

# **Richmond Manor Condominium Owners Association**

## **Minutes of January 12, 2023 Board Meeting**

### **I. Call to Order**

This Meeting of the Board was called to order at 7:00 pm by President Jerry Taylor. All other Board members (Bev Klein, Laurie Otnes, Cheri Schuricht and Bob Terry) participated. Other participants were Doris Beck, Donna Edgerton, Andrea & Drake Loeser, Kayoko Norby, Kaare Otnes and Sid Horvath - Manager.

### **II. Review/Approval of Meeting Minutes**

**A motion was duly made, seconded and unanimously passed to approve Minutes as issued of the October 13, 2022 Board Meeting.**

### **III. Manager's Report**

Sid reported that failed window panes in Units 206 & 211 had been replaced the cost of which is chargeable against Reserves and the broken pane in the mailroom lobby door was also replaced – the cost of which will be reimbursed by Skinner Landscape Service. Sid mentioned that a failed skylight had been replaced under warranty.

The Board requested Sid to confirm with AAA Fire Protection Service that the Fire Protection System is fully functional, and if not, to insist that AAA Fire Protection Service immediately perform whatever modifications/installations are required to restore the System to full functionality.

### **IV. Committee Reports**

#### **a. Lawn & Garden**

Cheri provided the report that follows.

#### **b. Security**

Good News – nothing to report!

#### **c. Finance**

Bob reported that PRIME provided a DRAFT of the Dec. 2021 Finance Report earlier that day and will forward same to the Board for review.

He also reported that the balance in our Reserve funds is approximately \$357,000 and interest earnings amounted to about \$2,500 for 2022.

**Bob made a motion to roll-over soon-to-mature CD's at:**

- **Seattle Bank (maturing Jan 23, 2023) to a new 12-month term CD at 4.3%, and**
- **Alliance Association Bank (maturing Feb 14, 2023) to a new CD of similar term.**

**The motion was seconded and unanimously passed.**

Bob also indicated we would request a proposal/engagement letter for the Financial Audit from Stanford, Munko & Co. that was authorized at the Annual Meeting.

**V. New Business**

Bob stated that bids would soon be solicited for painting the building exterior and for recoating our decks – both projects are slated for Summer 2023.

**VI. For The Good of The Order**

Excess cardboard that does not fit within the blue recycle bins must be collapsed flat and either boxed or bundled with twine in sizes not greater than 3' x 3' x 3'. Failing to do so could result in Recology refusing to remove the excess cardboard or extra charges.

The meeting adjourned at 7:40 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer

January 12,2023    Garden Report

Our two dead and falling arborvitae trees in our front yard were recently chopped down leaving stumps. These could not be dug up because we are waiting for County and City utilities' permission to dig in this area. Skinner Landscaping has requested the necessary permission from these utilities, and has marked the area in our front yard twice. The gas company representative visited our property and unfortunately identified gas lines by marking the incorrect area, resulting in the orange paint markings from 20th street to our gas meters on the north side of the building. They said they couldn't find our markings. Mr. Skinner has once again requested permission to dig in the correct front yard area. Both arborvitae stumps will be replaced in new soil with 6' trees.

The pruning of several lower branches of our east side neighbor's large cedar tree will be done by Washington Tree Experts on Tuesday, January 24th. These branches are interfering with the growth of one our Japanese Snowbell trees in the southeast area of our property. Our eastern neighbors have been contacted in regards to this pruning.

The Garden Committee is aware of the large crack in one of our entry pots and will replace the pot before spring planting takes place.

Cheri Schuricht  
Garden Committee

# **Richmond Manor Condominium Owners Association**

## **Minutes of April 13, 2023 Board Meeting**

### **I. Call to Order**

This Meeting of the Board was called to order at 7:00 pm by President Jerry Taylor. Other Board members present were Bev Klein, Laurie Otnes, Cheri Schuricht and Bob Terry thus constituting a quorum. Other participants were Doris Beck, Linda & Dawson Harvey, Venita & Chuck Hynden, Andrea Loeser, Linda & John Weschler and Sid Horvath - Manager.

### **II. Review/Approval of Meeting Minutes**

**A motion was duly made, seconded, and unanimously passed to approve Minutes as issued of the January 12, 2023 Board Meeting.**

### **III. Manager's Report**

Sid report that the Master & Earthquake Insurance policies have been renewed and the required water backflow testing completed successfully. A dispute with ThyssenKrupp has been settled with TK voiding the billing of one OT callout.

The Board insisted that Sid immediately resolve with AAA Fire Protection the continuing question as to whether or not the "dry" portion of our fire protection meets all requirements following the replacement of a special valve last summer. The Board also requested Sid to follow-up with AAA Fire Protection about the testing requirements of sprinkler heads that are exposed to outside weather conditions and which are fitted to water-based fire protection systems (such as the sprinkler heads that protect our deck areas).

Sid reported that maintenance work on the roof (gutter cleaning, moss removal, etc) will be performed the week of April 17. Window washing will be scheduled to follow completion of the exterior painting of our building which may be in September.

### **IV. Committee Reports**

#### **a. Lawn & Garden**

Cheri reported that quite a few plants in our garden are beginning to bloom, including a pink rhododendron, several Hino Crimson azaleas, and our purple vinca ground cover. The Garden Committee is keeping an eye on the vinca since the vinca along the east side walkway suffered through a very warm summer. The Committee is also concerned about a few of our arborvitae on the north bank which may need to be replaced because they are changing from green to brown. The north and east gravel walkway has been treated with moss remover, but another application may be needed. Moss treatment for our lawn will be applied at the appropriate time. Cheri thanked Doris and Andi, for purchasing two new large pots for our building's entry to replace the current damaged pots. The new pots will be planted soon by the garden committee. She also thanked Bob for watering the newly planted arborvitae.

- b. Bob reported that Stanford, Munko and Co. is engaged to prepare our Tax Return and to Audit our Financial Reporting. We will report the results of the Audit to owners once complete.

As our CD's mature they are renewed at higher interest rates such as one yesterday (April 12, 2023) now earning 4.88%. Our weighted average rate is now 3.0%. We have requested "exception" pricing from Heritage Bank for our Money Market account which now earns 0.22%. If our application is approved the rate for that particular account will be 2.0%.

Please note that we are paying back the \$5,000 borrowed from the Contingency Operating Fund monthly at the rate of \$2,500/year.

## **V. Unfinished Business**

None

## **VI. New Business**

**Bob made a motion to ratify decisions by the Finance Committee at their March 16, 2023 meeting to award contracts to:**

- **CertaPro Painters to recoat our decks in the amount of \$30,145.34, and**
- **GreenLake Painting to paint the building's exterior wood trim and Hardie siding in the amount of \$35,827.61**

**This motion was duly seconded and unanimously passed.**

Certa Pro's work is tentatively scheduled for the period mid-May to late-June. A more definitive schedule will be issued in advance of the work that will identify Unit-by-Unit sequencing. **Owners must remove all plants, pots, grills, tables, and chairs, etc. prior to work commencing.** Certa Pro's work involves the following steps: (1) cleaning the decks, (2) application of primer, (3) application of 1st top coat and broadcast of a non-slip material, (4) application of 2nd top coat, (5) removal of masking and clean up. **A minimum cure time of 48 hours is necessary to assure proper adhesion and to prevent scarring/damaging the new coating – so please do not replace pots, tables, etc. or walk on the deck during this critical period.** Certa Pro will place "Do Not Enter" tape across deck doors as a reminder to not go onto the deck. Certa Pro's workers will gain access to the decks via ladders.

The curing/drying of the coating is highly sensitive to temperature, exposure to sunlight, and humidity. Accordingly, the contractors may begin work on the decks as early as 7:30 AM to best assure proper conditions are met to facilitate a quality recoat.

Greenlake's painting will be in the mid-July and mid-September time frame.

## **VII. For The Good of The Order**

The meeting adjourned at 7:45 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer

# **Richmond Manor Condominium Owners Association**

## **Minutes of July 13, 2023 Board Meeting**

### **I. Call to Order**

This meeting of the Board was called to order at 7 pm by President Jerry Taylor. Other Board members present were Cheri Schuricht, and Bev Klein thus constituting a forum. Other participants were Sherri Manson, Linda and Dawson Harvey, Doris Beck, Donna Edgerton, Andrea and Drake Loeser, and Sid Horvath, Manager.

### **II. Review/Approval of Meeting Minutes**

A motion was duly made, seconded, and unanimously passed to approve Minutes as issued of the April 13, 2023 Board Meeting.

### **III. Managers Report**

Sid reported the Decks and Painting have been completed. Sid will schedule carpet cleaning and windows to be washed. Carpet cleaning will include hallways and stairwells. He will let us know when he has bids available.

Question regarding individual carpet cleaning services. Sid advised they should be able to do other carpet cleaning while they are here. Sid will include a note to that effect with a telephone number when he advises us when to expect them to come.

#### **Fire Monitoring System**

We are down to two companies to replace AAA:

Fire Chief Equipment, and  
Columbia Fire

Jerry expanded on the issue that got us to the point of having to find a new fire monitoring service. Primarily due to requiring testing that could not be proven necessary.

### **IV. Committee Reports**

#### **Lawn and Garden**

Cheri reported our east side walkway trees and vinca and our north walkway vinca need water, so the committee will be trying out some efficient ways of providing water during the dry season.

We have two dead Arborvitae that will be replaced at an appropriate time.

Our west side birches received their biennial inoculations to fight the bronze birch borer beetle.

No other committee reports.

#### **V. For the Good of the Order**

Doris reminded us that our annual pot luck is coming up. **Sunday, August 27, 2023** will be the date of the Pot Luck.

Cheri reminded us that the doors may be sticking after being painted. Be sure they shut when you leave the building or enter the garage.

Andrea reminded us to turn the light off in the refuse room. The light switch is on the outside as you enter from the garage. This is because, if it's dark or hard to see in through the little window, you can turn the light on before you go in to be sure no one is in there who shouldn't be.

#### **VI. Adjourn**

Meeting was adjourned at 7:40 pm.

Respectfully Submitted,

Bev Klein  
Acting Secretary/Treasurer

# Richmond Manor Condominium Owners Association

## Minutes of September 14, 2023 Annual Meeting of the Association

### I. Call to Order

President Jerry Taylor called the Meeting to order at 7:00 pm. Twenty-five (25) owners were present (either in-person or via proxy) including: Doris Beck, Shirleen & Matt Becker, Myrna Burkey, Donna Edgerton, Phyllis Gillman-Kraft, Al Gunns, Linda & Dawson Harvey, Bev Klein, Venita & Chuck Hynden, Andrea & Drake Loeser, Katie Lutovosky, Bill Manson, Laurie Otnes, Carole Reeme, David Ridge, Betty Roberson, Cheri Schuricht, Bob Terry, Linda & John Weschler. For voting purposes, the Loesers were represented by Cheri Schuricht, Carole Remme by Jerry Taylor, and Betty Roberson by Bob Terry. In total nineteen (19) Units were represented reflecting a total of 72% owner's interest thus achieving quorum status. Manager Sid Horvath also participated.

### II. Welcome

Jerry welcomed all meeting participants.

### III. Reports:

#### a) Manager's Report

Sid reported that the annual inspections of the fire suppression and alarm systems would be tested Friday, Sept. 22. The testing of sprinkler heads on the decks of certain units was discussed.

#### b) Financial Projection for Year End 2023

Bob stated that 2023 expenditures are trending slightly less than budgeted and barring unforeseen expenses our net income may be surplus by perhaps 2%.

#### 2024 – 2025 Budget Outlook

Bob indicated that current projections for 2024 indicate expenses will exceed income by a relatively small amount. Unless new information indicates differently, we plan no increase in HOA's for 2024.

The Board will review and adopt a 2024 – 2025 Budget at the Oct. 12 Board meeting. Following that meeting the adopted Budget will be presented to owners November 9, 2023 for ratification.

#### c) Reserves

Our Reserve balance is approximately \$335,000 as of August 31, 2023. About \$66,000 was expended for exterior siding & trim painting and deck recoating in 2023. An Update to the Reserve Study - by a professional Reserve Specialist - will be performed later this year.

#### d) L&G Committee

Cheri reported that when the weather cools and rains return, we will replace two dead arborvitae. She also mentioned that the trees on the East side of our property will continue to be watered by hand until fall rains begin and that the Committee will continue to monitor our lawn, gardens, and moles, and to enjoy the services of Skinner Landscaping.

**e) Security Committee**

Laurie (reporting for Kaare) stated “everything is good – no news is good news” on the security front.

**IV. Election of Board Members**

Board membership terms for Bev Klein and Bob Terry expired at the conclusion of the Meeting of the Association. Bev had earlier informed the Board that she would “retire” from Board service. The members thanked Bev for her years of faithful service to the RMC community.

Jerry stated that Donna Edgerton and Bob Terry had been nominated. There were no additional nominations.

**By motion duly made, seconded and unanimously passed Donna Edgerton and Bob Terry were elected to Board service for two-year terms beginning immediately.**

**V. Financial Audit**

Bob stated that Stanford, Munko & Co performed an audit on our financial records for year 2022. The Auditors opinion reads in part:

*“In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Richmond Manor Condominiums Owners Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

A copy of the Audit will be attached to the Minutes of this meeting.

Jerry, on behalf of the Board, recommended waiving the Financial Audit for 2023. Reasoning is that no issues have ever identified in prior audits and that the Board closely monitors the monthly Balance Sheet and Income/Expense Statements provided by PRIME. After discussion:

**by motion duly made, seconded and unanimously passed, the members approved the motion.**

**VI. For The Good of The Order**

Matt Becker stated that a large truck often parks alongside 20<sup>th</sup> Ave NW just to the South of our driveway entrance from 20<sup>th</sup> Ave NW such that vision of drivers exiting our property is impeded. Matt suggested identifying the owner/operator of the truck and requesting the truck be parked in a different location.

Several owners voiced appreciation of the Board’s work to keep the building and property in top condition. Jerry noted that this was possible only with the support of the owners.

The meeting adjourned at 7:50 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer

Richmond Manor Condominiums  
Owners Association

Financial Statements and  
Supplementary Information

For the Year Ended December 31, 2022

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**STANFORD, MUNKO & Co., P.L.L.C.**  
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Members  
Richmond Manor Condominiums Owners Association  
Shoreline, Washington

### ***Opinion:***

We have audited the accompanying financial statements of Richmond Manor Condominiums Owners Association, which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Richmond Manor Condominiums Owners Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion:***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements:***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements:***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Disclaimer of Opinion on Required Supplementary Information:***

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements, which is presented as unaudited supplementary information behind the Notes to Financial Statements, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Stanford, Munier & Co., PLLC*

Certified Public Accountants

September 7, 2023

**Richmond Manor Condominiums  
Owners Association**

**Balance Sheet  
December 31, 2022**

<u>Assets</u>	Operating Fund	Replacement Fund	Total
Cash	\$ 46,368	\$ 40,553	\$ 86,921
Certificates of deposit		316,441	316,441
Prepaid insurance	<u>1,907</u>		<u>1,907</u>
 Total assets	 <u>\$ 48,275</u>	 <u>\$ 356,994</u>	 <u>\$ 405,269</u>

**Liabilities and Fund Balances**

Accounts payable	\$ 1,575	\$	\$ 1,575
Assessments received in advance	1,347		1,347
Federal income tax payable	<u>184</u>		<u>184</u>
 Total liabilities	 <u>\$ 3,106</u>	 <u>\$</u>	 <u>\$ 3,106</u>
 Fund balances	 <u>45,169</u>	 <u>356,994</u>	 <u>402,163</u>
 Total liabilities and fund balances	 <u>\$ 48,275</u>	 <u>\$ 356,994</u>	 <u>\$ 405,269</u>

See accompanying notes to financial statements.

**Richmond Manor Condominiums  
Owners Association**

**Statement of Revenues, Expenses  
and Changes in Fund Balances  
For the Year Ended December 31, 2022**

	Operating Fund	Replacement Fund	Total
<b>Revenues:</b>			
Member assessments	\$ 123,865	\$ 56,552	\$ 180,417
Late and other member charges	343		343
Interest	<u>27</u>	2,498	<u>2,525</u>
<b>Total revenues</b>	<b>\$ 124,235</b>	<b>\$ 59,050</b>	<b>\$ 183,285</b>
<b>Expenses:</b>			
<b>Utilities:</b>			
Electricity	\$ 3,849	\$	\$ 3,849
Water	9,056		9,056
Sewer	12,196		12,196
Garbage removal	4,856		4,856
Telephone	<u>3,167</u>		<u>3,167</u>
	\$ 33,124	\$	\$ 33,124
<b>Maintenance:</b>			
General repairs and maintenance	\$ 11,162	\$	\$ 11,162
Landscape maintenance	13,848		13,848
Janitorial	4,200		4,200
Elevator	5,449		5,449
Fire and security	2,176		2,176
Major repairs	<u>11,342</u>		<u>11,342</u>
	\$ 36,835	\$ 11,342	\$ 48,177
<b>General and administrative:</b>			
Management fees	\$ 14,595	\$	\$ 14,595
Insurance	28,069		28,069
Professional services	350		350
Office and miscellaneous	374	30	404
Federal income tax	<u>184</u>		<u>184</u>
	<u>\$ 43,572</u>	<u>\$ 30</u>	<u>\$ 43,602</u>
<b>Total operating expenses</b>	<b>\$ 113,531</b>	<b>\$ 11,372</b>	<b>\$ 124,903</b>
<b>Excess of revenues over expenses</b>	<b>\$ 10,704</b>	<b>\$ 47,678</b>	<b>\$ 58,382</b>
<b>Fund balances at beginning of year</b>	<b><u>34,465</u></b>	<b><u>309,316</u></b>	<b><u>343,781</u></b>
<b>Fund balances at end of year</b>	<b><u>\$ 45,169</u></b>	<b><u>\$ 356,994</u></b>	<b><u>\$ 402,163</u></b>

See accompanying notes to financial statements.

**Richmond Manor Condominiums  
Owners Association**

**Statement of Cash Flows  
For the Year Ended December 31, 2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Excess of revenues over expenses:	\$ 10,704	\$ 47,678	\$ 58,382
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
(Increase) decrease in assets:			
Assessments receivable	477		477
Prepaid insurance	(152)		(152)
Increase (decrease) in liabilities:			
Accounts payable	(1,081)		(1,081)
Assessments received in advance	(198)		(198)
Federal income tax payable	<u>100</u>	<u>      </u>	<u>100</u>
Net cash provided (used) by operating activities	\$ 9,850	\$ 47,678	\$ 57,528
<b>Cash flows from investing activities:</b>			
Certificates of deposit - net	<u>      </u>	<u>      </u>	<u>      </u>
Net cash provided (used) by investing activities	<u>      </u>	<u>      </u>	<u>      </u>
Net increase (decrease) in cash	\$ 9,850	\$ (24,744)	\$ (14,894)
Cash at beginning of year	<u>36,518</u>	<u>65,297</u>	<u>101,815</u>
Cash at end of year	<u>46,368</u>	<u>40,553</u>	<u>86,921</u>
<b>Supplemental disclosure:</b>			
Cash paid for income tax	<u>133</u>	<u>0</u>	<u>133</u>
Cash paid for interest	<u>0</u>	<u>0</u>	<u>0</u>

See accompanying notes to financial statements.

**Richmond Manor Condominiums  
Owners Association**

**Notes to Financial Statements  
Year Ended December 31, 2022**

**Note 1 - Nature of Organization:**

Richmond Manor Condominiums Owners Association is a statutory condominium association incorporated as a nonprofit entity in the State of Washington on February 4, 2003. The Association is responsible for the operation and maintenance of the common property of Richmond Manor Condominiums, which consists of 27 residential units located in Shoreline, Washington. The Association is subject to certain provisions of the Revised Code of Washington, Chapter 64.

**Note 2 - Date of Management's Review:**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the audit report, which is the date the financial statements were issued.

**Note 3 - Summary of Significant Accounting Policies:**

**Fund Accounting:**

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the uses of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

**Operating Fund** - This fund is used to account for financial resources available for the general operations of the Association. This fund includes a savings account used to accumulate financial resources designated for insurance expenditures.

**Replacement Fund** - This fund is used to accumulate financial resources designated for future major repairs and replacements. Expenditures from this fund must be approved by the Board of Directors.

**Cash and Cash Equivalents:**

The Association considers money market accounts and cash investments with an original maturity date of 90 days or less to be cash equivalents. The Association maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts.

**Member Assessments:**

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The annual budget and member assessments are determined by the board of directors, within certain restrictions. The Association retains excess operating funds at the end of the year, if any, for use in future periods. Assessments receivable at the balance sheet date represent amounts due from members and are stated at the amounts expected to be collected. The Association has the authority to assess late charges and, if necessary, place liens on properties of members whose assessments are delinquent.

**Richmond Manor Condominiums  
Owners Association**

**Notes to Financial Statements (Continued)  
Year Ended December 31, 2022**

**Note 3 - Summary of Significant Accounting Policies (Continued):**

**Property and Equipment:**

Real property and common areas acquired from the developer and related improvements to such property are not recognized as assets on the Association's financial statements. Those properties are owned by the individual members in common and not by the Association. Expenditures for improvements to such property are charged to expense in the period incurred. The Association capitalizes real property not directly associated with the units to which it has title or other evidence of ownership. There is no capitalized property at the end of the year.

**Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 4 - Future Major Repairs and Replacements:**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for operating purposes.

The Association commissioned a study by professional reserve analysts in 2021 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimate of replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures however may vary from the estimated costs and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional amounts are needed, the Association has the right, subject to certain limitations, to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until sufficient funding is available. In 2022, the Association budgeted and funded \$56,552.

**Note 5 - Federal Income Taxes:**

The Association is taxed as a regular corporation or it may elect to be taxed as a homeowners association under Internal Revenue Code Section 528. For the year ended December 31, 2022, the Association elected to be taxed as a homeowners association. Under that election, the Association is taxed only on its nonexempt function income, such as interest income, at homeowner association tax rates. Exempt function income, such as member assessments, is not taxable. The Association's tax returns are generally subject to examination by taxing authorities for three years after the returns are filed. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

Richmond Manor Condominiums  
Owners Association

Notes to Financial Statements (Continued)  
Year Ended December 31, 2022

Note 6 - Insurance Reserve:

The Association by-laws require that one-twelfth of the annual cost of insurance be set aside monthly in a savings account designated as an insurance reserve. Monthly contributions to this account take priority over all other disbursements from assessment revenue. At December 31, 2022, the amount on deposit in the insurance reserve account was \$16,982.

Note 7 - Commitments:

The Association has various contracts for services including but not limited to management and various maintenance services.

Note 9 - Risks and Uncertainties:

The Association's assessments receivable represents payments due from delinquent members, some of whom may be seriously delinquent. The Association anticipates collecting these balances through its collection efforts, including filing liens and legal actions against these members. The collection of these amounts will be affected by the foreclosure of liens superior to the lien by the Association such as mortgage lien holders, delinquent property tax liens, bankruptcies by the members, etc.

Note 10 - Management Company Transactions:

The management company is reimbursed for various administrative costs incurred on behalf of the Association.

Supplementary Information

Richmond Manor Condominiums  
Owners Association

Supplementary Information on Future  
Major Repairs and Replacements - Unaudited  
December 31, 2022

The Association commissioned a study by professional reserve analysts in 2021 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Future replacement costs were based on the estimated costs to repair or replace the common property components at the end of their useful lives assuming an annual inflation rate of 3.00 percent. The study also includes an interest rate of 1.00 percent.

The following information is based on the study and presents significant information about the components of common property. The information presented is only an excerpt from the complete study.

## 3- Minute Executive Summary

**Association:** Richmond Manor COA **Assoc. #:** 17195-3  
**Location:** Shoreline, WA **# of Units:** 27  
**Report Period:** January 1, 2021 through December 31, 2021

***Findings/Recommendations as-of: January 1, 2021***

Starting Reserve Balance .....	\$262,054
Current Fully Funded Reserve Balance .....	\$486,316
Percent Funded .....	53.9 %
Average Reserve (Deficit) or Surplus Per Unit .....	(\$8,306)
Recommended 2021 100% Monthly "Full Funding" Contributions .....	\$4,125
Recommended 2021 70% Monthly "Threshold Funding" Contributions .....	\$3,675
2021 "Alternate / Baseline Funding" minimum to keep Reserves above \$0 .....	\$3,175
Most Recent Budgeted Contribution Rate .....	\$4,098

**Reserves % Funded: 53.9%**

↓  
30%      70%      130%

**Special Assessment Risk:**

High      Medium      Low

***Economic Assumptions:***

Net Annual "After Tax" Interest Earnings Accruing to Reserves .....	1.00 %
Annual Inflation Rate .....	3.00 %

- This is a Update "No-Site-Visit" Reserve Study, meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 53.9 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Alternate Funding" in this report is synonymous with Baseline Funding, as defined within the RCW "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents.

# Unaudited Supplementary Information

## Executive Summary

17195-3

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Site / Grounds</b>			
120 Asphalt - Resurface	30	12	\$12,000
121 Asphalt - Seal/Repair	5	3	\$3,600
142 Wood Arbors - Repair/Replace	25	7	\$8,350
155 Vinyl Coated Steel Fence: Replace	20	19	\$4,000
160 Pole Lights - Replace	30	12	\$6,300
165 Grounds Lighting – Repair/Replace	10	1	\$3,700
170 Landscape - Refurbish	4	4	\$4,950
<b>Building Exterior</b>			
500 Steep Slope Roofing - Replace	25	7	\$46,975
505 Low Slope Roof - Recover	15	5	\$155,000
508 Skylights - Replace	25	7	\$20,500
510 Gutters/Downspouts - Repair/Replace	40	22	\$10,450
522 Siding: Hardieplank - Replace	50	32	\$147,560
530 Siding: Stucco - Clean/Inspect	15	0	\$3,650
533 Exterior Surfaces - Paint/Caulk	10	2	\$37,000
535 Windows - Replace	40	22	\$145,000
540 Decks - Clean/Repair/Re-coat	8	0	\$16,500
550 Deck Rail - Repair/Replace	40	22	\$32,500
580 Deck Doors - Repaint	15	12	\$4,200
605 Garage Doors - Repair/Replace	30	12	\$16,500
610 Garage Door Operators - Replace	15	0	\$3,600
<b>Building Interior</b>			
700 Carpet - Replace	15	12	\$44,000
710 Interior Walls/Trim - Paint	8	5	\$42,000
712 Stairwells - Paint	10	7	\$13,250
760 Furniture - Replace	20	5	\$3,000
<b>Systems / Equipment / Other</b>			
950 Entry Access System - Replace	15	0	\$3,000
955 Security Equipment - Replace	20	18	\$2,700
960 Elevator - Modernize	30	12	\$100,000
961 Elevator Cab - Remodel	20	2	\$8,350
965 Fire Alarm Panel - Replace	20	2	\$3,000
967 Fire System Pumps/Valves - Replace	20	2	\$7,100
999 Reserve Study - Update	3	3	\$2,100

### **31 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

# **Richmond Manor Condominium Owners Association**

## **Minutes of September 14, 2023 Board Meeting**

### **I. Call to Order**

This Meeting of the Board was called to order at 8:00 pm by President, Jerry Taylor. All other Board members were present thus constituting a quorum: Donna Edgerton, Laurie Otnes, Cheri Schuricht and Bob Terry. Sid Horvath also participated.

Jerry stated that the agenda for this Meeting included approval of Minutes of the July Board Meeting, election of Board Officers, and a discussion of the budget.

### **II. Review/Approval of Meeting Minutes**

**A motion was duly made, seconded and unanimously passed to approve Minutes of the July 13, 2023 Board Meeting.**

### **III. Election of Officers**

**A motion was duly made, seconded and unanimously passed to elect, by acclamation, Jerry Taylor as President, Cheri Schuricht as Vice President and Bob Terry as Secretary/Treasurer.**

### **IV. Financials**

Bob Indicated that the balance of our accounts at Seattle Bank is near the \$250,000 FDIC limit for insured protection and suggested that in early 2024 (upon the maturity of a CD at Seattle Bank) that the Board consider withdrawing ~\$20,000 and deposit the same in a new CD at Alliance Association Bank.

The August 2023 Financial Report was reviewed.

### **V. 2024- 2025 Budget**

Bob reviewed a DRAFT budget for 2024 – 2025. The Board will consider and adopt a Budget at the October 12, 2023 Board Meeting.

### **VI. Meeting Schedule**

Jerry provided the schedule of Meetings for the coming year as follows:

October 12, 2023	Board
November 9, 2023	Special Meeting of the Association (to ratify the Budget)
December 14, 2023	Finance Committee
January 11, 2024	Board
February 15, 2024	Finance Committee
March 14, 2024	Finance Committee
April 11, 2024	Board

May 16, 2024	Finance Committee
June 13, 2024	Finance Committee
July 11, 2024	Board
August 15, 2024	Finance Committee
September 12, 2024	Meeting of the Association
September 12, 2024	Board Meeting (to elect officers)
October 10, 2024	Board
November 14, 2024	Special Meeting of the Association (to ratify the Budget)
December 12, 2024	Finance Committee

The meeting adjourned at 8:40 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer

# **Richmond Manor Condominium Owners Association**

## **Minutes of October 12, 2023 Board Meeting**

### **I. Call to Order**

This meeting of the Board was called to order at 7:00 pm by President, Jerry Taylor. While Donna Edgerton and Cheri Schuricht were absent two (2) other Board members were present (Laurie Otnes and Bob Terry) thus a quorum was achieved. Owners present included: Doris Beck, Linda Harvey, Kaare Otnes, Andi and Drake Loeser, and Chuck Hynden. Manager Sid Horvath was absent.

### **II. Announcements**

Jerry announced that on November 9, 2023 there will be a Special Meeting of the Association to ratify the 2024 budget.

### **III. Review/Approval of Meeting Minutes**

**A motion was duly made, seconded and unanimously passed to approve Minutes as previously issued of the September 14, 2023 Board Meeting.**

### **IV. Reports**

#### **a. Manager**

Jerry, reporting for Sid, indicated that TK had been informed of the outage of several lights in the elevator cab. While TK did visit the property recently the lighting issue remains unresolved.

Jerry will inquire of Sid the status of replacement and testing of certain dry type sprinkler heads.

#### **b. Lawn and Garden**

Reporting for the Committee, Andi stated that two dead arborvitae will be replaced in November 2023. One will be planted in our front yard where a dead arborvitae was removed, and the other will replace the dead arborvitae on the north bank. On Wednesday, November 15, 2023, Washington Tree Service will prune our two west side birches so they will not brush against our building. A wayward branch will also be removed from our largest redbud tree. Work will begin between 8:30 and 9:00 a.m. and will take about an hour and a half.

#### **c. Security**

Nothing to report.

#### **d. Finance**

As there were no questions or concerns raised in regards to the September 2023 Finance Report it will be issued to owners.

## **V. New Business**

### **Proposed 2024 Budget**

Bob provided a summary of the Proposed 2024 Budget indicating that:

- a small surplus (+ net income) is forecast for 2023, and
- a relatively similar deficit is projected for 2024,
- no increase in HOA is currently foreseen as needed for 2024 in part as we currently have a healthy balance in our checking account.
- significant increases in certain utility rates for 2024 have been announced including 9.5% for electricity and 9.8% for wastewater.
- a 7% increase is forecast for insurance though this is considered a “wildcard” as major increases have been recently announced in some areas.
- one reserve category expense is planned for 2024: resealing the outside parking and drive areas.
- reroofing (estimated to cost at least \$250,000) is likely only 2-3 years in the future.

**Following a review, the Board by motion duly made and seconded, unanimously adopted the Proposed 2024 Budget as presented.**

The Adopted Budget will be distributed to owners ahead of the November 9, 2029 Special Meeting of the Association for ratification.

## **VI. For the Good of the Order**

Nothing mentioned of note.

The meeting adjourned at 7:35 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer

# **Richmond Manor Condominium Owners Association**

## **Minutes of November 9, 2023 Special Meeting of the Association**

### **I. Call to Order**

The meeting was called to order at 7:00 pm by President Jerry Taylor in the 3<sup>rd</sup> Floor Common Area Room. Other Board members present included: Donna Edgerton and Bob Terry. Other owners present included: Doris Beck, Chuck Hynden, Bev Klein, Andi Loeser, Luis Munoz, Kaare Otnes, Carole Remme, Betty Roberson, Edy Strand & David Ridge and Linda Weschler.

Per RCW 64.34.308, a quorum is not required for this Special Meeting. Notice of the Meeting and information on the Proposed Budget were distributed via US Mail as well as by e-mail from the Manager.

Jerry stated that the purpose of the Special Meeting was for owners to ratify the Budget that had been adopted by the Board at the October 12, 2023 Board Meeting.

### **II. Ratification Vote: 2024 - 2025 Proposed Operating and Reserves Budget**

Following discussion and an opportunity for questions related to the 2024 -2025 Proposed Operating and Reserves Budget:

**By motion duly made, seconded and unanimously approved the Proposed Budget is ratified.**

### **III. Adjournment**

The meeting adjourned at 7:20 pm.

Respectfully submitted,

Bob Terry  
Secretary/Treasurer