

June 10, 2017

To: All Timbrshor Members

From: Dan McCarthy

Attached is my Treasurer's Report for fiscal year 2016/2017. Please note the following:

Attachments A and B- Shows all of the septic and tank fees that have been paid to date and amounts outstanding.

Attachment C- Shows all income and expenses for FY 2016/17. Key data is as follows: Cash and Receivables totaled \$694,756; Expenses were \$85,422.02; the Dock Fund stands at \$58,426.03; the General Fund has a deficit of \$39,583.66; and we will have about \$608,555 in the bank as of June 10th.

Attachment D- It is anticipated that in FY 2017/18 we will spend: \$568,028 in septic expenses and \$30,000 in normal budgeted operations for an aggregate spend of \$598,028. The budget is, of course, subject to HOA and Board approval and, as of this writing, we still have no information on any additional contractor expenses beyond disclosed costs of \$528,174. If Tom could provide any updates on anticipated FY 17/18 expenses at the HOA meeting, that would be helpful. The good news is that it looks like we have more than enough money in the bank to pay the aggregate anticipated 2017/18 spend of \$598,028, leaving us with an anticipated surplus of \$10,527. We can expect to receive an additional \$38,000 in dues in the Fall, and, we have outstanding receivables of \$27,196 (septic) and \$31,976 (tanks). Because we will probably need to borrow from the Dock Fund to meet some FY 17/18 obligations, I'm recommending that as cash is received that our priorities be as follows: (1) replenish dock fund; (2) build a general reserve of at least \$30,000; (3) refund any remaining cash to owners; and (4) return to previous dues (\$600/250) at 2018 HOA meeting.

Attachment E- Shows total septic costs over 11 years at \$786,264.

Variables- Issues that could undermine planning assumptions are: (1) unknown project costs; (2) legal costs to enforce liens and collect septic receivables; (3) possible issues with the State and County vis-à-vis moratorium and water issues; (4) any necessary dock repairs; (5) any necessary repairs to community property from septic construction; and (6) other unknown.

With respect to Tom stepping down as Chairman, my recommendation is that Doug Rotondi fill that position. Doug is an incredibly conscientious Director and will do a great job.

**SEPTIC SYSTEM PAYMENTS**

Unit	Owner	Paid	Unpaid
Lodge/201	Rose	\$26,604	
203	Acher	13,302	
204	Swindlehurst	13,302	
205	Rotondi	13,302	
206	Walters	3,000	10,302
209	Peterson	13,302	
210	Schwank	13,302	
211	Fordahl	13,302	
216/217 (1)	Rotondi/Heus	13,302	
219	Michione	13,302	
301	Karpstein	13,302	
302	Rountree	13,302	
305	Estvold	13,302	
306	Selvig/Nichols	13,302	
307	Payson	13,302	
308/309	Cole	26,604	
311	Tillinghast	13,302*	
312	Novinski	13,302	
314	Brooke/Lewis	13,302	
315	Townsend/McCormick/Fetz	13,302	
316	Ammons	13,302	

Unit	Owner	Paid	Unpaid
317, 318, 320, 414	McCarthy	49,513	
401,421,422, 424	Johnson	53,208	
402	J. Manning	13,302	
403, 404, 418, 419 (2)	Cobb	17,360	
406	Armstrong	9,608	
408	Caraway/Dasinger	9,607	
409	Roy	9,607	
410	Sand	9,607	
411	Mead	9,607	
412	Cox	9,607	
416, 417, 429	I. Manning	39,906	
426	Borchers	13,302	
427	Maxwell	7,753	
428, 430	Rys Sikora		16,894*
Totals		\$547,631	\$27,196

\*\$1,250 of this delinquency pertains to unpaid assessment amounts.

SEPTIC TANK PAYMENTS

Unit	Owner	Paid	Unpaid
Lodge	Rose	2,250	
203	Acher	3,100*	
204	Swindelhurst	3,100	
205	Rotondi	3,200	
210	Schwank	3,200	
211	Fordahl	.	3,200
301	Karpstein		3,750
302	Rountree		3,750
305	Estvold	198	3,552
306	Selvig/Nichols		5,412
307	Payson		5,412
308/309	Cole	10,825	
311	Tillinghast		6,900
401	Johnson	1,625	
402	Manning	1,625	
411	Mead	6,200	
412	Cox	6,200	
Total		\$41,523	\$31,976

\*Payment in route.

**TIMBRSHOR**

**Treasurer's Report  
Fiscal Year 2016-2017  
May 31, 2017**

**INCOME**

Cash

• Dues	\$38,000.00
• Slip fees	\$8,400.00
• Septic fees paid	\$547,631.00
• Tank Fees paid	\$41,523.00
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	\$635,554.00

Receivables

• Septic fees	\$27,196.00
• Tank fees	\$31,976.00
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	\$59,202.00

<u>Total Cash and Receivables</u>	<hr/>
	\$694,756.00

**EXPENSES**

Administration

Insurance (State Farm)	\$1,117.00
Security (Great Northern)	\$2,100.00
Garbage (Republic Services)	\$1,789.01
Electricity (Mission Valley Power)	\$377.66
Shoreline Protection (CSKT)	\$247.28
Miscellaneous Supplies (Payson)	\$567.15
Full Moon Toilets	\$339.24
Electricity Reimbursement (Schwank)	\$25.00
Bank Fees (Stop Payment)	\$50.00
Mt. Annual Report Fee (Cox)	\$20.00
BOFP Bankruptcy (Binny Law Firm)	\$82.40
Life Ring (Cole)	\$61.04
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	\$6,775.78

<u>Grounds</u>	
• Dennison Logging	\$750.00
• Bob Miller	\$2,045.40
• Northwest Tree Service	\$7,110.00
	<u>\$9,905.40</u>
<u>Dock</u>	\$0
<u>Septic</u>	
• Engineering (HEI)	\$38,767.08
• Legal (Erickson)*	\$28,055.26
• Septic Pumping (Always Moving)	\$300.00
• Notary (Cox)	\$18.50
• Lake County Filing Fee (Cox)	\$1,600.00
	<u>\$68,740.84</u>
<u>Total 2016/17 Expenses</u>	\$85,422.02
<u>Dock Fund</u>	
• 2016 Balance	\$50,026.03
• 2016 Slip Fees	\$8,400.00
• 2017 Dock Fund Balance	<u>\$58,426.03</u>
<u>General</u>	
• 2016 Balance	\$7,838.36
• 2016/17 Dues	\$38,000.00
• Total Funds	<u>\$45,838.36</u>
• 2016/17 Expenses	\$85,422.02
• 2016/17 Deficit	<u>(\$39,583.66)</u>
<u>Bank Account</u>	
• Balance 6/10/17 (Approx.)	\$608,555.00

\*Approximately \$14,000 was spent in securing a favorable decision from the DEQ regarding Rys Sikora objections to the septic plan.

2017/18 PLANNING ASSUMPTIONS, PROPOSED BUDGET, AND SPENDING PLAN

Septic Cost Assumptions

• Base Contract	\$444,529.00
• New Tanks	\$73,499.00
• Change Orders Estimate	\$20,000.00
• HEI Estimate	\$10,000.00
• Legal Estimate	\$5,000.00
• All Other Estimate	\$10,000.00
<b>Total</b>	<u>\$568,028.00</u>

Proposed 2017/2018 Budget

• Administration	\$8,000.00
• Grounds	\$5,000.00
• Legal	\$5,000.00
• Septic Maintenance	\$8,400.00
• Dock	\$2,500.00
• Miscellaneous	\$1,100.00
	<u>\$30,000.00</u>

Total 2017/2018 Projected Spend \$598,028.00

Funds

• Cash in Bank 6/10/17	\$608,555.00*
• Cash from Dues (17/18)	\$38,000.00
• Septic Receivables	\$27,953.00
• Tank Receivables	\$31,976.00
• Cash and Receivables	<u>\$706,484.00</u>

Proposal Re Any Excess Cash

- First priority, replenish Dock Fund.
- Second priority, build a reserve of approximately \$30,000 for general fund.
- Third priority, refund any remaining excess cash to owners.
- Fourth priority, reduce annual dues at next year's annual meeting as appropriate.

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\* It's likely that the HOA will have to borrow from the Dock Fund in 2017/2018 to meet some portion of its financial obligations. It's also proposed that dues and slip fees remain the same for 2017-2018 which are as follows: dues \$1,000 developed and \$400 undeveloped, and slip fees \$300 boat and \$150 pwc.

TOTAL SEPTIC COSTS OVER ELEVEN YEARS

<b>Fiscal Year</b>	<b>Total</b>	<b>Engineering</b>	<b>Legal</b>	<b>Other</b>
07/08	\$9,922.00	\$7,762.00	\$2,160.00	\$0.00
08/09	\$4,212.00	\$4,212.00	\$0.00	\$0.00
09/10	\$2,494.00	\$1,494.00	\$1,000.00	\$0.00
10/11	\$5,400.00	\$0.00	\$5,400.00	\$0.00
11/12	\$13,144.00	\$8,926.00	\$4,218.00	\$0.00
12/13	\$9,774.00	\$9,774.00	\$0.00	\$0.00
13/14	\$13,114.00	\$11,014.00	\$2,100.00	\$0.00
14/15	\$17,385.00	\$11,191.00	\$6,194.00	\$0.00
15/16	\$74,051.00	\$70,859.00	\$3,192.00	\$1,900.00
16/17	\$68,740.00	\$38,767.00	\$28,055.00	\$1,918.00
17/18 (est)	<u>\$568,028.00</u>	<u>\$10,000.00</u>	<u>\$5,000.00</u>	<u>\$553,028.00</u>
	\$786,264.00	\$173,999.00	\$57,319.00	\$556,846.00