



Cypress Home Owners Association NEWS

www.cypresshoa.org

March/April 2009

President's Report

Don Moreau

Greetings. It was great to see so many homeowners at the February meeting.

Sabrina Moreau, my wife, introduced herself as the new clubhouse manager. She related her ideas for managing the reservations and clubhouses. The Board voted to raise the management fee from \$50 per month to \$75 per month and to redirect the \$20 fee that had been paid directly to the manager back into the general fund to help cover the costs of electricity, maintenance, and cleaning supplies

The Board decided to delay the removal of one of the play areas. Last year's inspection report showed that all of the play areas are not up to code or in compliance with the ADA. However, CHOA's structural improvements take priority, and we cannot afford to replace the equipment, resurface the area, and bring the areas into compliance. The Board approved the installation of "Caution" signs in the play areas.

Continued>

Accell Property Management

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Laguna Hills CA 92356
949-581-4988; silvia@cypresshoa.org

Maintenance requests/service

Contact Customer Service
949-581-4988; accell@cypresshoa.org

Billing and monthly statements

Contact Accounting
949-581-4988
accounting@cypresshoa.org

Board Meetings Clubhouse #2, 7:15pm

Thursday, March 26
Earthquake Insurance

Please attend to learn what earthquake insurance means for homeowners and for CHOA.

Thursday, April 23

Clubhouse Reservations
Sabrina Moreau
714-252-9021
sabbmom@yahoo.com

President's Report ... cont'd.

Additional roofing bids continue to be received. The last newsletter listed the five buildings, plus Clubhouse #2, needing complete reroofing, and the remaining 14 buildings that need mansard replacement only. (The list is posted on our website.)

Pool #3 has been repaired, replastered, brought up to code and is compliant with the new drain cover law. Drain covers are also being replaced at Pools #1 and #2. Pool fence repairs are being completed.

The spraying of our 16 olive trees is complete, a necessary activity to prevent the trees from producing olives that drop and leave a mess.

Our Earthquake Insurance: Some History

Our earthquake insurance carrier, USI/BMI, is sending a representative to the March 26 meeting to explain our coverage and how the 20% deductible works, and to answer your questions.

A review of the Board meeting minutes going back to 1993 showed that CHOA has carried earthquake insurance since at least 1994. (We even had flood coverage at one point.)

The earthquake insurance rate almost doubled in 2006-2007, increasing from \$67,897 to \$134,588. That was when the first special assessment (\$260) for earthquake insurance was voted upon and approved. In 2007-2008, the rate increased to \$149,295. Again a special assessment (\$296) was voted upon and approved.

Since earthquake insurance was approved two years in a row, the Board reasonably assumed that homeowners understood its worth and wanted it, and thus built it into the 2008-2009 budget. In addition, the premium (\$117,747) decreased so there would be no need for a special assessment.

No Skateboarding

Parents! Please be aware that CHOA's general rules and regulations prohibit skateboarding, scooters, and rollerskating in the common areas and the alleyways. There is a skateboarding area in Veteran's Park on Ball Rd. across from CHOA.

January 2009

Year-to-date Income Statement

Modified Accrual Basis

Treasurer's Report

Brenan Cheung

	1 Month	Budget	Variance
Income			
Assessments	68,441.00	68,750.00	(309.00)
Fines	0.00	41.67	(41.67)
Late Charges	630.00	397.92	232.08
Keys	0.00	16.67	(16.67)
Collection Fees	335.00	550.00	(215.00)
Reserve Interest	4.91	508.37	(503.46)
Total Income	69,410.91	70,264.63	(853.72)
Expense & Allocation			
Utilities:			
Electricity	2,737.61	2,583.33	(154.28)
Gas	10.18	316.67	306.49
Water	5,322.81	3,813.33	(1,519.48)
Trash/waste disposal	4,461.34	3,916.67	(544.67)
Total Utilities	12,541.94	10,630.00	(1,911.94)
Maintenance:			
Landscape	9,851.94	8,412.51	(1,439.43)
Buildings & Grounds	9,414.70	5,536.67	(3,878.03)
Pool Maintenance	2,598.49	1,916.67	(681.82)
Total Maintenance	21,865.13	15,865.85	(5,999.28)
Administration:			
Collection fees	275.00	466.67	191.67
Insurance	9,809.95	16,666.67	6,856.72
Licenses/permits	0.00	100.00	100.00
Management serv.	3,457.00	3,457.00	0.00
Management serv. extras	0.00	83.33	83.33
Clubhouse management	0.00	50.00	50.00
Printing/postage	0.00	437.50	437.50
Federal income tax	0.00	333.33	333.33
State income tax	0.00	41.67	41.67
Website	0.00	45.83	45.83
Tax/audit prep.	0.00	116.67	116.67
Reserve study	0.00	91.67	91.67
Bank charges	0.00	15.00	15.00
Legal/accounting	0.00	250.00	250.00
Misc.	1,020.00	41.67	(978.33)
Total Administration	14,561.95	22,197.01	7,635.06
Total Expense	48,969.02	48,692.86	(276.16)
Reserve Allocation			
Non-Capital Reserves	6,887.03	6,887.03	0.00
Capital Reserves	14,684.75	14,684.75	0.00
Total Fund & Res. Alloc.	21,571.78	21,571.78	0.00
Total Expense & Alloc.	70,540.80	70,264.64	(276.16)
Net Surplus/(Deficit)	(1,129.89)	0.01	(1,129.88)

Treasurer's Note

Additional categories under Administration are now itemized. I plan to discuss with Accell's accounting department moving to a full accrual basis because that method will provide the most accurate picture of our financial situation.

In the previous newsletter, I stated that I would review the 2008 budget against actuals. I have spent some time analyzing the December 2008 Report and noted the following:

1) The total expenses budget figure for 2008 in the amount of \$554,973 does not match the original budget for expenses of \$590,281 (as provided to me by Accell).

2) The Reserve Allocation section appears to include \$7,500 of reserves allocated to Dec 2007. I also have questions about the correctness of the allocation of \$4,920 for reserve interest.

I am scheduling a visit to Accell's office later this month in order to:

- gain an understanding of their accounting system, policies and procedures, and how their current set-up assures CHOA that Accell's accounting records are accurate.
- identify cost-cutting opportunities by reviewing our past expenditures for the last three years from 2006 through 2008.
- clarify the discrepancies I noted for the 2008 budget vs. actual analysis.

If you have any questions, please email brenan@cypresshoa.org or call 714-851-3158.

Board of Directors

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