

Whisperwood Home Owner's Association

Treasurer's Report

For Month Ending January 31, 2025

Checking Balance	\$47,088.22
Money Market Balance	\$108,948.81
CD 6490	\$108,482.83
CD 6802	\$81,362.12
TOTAL	\$345,881.98

Dues collected to date	112 lots	\$33,600.00
Late Fees Collected to date		\$70.00
Money Market Interest to date		\$198.58
Insurance Claim Received	Fixed Assets	\$5,914.68

We are severely behind in collecting 2025 dues with 111 rooftops having yet to pay.

CURRENT BILLS

Reimbursement to Randal Hamilton for signage	Administrative Costs – Office Supplies	\$44.30
2024 invoice from Ashton-Waldon that was not received. Paid less 10% discount. (Addendum Attached)	Grounds Maintenance – Weed Control	\$247.45
2025 Yearly Chemical Lawn Care by Ashton-Waldon. Paid less 10% discount. (Addendum Attached)	Grounds Maintenance – Weed Control	\$1,456.50
LP&L	Utilities – Water - Pool	\$639.09
LP&L	Utilities – Water - Grounds	\$118.02
Reliant	Utilities – Electricity - Pool	\$506.79
Atmos	Utilities – Pool Heating	\$85.78
AT&T	Utilities – Pool Phone/Internet	\$142.41
Steve Fleetwood	Grounds Maintenance – Groundskeeper	\$1,600.00
Brenda Lindsey (unbudgeted) (Addendum Attached)	Administrative Costs - Miscellaneous	\$1,000.00

Randal Hamilton -Reimbursement for Gift Cards (unbudgeted) (Addendum Attached)	Miscellaneous Expenses	\$200.00
City of Lubbock Library	Administrative Costs - Meeting Room	\$125.00
TOTAL EXPENSES		\$6,165.34
Less 2024 Expenses		\$447.45
TOTAL JANUARY EXPENSES		\$5717.89

OUTSTANDING BILLS

Meeting Room for Working Session

I would like to make a note that I have not received any bill or invoice for the use of the meeting room for the working session held December 29, 2024. At this time, I am unsure how the room was paid for.

To ensure transparency and avoid any potential appearance of impropriety, the HOA should determine who covered the cost of the room. If it was privately funded by an individual member, the association should promptly reimburse them. This action would uphold our commitment to impartiality and ensure that all HOA-related expenses are handled appropriately through association funds. The expenditure was incurred in year ending 2024 and should have been expensed during 2024. In that the expense wasn't paid in 2024, an exception will need to be made to pay the expense in 2025. A report justifying the expense will be required once the investigation and reimbursement is complete for auditing purposes.

2024 EXPENSES

Appreciation Gift Cards – Reimbursement to Randal Hamilton

During the October 16, 2024 properly noticed board meeting, gift cards for members who volunteered at the pool were approved by the board. However the expense wasn't incurred until 2025. An addendum to the Treasurer's Report is attached justifying this expense in detail for auditing purposes.

Chemical Lawn Care – Ashton-Waldon

During the October 16, 2024 properly noticed board meeting, the board voted to pay outstanding Invoices and honor any current contracts in light of the fact there was no operating budget for 2024. The final 2024 invoice from Ashton Waldon was not received in a timely manner, and therefore remained approved but outstanding when the books were closed for 2024. When Ashton-Waldon was contacted they offered a 10% discount on the outstanding invoice and the follow year's services if we paid for the year in full. Since the expense was already approved in the 2025 budget, the outstanding invoice and the following year payment was made to secure the discount and ensure uninterrupted service. An addendum to the Treasurer's Report is attached justifying this expense in detail for auditing purposes.

UNBUDGETED EXPENSES

Third Party Election Receiver – Brenda Lindsey

During the December 12, 2024 properly noticed board meeting the board voted to incur this unbudgeted expense. A justification addendum is attached to this Treasurer's Report to provide detail for auditing purposes.

Submitted for the permanent record.

Respectfully,

A handwritten signature in black ink that reads "Rehj Hoeffner". The signature is written in a cursive style with a large, sweeping initial "R".

Rehj Hoeffner
Secretary-Treasurer,
Whisperwood Home Owner's Association

Addendums Attached : \$ 200.00 ADDENDUM: GIFT CARDS FOR VOLUNTEERS
\$1,703.95 ADDENDUM: ASHTON-WALDON
\$1,000.00 ADDENDUM: BRENDA LINDSEY

Investigation Requested: Payment for Meeting Room for December 29, 2024 Work Session

ADDENDUM: GIFT CARDS FOR VOLUNTEERS

Report: Justification of Appreciation Gift Card Expense

The board approved the purchase of Appreciation Gift Cards during the November 1, 2024 properly noticed board meeting to recognize volunteers for their contributions during the year. The total cost was \$200. However, the payment was processed in 2025 due to timing constraints and end-of-year operational schedules.

Reason for Payment in a Different Year

As the HOA uses accrual accounting, the expense has been recorded in the financial statements for 2024, consistent with the year of board approval and the intent of the expenditure. A journal entry will be made to show the expense on the amended YE 2024 Profit and Loss Statement. The actual payment, made in 2025, has been logged as a cash outflow in the current year but remains tied to the 2024 fiscal year for accurate financial reporting and creating more accurate budgets.

Best Practices

To streamline future reporting, I recommend creating a "Contingency Expenses" line item in the 2026 Budget for similar small, approved but unplanned expenses.

Submitted for the permanent record

Respectfully ,

A handwritten signature in black ink that reads "Rehj Hoeffner". The signature is written in a cursive style with a large, sweeping initial "R".

Rehj Hoeffner

Secretary-Treasurer

Whisperwood Home Owner's Association

ADDENDUM: ASHTON-WALDON

Report: Justification for Paying 2024 Chemical Lawn Care Services in 2025 & 2025 Yearly Expenses

Chemical lawn care services for the Whisperwood HOA were performed in 2024, as part of board-approved maintenance services for the year 2024. While the expense was approved, the vendor's invoice was not received until early 2025 due to an apparent delay in delivery to the HOA.

Reason for Payment in a Different Year

Accrual Accounting Compliance: Under accrual-based accounting, a journal entry will be used to record the expense in 2024 so it will not show up on the 2025 Profit and Loss Statement and skew the budget. The YE 2024 Profit & Loss Statement will be amended.

Justification for Payment

Board Approval: The board approved the chemical lawn care services at the properly noticed meeting of October 16, 2024 as part of reconstituting the board, ensuring that the cost was anticipated and authorized. Payment is not unbudgeted, as it is part of the pre-approved expenditures for the 2024 fiscal year.

2024 Invoice \$270.50 less 10% = \$243.45

2025 Yearly Services \$1,623.50 less 10% = \$1,460.50

Resolution

The vendor offered a 10% discount for this outstanding invoice and for annual prepayment of services. Since the HOA has a long-standing relationship with this vendor, there had been no discussions about changes to this service, and the expense was already approved in the 2025 budget, the payment was made for the year to secure the discount and ensure uninterrupted service. This action aligns with the board-approved budget, the Treasurer's responsibilities as outlined in the bylaws, and established operational practices.

Best Practices

Year-End Review: Ensure all expected invoices for approved contracts and services are accounted for before closing the fiscal year.

Vendor Communication: Request electronic invoices from all vendors for services to reduce reliance on postal delivery.

Submitted for the permanent record.

Respectfully ,



Rehj Hoeffner, Secretary-Treasurer
Whisperwood Home Owner's Association

ADDENDUM: BRENDA LINDSEY

Report: Justification of the \$1,000 Unbudgeted Expense for a Third-Party Election Receiver

On December 12, 2024, during a properly noticed board meeting, the Whisperwood HOA Board of Directors voted to approve an unbudgeted expenditure of \$1,000 for a third-party election receiver. This topic was included on the meeting agenda and discussed before the vote. The decision was made to ensure a free, fair, and transparent election process, and the introduction of the third-party concept was incorporated into the 2025 Election Policy, which was passed during the same meeting through a series of policy votes.

Reason for Unbudgeted Expense

The \$1,000 expense for the third-party election receiver was not included in the HOA's budget for 2025. This omission can be attributed to the following:

- **Uncertainty Regarding the Election:** At the time the budget was created, it was unclear whether an election would occur in January 2025.
- **First Budget in Over 20 Years:** This was the first formal budget created for the HOA in over two decades. As such, certain expenses were not included for lack of historical spending.

Justification for the Expense

The decision to approve this unbudgeted expense was justified based on the need to establish trust and confidence in the election process. The use of a third-party election receiver was seen as a critical measure to ensure transparency and fairness, especially as outlined in the 2025 Election Policy passed at the same December 12, 2024 board meeting.

Conclusion

While the \$1,000 expense for the third-party election receiver was not budgeted, it was properly discussed, voted on, and justified to meet the HOA's immediate needs. The expenditure reflects the HOA's commitment to fair and transparent elections, which are essential for maintaining trust within the community.

Best Practices

Should the board decide to hire a third party receiver for future elections, it would be wise to pass a Third Party Receiver Policy to outline their duties in order to ensure they follow the election policy rules in order to qualify for payment.

Submitted for the permanent record.

Respectfully ,



Rehj Hoeffner, Secretary-Treasurer
Whisperwood Home Owner's Association