect that moving the Lower Jacuzzi and decking project ahead by 3 years will have on the Reserve Fund and monthly dues. The project will not create the need for dues increase and the process for submitting payments to contractors was clarified so that bill/payment classification for expenses will be correctly documented.
- The Treasurer communicated with Cindy Butner to clarify the effect of changing the scope of the Chimney Chase Rebuilds in 2022 will have on expenses and dues. Her recommendation was to use the \$15,000 allocated for Chimney Chase Rebuilds to repair the chases which had leaks this year and reach out to Chris Andrews to reevaluate the expenses to completely replace (change the scope) of the Roofing Replacements scheduled for 2034-2044

Any Board member and homeowner who would like to have a better understanding of how the Reserve fund at Hidden Valley addresses major capital expenses and the monthly financial review that all board members inspect, may check out these recommended reading items that can be found on our website:

- 2021, Hidden Valley Reserve Study.
- Reserve Study Tracking spreadsheet
- Required Hidden Valley monthly financial review

Respectfully Submitted,

Ruth E Wheeler

Treasurer

Attachments:

Treasurers Review Spreadsheets

Reserve Study Tracking Spreadsheet.