



River Crossing Homeowners' Association

P.O. Box 14485

Mill Creek, WA 98082

info@rivercrossinghoa.org

**2023 Year-end Financial Report
January 16, 2024
For February 1, 2024 Annual Meeting**

To begin the 2023 Year-end Financial Report, I would like to address the need for 2024's 10% increase in dues because of questions received from homeowners.

For approximately the first 18 years of the HOA, dues were not increased, even though costs continued to escalate. In 2022, we had to use \$5,5089.88 from savings to meet expenses. When the 2023 Budget was approved, it included \$10,241 from savings to cover anticipated expenses.

The Board, in good conscience, could not let dependence on savings to meet expenses continue and made the decision to raise the dues according to the provisions in the CC&Rs/Bylaws by 10% this year. The increased dues by \$47.50, or \$4,607.50 additional revenue. At the same time, we are attempting to reduce costs so that projected revenue meets projected expenses. What needs to be recognized is the development is now 23 years old and unforeseen maintenance and repairs are occurring and future ones are inevitable.

River Crossing dues provide for maintenance of all River Crossing common areas, including utilities, taxes, the park, signage, holding ponds, at the north end of the development and half of the maintenance costs of the holding pond on the southwest side of the entry. It also covers monthly landscaping services, insurance, removal of greenbelt trees considered a danger to homes along the greenbelt and ongoing maintenance of irrigation and landscape lighting, as well as general miscellaneous maintenance.

We have on order a new pump for the holding pond, that with installation, is projected to cost around \$8,000. The pump is required to reduce the growth of algae, incubation of mosquitoes and help reduce the buildup of debris. A potential major cost to the association, in the future, may be having to clean out retention ponds as they build up sludge and debris over time. The Board had an estimate a number of years ago and were told the cost could run anywhere between \$40-50,000 dollars. It is important to maintain an adequate savings balance in an effort to avoid having to issue large assessments when a major repair arises. The Board is currently investigating working with a consultant to determine what a reasonable fund balance should be.

Our dues increase is still significantly below most developments in Mill Creek. The following developments: Aspen, Chatham Park, Cottonwood ,Cypress , Douglas Fir, Evergreen, Fairway , Fairway Fountains,

Heatherstone, Holly, Huckleberry, Juniper , Laurel, Magnolia. Red Cedar. Spring Tree, Sunrise, Sun Rose, Sweetwater Ranch, Swordfern, Vine Maple, Wildflower Park, Willow. Woodfern. Winslow are all single family

developments under the Mill Creek Community Association. Their dues are currently \$674 per year and according to the MCCA Office most likely will increase in July of 2024.

For a number of years, it has been necessary to utilize savings to meet budget expenditures. In setting the budget for 2024, the board is proposing a balanced budget, with the intent to try and eliminate or significantly reduce the need to utilize savings to meet expenditures.

In 2023, a \$56,351.00 budget was approved.

There was income of \$45,675.00 from annual dues, \$347.47 interest earned from savings and \$1,000.00 received in transfer fees from the sale of two homes, for a total income of \$47,022.47.

To balance the budget, the approved budget included transfer of \$10,241.00 from savings to meet projected expenses. Actual transfer from savings needed was \$11,421.82, or an additional \$2,093.29 to balance the budget. There was an error in QuickBooks that could not be fixed without making an entry adjustment of - \$1667.20 due to issues with entry of billing errors by Natural Concepts. The year ended with total Assets of \$65,086.16. The following Balance sheet details Assets, Equity and Expenditures.

2023 Balance Sheet

Current Assets

Checking/Savings	61,766.28
RCHOA Business Money	
Market	3,319.88
RCHOA Community	
Business	65,086.16
Total Checking/Savings	
Accounts Receivable	0.00
11000 · Accounts	
Receivable	0.00
Total Accounts	
Receivable	65,086.16
Total Current Assets	65,086.16

Equity

30000 · Opening	
Balance Equity	78,175.18
Net Income	47,022.47
Net Expenditures	-58444.29
Adjustment:	
QuickBooks Error	-1,667.20

Total Equity **65,086.16**

We ended the year with a savings balance of \$61,766.28 and checking account balance of \$3,319.88 or total equity of \$ 65,086.16. In 2022, our equity was \$78,175.18 at the end of the year, meaning we had a reduction in equity of \$13,089.02 at the end of 2023.

A detailed Profit and Loss Budget to Actual Report is attached that shows each line item. The first column indicates what was budgeted, the second column shows actual 2023 expenditures for each area, the third column gives a brief explanation of expenditures and the fourth column shows the proposed budget for 2024.

As of the date of this report, February 16, twenty-seven (27) homeowners have paid their 2024 dues.

Respectfully submitted:



Fred Row, RCHOA Treasurer

Attachment: Profit & Loss Budget vs. Actual January 1 – December 21, 2023 Report and 2024 Proposed Budget