
CSCA update from the board.

1 message

Coyote Springs <coyotesprings59@gmail.com>

Wed, Feb 5, 2025 at 12:34 PM

To: Chris Brewer <mountainrx@yahoo.com>

Bcc: scot.davidson@gmail.com

CSCA Members,

The board wanted to get back to you on some of the issues that were brought up at the annual meeting last Saturday.

First, on the note of the HOA Financials, we are enclosing updated financials. Jill went back thru them and found some errors and corrected them. Note, they are off by approximately 500.00 (total) for both 23 and 24 and we are unsure where this error is. All expenses and revenues are duly accounted for, and this is likely an escrow return that wasn't listed in prior years. In the spreadsheet that has been used since 2018, some of the escrow amounts are manual entries.

As part of this email, we are also including the 2025 budget and per our By laws, are asking you to review and adopt.

Should the membership not agree to adopt the budget, a 20% vote of all membership is required to not adopt and the board will choose a CPA firm to audit. The auditor will be chosen by the board and costs will be included in the operating budget. Per Bylaws, here is the excerpt(s):

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Additionally, the board has confirmed the balance in the Reserve account is \$14,798.83. Oregon laws regarding the amount of reserves required is "HOAs in Oregon should aim to have a reserve fund that's at least 70% funded, but ideally 100% funded. This means having enough money to cover major repairs and replacements without financial strain." Any amount in excess of 100% is at the discretion of the board based on potential needs of the HOA.

See Bylaws excerpt below:

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The board has noted that 2 times the average operating budget is a prudent and reasonable amount to hold in reserves, at minimum. This is due to the small budget the community has, and potential costs to the community in terms of Tree maintenance, sign and common area maintenance, legal fees and the like. Additionally, the board feels that a reserve study should be completed that will add another layer of costs to the operating budget. If both CPA and Reserve studies are added to the budget, the costs will increase by approximately \$6500 in the coming year. As you can see, our operating costs versus revenues can be dispelled quickly.

Please note the attached updated financials and budget for 2025. Note, this budget does NOT include funds for CPA Audit or Reserve Study. If those costs are added, it would take our 2025 operating budget to \$14,500, which will reduce the operating account by approximately \$5000.00.

Utilities & Maintenance	
Electricity	441.54

Water	643.32
Landscaping	1,985.00
Snow Removal	1,792.20
Insurance	
Business Policy	865.00
CSCA Directors & Officers Liability	1,187.00
Technology, Resources, & Services	
Postage, Shipping, & Supplies	906.82
Additional Expenses	0.00
Legal Counsel	0.00
Government Expenses	50.00
Storage	0.00
Bank Charges/Fees	0.00
<i>Un-Budgeted Expenses</i>	0.00
Deposit Refunds	0.00
M&O Acct Total Debits	7,870.88
Less Payments from Escrow	0.00
<i>Total M&O Expenditures</i>	<u>7,870.88</u>

As you can see, the 2025 budget is \$7870.88. This doesn't include common area issues, tree issues, legal, accounting or professional fees. With the Reserve account being just short of 2 times operating expense, and some reserve in the operating account, the HOA could exhaust those funds with CPA and Reserve studies. Collecting less dues isn't prudent.

Please review the budget and if you do not agree, you must respond by Feb 12th, 2025 to the Coyotesprings59@gmail.com email address.

 ***7920 2020 First Interstate Checking Monthly Ledger-2.xlsx**
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