



Board of Directors Weekly Report

January 12, 2024

This week has been another busy and productive week for the Enclave Board of Directors. As you may already be aware, the Board has suspended covenants patrol controlled and conducted by Associated Services from January 1, 2024 through April 1, 2024. In accordance with our bylaws, the Board will investigate forming a covenants committee to continue covenants compliance without the fee charged to the Homeowner's Association by Associated Services. A call for committee volunteers and more information will be forthcoming.

The Board spent over an hour speaking with Rebekah Johnson, the bookkeeper from Associated Services. The numbers we received from Tyler Ramires (published last week) did not compare accurately to the December 31, 2023 financials the board received and we asked for clarification. Rebekah Johnson gave us the following information which is accurate as of January 11, 2024.

The Capitol Reserve Balance is \$412,000.00 (all other accounts closed)

The Operating Account Balance is \$97,000.00

Approximately 1/3 of the first quarter dues have not been paid/received as of January 11, 2024, which represents about \$53,000.00 due to the HOA Operating Account plus 38 delinquent accounts totaling -\$62,000.00, plus.

Rebekah Johnson shared an e mail dated December 19, 2023, with the Board from the former Treasurer stating that he did "reserve tracking" and that, in his opinion, we needed a reserve balance between \$275,000.00 and \$375,000.00. This tracking was not completed by a reserve study professional. We know that the reserve study scheduled for November 6, 2023 was postponed by the company and not rescheduled which was confirmed by the former board President during the December 27, 2023 annual meeting. A reserve study was not completed.

There are \$27,069.48 in unpaid bills from 2023 that are outstanding (unpaid) and the Board is working to reduce, scrutinize and negotiate with the providers/vendors on the costs charged to the Association. We have already discovered a \$3,500.00 overcharge (under investigation) and think there are other charges the Board may recapture, possibly bringing the unpaid 2023 balance down.

Next week, the BOARD will be meeting with Nicholas Miller from Neil Bach, CPA, the BJM Group, to discuss audit options and cost.

The Board has established a Finance Committee. The charge of this committee will be multi-faceted and include investigating past expenditures and inform future spending practices. We are thrilled to announce that following homeowners will serve on the Finance Committee:

**Jeff Amiri
Jeff Drummond
Keith Hoskins
Amy Lindsey**

Also, the Board has also been working with our current insurance Agent upon discovering that our current policies (liability and property) do not meet the minimum coverage requirements in our CC&Rs.

As we stated in last week's report, we have stopped all non-routine maintenance until such time the Board and the Finance Committee can maintain spending levels below the monthly income and preserve the Capitol Reserve account balance of \$412,000.00. We thank you, in advance, for your understanding and patience during this discovery/adjustment period.

The Board is committed to making the Enclave a great place to live.

In Solidarity,

The Enclave Board of Directors

