

Subject: Questions about the Woodside Budget and Financial Statements
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Date: 4/2/2024, 8:30 PM
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We have taken the time to review the Association's Financial Statements and Supplementary Information for fiscal year ended June 30, 2023, as well as the information presented at the March 26 Board meeting for fiscal year July 1, 2023, through June 30, 2024.

We have a number of questions based on this review, mainly because the overviews are lacking in detail. We are hoping you can fill in some of the blanks and provide us with some clarification.

Current Year Overview

According to the report provided at the Board meeting, Woodside is showing net income loss since November 23 through February 24 and a very low operating cash balance of \$60,558.58.

How is the board planning to increase the operating fund and the reserve fund?

Will the Board increase the HOA dues for 2024-25?

Will the Board increase special assessment fees for 2024-25?

How much of the reserve fund is available for immediate use? It appears that the reserve fund is used as a floating loan for some major expenses, possibly insurance. Is that true? Can you explain the lines about reserve borrowing and the payments made to reduce borrowing? From the documents provided, it doesn't appear that the reserve fund ever grows, although special assessments occur annually. Where are the assessment funds shown? How have they been used?

Does Woodside conduct a quarterly or yearly audit of the funds?

Treasurer's Report

The report is not detailed and appears to show only aggregate amounts. Can you provide a detailed report of where the actual monies go on a monthly basis, and include a column for fiscal year-to-date, annual budget, and percentage of annual budget?

At the Board meeting Lyn mentioned that there is only \$8,000 left in the landscaping account. Is that \$8,000 + the \$25,000 per month for Fernandez landscaping until the end of the fiscal year? There is also a rumor that \$20,000 was spent on landscaping in front of one unit owned by Hassan (which he intends to trade). Is that true? Lyn made a motion to add another \$5,000 to the Fernandez landscaping contract for sprinkler repair. Why wasn't this part of a competitive bid process? She also mentioned that the tree committee had a \$45,000 budget – but the tree committee wasn't aware of that. If \$45,000 was allocated to the tree committee, why isn't that money being used for certified arborists to take care of the property's trees? Where is that money in the budget?

Bill, you also mentioned that accounts payable was \$140,000 in arrears. That's a lot of money. Are delinquent homeowners notified? How are late payments handled? Or are these accounts just left dormant, collecting late fees?

We didn't see the expense for the \$64,000 payment owed to Innovation for building repairs. Was that invoice paid? If not, is there a mechanics lien against Woodside for payment?

It would be helpful to have a budget that shows accounts and what's happening in them.

Cash Accounts

- Operating fund balance
- Dues account balance
- Reserve account balance

Operating Expenses

- Reserve fund: dues allocation and interest
- Landscaping contract
- Repair and maintenance
- Tree maintenance and removal
- Sprinklers
- Miscellaneous
- Subtotal

Building/Utilities

- Painting
- Roofing
- Electricity
- Lighting
- Storm drains
- Concrete
- Plumbing
- Water
- Subtotal

Administration Costs

Salaries, health benefits, etc.

Contracts

Insurance

Taxes

Legal and professional

Postage

Printing and signs

Reserve Study

Miscellaneous

Subtotal

Total Operating Expenses

Reserve expenses

Roofing

Painting

Water/utilities

Fences

Carports

Trees

Siding/dry rot

Asphalt

Grounds

Retaining walls

Subtotal

The Statement of Revenues, Expenses, and Changes in Fund Balance, Year Ended June 30, 2023

This document is equally vague. See page 4 as an example.

In Revenues, where did \$240,214 come from in "Other income"? In Expenses, what is "Income producing" for \$214,550? How or why is there a deficit of revenues over expenses of \$273,856 and ending deficit of \$319,327?

None of this is explained in the document. Can you help?

Finally, would it be possible to provide a list of dues charged by each type of unit for the past ten years as well as special assessments for the past ten years?

It is no wonder that people are nervous about the financial status of the Association, since it's impossible to determine our status from the documents we've received.

Thank you for your anticipated help in providing some clarity to these very important issues.

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Donna Scholl, Jadwiga "Gigi" Wieczner, Karen Sharp, Sandra Williams
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