

**ACBC Annual Meeting
Treasurer's Report
February 2, 2019**

ASSETS

At year end of 2018, ACBC held the following current assets:

CURRENT ASSETS		Dec 31, 2018
Checking/Savings		
Capital One #9078 - Savings		
C1 - Contingency/Reserve	\$	64,000
C1 - Interest - Savings	\$	1,187
C1 - Restricted - Playground	\$	4,959
C1 - Savings	\$	35,052
Total Capital One #9078 - Savings		\$ 105,198
Heritage Bank Business Checking		
Contingency/Reserve	\$	60,000
Pool Assessment 2016	\$	(48,634)
Pool Donations	\$	865
Restricted - Erosion Reserve	\$	8,095
Restricted - Hardship Fund	\$	1,650
Restricted - Pool	\$	3,394
Swim Scholarship	\$	162
Unrestricted	\$	105,574
Heritage Bank Business Checking - Other	\$	(124)
Total Heritage Bank Business Checking		\$ 130,982
Total Checking/Savings		\$ 236,180

As of January, 2019, Island County has assigned a market value of \$1,700,805 to ACBC's real estate assets.

INCOME

Our income breakdown for 2018 was as follows:

INCOME		Jan 1, 2018 - Dec 31, 2018
Income		
Dues Revenue		
Dues, Associate Members Annual	\$	450
Dues, Members Annual	\$	152,746
Prior Balances 09/30/2012	\$	265
Total Dues Revenue		\$ 153,460
Facility Usage Revenue		
Facility Deposit	\$	725
Facility Usage Revenue - Other	\$	230
Total Facility Usage Revenue		\$ 955
Pool Assessments 2016		
Assessment Income	\$	68,720
Assessment Refunds	\$	332
Total Pool Assessments 2016		\$ 69,052
Pool Donation Revenue	\$	25
Pool Usage Fee Revenue	\$	6,080
Returned Check Charges	\$	200
Service Charge Income	\$	4,330
Transfer Fee Revenue	\$	2,900
Total Income		\$ 237,002

MEMBERSHIP & RECEIVABLES

During 2018 there were two lot combinations, several owners of multiple lots sold some of their parcels, and 58 parcels were sold or transferred to new owners.

As of 12/31/2018, we had \$241,854 of dues, fees and assessments past due, and improvement over 2017's amount due of \$263,778. This sum is based on a total of 689 parcels owned by 589 members. Over the year the number of members in good standing steadily increased from 388 (12/31/2017) to 441 (1/14/2019). Specific statistics regarding membership are below:

PARCEL DATA				MEMBER DATA			
# of parcels	that owe	for a total of	average per parcel	# of members	that owe	for a total of	average per parcel
491	<= \$ 5	\$ 1	\$ 0	434	<= \$ 5	\$ 1	\$ 0
1	<= \$ 100	\$ 61	\$ 61	1	<= \$ 100	\$ 61	\$ 61
9	<= \$ 250	\$ 1,419	\$ 158	4	<= \$ 250	\$ 583	\$ 146
32	<= \$ 500	\$ 10,616	\$ 332	25	<= \$ 500	\$ 8,316	\$ 333
16	<= \$ 750	\$ 9,864	\$ 617	8	<= \$ 750	\$ 4,946	\$ 618
24	<= \$ 1,000	\$ 21,236	\$ 885	15	<= \$ 1,000	\$ 13,354	\$ 890
46	<= \$ 1,500	\$ 57,332	\$ 1,246	36	<= \$ 1,500	\$ 44,716	\$ 1,242
67	<= \$ 3,000	\$ 130,494	\$ 1,948	53	<= \$ 3,000	\$ 107,650	\$ 2,031
3	<= \$ 5,000	\$ 10,831	\$ 3,610	10	<= \$ 5,000	\$ 37,887	\$ 3,789
0	\$ 5,000 +	\$ -		3	\$ 5,000 +	\$ 24,340	
689		\$ 241,854		589		\$ 241,854	
# of Perc Parcels			606	Members in Good Standing			441
# of Non-Perc Parcels			83	Members Not in Good Standing			148
Total # of Parcels			689	Total # of Members			589

Invoices for 2019 dues will be mailed the week of February 3rd. Annual dues for each perc parcel is \$320; annual dues for each non-perc parcel is \$160. Payment options, including a new way to use a credit card, will be included on the invoices.

POOL REFURBISHMENT

The pool refurbishment budget was set at \$560,000 in 2016. After a many month process, the pool re-opened in August of 2018, with expenses to date totaling \$550,135.

INDEPENDENT REVIEW - 2017

On August 8th an independent review of ACBC's 2017 documents and financial data was completed. A summary of key comments follows:

- Bookkeeping was handled by the Treasurer and an independent bookkeeper, using a secure VPN server.
- Bank account reconciliations were in good order.
- Voided checks and NSF checks were correctly tracked.
- Bank deposits tracked well to the mail logs, accounting software, and bank statements.
- Accounts payable and checks issued also appeared to be in good order, all receipts and bills tested had all required documentation and matched the accounting software.
- The payroll and filings was processed by the independent bookkeeper, and reconciled at year-end without issue.
- In the accounts receivable, the separation of dues and assessments allowed for improved tracking. Assessment refund activity presented some challenges, but implemented procedures allowed the accounts to reconcile at year end.
- In the second half of 2017 the policy to refund overpayments of \$5.00 or greater was implemented.
- Associate Members fees totaled \$1,000, well below the IRS Form 990-T unrelated business income (UBI) threshold.
- Tracking of Square credit card revenues from member account payments, pool fees, and shirt sales was much improved in 2017 and reconciled to the accounting software.

- The annual IRS Form 1099 for 2017 was prepared by an independent accountant, with vendor records being up to date for this purpose.
- The need to update and/or correct member accounts is ongoing, but any updates made were not part of this review.
- The Board meeting Minutes appear to be reasonably clear and demonstrate good continuum and follow through in discussions.
- Budgets for 2017 were entered into the accounting software, but budget tracking reports are not part of the Treasurer's report.
- The established monthly financial information format was continued in 2017, and was reviewed monthly by the Board. The report summarizes information and the following page(s) list all expenses paid for the month. The independent accountant continues to recommend a budget versus actual report be posted for transparency.
- The Board of Directors continues to do a very good job of working through the needs of and meeting the objectives of ACBC, and the independent accountant appreciates and understands the need to further out source more of the work required of the Treasurer's position.

INDEPENDENT REVIEW - MID-YEAR 2018

Due to the change of bookkeeping services on May 1, 2018, on August 8th an independent review of ACBC's mid-year 2018 balance sheet and profit & loss reports was completed. A summary of key comments follows:

- Accounts Receivable for both dues and assessments were updated so that appropriate credits and refunds were made, and the independent accountant is working with the bookkeeper to improve procedures.
- The Capital One accounts needed to be reconciled to the accounting software.
- The Heritage Bank account needed to have several corrections made to account postings in the accounting software.
- The PayPal account needed a refund to be created.
- The pool assessment fund balance needs to be reconciled after the correction of the above items.
- Eight items relating to accounting software entries need to be corrected.

ADMINISTRATIVE SERVICES

On May 1, 2018, administrative services, including bookkeeping, were transferred to Branch Business Services (BBS). Considering the large number of parcels and members in ACBC, the transfer has been relatively smooth. BBS is managing the Club's accounting software, providing payroll services, supporting the escrow process, working with our independent accountant, and responding to members' account inquiries. As Treasurer, I want to thank both BBS and ACBC for supporting this move, as it provides a consistent framework and process for our organization, which results in improved member services.