

Teal Lake Village Association (TLVA)
Annual Members Meeting
Monday, 5 October 2020, 3:00 pm

DRAFT MINUTES

Sheila Twohey called the meeting to order at 3:00 p.m. Tom Sprandel and Joe Guillien were present; Jere Sheldon was absent. Additionally, ten homeowners were in attendance; 58 proxies were collected which constituted 59 percent of the Village. A quorum (25 percent) was determined.

Twohey noted the need to reorder the agenda to change when the minutes would be approved and the order of reports, Sprandel so moved, Guillien seconded and the amended agenda was approved unanimously.

Twohey reminded residents all reports could be found on the website, **tlva.us**, and then summarized the past year's challenges and those expected in the coming year, most notably that the Landscape Contract will be up for bid in 2021, Bayview Pond costs (which have come in at twice the original estimate), and the TLVA Compliance Policy may need to be addressed. She reiterated there would be no dues holiday this year. She then advised that, based on South Bay Community Association's (SBCA) Enforcement Policy, they were in litigation with one TLVA homeowner over non-compliance issues. As for TLVA's Compliance Policy (see Rule 8 on <https://www.tlva.us/>) there are no current actions. She then explained the restrictions for political signs: They can be no larger than 24" by 24", the top of the sign can be no higher than 42" above the ground, and they cannot obstruct visibility and must be removed by Nov 6.

In Sheldon's absence, Twohey relayed some of the extensive Landscape Report and noted both the report and the current Landscape Contract may be found online at **tlva.us**. Responding to homeowner concerns she advised our contract with Northwest Landscaping Services (NLS) is "performance based", and while they failed to complete one line item this past year (moss and crane fly treatment), they were not out of compliance as the pandemic would be included under a section providing an exemption for issues beyond the control of NLS. Regarding the use of glyphosate (RoundUp), Twohey advised they are not currently using that product in our community. Sheldon and Twohey had a lengthy meeting with NLS and NLS is working to get back to normal operations this coming year. Dan Darrow noted a concern with mowing, specifically that lawns should be trimmed short in the cold weather to maintain turf health. Twohey will pass on his concern.

Guillien gave a brief Architectural Review Committee (ARC) Report which may be found online at **tlva.us**. Soozie Darrow asked about the nature of Common Area requests. Guillien advised there were some tree removals and trimmings as well as drain work for water runoff.

Sprandel gave an extensive review of the Financials and 2021 Budget which may be found online at **tlva.us**. He advised the Association is doing fine, with two exceptions: Common Area vegetation is getting older and we will need to budget more for this, and the uncertainty of the Bayview Pond costs. He then gave a brief overview of the pond history

noting that in 2019 we budgeted \$19,260 for our portion of pond expenses, yet that did not get spent as Bayview was required to do more extensive work on both lobes of the pond. The current estimate of our portion of the maintenance is \$41,113, of which we have already paid half. The final work on the pond should be finished soon and may come in slightly under budget. Mowing will be an ongoing expense.

Regarding homeowner delinquencies, as of August 31st, TLVA has none. One homeowner asked for covid relief and has been paying monthly. There will be a dues increase of \$80 per lot per year which is a 4.4 percent increase; it goes into effect January 1, 2021.

In his Budget Narrative Sprandel noted the large number of uncertainties, including whether there would be the need for an audit, and what sort of audit would be performed, the pond, the possible need to address aging assets (mailboxes and newspaper boxes), as well as the requirements of Rule 5 which may be found online at <https://www.tlva.us/>. Dan Darrow noted that while the annual audit is normally waved, in the past someone who knew accounting and was independent of the Board, would do a “pro bono” audit and suggested the Board look into that. Sprandel noted no one had approached the Board to volunteer, however any homeowner who wanted to look at the books need only ask and suggested Darrow do it. Steve Hammond, having recently visited the pond, questioned when work would be complete. Sprandel said he was advised it should be done soon, within a few weeks. Additionally he advised that TLVA had no formal reserve, but he had increased the budgeted expenses for the pond by five percent to reflect a possible 20-year reconstruction requirement. Robert Forster asked if Woodridge Village participated in Bayview pond maintenance. Twohey advised they did not as their runoff went in a different direction.

Twohey gave a brief history of the TLVA Compliance Policy (see online Rule 8 at <https://www.tlva.us/>). She noted SBCA’s Enforcement Policy covered issues on homeowner lots while TLVA’s Compliance Policy dealt with our Common Areas and Permissive Land Use Agreements (PLUAs) only. Sprandel noted there was a Compliance Policy Question and Answer forum on the website, under the ARC tab to help homeowners understand the policy.

Twohey noted the need for Emergency Response Block Captains, especially for Upper Crestview Dr., Outlook Ln., Clear View Pl., and Seaway Pl. Emergency Response is a community service operating under the Port Ludlow Village Council (PLVC) and provides Block Captains with training and hand held radios. There will be a drill on October 15 in concert with Washington State’s ‘Great Shakeout’. Historically training had focused on earthquakes, however this year there will be more emphasis on fire safety. She advised some homeowners may be asked to participate in the drill. Forster asked for an update on the Firewise areas. Twohey noted Sheldon and NLS had met for a yearly review and some work had been done to limb up trees and tend the areas for Village-wide safety.

Twohey gave the election results:

- Minutes of the 16 September 2019 Annual Meeting were approved 52-1;
- Budget was ratified 48-4;
- Audit was waived 45-7;
- Change in the By Laws was approved 51-2; and
- All three Board Candidates were elected. Steve Hammond. Patty Patterson and Tom Britton

There were no write-ins; two proxies were not counted as they had not included a lot number on the outer envelopes. She then noted the new Board would meet to choose Officers on October 8th, and advised the 2020-2021 Regular TLVA Board Meetings schedule, which will be held virtually at 10:00 a.m. until further notice, will be:

- December 14, 2020 at 10:00 a.m.;
- March 15, 2021 at 10:00 a.m.; and
- June 21, 2021 at 10:00 a.m.

The Annual Meeting will be September 20, 2021 at 3:00 p.m. in the Auditorium.

Forster suggested more emphasis should be given to informing homeowners of the website. His concern was shared by Patty Patterson. Sprandel advised TLVA has had a website for many years but it had only recently changed from an SBCA-page to the stand-alone platform **tlva.us**. He advised Phyllis Waldenberg, who had volunteered to chair a Welcome Committee, could inform new members and that the next snail-mail to the Village would include information on the website.

Twohey thanked all who volunteer to help the Village and support the Board. She suggested past Board members consider running again as their insight is invaluable.

At 4:15 p.m. Twohey asked for a motion to adjourn the meeting, Sprandel so moved, Guillien seconded and the motion passed unanimously.

Drafted by,
Jennifer Portz, Agent

Submitted by,
Tom Sprandel, Secretary Treasurer

Attachments:

- President's Report
- Landscaping Report
- ARC Report
- Pond Update
- Treasurer's Report
- August 31, 2020 Financial Statements
- 2021 Budget
- Budget Narrative

2020 Annual Meeting President's Report

This is the first and hopefully last Annual Meeting to be held by teleconference. This past year has seen several challenges for our community. We saw the resignation of our President, Steve Hammond, who is running for the Board again this year. We also saw the resignation of Jen Portz, our Secretary and Landscape Committee member. Jen Portz continues to function as an unpaid Agent of the Board through the Annual Meeting. The Board chose not to appoint someone to fill out the terms of the vacated positions. Instead, they shuffled the duties among the remaining members. Recently, Phyllis Waldenberg reactivated the Welcome Committee to provide information to new homeowners in our Village.

The greatest challenge for our community has been the pandemic. Since March, our Board meetings have been held via teleconference and will continue in this fashion for the foreseeable future. Landscape activities were curtailed and new restrictions implemented by the State and we are still trying to catch up from the impact of those.

NLS has been working here for over 4 ½ years. There is a little under 1 ½ years left on the contract. The Landscape contract is up for renewal or bid next year. Work was begun by Bayview Village on a major maintenance and restoration project on the retention ponds. This work is still ongoing. The final cost is anticipated to be roughly twice the original anticipated cost. There will be no dues holiday for the 4th quarter of this year.

SBCA instituted a Enforcement Policy/Fine System in 2019. Under this system, they currently have a lawsuit against one of our members related to a violation of the governing documents. The Teal Lake Village Board instituted a Compliancy Policy/Fine System in July of this year for Village limited common areas. We do not currently have any activity under this new policy.

Tom Sprandel has expanded the use of the website, tlva.us. All of the reports from today's meeting as well as current information, governing documents, old minutes and other information can be found there. Members are encouraged to use the website as their primary source of Village information.

We are now in the late stages of the election cycle. Political signs for candidates or issues on the ballot for the upcoming election are permitted by the Design Standards under the following guidelines: Signs can be no larger than 24" x 24", the top of the sign can be no higher than 42" from the ground, the sign must be positioned so as not to obstruct visibility and the sign must be taken down no later than November 6.

Areas for the New Board to consider: Landscape Contract, Pond Maintenance Completion, Emergency Management Block Captains, Compliance Policy Issues

Landscape Committee Report for TLVA Annual Meeting October 5, 2020 - Prepared by Jere Sheldon

Summary of NLS/Landscape Operations: Operations were normal during 4th quarter 2019. During 1st and 2nd quarters, 2020, the NLS/Monarch Area Manager for TLVA was frequently out on medical leaves. On March 23, 2020, Governor Inslee issued State Proclamation 20-25 (“Stay Home – Stay Safe”). NLS/Monarch Landscaping Company was categorized as “Essential Workers” but had to modify operations to protect their staff and their clients, and they had to reduce their services to critical safety-related landscape and maintenance tasks.

On April 24, 2020, Governor Inslee announced Phase 1 of the Construction Restart Plan, allowing “Low Risk” projects, as long as they complied with COVID-19 Safety Plan. NLS/Monarch reported that accordingly, they would begin to return to normal staffing levels, and focus on additional non-routine maintenance such as bed work, spray and pruning activities.

The state’s Phase 2 provisions did not change guidelines for NLS/Monarch operations. Jefferson County entered Phase 2 on May 23, 2020.

Irrigation was deemed as an Essential Service, thereby allowing NLS/Monarch to turn on the TLVA sprinkler systems, to begin inspection of sprinkler systems, and to prepare homeowner evaluations and proposals for recommended repairs or parts replacements. Jessica Fuzie had prepared some of these reports before she left NLS/Monarch in late June. The remainder were completed and distributed to homeowners before July 6th.

Jessica Fuzie returned to work after several prior leaves the first week of June. On June 9th, she announced that NLS/Monarch missed the window for the iron application for moss treatment due to COVID-19. Sometime after that date, Jessica was away on another leave, and in late June, the TLVA Landscape Committee (Jennifer Portz and Jere Sheldon) were informed that Jessica Fuzie would not be returning as the NLS/Monarch Area Manager for TLVA.

On July 16, 2020, NLS/Monarch informed the TLVA Landscape Committee (Jere Sheldon) that Dave Craig would be assuming the role as interim Area Manager for TLVA. On July 24, 2020, TLVA President Sheila Twohey and TLVA Landscape Committee Chairperson Jere Sheldon met with Dave Craig to review year-to-date status and concerns, and to discuss the outlook for the remainder of the year.

Summary of Landscape Services provided to TLVA by NLS/Monarch and year to date impacts due to events described in the above section of this report:

Formal Mowing: These services were provided throughout the COVID-19 restrictions, but they may have been impacted by reduced crew levels during the “Stay Home – Stay Safe” time frame. The schedule allows for no mowing to occur when the ground is frozen or too wet, because to do so would damage the turf.

Edging: Same as above.

Moss/Cranefly Application: Not performed due to COVID-19.

Pre-emergent (Pre-EMS): 1st application was applied in the January/February time frame. The 2nd application is planned for after the crews have removed fallen leaves which is estimated to be late October/early November.

Post-EMS, lawn weed spray, lawn fertilizer applications: Performed as allowed by the state’s COVID-19 Re-Start plans.

Landscape Committee Report for TLVA Annual Meeting October 5, 2020 - Prepared by Jere Sheldon

Sprinkler System Activities: According to Jessica Fuzie, the systems were turned on during April, and the NLS Sprinkler System Specialist began individual evaluations. As described above, bid/proposals were distributed late, and thus corresponding repairs/replacements were completed later than normal.

Pruning: Pruning of homeowners' shrubs was impacted by COVID-19 restrictions. When Dave Craig arrived to serve as TLVA Area Manager, he added several Fridays to the NLS schedule to help the pruning activities get back to normal levels.

Lawn ASL (Aeration, Over-Seed, Lime) Application: Performed on September 22-23, 2020, instead of during Springtime, 2020. The delay in the schedule was due to COVID-19.

Common Area Activities: Formal common area mowing schedules and activities were performed with some disruption during the "Stay Home – Stay Safe" restriction, and its impact on NLS team crew sizes. The rough area mowing and common area encroachment control schedules were impacted by COVID-19 restrictions and its impact on NLS team crew sizes, but all of these activities are now on schedule.

Special NLS Projects Approved by the TLVA Board:

1. Bark Application on Common Area Beds: \$2937.56, completed in February, 2020.
2. TLV Front Entrance Sprinkler System Repair: \$755.92, completed in July, 2020.
3. Crestview Entrance Tree Branch Removal: \$1164.12, completed in September, 2020
4. Firewise Area 2 Cleanup: \$163.50, completed in September, 2020

Conclusion: The TLVA Landscape Committee Chairperson concludes, that in spite of the difficulties posed by COVID-19 and the repeated leaves of absence of the previous NLS/Monarch Area Manager, Jessica Fuzie, the NLS/Monarch crew and Dave Craig, who is now serving as Area Manager, have done an outstanding job of providing Teal Lake Village the Landscape Services described in the contract.

The TLVA Landscape Committee Chairperson also concludes that the majority of the TLVA homeowners understood the difficulties of this year and appreciated the landscape services they receive.

Outlook for 2021: On September 22, 2020, Dave Craig, NLS/Monarch Area Manager stated: "Assuming COVID restrictions are loosened and/or not increased from where they are now I would anticipate everything to go back to the normal schedule on 2021."

Landscape Committee Report for TLVA Annual Meeting October 5, 2020 - Prepared by Jere Sheldon

Additional Notes:

Definition of terms: NLS/Monarch provided the following information about Pre-EMS and Post-EMS: “ The Pre-emergent is in a granular form and is primarily used as a weed suppressant. It’s most effective when applied to the bed areas in the late winter and early spring time frames. It’s not designed to be a weed killer but rather forms a type of gas layer in the top of the soil profile that stops weeds under the surface from germinating and growing through the surface. We typically use a fairly weak formulation in the form of a product called Snapshot or similar product. It only controls broadleaf weeds so it’s safe for grass and is labeled for nursery use so it won’t harm plants. Post-emergent is in liquid form and is used for weeds that have already emerged. This is a tool we use throughout the season for weed control. Unfortunately, with our wet conditions in the Northwest, the Pre-Emergent does not provide year-round coverage so spraying for weeds becomes the next best tool in the bag so to speak. We are not using Roundup or any products with Glyphosate in it.”

Hard Edge: This is the edge between the turf (lawn) and the sidewalk and the driveway. This edging is performed with a mechanical edger. Soft Edge: This is the edge between the turf (lawn) and surrounding beds. This edging is performed with a monofilament line edger.

The benefits that NLS/Monarch describe for the ASL (Aeration Over-Seed and Lime) application are defined in the TLVA Landscape Report of September 7, 2020.

Documentation: The NLS/Monarch contract with TLVA is on the TLVA website, tlva.us, within the folder titled “ARC & Landscaping Documents“. A document summarizing NLS/Monarch landscaping services titled “Landscaping and Other Services” is also within this folder on the TLVA website.

TLVA Landscape Reports have been periodically distributed to homeowners as an eblast. The reports dated July 17, 2020, August 3, 2020, August 14, 2020, September 7, 2020, and September 19, 2020 are located on the TLVA website. Other TLVA Landscape Reports distributed to homeowners during the period between end of March and the July 17th report (noted above) included information about NLS operations and schedules and the impacts of COVID-19 restrictions to their operations: Reports of March 30, May 8, May 13, June 7, and June 29.

The current contract between TLVA and NLS/Monarch extends through December, 2021.

Respectfully submitted by Jere Sheldon

Teal Lake Village Association Architectural Review Committee

Annual Report

October 05, 2020

The residents of Teal Lake Village have continued to keep their property looking better than ever with each improvement or repair. We all have had time to do special projects around our homes.

We have had six applications that were all approved by SBCA. We have no outstanding applications.

We have had six Teal Lake Village requests for common area issues, and some are still in process.

The applications have been for modification of the house, deck improvements, roofs, and painting, as well as landscaping.

Joe Guillien

ARC. for TLVA

Teal Lake Village Association

Annual Meeting

October 5, 2020

Pond Update

BayView estimates that the pond's construction and earth moving will be completed in roughly two weeks. They have had some delays, but are now making progress. Mowing will be done after that, weather permitting. There are still uncertainties, but nothing major is anticipated.

In June we paid BayView \$21,592 as a 50% down payment on our share of the expense. We expect to pay the same amount, or perhaps a bit less, after the current work has been completed. The reduction would come if they decide not put the planned plastic sheeting and sandbags around the banks, it's a topic they are considering now. Teal Lake Village has sufficient funds to cover the anticipated payment.

Submitted by,
Tom Sprandel
Secretary-Treasurer
Drafted 10/3/2020

**Teal Lake Village Association
Treasurer's Report
October 5, 2020**

Cash (8/31/20):

Kitsap Checking:	\$ 29,075.26
Kitsap Money Mkt:	35,396.33
Uncleared Deposit:	1,075.00

Total:	\$ 65,546.59
	=====

Current Position:

We are in satisfactory financial position. Our performance vs budget is still expected to be on target by the end of the year with two exceptions.

We had budgeted \$1,000 for miscellaneous landscaping, we have paid \$3,693 through August and an additional \$1,328 in September.

The Pond was budgeted at \$3,500 in 2020, with \$19,260 having been budgeted but unspent for the second half of 2019 but unspent. Actual 2020 Pond expenses are now expected to be \$41,113 plus mowing expense.

Delinquencies:

As of 8/30/20 there were no delinquent dues accounts. We had \$ 4,250 in prepaid dues accounts.

Dues Increase in 2021:

Assuming the owners ratify the budget, dues will increase from \$450 per quarter to \$470 per quarter, a 4.4% increase. This is the first increase since 2002. The increase will take effect on January 1, 2021.

Submitted by,
Tom Sprandel
Treasurer
10/3/2020

Teal Lake Village Association
Balance Sheet
As of August 31, 2020

	<u>Aug 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
CASH BALANCE	
Kitsap Business Checking	30,150.26
Kitsap Money Market Plus	35,396.33
Total CASH BALANCE	<u>65,546.59</u>
Total Checking/Savings	65,546.59
Accounts Receivable	
Accounts Receivable	-4,250.00
Total Accounts Receivable	-4,250.00
Other Current Assets	
Prepaid Insurance	-201.25
Total Other Current Assets	<u>-201.25</u>
Total Current Assets	<u>61,095.34</u>
TOTAL ASSETS	<u>61,095.34</u>
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	63,239.85
Net Income	-2,144.51
Total Equity	<u>61,095.34</u>
TOTAL LIABILITIES & EQUITY	<u>61,095.34</u>

Teal Lake Village Association
Profit & Loss Budget vs. Actual
 January through August 2020

	<u>Jan - Aug 20</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
REVENUES			
Homeowners Dues Income	132,300.00	176,400.00	75.0%
Homeowners Finance Charges	7.00	60.00	11.7%
Late Fee Income	200.00	100.00	200.0%
Interest Income	35.48	36.00	98.6%
Utility Recovery	0.00	102.00	0.0%
Total REVENUES	<u>132,542.48</u>	<u>176,698.00</u>	<u>75.0%</u>
Total Income	<u>132,542.48</u>	<u>176,698.00</u>	<u>75.0%</u>
Gross Profit	<u>132,542.48</u>	<u>176,698.00</u>	<u>75.0%</u>
Expense			
ADMIN EXP			
Accounting	3,200.00	8,800.00	36.4%
Banking Charges	0.00		
Insurance Expense	4,068.00	2,458.00	165.5%
Legal	0.00	500.00	0.0%
Postage/Office	190.73	550.00	34.7%
Total ADMIN EXP	<u>7,458.73</u>	<u>12,308.00</u>	<u>60.6%</u>
LANDSCAPING EXP			
Landscaping Contract			
Landscaping Contract Discount	-2,068.40	-3,103.00	66.7%
Landscaping Contract - Other	103,423.28	142,326.00	72.7%
Total Landscaping Contract	<u>101,354.88</u>	<u>139,223.00</u>	<u>72.8%</u>
Landscaping Miscellaneous	3,693.48	1,000.00	369.3%
WSST at %	0.00	12,809.00	0.0%
Total LANDSCAPING EXP	<u>105,048.36</u>	<u>153,032.00</u>	<u>68.6%</u>
REPAIRS & MAINTENANCE			
General Maintenance	0.00	1,600.00	0.0%
Holding Pond	21,591.65	3,500.00	616.9%
Total REPAIRS & MAINTENANCE	<u>21,591.65</u>	<u>5,100.00</u>	<u>423.4%</u>
TAX EXPENSES			
Jefferson Co. Property Tax	17.90	18.00	99.4%
Tax Preparation	150.00	275.00	54.5%
Total TAX EXPENSES	<u>167.90</u>	<u>293.00</u>	<u>57.3%</u>

11:16 AM
09/03/20
Accrual Basis

Teal Lake Village Association
Profit & Loss Budget vs. Actual
January through August 2020

	<u>Jan - Aug 20</u>	<u>Budget</u>	<u>% of Budget</u>
UTILITIES EXP			
Electricity	233.45	536.00	43.6%
Water	186.90	637.00	29.3%
Total UTILITIES EXP	<u>420.35</u>	<u>1,173.00</u>	<u>35.8%</u>
Total Expense	<u>134,686.99</u>	<u>171,906.00</u>	<u>78.3%</u>
Net Ordinary Income	<u>-2,144.51</u>	<u>4,792.00</u>	<u>-44.8%</u>
Net Income	<u>-2,144.51</u>	<u>4,792.00</u>	<u>-44.8%</u>

11:08 AM
09/03/20

Teal Lake Village Association
Reconciliation Detail
Kitsap Business Checking, Period Ending 08/31/2020

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						36,741.83
Cleared Transactions						
Checks and Payments - 7 items						
Check	08/01/2020	20720	Monarch Landscap...	X	-12,669.36	-12,669.36
Check	08/01/2020	20721	Monarch Landscap...	X	-755.92	-13,425.28
Check	08/01/2020	20719	WestSound Services	X	-400.00	-13,825.28
Check	08/01/2020	20717	PUD #1 of Jefferso...	X	-24.04	-13,849.32
Check	08/01/2020	20718	PUD #1 of Jefferso...	X	-17.25	-13,866.57
Check	08/07/2020	20723	Philadelphia Insura...	X	-2,458.00	-16,324.57
Check	08/07/2020	20722	USPS	X	-92.00	-16,416.57
Total Checks and Payments					-16,416.57	-16,416.57
Deposits and Credits - 4 items						
Deposit	07/31/2020			X	450.00	450.00
Deposit	07/31/2020			X	1,950.00	2,400.00
Deposit	07/31/2020			X	5,900.00	8,300.00
Deposit	08/10/2020			X	450.00	8,750.00
Total Deposits and Credits					8,750.00	8,750.00
Total Cleared Transactions					-7,666.57	-7,666.57
Cleared Balance					-7,666.57	29,075.26
Register Balance as of 08/31/2020					-7,666.57	29,075.26
New Transactions						
Checks and Payments - 7 items						
Check	09/01/2020	20728	Monarch Landscap...		-12,669.36	-12,669.36
Check	09/01/2020	20727	WestSound Services		-400.00	-13,069.36
Check	09/01/2020	20726	Olympic Water & S...		-320.64	-13,390.00
Check	09/01/2020	20729	Tom Sprandel		-162.04	-13,552.04
Check	09/01/2020	20730	Sheila Twohey		-76.79	-13,628.83
Check	09/01/2020	20724	PUD #1 of Jefferso...		-21.52	-13,650.35
Check	09/01/2020	20725	PUD #1 of Jefferso...		-17.25	-13,667.60
Total Checks and Payments					-13,667.60	-13,667.60
Total New Transactions					-13,667.60	-13,667.60
Ending Balance					-21,334.17	15,407.66

11:10 AM
09/03/20

Teal Lake Village Association
Reconciliation Detail
Kitsap Money Market Plus, Period Ending 08/31/2020

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						35,391.82
Cleared Transactions						
Deposits and Credits - 1 Item						
Deposit	08/31/2020			X	4.51	4.51
Total Deposits and Credits					4.51	4.51
Total Cleared Transactions					4.51	4.51
Cleared Balance					4.51	35,396.33
Register Balance as of 08/31/2020					4.51	35,396.33
Ending Balance					4.51	35,396.33



For 24-hour telephone line or online access:
360.876.3644 • 800.283.5537 | kitsapbank.com

Direct general inquiries to your local bank: 360 437.7863
P.O. Box 65052, Port Ludlow, WA 98365

Statement of Account

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Statement Period 7/31/20-8/31/20

Total Days in Statement Period 31

2893

TEAL LAKE VILLAGE ASSOCIATION
PO BOX 65011
PORT LUDLOW WA 98365-0011

Need To Speak To A Banker? We are here for you!

Currently all in-branch banking is conducted by appointment only.

Visit <https://scheduling.kitsapbank.com/>, or call your local Kitsap Bank branch to schedule an appointment.

Account Balances

ACCOUNT	ACCOUNT NUMBER	BEGINNING BALANCE	ENDING BALANCE
Business Eco Checking	2500815311	\$36,741.83	\$29,075.26



Business Eco Checking: 2500815311

Beginning Balance	\$36,741.83	Low Balance	\$29,075.26
Total Additions	\$8,750.00	High Balance	\$43,091.83
Total Subtractions	\$16,416.57	Ending Balance	\$29,075.26

Deposits / Credits

Date	Transaction Description	Additions
08/05/20	DEPOSIT	\$5,900.00
08/05/20	MOBILE DEPO	\$450.00
08/10/20	DEPOSIT	\$1,950.00
08/11/20	MOBILE DEPO	\$450.00

Checks

NUMBER	DATE	AMOUNT	NUMBER	DATE	AMOUNT	NUMBER	DATE	AMOUNT
20717	08/11/20	\$24.04	20720	08/10/20	\$12,669.36	20722	08/17/20	\$92.00
20718	08/11/20	\$17.25	20721	08/10/20	\$755.92	20723	08/17/20	\$2,458.00
20719	08/10/20	\$400.00						

Daily Balance

DATE	ENDING BALANCE	DATE	ENDING BALANCE	DATE	ENDING BALANCE	DATE	ENDING BALANCE
07/31/20	\$36,741.83	08/10/20	\$31,216.55	08/11/20	\$31,625.26	08/17/20	\$29,075.26
08/05/20	\$43,091.83						





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P.O. Box 65052, Port Ludlow, WA 98365

Statement of Account

Page 1 of 2

Statement Period 7/31/20-8/31/20

Total Days in Statement Period 31

2894

TEAL LAKE VILLAGE ASSOCIATION
PO BOX 65011
PORT LUDLOW WA 98365-0011

Buying? Remodeling?

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Account Balances

ACCOUNT	ACCOUNT NUMBER	BEGINNING BALANCE	ENDING BALANCE
Money Market Plus	2500815318	\$35,391.82	\$35,396.33



Money Market Plus: 2500815318

Beginning Balance	\$35,391.82	Low Balance	\$35,391.82
Interest Paid Year-To-Date	\$35.48	High Balance	\$35,396.33
Total Additions	\$4.51	Ending Balance	\$35,396.33
Total Subtractions	\$0.00		

Deposits / Credits

Date	Transaction Description	Additions
08/31/20	INTEREST CR	\$4.51

Daily Balance

DATE	ENDING BALANCE	DATE	ENDING BALANCE
07/31/20	\$35,391.82	08/31/20	\$35,396.33



Addendum to Checking Account Reconciliation

Register Balance as shown on
"11:08 AM - Reconciliation Detail - 09/03/20
Kitsap Business Checking, Period Ending 08/31/2020 \$ 29,075.26

Deposit regonized on Balance Sheet 8/31/2020
and Recognized by Kitsap Bank on 9/3/2020 1,075.00

Checking Account as shown on Balance Sheet \$ 30,150.26
=====

by Tom Sprandel
9/13/2020

**Teal Lake Village Association
A/R vs Prepaid Accounts**

August 31, 2020

Number of Accounts	Each	Receivable	Prepaid	Net A/R
		Dr	Cr	Dr Balance
89	0.00	0.00	0.00	
2	(200.00)	0.00	400.00	
4	(450.00)	0.00	1,800.00	
1	(500.00)	0.00	500.00	
1	(650.00)	0.00	650.00	
1	(900.00)	0.00	900.00	
98		0.00	4,250.00	(4,250.00)

	2019 Actual	2020 Est	2021 Budget
Income			
Homeowners Dues Income	176,386.11	176,400.00	184,240.00
Homeowners Finance Charges	21.45	7.00	10.00
Late Fee Income	120.13	225.00	200.00
Interest Income	53.00	52.46	50.00
Utility Recovery	101.50	103.50	105.00
Total Income	176,682.19	176,787.96	184,605.00
Expenses			
ADMIN EXP			
Accounting	2,907.00	4,800.00	4,800.00
Annual Audit			6,000.00
Business Licenses & Permits	10.00		
Banking Charges		0.00	50.00
Insurance Exp	2,612.93	2,461.88	2,458.00
Legal		0.00	
Miscellaneous	19.62		
Postage/Office	600.93	606.94	613.01
Total ADMIN EXP	6,150.48	7,868.81	13,921.01
LANDSCAPING EXP			
Landscaping Contract			
Landscaping Contract (w/o WSST)	139,534.92	142,325.64	143,758.84
Landscaping Contract Discount	(2,790.70)	(2,846.51)	(2,875.18)
WSST	12,306.98	12,553.12	12,679.53
Total Landscaping Contract (inc WSST)	149,051.20	152,032.25	153,563.19
Landscaping Miscellaneous	10,334.07	5,937.56	5,996.94
Total LANDSCAPING EXP	159,385.27	157,969.81	159,560.13
REPAIRS & MAINTENANCE			
Entrance Sign	7.05	0.00	
General Maintenance	0.00	0.00	2,400.00
Holding Pond	0.00	43,183.30	4,200.00
Total REPAIRS & MAINTENANCE	7.05	43,183.30	6,600.00
TAX EXPENSES			
Jefferson Co. Property Tax	17.90	17.90	18.00
Tax Preparation	0.00	150.00	160.00
Total TAX EXPENSES	17.90	167.90	178.00
UTILITIES EXP			
Electricity	469.19	330.87	334.18
Water	488.67	290.40	293.30
Website	0.00	0.00	176.00
Total UTILITIES EXP	957.86	621.27	803.48
Total Expenses	166,518.56	209,811.09	181,062.62
Net Income	10,163.63	(33,023.13)	3,542.38
Fund Balance EOP	63,239.85	30,216.72	33,759.10
Percent Total Expenses	38.0%	14.4%	18.6%

Teal Lake Village Association Comments on the 2021 Budget

I had planned to present this at the Annual Meeting, but given the circumstances, I'm sending it out now. Here are the main issues behind the budget.

Uncertainties

1. Will the members require an audit? If so, what kind of audit would the board choose? The cost will vary widely depending on the type of audit. Two most likely kinds of audits are:

#3: Forensic Audit

The forensic audit is normally performed by a forensic accountant who has the skill in both accounting and investigation.

Forensic Accounting is the type of engagement that undertaking the financial investigation in response to a particular subject matter, where the findings of the investigation normally are used as evidence in court or conflict resolution among the shareholders.

#5: Financial Audit

Financial audit refers to the audit of the entity's financial statements by an independence auditor where audit opinion will be provided on those financial statements after auditing works are done.

Financial audit normal perform by an external audit firm that holds a CPA and it is normally performed annually and at the end of the accounting period. This type of audit is also known as financial statements auditing.

<https://www.wikiaccounting.com/list-types-audit-level-assurance/>

2. Miscellaneous Landscaping:

These expenses include broken limbs, Firewise cleanout, mulching of common, legacy trees, and more.

3. Pond Reclamation:

The pond continues to be a source of uncertainty. Bayview has accepted quotes for the project and has paid half to begin it. The work has not been finished and unexpected issues may arise. No estimates of annual maintenance have been available, so we used 5% of the project cost.

4. Pond Mowing:

Bayview plans to mow the areas around the ponds twice a year. They have been irregular in when they request reimbursement. For example, the ponds were mowed in the fall of 2019 but we did not receive a bill until June of 2020.

5. Mail boxes:

The mailboxes appear to be in good shape, but nothing lasts forever. We have no information about repairs.

Teal Lake Village Association, Comments on the 2021 Budget, continued:

6. Newspaper Kiosks:

Many of the kiosks are covered with moss. Some of the sides are delaminating. A proposal to remove them was received, but it remains unapproved. It's unclear if it came from a licensed and bonded workman.

Rules, Practices and Circumstances

7. Timing of Preparation:

The budget is prepared in July for inclusion in the annual meeting packet which must be mailed in mid August. Our fiscal year coincides with the calendar year. That means that the budget must estimate six months of the current year and then twelve months of the subject budget year.

8. Rule 5:

Our Rule 5 requires the board consider action when our net worth falls outside 10% to 25% of budgeted expense. From time to time the board has given a dues rebate in the 4th quarter. For the past few years we have been over 25% but have not given a dues rebate. Now that the pond reclamation is being resolved we hope to return to the previous practice.

9. Cash Flow:

The 10% net worth mentioned above is our working capital. The budget shows it at the end of the year, but it falls lower in the middle of some months. The low value occurs in first two weeks of the first month of each quarter. That's when we're waiting for quarterly dues to arrive and when we disburse our regular monthly checks. Those checks add up to roughly one twelfth or 8.3% of our budget. If we start a month at 10% it doesn't leave much.

10. How would we deal with a shortfall?

If we had unexpected expenses and our checkbook balance were too low, what would we do? There are several options and they depend on the nature of the situation. If it's temporary and minor, we could pay our bills late; that would mean foregoing our landscaping discount (~\$250 per month). If a one time infusion of cash would solve the problem, we might be able to get a loan or have a special assessment. If it's a continuing situation we could raise dues.

11. So how did we prepare the budget?

Expenses have been estimated on the high side. We have set the dues to target the middle to high end of the percent range. If expenses turn out to be lower than budgeted, we will be guided by Rule 5 and past practice. Assuming there are no large expenses looming (like the pond) we would consider granting a dues rebate.

Tom Sprandel
Secretary-Treasurer
August 28, 2020