

11/6/2019

To: Roosevelt Ridge HOA Board and Owners

I appreciate that everyone would like updates on the audit. I apologize that it has taken so long.

I have reached out to >15 firms. There are very few firms that conduct HOA audits, and an even smaller subset that conduct Declarant Control handoff audits. The one auditor that I could find who will do the work is engaged and working on the audit now. We expect that the results will be complete in December but could slip into January based on complexity and the workload of the auditor.

To address concerns about my relation to current Board members, I am only speaking with Lee Mayberry on the HOA Board about this audit. I have put him in touch with the auditor so that he can ascertain on his own that the auditor is experienced, competent, and will independently report to the HOA Board.

I am attaching the annual summary of our P&L that Karen (HOA book keeper) assembled. You can see the accounting for every dollar the HOA has spent. That information should be available to all owners.

One note on this that is material to your understanding of how things worked historically. Neither the HOA Board nor I (Declarant, or former Declarant during Declarant Control period) acted without owner consent when choosing how HOA funds were allocated, despite the fact that the Charter authorized the Board to act independent of owner approval. Every year we prepared a budget and a summary of the prior year's budget v. actual, presented it to the owners at the time, and put everything to a vote. The owners unanimously voted for each annual budget. There was no room for any action outside of this process, and the funds were very tightly managed.

You should be able to ascertain that for yourselves from the attached annual statements without waiting for the audit (which is progressing in parallel as discussed above).

Lee has been on me very tightly to make sure the audit is progressing. It is not a lack of desire on my part that this has taken so long. It has simply been a matter of finding an auditor willing to conduct the work. I will report the progress to the Board, and the auditor will present findings to the Board when complete.

Scott

Roosevelt Ridge Homeowners Association

Profit & Loss

10/13/19

January 2006 through December 2010

Accrual Basis

	Jan - Dec 06	Jan - Dec 07	Jan - Dec 08	Jan - Dec 09	Jan - Dec 10	TOTAL
Ordinary Income/Expense						
Income						
Dues Income	15,910.00	17,089.03	21,120.00	21,920.00	27,273.59	103,312.62
Reserve Funds	0.00	900.00	450.00	1,350.00	2,250.00	4,950.00
Total Income	15,910.00	17,989.03	21,570.00	23,270.00	29,523.59	108,262.62
Expense						
Improvements						
Entry Way / Gate	0.00	0.00	0.00	0.00	38,289.66	38,289.66
Road Signs	0.00	0.00	0.00	165.49	3,799.00	3,964.49
Total Improvements	0.00	0.00	0.00	165.49	42,088.66	42,254.15
Pine Beetle Mitigation	0.00	0.00	5,800.00	0.00	0.00	5,800.00
Bank Service Charges	4.15	30.00	15.00	85.44	139.00	273.59
Filing Fees	309.00	320.00	335.00	348.00	358.00	1,670.00
Insurance						
Liability Insurance	0.00	0.00	0.00	2,084.00	2,084.00	4,168.00
Total Insurance	0.00	0.00	0.00	2,084.00	2,084.00	4,168.00
Postage and Delivery	0.00	240.00	240.00	100.00	340.00	920.00
Professional Fees						
Accountant	405.00	0.00	1,921.00	0.00	400.30	2,726.30
Bookkeeper	194.45	539.60	496.50	433.75	950.00	2,614.30
Legal Fees	0.00	0.00	0.00	391.79	2,117.50	2,509.29
Total Professional Fees	599.45	539.60	2,417.50	825.54	3,467.80	7,849.89
Repairs						
Fence Repair	0.00	0.00	0.00	250.00	0.00	250.00
Total Repairs	0.00	0.00	0.00	250.00	0.00	250.00
Road Maintenance	4,750.00	950.00	1,950.00	4,650.00	4,425.00	16,725.00
Snow Plowing	0.00	0.00	1,950.00	1,675.00	700.00	4,325.00
Supplies						
Office	691.75	0.00	0.00	0.00	0.00	691.75
Total Supplies	691.75	0.00	0.00	0.00	0.00	691.75
Taxes						
Property	0.00	1,084.02	0.00	0.00	0.00	1,084.02
Total Taxes	0.00	1,084.02	0.00	0.00	0.00	1,084.02
Trash/Slash Collection	0.00	0.00	0.00	567.15	303.00	870.15
Utilities						
Phone/Fax/Data	0.00	0.00	0.00	0.00	471.67	471.67
Gas and Electric	0.00	0.00	0.00	0.00	63.00	63.00
Total Utilities	0.00	0.00	0.00	0.00	534.67	534.67
Total Expense	6,354.35	3,163.62	12,707.50	10,750.62	54,440.13	87,416.22
Net Ordinary Income	9,555.65	14,825.41	8,862.50	12,519.38	-24,916.54	20,846.40
Other Income/Expense						
Other Income						
Interest Income	13.16	9.63	9.30	8.97	15.15	56.21
Total Other Income	13.16	9.63	9.30	8.97	15.15	56.21
Net Other Income	13.16	9.63	9.30	8.97	15.15	56.21
Net Income	9,568.81	14,835.04	8,871.80	12,528.35	-24,901.39	20,902.61

Roosevelt Ridge Homeowners Association

Profit & Loss

10/13/19

January 2011 through December 2014

Accrual Basis

	Jan - Dec 11	Jan - Dec 12	Jan - Dec 13	Jan - Dec 14	TOTAL
Ordinary Income/Expense					
Income					
Dues Income	37,559.73	28,162.50	27,900.00	27,550.00	121,172.23
Total Income	37,559.73	28,162.50	27,900.00	27,550.00	121,172.23
Expense					
Improvements					
Entry Way / Gate	-3,323.63	4,285.84	9,103.75	991.59	11,057.55
Road Signs	2,143.13	1,700.00	247.58	0.00	4,090.71
Total Improvements	-1,180.50	5,985.84	9,351.33	991.59	15,148.26
Bank Service Charges	81.90	79.00	87.00	96.28	344.18
Filing Fees	375.00	365.00	365.00	365.00	1,470.00
Insurance					
Errors & Omissions	0.00	0.00	0.00	835.00	835.00
Liability Insurance	3,577.42	2,732.00	1,731.00	-570.00	7,470.42
Total Insurance	3,577.42	2,732.00	1,731.00	265.00	8,305.42
Licenses and Permits	0.00	10.00	10.00	0.00	20.00
Postage and Delivery	349.50	440.00	340.00	390.00	1,519.50
Professional Fees					
Accountant	1,164.09	535.00	0.00	569.30	2,268.39
Bookkeeper	1,000.00	842.50	517.50	617.50	2,977.50
Legal Fees	9,822.77	32.50	1,041.25	0.00	10,896.52
Total Professional Fees	11,986.86	1,410.00	1,558.75	1,186.80	16,142.41
Snow Plowing	1,700.00	1,475.00	2,800.00	7,370.00	13,345.00
Trash/Slash Collection	151.50	2,900.00	17,177.50	0.00	20,229.00
Utilities					
Phone/Fax/Data	1,156.48	1,300.52	1,372.76	1,560.48	5,390.24
Gas and Electric	239.38	205.02	276.20	251.02	971.62
Total Utilities	1,395.86	1,505.54	1,648.96	1,811.50	6,361.86
Total Expense	18,437.54	16,902.38	35,069.54	12,476.17	82,885.63
Net Ordinary Income	19,122.19	11,260.12	-7,169.54	15,073.83	38,286.60
Other Income/Expense					
Other Income					
Interest Income	7.80	4.75	4.75	2.93	20.23
Total Other Income	7.80	4.75	4.75	2.93	20.23
Other Expense					
Other Expenses	0.00	-110.00	0.00	0.00	-110.00
Total Other Expense	0.00	-110.00	0.00	0.00	-110.00
Net Other Income	7.80	114.75	4.75	2.93	130.23
Net Income	19,129.99	11,374.87	-7,164.79	15,076.76	38,416.83

Roosevelt Ridge Homeowners Association

Profit & Loss

10/13/19

January 2015 through December 2018

Accrual Basis

	Jan - Dec 15	Jan - Dec 16	Jan - Dec 17	Jan - Dec 18	TOTAL
Ordinary Income/Expense					
Income					
Dues Income	22,250.00	23,775.00	25,230.00	30,550.00	101,805.00
Miscellaneous Income	300.00	0.00	0.00	0.00	300.00
Total Income	22,550.00	23,775.00	25,230.00	30,550.00	102,105.00
Expense					
Computer and Internet	0.00	0.00	0.00	95.36	95.36
Improvements					
Security	0.00	0.00	0.00	457.90	457.90
Road Work	0.00	0.00	0.00	51,420.00	51,420.00
Entry Way / Gate	376.09	2,133.54	24,704.62	908.68	28,122.93
Road Signs	0.00	0.00	0.00	11.88	11.88
Total Improvements	376.09	2,133.54	24,704.62	52,798.46	80,012.71
Bank Service Charges	104.00	104.00	294.62	600.29	1,102.91
Dues and Subscriptions	414.00	429.00	439.00	452.00	1,734.00
Insurance					
Liability Insurance	15.00	0.00	0.00	878.00	893.00
Total Insurance	15.00	0.00	0.00	878.00	893.00
Postage and Delivery	440.00	450.00	300.00	500.00	1,690.00
Professional Fees					
Accountant	718.66	0.00	1,676.00	550.00	2,944.66
Bookkeeper	540.00	584.99	787.50	1,035.00	2,947.49
Project Management	0.00	1,850.00	10,164.73	900.00	12,914.73
Legal Fees	0.00	0.00	5,105.25	1,715.50	6,820.75
Total Professional Fees	1,258.66	2,434.99	17,733.48	4,200.50	25,627.63
Road Maintenance	0.00	0.00	14,110.00	0.00	14,110.00
Snow Plowing	3,045.00	3,765.00	5,450.00	5,862.50	18,122.50
Utilities					
Phone/Fax/Data	1,866.85	1,641.99	1,822.21	1,158.92	6,489.97
Gas and Electric	255.10	284.91	296.32	297.25	1,133.58
Total Utilities	2,121.95	1,926.90	2,118.53	1,456.17	7,623.55
Total Expense	7,774.70	11,243.43	65,150.25	66,843.28	151,011.66
Net Ordinary Income	14,775.30	12,531.57	-39,920.25	-36,293.28	-48,906.66
Other Income/Expense					
Other Income					
Interest Income	1.82	1.77	0.95	8.80	13.34
Other Income					
Gate Remotes	0.00	0.00	135.00	2,085.00	2,220.00
Snow Plow All Year Access	0.00	0.00	1,675.00	962.50	2,637.50
Total Other Income	0.00	0.00	1,810.00	3,047.50	4,857.50
Total Other Income	1.82	1.77	1,810.95	3,056.30	4,870.84
Net Other Income	1.82	1.77	1,810.95	3,056.30	4,870.84
Net Income	14,777.12	12,533.34	-38,109.30	-33,236.98	-44,035.82