

The Meadows-Ferndale Homeowners' Association

**Financial Report**

HOA Financial Status as of December 31, 2023

As detailed in The Meadows-Members-Packet-Dec-2023

[Windermere Property Management By Ebright Wight, LLC \(appfolio.com\)](#)

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2. DISCUSSION OF FINANCIAL PERFORMANCE FOR 2023	
a. Income/Assessment Income	
• Initial contributions are \$250/unit that comes to the HOA at the initial closing of a lot. The contributions budgeted at \$500 were not received. The homes did not close before the year end, reducing 2023 income. This income is expected in early 2024. Note, this is the last two lots to build out, resulting in no future initial contribution income.	
• The delinquent Dues started the 2023 at \$10,966. After late dues and pre lien letter were mailed out in June and July, we ended the year with \$4,380. Note \$4,020 is past 91 days, going back to 2019.	
b. Expenses/General & Administrative	
• Legal expenditures were lower than budgeted.	
• Postage expenditures were over budget due to the additional mailings sent out for delinquent dues and the 2024 dues increase.	
c. Expenses/Maintenance	
• The shed, a non-budgeted expense, installed in April cost \$6,294.	
• To meet our Mitigation (Wetlands) Compliance Goal, non-budgeted work was performed. This included cutting invasive reed canary grass and installing willow, twinberry, and cottonwood plants in section 10 & 16 of the wetlands. As these	

plants mature, they will shade out the reed canary grass, saving the maintenance cost of cutting the grass down.

- Arbo Lo co. Tree Care was hired to prune 157 planting strips trees at a cost of \$10,370.
- Planting strip development expenses was higher than budgeted, coming in at a cost of \$14,288. This project was performed in April prior to our dry summer. The work included bark mulch around the trees, core aerating the soil, and reseeding with a drought tolerant grass seed.
- Snow removal expenses were less than budgeted.

d. Reserve Fund

- A Reserve Study (determines the amount of money required to repair or replace our footbridges, gravel pathways, landscape beds, split rail fences signage, asphalt private roads and shared driveways), was completed in November 2023, the full report is posted on our website. [The Meadows Level 2 Study 2023 \(meadows-ferndale-hoa.org\)](https://meadows-ferndale-hoa.org) Based on the reports finding our reserve account was not adequate to fund projected expenses for the long term (30 years). To be fully funded the report recommended an annual contribution of \$6,975. Our 2023 contribution was \$5,520. The Ratified 2024 budget accounted for this increase.
- Reserve Account expenses, \$5,141, included repairs to split rail fences, the removal and replacement of 13 trees at the recommendation of Arbo Lo co tree care. This money will need to be replaced in the reserve account.

3. OVERALL

a. Conclusion

- We ended 2023 with expenses exceeding income in the amount of **(19,816)**, a negative variance, amounting to a 17.5% cost overrun. This prompted the 2023 BOD to build the 2024 budget with a dues rate increase from \$60 to \$85 per month, a 42% increase. The additional increase above the 17.5% over run is to rebuild the **(19,816)**, back into the operating cash account, and payback the **(5,141)** reserve account withdrawal. The 2024 budget was ratified Tuesday December 19, 2023 at the Annual General Meeting.

### Budget vs Actual 2023

ACCT #	CATEGORY	2023 \$ Budget	2023 \$ Actual	2023 Variance	Variance Comments
<b>INCOME</b>					
<b>Assessment Income</b>		\$ 112,460	\$ 112,299	\$ 161	
4010	Operating Income	\$ 111,960	\$ 112,170	\$ (210)	
4260	Violations Income	\$ -	\$ 105	\$ (105)	
4460	Initial Contributions (\$250/unit at startup)	\$ 500		\$ 500	Last 2 units did not close expect 2024 closing
4530	Lien fees	\$ -	\$ 24	\$ (24)	
<b>TOTAL:</b>	<b>Operating Income</b>	<b>\$ 112,460</b>	<b>\$ 112,299</b>	<b>\$ 161</b>	
<b>EXPENSES</b>					
<b>General &amp; Administrative</b>		\$ 31,910	\$ 28,200	\$ 3,710	
5010	Management Fees	\$ 18,840	\$ 18,840	\$ -	
5020	Accounting (CPA audit)	\$ 360	\$ 185	\$ 175	
5030	Legal & counsel fees	\$ 4,800	\$ 2,244	\$ 2,556	Under budget
5040	Insurance	\$ 4,670	\$ 3,188	\$ 1,482	
5060	Office supplies & postage	\$ 1,200	\$ 1,879	\$ (679)	Additional mailings (late dues notices, pre lien letters, dues)
5061	Admin Services, meetings, newsletter	\$ 300	\$ 85	\$ 215	
5070	Reserve Study	\$ 1,500	\$ 1,500	\$ -	
5080	Tax & License	\$ -	\$ 20	\$ (20)	
5090	Property Tax	\$ -	\$ 19	\$ (19)	
5100	Website Maintenance	\$ 240	\$ 240	\$ -	
5120	Bank Charges			\$ -	
<b>Utilities</b>		\$ 4,470	\$ 6,437	\$ (1,967)	
5210	Electricity (street lights)	\$ 3,840	\$ 4,124	\$ (284)	
5230	Water (Irrigation)	\$ 630	\$ 2,313	\$ (1,683)	COF water \$2180, Security Solutions Back flow test \$132
<b>Maintenance</b>		\$ 54,360	\$ 75,284	\$ (20,924)	
5330	General (uncategorized) Maint & Repair	\$ 2,280	\$ 6,730	\$ (4,450)	Heritage Shedd installed April 19 \$6294.14 not budgeted
5331	Wetland Inspection-Mitigation-Compliance (ATSI)	\$ 10,080	\$ 15,671	\$ (5,591)	Additional work to control Reed Canary Grass not budgeted
5351	Fence Line Maintenance	\$ 9,000	\$ 7,567	\$ 1,433	Under budget
5360	Common Area Landscaping & Maintenance	\$ 31,800	\$ 45,061	\$ (13,261)	157 trees pruned by Arbo Lo co. Tree Care \$10,370
5370	Irrigation & Planting Strips	\$ -	\$ 256	\$ (256)	Custom Cut Landscape charge to winterize irrigation system
5435	Private streets & common driveways	\$ 1,200	\$ -	\$ 1,200	

<b>Contract Services</b>		\$ 16,200	\$ 16,674	\$ (474)	
5710	Planting Strip Development	\$ 11,100	\$ 14,288	\$ (3,188)	Bark around trees, core aeration and reseeding over budget
5750	Snow Removal	\$ 5,100	\$ 2,386	\$ 2,714	Under budget
<b>Monthly Transfer To Reserve Fund</b>		\$ 5,250	\$ 5,520	\$ -	
9010	Reserves	\$ 5,250	\$ 5,520	\$ -	
<b>TOTAL:</b>	<b>BUDGETED EXPENSES (E)</b>	<b>\$ 112,190</b>	<b>\$ 132,115</b>	<b>\$ (19,655)</b>	<b>Overall budget variance (Over Budget) for 2023</b>
<b>TOTAL:</b>	<b>BUDGETED INCOME (I)</b>	<b>\$ 112,460</b>	<b>\$ 112,299</b>	<b>\$ 161</b>	
<b>NET:</b>	<b>INCOME MINUS EXPENSES</b>	<b>0</b>	<b>\$ (19,816)</b>		

**Reserve Expenses**

ACCT #	CATEGORY	2023 \$ Budget	2023 \$ Actual	2023 Variance	Variance Comments
<b>Reserve Expenses</b>			\$ 5,141	\$ (5,141)	RCW 64.38.075 requires meeting notification and repayment
9131	Reserves - Fence Repair		\$ 400	\$ (400)	
9550	Reserves - Tree Removal		\$ 4,735	\$ (4,735)	Removed and replace 13 trees in the parking strips
9612	Reserves - Bank Charges		\$ 6	\$ (6)	

## Cash Assets

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Operating Cash	\$30,082	\$35,618	\$33,664	\$21,165	\$20,224	\$20,885	\$12,299	\$13,323	\$10,587	\$11,894	\$11,669	\$14,500
Reserve Cash	\$58,054	\$5,515	\$58,976	\$59,434	\$59,895	\$60,356	\$60,817	\$61,278	\$54,684	\$55,145	\$55,606	\$56,067
<b>Total Cash</b>	<b>\$88,136</b>	<b>\$41,133</b>	<b>\$92,640</b>	<b>\$80,599</b>	<b>\$80,119</b>	<b>\$81,241</b>	<b>\$73,116</b>	<b>\$74,601</b>	<b>\$65,271</b>	<b>\$67,039</b>	<b>\$67,275</b>	<b>\$70,567</b>

## Delinquent Dues

DAYS DELINQUENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
0-30	\$840	\$720	\$720	\$540	\$540	\$360	\$240	\$450	\$420	\$300	\$160	\$300
31-60	\$0	\$720	\$720	\$540	\$480	\$300	\$180	\$0	\$210	\$300	\$60	\$60
61-90	\$540	\$540	\$720	\$540	\$0	\$300	\$0	\$120	\$0	\$0	\$20	\$0
0-90 Days	\$1,380	\$1,980	\$2,160	\$1,620	\$1,020	\$960	\$420	\$570	\$630	\$600	\$240	\$0
91+ Days	\$9,586	\$9,526	\$10,066	\$10,186	\$10,126	\$8,446	\$6,480	\$4,560	\$4,750	\$4,150	\$3,940	\$4,020
<b>TOTAL</b>	<b>\$10,966</b>	<b>\$11,506</b>	<b>\$12,226</b>	<b>\$11,806</b>	<b>\$11,146</b>	<b>\$9,406</b>	<b>\$6,900</b>	<b>\$5,130</b>	<b>\$5,380</b>	<b>\$4,750</b>	<b>\$4,180</b>	<b>\$4,380</b>

## Goals For 2024

- 1 Stay on Budget and continue to collect delinquent dues.
- 2 Replenish the 2023 **(19,816)** cost overrun to our Operating fund
- 3 Replace the money spent, **(\$5141)** from the Reserves Fund.
- 4 Provide more communication regarding how and why money is being spent.
- 5 Review the Reserve Study to determine if all potential expenditures are covered.
- 6 Develop a Master Landscape Refurbishment and Maintenance plan where projects can be phased in.