

Klamath Falls Forest Estates, Unit 1
Homeowners Association, Inc.
P.O. Box 56
Bonanza, Oregon 97623-0056

October 24, 2020

**(Draft) Minutes of meeting
October, 24th 2020**

Location: Pump House
Time: 10:00 am
Date: October 24th, 2020

Meeting was called to order by President, James Vaughan at 10:01 am.

The following representative were present at this meeting:

President: Mr. James Vaughan
Treasurer: Mr. Eric Goritz

President, James Vaughan started off the meeting thanking everyone for coming. He then handed off the meeting to Treasurer, Eric Goritz.

Treasurer, Eric Goritz passed out 3 copies to everyone that included the following: Meeting Agenda, Financial statement and Pro forma budget for this year and next year.

He then gave the financial statement for the period as follows

Financial Statement from August 1, 2020-September 30, 2020. Eric gave his report as follows:
Beginning balance is \$16462; Savings beginning balance is \$6,087.72; Checking beginning balance is \$10,374.44, with a total of \$16,462. Income included: membership fees \$304.41 and interest of \$0.61 totaling \$305.02. Expenses, Legal \$1382.50, Office \$48.87, Power \$323.52, Postage \$247.50, Well maintenance 97.15, Website \$18.17. Total expenses were \$2117.81, leaving an ending balance of \$14,649.37

He then reviewed the past and present proforma budget (2019-2020 proforma final below). He stated that the budget would be posted to the website. He highlighted the expenses in the previous year that other than the unexpected amounts of the continued legal expense that the budget was in line. However, the HOA did go far over the estimated legal expenses last year he stated that was because there was an expectation that the suit would have been motioned out of court. This did not happen, and it is in its 5th amended version the HOA would need to continue fund the lawsuit. The ending negative variance was 28,858.47.

He then went over the 2020-2021 proforma budget (2020-2021 proforma final below) He noted that there was a lot of minor changes and that there was a major change, that being the \$50,000 legal expenses. Eric Stated that because of this expense there would need to be another operational assessment of \$100 per lot. He went on to say that there has been some payments coming in from the rebill that was done and we would still need to get through that portion of the funding.

A member asked if the \$50,000 was in addition to the money that was already paid and Eric stated that was correct it was in addition to the money already spent.

A member inquired about insurance if we had it and Eric responded that we did not have insurance at the time of the suit but since then the board has purchased insurance, but this suit was not covered due to the suit being prior to coverage but that any further litigation would be covered.

A member asked about the lawsuit and what it was all about, Eric stated it was a discrimination suit and that all the information could be found on the website.

A member inquired about the how they can obtain a key to the well. Eric stated that to get a key to the well that there needs to clear the permit process to the point where the plumbing permits are cleared. This involves going through the county and completing the septic and building process.

A member inquired regarding about having access to the well for people come up to camp and wanted to access the well for a limited time. Eric stated that they would put that as an agenda item for the next meeting and they would talk about the feasibility of opening the back spigot for a limit periods of time.

Meeting was adjourned at 10:24 AM

2019-2020 Pro forma Budget

Expense Category	Planned Expense	Actual Expense	Variance
Pacific Power	\$ 1,700.00	\$ 1,476.00	\$ 224.00
Insurance	\$ 1,300.00	\$ 1,009.00	\$ 291.00
Legal	\$ 5,000.00	\$ 35,212.75	\$ (30,212.75)
Security	\$ 50.00	\$ 143.92	\$ (93.92)
Office Supply	\$ 1,200.00	\$ 747.83	\$ 452.17
Post office	\$ 1,100.00	\$ 829.50	\$ 270.50
Taxes	\$ 110.00	\$ 104.04	\$ 5.96
Water Testing	\$ 160.00	\$ 200.00	\$ (40.00)
Well Maintenance	\$ 100.00	\$ 215.73	\$ (115.73)
Locks	\$ 50.00	\$ -	\$ 50.00
Dept of Forestry	\$ 145.00	\$ 141.25	\$ 3.75
State Renewal	\$ 50.00	\$ 50.00	\$ -
Education	\$ 600.00	\$ -	\$ 600.00
Website	\$ 18.00	\$ 311.45	\$ (293.45)
Total Estimated Expenses	\$ 11,583.00	\$ 40,441.47	\$ (28,858.47)
Earnings	Estimated	Actual	Variance
Water Key fees	6500	6300	-200
Membership payments	6000	9243.04	3243.04
Total Estimated Income	12500	15543.04	3043.04

2020-2021 Pro forma Budget

Expense Category	Planned Expense	Actual Expense	Varriance
Pacific Power	\$ 1,600.00	\$ -	\$ -
Insurance	\$ 1,010.00	\$ -	\$ -
Legal	\$ 50,000.00	\$ -	\$ -
Security	\$ 100.00	\$ -	\$ -
Office Supply	\$ 1,100.00	\$ -	\$ -
Post office	\$ 1,000.00	\$ -	\$ -
Taxes	\$ 110.00	\$ -	\$ -
Water Testing	\$ 200.00	\$ -	\$ -
Well Maintenance	\$ 225.00	\$ -	\$ -
Locks	\$ -	\$ -	\$ -
Dept of Forestry	\$ 145.00	\$ -	\$ -
State Renewal	\$ 50.00	\$ -	\$ -
Education	\$ 100.00	\$ -	\$ -
Website	\$ 340.00	\$ -	\$ -
Total Estimated Expenses	\$ 55,980.00	\$ -	\$ -
Earnings	Estimated	Actual	Varriance
Water Key fees	\$ 6,500.00	\$ -	\$ -
Memebership payments	\$ 50,000.00	\$ -	\$ -
Total Estimated Income	\$ 56,500.00	\$ -	\$ -