

TREASURER REPORT

Sunset Ridge North Homeowners Association

Major Findings

- The Board made the courageous, difficult but necessary decision to switch Management Companies. Cedar made numerous egregious errors from Financial reporting (not one month had accurate reporting), complete fabrications on payments, not following directions from the Board, not doing normal Mgt company duties, offering a 3% increase but awarded themselves 5%, not knowing nor reading the Covenants nor number of homes in each category, among other things.
- The new company, GrandChester Meadows (GCM), made an immediate major finding in which the actual number of members is 599, not 597.
- The Board elected to create a Finance Committee to formally review all financial transactions and create new and accurate 2025 Budgets as well as propose 2026 budgets. The identified findings were staggering. Payments from incorrect accounts and completely fabricated payments on the Income & Expense monthly statements were in the hundreds of thousands of dollars.

No findings show any money missing.

Members: Bob Fennel, Craig Lewis, Michael Owens, Yavi Hover, Suzie Clark & Steve Kroupa

- Biggest issue is no Reserve contributions were made by Cedar for the TH and Master in 2023, no Alleyway Reserve contribution for 2024, and no Reserve contributions for all 3 Reserve Accounts in 2025. The total owed to the 3 accounts is \$130,552.85 (Master: \$15,925.52; Alleyway:\$13,636.70; TH:\$100,970.63) has been confirmed by the board. The THs number is the net missing of cash transfers and payments made by the Master on behalf of the THs and payments made by the THs on behalf of the Master in addition to no TH Reserve deposits.
- Based on actual payments, the Master overspent by \$39006.72. Most was the contractual cancelation fee from Cedar and the net of payments on behalf of the THs. If Reserve deposits for the Master and Alleyway were made, this figure would have been \$65159.81. The THs underspent by \$204,569.86. Most was the lack of the \$157323.09 Reserve contribution and the net of payments made by the Master
- Mega Landscaping error uncovered in which the THs were paying for several areas that are Master Common areas for possibly 20 years. This error could be close to \$200,000 and is not being addressed at this time. One Finance Committee member who was on the board years ago, was aware the 'property' was under the Master but unaware the THs were paying for it.

Financial Challenges

- Payment to all 3 Reserve accounts could take years. With the Master Reserves at \$65455 and 2026 dues coming in with the Master Reserves budgeted with \$35400, GCM has a couple of suggestions. Based on amount and immediate need, getting as much reimbursed to the THs is the priority.
- After 3 years with a cumulative 52% dues increase, the TH dues will remain the same.
- Getting all delinquent dues paid. Master is roughly \$2000; THs is over \$22000.

Next Steps

- Continue to have a FC for oversight. Far better to have committee members from all types of homes: SF, Alleyway, TH and Condo.