

RHODODENDRON PARK MAINTENANCE COMPANY  
FIRST MEETING MINUTES OF NEW BOARD  
10-5-98

The meeting was called to order by Rex Pulfrey, new President of the Home Owners Association at 7:12 p.m..

<u>ROLL CALL</u>	<u>Present</u>	<u>Absent</u>
Board Members:	Rex Pulfrey Steve Linderman Molly Kitselman Tom McMahon Don P. Miller Ron Stevens Norma Tomaro	Carol Woolery Max Shook Carol Ann Sanderson
Guests:	Debbie Behm Andrea Knutson Alice Lang Carole McMahon Virginia Klein Craig Jones	

Minutes from the 10-1-98 "Executive Board" meeting were read by Steve Linderman. The issues of the bank account was brought up - there is now 3 people to sign on the checks.

Minutes of last board meeting read. Motion by Rex Pulfrey to accept both sets of minutes; motion seconded. MSC

Craig Jones, former President of the Board, spoke to the new board members on some of the way his board did things. He brought in some papers for the new boards review. Don P. Miller is going to make copies of them for the board.

No old business was discussed, since it was taken up at the annual meeting.

NEW BUSINESS

Alice Lang spoke to the Board regarding the issue of the audit. Motion by Don Miller to accept the \_\_\_\_\_ as amended; seconded. MSC

The board has purchased and put in place, new picnic tables in the park, or fix them up.

The existing fence and purchase of new swings and sprinklers were addressed. The cost for replacing the existing swings was \$420.16 and to purchase new sprinklers was \$405.56 for a total to replace these items of \$825.72. Motion by Tom McMahon to spend the money for the swings; motion seconded. MSC Motion by by Tom McMahon to spend money for new sprinklers; motion seconded. MSC

There was further discussion about the playground equipment, which is

going to be researched further and brought up again at the next monthly meeting of the board.

The issue of the audit/review of books addressed again - and it was decided that Carole McMahon would be on the same and Alice Lang would act as a specialist on the issue.

Motion by Molly Kitselman to create and form a committee to examine books for review, to reconstruct and repair books and cause a CPA to look over them; motion seconded. MSC

Carole McMahon, Molly Kitselman and Alice Lang to be on the committee

Motion by Don Miller to make a change in the bi laws requiring that an audit/review be done every year; motion seconded. Discussion was held - Motion by Molly Kitselman to table this motion to allow it to be brought up to address further board members.

Motion to accept the financial report of 9/98 as submitted and amended; motion seconded. MSC

Motion by Don Miller to make trees a high priority to end this issue

Motion by Molly Kitselman to increase the petty cash from \$25.00 to \$100.00. Motion seconded and an amended motion was made by Don Miller to increase the petty cash to \$50.00 for a 30 day trial period. MSC

The newsletter was addressed; issue of bids to be taken to resurface the tennis court and was tabled at this time. Debbie Behm has volunteered to be on the newsletter committee. Motion to approve the money for sending out the newsletter was also tabled at this time.

The issue of pets was addressed. It was decided that the board prepare a committee to address pet issues and that a zero tolerance be taken for pets roaming loose in the park.

There was also discussion about issuing I.D. cards to home owners and was tabled at this time as well.

The issue of signs was also tabled for the next meeting.

Motion by Ron Stevens to purchase a leaf blower for Jud. The board felt bids should be taken and the best bid taken and a leaf blower to be purchased. MSC

Motion by Ron Stevens to increase the maintenance salary, to double the current wages being paid; motion amended by Molly Kitselman to pay the maintenance person 80 hours per month and average it over a one year period; motion seconded. MSC Maintenance person to be paid 80 hours per month, 12 months per year, which will average out the time spent in lean times where not much maintenance is needed. Molly Kitselman made a motion to amend the prior motion to increase Jud Klein's maintenance salary retroactively from 10/98; motion seconded.

MSC

The next monthly board meeting will be held the first Monday in November, which is November 2nd at 7:00 p.m.

The meeting was adjourned at 9:30 p.m.

**GARY  
ALLEN  
CARLINGTON**

CERTIFIED PUBLIC ACCOUNTANTS

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**September 30, 1998**

**Board of Directors  
Rhododendron Park Maintenance Company  
P.O. Box 7273  
Bonney Lake, Washington 98390**

**Dear Board Members:**

**Thank you for the opportunity to present this proposal concerning the year end audit of the financial statements of Rhododendron Park Maintenance Company for the year ended August 31, 1998 as well as auditing and other services for prior years.**

**An audit is normally performed for the purpose of having the CPA firm express an opinion on whether or not the company's financial statements are presented in accordance with "generally accepted accounting standards". If, upon completion of the audit, the CPA has found no significant accounting problems, the firm expresses an "unqualified opinion" that the financial statements do present fairly the financial position and results of operation of the company in accordance with generally accepted accounting principals (GAAP).**

**If the CPA encounters significant accounting problems in the course of the audit which cannot be corrected, the firm must either express an "adverse opinion" which states that the financial statements do not present fairly the financial position and results of operations of the company in accordance with GAAP, or, describe the specific shortcomings in the auditor's report. The choice is determined by the significance of the problems in relation to the financial statements as a whole.**

**In order to make this proposal I met with your committee which is determining what type of accounting and auditing services you wish to have performed. A very brief review of the records and your financial statements revealed at least two accounting problems which will need to be corrected in order for us to issue the "unqualified opinion" mentioned above. First, a balance sheet has never been prepared which shows the assets and liabilities of the company. This is one of the basic financial statements of any company and one would have to be reconstructed before we could begin the actual audit. This means, among other things, that the original cost of all common area land, equipment, etc would have to be determined from old records and depreciation computed from the time of acquisition for some items. This is likely to require a significant amount of work but once completed, the information can be carried forward in future years and should not require duplication from year to year.**

Second, I observed that the tax returns of the organization appear to have been filed using a variety of fiscal year ends. IRS does not allow you to change your fiscal year end without their permission. In addition to the potential IRS problems, this means that different year end data is being used to file the tax returns than is being used for your internal financial reports. This results in some duplication of effort. We will need to research your old tax filings and attempt to straighten out this matter before you have problems with IRS.

As I mentioned, I noted these two issues as a result of a very brief look at your records. It is, of course, possible that other questions may arise during the course of the audit. If we note other issues of significance, we will bring them to your attention as we proceed.

As a result of my preliminary findings and my discussions with your committee, I am making this proposal in two parts. The first relates to the "normal" accounting and auditing services. As requested, I have broken the cost down by various options as to the type of financial report you may wish to have for each of the years under consideration. In addition to the nature of the audit report as described above, the audit requires significant verification procedures with outside parties and a detailed examination of your records and procedures. This calls for a great deal of documentation, especially the first time the work is done.

A "review" is much less comprehensive in the scope of work than an audit. We would perform certain analysis procedures on your financial statements and would question anything out of the ordinary that came to our attention but would not do the outside verification and detailed examination of the records called for in an audit. Our report letter would normally state, if appropriate, that nothing came to our attention that would lead us to believe the financial statements were not in accordance with GAAP. In a "compilation" we recast your financial data in the format of financial statements and make any adjustments that come to our attention. However we do not do any analysis work or detailed examination of your records. Our report letter does not give any assurance as to the presentation of the financial statements in accordance with GAAP.

In order for us to perform any of the three levels of service, we would first have to do the reconstruction of the balance sheet as described earlier.

With all of this in mind, I wish to offer the following proposals for the work to be done:

#### I. AUDITING, REVIEW OR COMPILATION SERVICES FOR VARIOUS YEARS.

		Audit	Review	Compilation
Year ended August 31,	1995	N/A	\$850	\$500
"	1996	N/A	\$850	\$500
"	1997	\$3,500	\$850	\$500
"	1998	\$2,900	\$850	\$500

The first performance of any audit requires much more time, effort and documentation than in subsequent years. Particularly when no such work has been done in previous years. Therefore it is very likely that subsequent audits could be performed for several hundred dollars less per year.

## II. ACCOUNTING SERVICES RELATED TO THE RECONSTRUCTION OF RECORDS:

Due to the uncertainty of what we will encounter, I can only propose an hourly rate for whatever amount of time is required. To the extent that you can provide assistance in locating old records and other help that may be needed, the number of hours would be reduced. Based on prior experience in similar situations, I would estimate that the cost to reconstruct the balance sheet, determine what assets the company owns, and locate their original cost will range between and \$800 to \$1,200. Should we encounter unusual difficulties which would cause the cost to significantly exceed this range, we would let you know immediately. The cost of resolving the tax reporting difficulties should amount to approximately \$200 to \$300.

The rate per hour shown is an average since more than one person would be involved in these projects.

Accounting services related to reconstruction of records and resolution of tax filing discrepancies:  
\$70 per hour

I would like to recommend that you choose the audit for 1998, review for 1997 and compilations for prior years as the most cost effective approach for your organization. Of course, as previously mentioned, the accounting and tax problems would also need to be resolved prior to beginning any combination of financial statement services. If there are specific questions related to events in prior years we could address these later through specific procedures that can be identified later.

Thank you again for allowing me to make this proposal, we work with several other homeowner associations and I believe we can provide you with the highest quality work. Please let me know if you have any questions. If this proposal meets with your approval, I will draft a formal engagement letter for your signature and we will schedule a mutually agreeable time when we may begin our work.

Very truly yours,



Gary A. Carlington  
Certified Public Accountant

# RHODODENDRON PARK BULLETIN

November 1998

## TRUSTEE TERMS

### 3 year term

Rex Pulfrey, Tom McMahon and Don Miller.

### 2 year term

Molly Kitselman, Carol Woolery, Ron Stevens.

### 1 year term

Max Shook, Carol Ann Sanderson and Matt Hagwood - 1 year.

This is your line up for the next year. You were given their phone numbers in the last bulletin.

## BUDGET WOES

Those of you who attended the annual meeting know there was a budget handed out with a statement that one would follow in the bulletin. We find that at this time it is impossible to do that as the previous budget was done solely from the years financial reports. After receiving the books and the bank statement we found that the financial reports had not been reconciled with the bank statements and the figures given on the financial reports were off by \$6000. So we were working with an inflated figure. We are in the process of doing an in-house review of the books to find the errors before we turn the books over to a CPA for a professional review and then again do a budget. This will take quite a while as there is a lot of work involved. At present we have taken the figure printed on our bank statement and done our financial report and it has balanced to the penny with the bank. Kudos to Molly K.

## PARK IMPROVEMENTS

Our new board swung right into action by immediately repairing the swings, picnic tables and benches and the sprinklers. They are now in the process of repairing the fence around the 117<sup>th</sup> street park. We hope to see a lot more improvements in the future. For several years we have had the money set-aside for the replanting of the trees and they have decided that this will also be one of their priorities in early spring of 1999. If you have suggestions that you feel would be a benefit to the members, please call one of your board members.

## PARK VANDALISM

We have had a lot of vandalism in our parks over a period of time. The tables, benches and swings have been destroyed, there have been incidents of people riding 2 and 3 wheeled motorized vehicles in the grass areas which destroys the lawn and damages the sprinkler heads. This and all of the other things cost the homeowners extra money that could be used for other things. We have also had an influx of children who do not live in our park using the facilities. Sometimes there have been teenagers in the park

during school hours. They have been caught smoking, using drugs and profanity. This behavior will not be tolerated any more and we will be videotaping these activities so that those violating the rules can be identified and their parents notified and the offender's privilege to use the parks will be canceled. Please notify all family members and guests of the park rules, which are posted in plain view at both parks. Park hours are from dawn to dusk.

## DOGS, DOGS AND MORE DOGS

We have noticed a large amount of dogs that have been allowed to run loose. This is not acceptable and we are finding some innovative ways to put a stop to it. We are working with the Pierce County Humane Society and we will be giving them a report on repeat offenders and they will come and get the dogs. Loose dogs can be dangerous as they jump on small children and elderly people even if they are not vicious. This can traumatize people. They also ransack garbage containers and tear up people's yards, not to mention the little presents that they leave behind them. Are you one of the guilty dog owners???? Please try to have more consideration for you neighbors. If you are aware of who owns these dogs, please call a board member or drop a note in the mail to the post office box. Your name will not be given. We will try to verify the information before contacting the Humane Society. The board will be compiling a list of these people and then there will be random checks to make sure that the offenders are in compliance.

## PET CARE

This is the time of year when pets require more care. The weather gets colder and dogs and cats are warm-blooded animals just like the rest of us. In order to protect your pets from the winter weather you will have to provide shelter that is insulated from the cold. A doghouse that is not resting flat on the ground and is just big enough for the dog to turn around in is best. If the temperature gets down to freezing you might consider bringing the animals inside. During the cold weather be sure to give your pets extra food if they will be spending time outdoors. They also require a supply of water that is checked on a regular basis to be sure that it has not frozen. Any cat and dog that gets plenty of exercise and attention is a pet that does not become a problem. If you cannot provide all of this, perhaps it would be better if you kept a pet that does not require as much care.

## November Bulletin

### HOLIDAY GIVING

This is the time of year when everyone is busy and trying to get ready for the holidays. There are some people in our midst that do not have as much reason to celebrate. These people lack food and warmth. The food banks are having trouble getting donations from the large grocery chains that they have depended on in the past. We have a food bank located on the old Sumner Buckley Highway next to the fire station in Bonney Lake. Please remember those that have so little. The Bonney Lake Senior Center is also accepting blankets for those in need. If you have any food or blankets you can spare, please put them to good use and donate them. Your gifts will be greatly appreciated. The hours for the food bank are Tues., Thurs., and Fri. from 9:30 to 12:00. Their phone # is 863-4043.

### BULLETIN BOARDS

The bulletin boards at the entrances are for your use. Please do not leave your notices up for more than 2 weeks. Also be sure to date the notice and include your phone number or the notice may be subject to removal.

### MINUTES OF NOVEMBER 2, BOARD

The meeting was called to order at 7:30 P.M. There were 5 board members present. President Rex Pulfrey, Treasurer Molly Kitselman, Tom McMahon, Carol Woolery, and Don Miller. Steve Linderman, V.P. was also present. Absent were Ron Stevens, Max Shook and Carol Ann Sandereson. There were 3 guests. The minutes were amended and accepted as amended. Committee reports were given.

The audit committee stated that there could not be a review at this time due to the fact that the books were out of balance the last 3 years. Until an internal review is done, we can not turn the books over to a C.P.A. To have the books brought up to date by a C.P.A. would cost the park approximately \$50.00 an hour.

The improvement committee gave a report on the repair to the swings. All eight swings have now been repaired. They are also looking into a problem with P.S.E. and will try to find out why we have a streetlight that is not working.

A suggestion was made that once the books have been corrected and reviewed that the board has a yearly review of the books. Another suggestion was made to have an accountant do a quarterly review. This will be taken up again after we have the review and the present problems taken care of.

There was a discussion on the trees that people have called in about and to have Steve and Tom look into these complaints. Most of the complaints seem to be about trees in the common areas. Replanting of the trees in the common areas were also discussed. It has been decided to make this a priority this spring.

A motion was made to raise the petty cash fund from \$25.00 to \$50.00 by Molly. The motion was approved.

There was a discussion on what to do about the loose dogs. The board members have received numerous complaints. It was noted that we do have dog traps that people may borrow. People borrowing the traps must be aware that they must furnish shelter and food for the dogs they trap until the Humane Society can get to the park to pick up the dogs.

There was a discussion on posting the park on all sides. It was stated that many people believe the problems in the parks are coming from outsiders. Sanctions for breaking the rules and acts of vandalism will be put in place.

The board voted not to take a month off this year as it has in the previous years as there are so many new board members this time. The board feels there is a lot of work to do and it would not be fair to the membership that elected them to take time off now.

The board accepted Norma Tomaro's resignation. Matt Hagwood was appointed to fill Norma's place on an interim basis. A motion was made to hire Carol McMahon as executive secretary. Motion passed.

The board is taking bids on the fence for the 117<sup>th</sup> Street Park. A committee was formed to look into the bids and determine the best way of doing the fencing. Committee was Rex Pulfrey, Tom McMahon, Don Miller and Ron Stevens.

### ASSESSMENTS

The board has received about 2/3 s of the assessments owed. We still have several people who have not paid. You are reminded that there is a dollar late fee for every month that you are late on your assessment starting in September. If have not gotten your assessment in you now owe \$60.00 plus \$3.00 in late fees per lot. Late notices will be sent out the first of the year. You will have 30 days to pay and then a lien will be put on your property. After the lien is in place and you still have not paid, you are in danger of foreclosure!!!! If you have special circumstances please drop a note in the mail and you will be contacted about your situation.

### STOP THE POLLUTION

There are so many wood stoves in operation today that they produce more air pollution than industry during the winter months. This smoke is released directly into the air where we live. Wood smoke accounts for 80% of air pollution monitored in neighborhoods and contains toxic organic compounds, cancer causing substances and fine particles that can damage to the structure and biochemistry of the lungs.

This is an acute health threat to anyone with a lung disease such as asthma, emphysema or other breathing problems. Most at risk are young children and older people.

Even if a burn ban is not in place, it is illegal to generate excessive chimney smoke. Fines can be levied against those



This is an acute health threat to anyone with a lung disease such as asthma, emphysema or other breathing problems. Most at risk are young children and older people.

Even if a burn ban is not in place, it is illegal to generate excessive chimney smoke. Fines can be levied against those whose smoke is thick enough to obscure objects viewed through it by more than 20%.

It is the responsibility of each wood burner to be informed of burning restrictions, to be sensitive to the impact on others and to keep the smoke generated within legal limits at all times.

The board wishes to thank all those people not on the board who have volunteered their time to help on projects.

Election-Craig Jones, Derry Fitch,  
& Virginia Klein  
Newsletter-Debbie Behm & Elaine Runkel.

Budget- Alice Lang & Virginia Klein  
A special thanks to Steve Linderman for helping in any place needed even though he is not technically a member.

**FINANCIAL REPORT FOR: OCT. 1998**

**BEGINNING BANK BALANCE:** \$ 16,599.77

**INCOME**

ASSESS. 98/99 \$ 540.00  
TRANSFER FEES \$ 20.00  
LATE FEES \$ 11.00

**TOTAL INCOME** \$ 571.00

**BALANCE TOTAL** \$ 17,170.77

**EXPENSES**

SALARY \$ 428.41  
TAXES QTRRLY \$ 114.75  
EQUIPMENT \$ 465.21 *lf. blower*  
ELECTRICITY \$ 374.60  
WATER \$ 292.88  
REPAIR PARKS \$ 1,344.52 (tbls, swings, sprink, nets)  
REPAIR SERVICE \$ 35.00  
MAILING \$ 77.45 (newsletter)  
ATTORNEY FEES \$ 408.51  
INCREASE TO PC \$ 98.03

**TOTAL EXPENSE** \$ 3,639.36

**ENDING BANK BALANCE** \$ 13,531.41

**SAVINGS**

\$ 27,537.13

**INTEREST**

\$ 52.20

**PETTY CASH**

\$ 100.00

**TOTAL CASH FLOW** \$ 41,220.74

Rhododendron Park Maintenance Company  
Regular Monthly Board Meeting Monday, December 7, 1998

Meeting was called to order by President Rex Pulfrey at 7:13 p.m.

<u>Roll Call</u>	<u>Present</u>	<u>Absent</u>
Board Members:	Rex Pulfrey	Max Shook
	Steve Linderman	Carol Ann Sanderson
	Molly Kitselman	Don Miller
	Ron Stevens	
	Tom McMahan	
	Carol Woolery	
Secretary:	Matt Hagwood	
Guests:	Carole McMahan	
	Virginia Klein	

Bills to be paid: Insurance premium needs to be paid. Power bill had already been paid as well as garbage bill.

Committee reports: Audit/review; should it be tabled for next month.? It was decided to do a review/audit on a yearly basis. Motion by Board Member Molly Kittselman that each year an audit or a review of the financial statement of RPMC will be performed by an independent agent to be chosen by the board at large. MSC.

Did we make trees a top priority? A report was given by Steve Linderman concerning several items in addition to tree problems. Tom McMahan and Steve Linderman addressed a tree problem and debris on the water line behind Lots 74 and 75. Lot owner 11303 202nd Avenue a tree was close to property owner carport the Rex Pulfrey and Steve Linderman informed this property owner's wife that the board would in no way attempt to prevent the safe removal of the tree. The DNR was called concerning the trees on the pipe line at Lot 74 and 75 and they will add this complaint to their list of non threatening tree complaints and for us to check back in a couple of weeks.

Ordinance committee: Carol Wollery made her report. Discussion concerning more addresses to check on.

Dog problems: One problem dog was given up to Steve Linderman and Tom McMahan and they were able to find a new home on a farm type situation and another pit bull breed Steve Linderman and two other residence spoke to the owner to contain it. Can we make a standard letter to write to residents concerning their dogs running at large and a letter will be formatted..

Procedures Committee: Steve Linderman prepared a list concerning all aspects of running the board and asked that the board members look it over and add any problem areas that we could add so a manual can be made.

RPMC REGULAR MEETING MINUTES

12-4-98

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Capital improvements concerning fence. Ron Stevens pointed out that the fence should be erected solely by the park and not to involve bordering property owners. Further discussion concerning the details of the fence. Bids were as follows and includes a 6 foot fence with barbed wire on the back portion bordering the pipeline: Cyclone Fence \$7900.00; Dukey Boys Fencing-\$10,295.83, Rite-way Fence -\$8943.00, N.W. Home Construction-\$8,273.09 including repair of the tennis court fencing and back stop and other areas around the shed. Ron Stevens made a motion to accept Cyclone Fence's bid and have them start building the fence. MSC. Steve Linderman said that he could remove the old fence without a tractor for \$500.00. Ron Steven made a motion to accept Steve Linderman's bid. MSC. Thank you to all those involved in the fence project.

Discussion concerning a sign for the back entrance. Maintenance will handle this.

Financial report was submitted.

The newsletter was discussed concerning an article regarding the annual report and it was felt that it was the duty of the board to let the property owners know that there was a discrepancy concerning the budget that was given at the annual meeting

Discussion concerning dues and those that are delinquent and we will take a look at this and take care of it.

Molly Kitselman made a motion to accept the minute as written and submitted. MSC.  
Molly Kitselman made a motion to accept the financial report for the month November.  
MSC.

Discussion concerning dogs at large.

Adjourned 9:15 p.m.