

# KEYNOTES

# January, 2010

Volume 211 Number 1



# Happy

# New Year

## PRESIDENT'S REPORT

*by Gene Borgomainerio*

**A**s we enter into a new year and a new decade, there is much to look forward to for the Driftwood Key Club. The dedication of our Board members to resolve the issues that have hampered our Club's finances gives reason for optimism.

Many members of this community have stepped up in almost heroic ways in volunteering their time and expertise to keep our facilities running and operational. When you see these people, thank them or drop them a note. If you have enjoyed the benefits of this Club's amenities, and have not volunteered, your help would still be appreciated. You may contact me, and let me know where you would like to help.

Last month I received a phone call from a dear elderly woman who has lived here over 20 years apologizing that she was no longer physically able to volunteer.

I thanked her for her service, and that she had earned the rest. Now was the time to let others pick up where she left off. I felt that this was so typical of the majority of our neighbors—always wanting to help in some way.

I know I've thanked you all before, but one more time still won't be adequate enough for all that you do. May you all have a safe, healthy and blessed New Year.

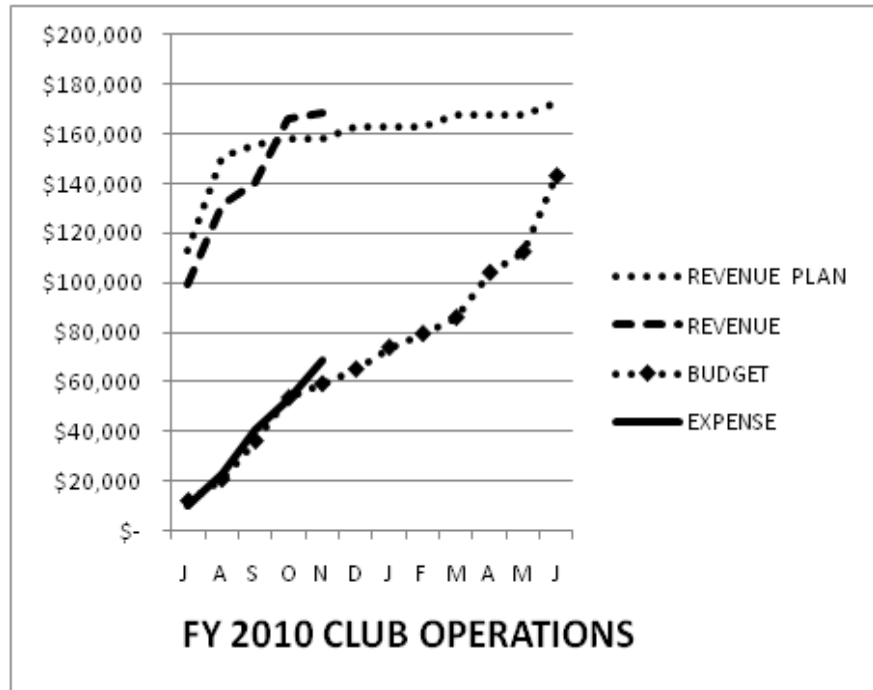
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**TREASURER’S REPORT**

by John Ward

This “quarterly report” includes all five of the graphical representations of our Club’s financial condition. You told us to “stay on budget” and we are. The graph for Club Operations (O&M) shows that we have over-collected revenue—above plan for this point of the year and for the entire year—along with a slight rise above the plan line for expenses. The rise is from both the repayment of \$7,000 to the Building and Grounds account and shows that we had some concentrated expenses associated with legal fees. Our FYTD revenue exceeds the annual budget by \$23,611.



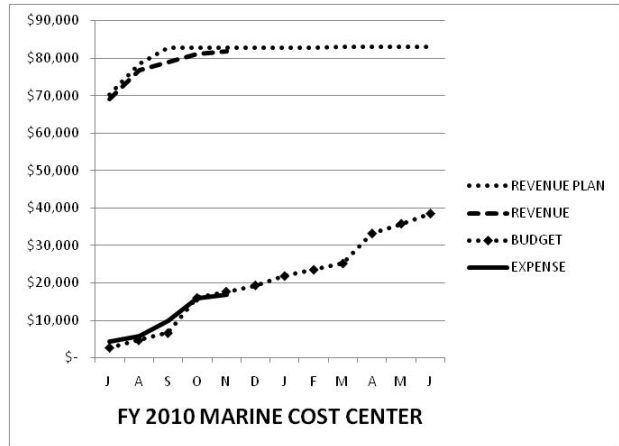
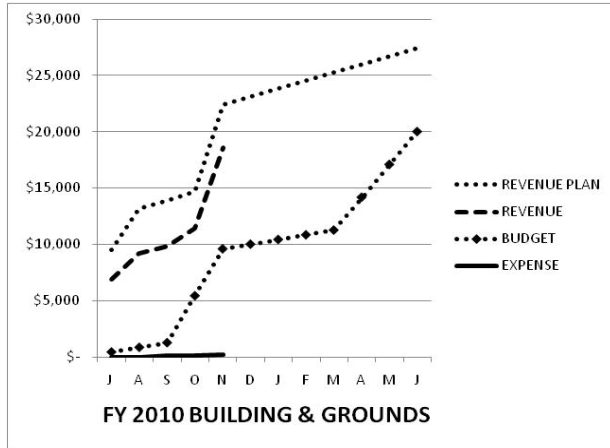
The Club O&M balances are quite healthy as shown in the table to the right. Note that the FYTD revenue at \$168,450 is well above the \$144,839 annual expense budget.

**Operation & Maintenance Funds:**

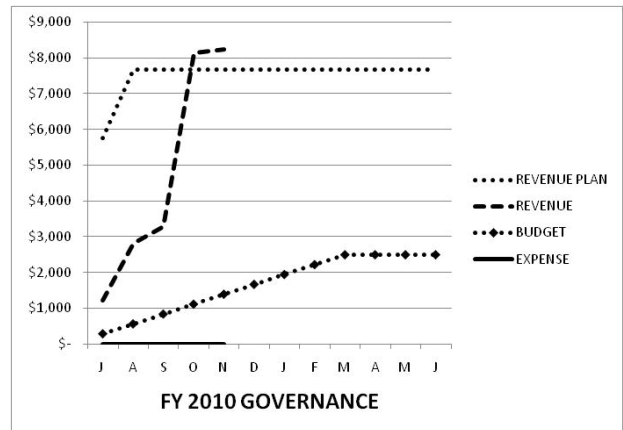
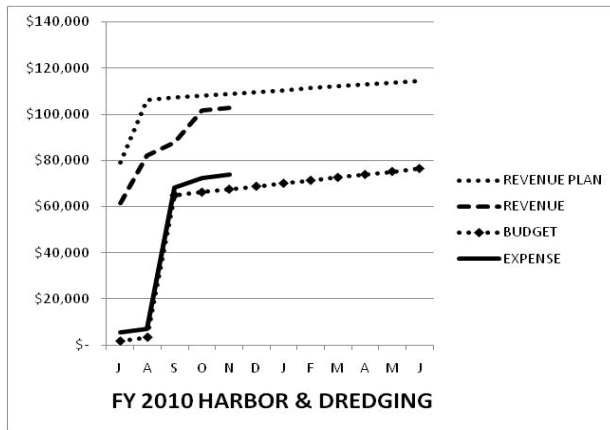
	ANNUAL BUDGET	NOVEMBER	FY TO DATE	EXPECTED
REVENUE	\$172,603	\$2,312	\$168,450	\$157,678
EXPENSES	144,839	15,567	68,671	59,237
<b>BANK BALANCES: GL CHECKING = \$151,973;                      O &amp; M SAVINGS = \$8,724; OTHER = \$924</b>				

We continue to work hard to collect amounts due. However, there remain 23 among our neighbors who refuse to communicate with the Club regarding their financial obligations. Liens and potential foreclosures are being prepared.

On the more positive side of this issue is that we have quite a few Members who have given us an indication of how and when they will be able to pay. The total amount owed is down to \$37,251 (from nearly \$80,000) but we have write-offs of \$4,588 (foreclosures and sales for which we did not have a viable position). If you have received a letter addressing late payment of dues and assessments and you have not contacted the Club, you can expect forthcoming legal action.



The Building and Grounds graph shows the \$7,000 transfer as partial repayment of the \$28,000 borrowed last year to supplement the Club’s O&M activities.



Not shown in the Harbor and Dredging graph is the additional principle payment made after the 1<sup>st</sup> of December. Our normal principle payment of \$60,000 is made annually with monthly interest only payments due throughout the remainder of the year. An additional \$12,000 principle payment has been made. Note that this overpayment is lower than our initial plan since those who have not paid their dues and assessments have impacted our ability to pre-pay this loan. The apparent over-collection of Governance funds is due to prior year balances being collected. Our approach to accruing payments made is to account dues first then the three assessments in the order the graphs are presented here. When Member accounts are brought into balance, the “last in” funds have a large impact on Governance.

We understand that some of you have had trouble downloading the Acrobat file of the FY 2009 Audit. There appears to be some combination of slow server (our Club computers are dated) and transfer rate that can cause a “timeout” of the download. If you would like the file e-mailed to you, please let me or the Club Office know.

As always, the remaining fiscal details—at any level you might wish to pursue—are available to you by making an appointment to visit me in the Club Office.

**DRIFTWOOD KEY CLUB. INC.****FY2009 Audit****SUMMARY**

There were 21 Adjusting Entries specified—this is a reduction from the prior year.

1. To correct beginning balance of retained earnings
2. To record reduction of attorney fees in A/P as of 3/30/08
3. To transfer dues revenue to the associated FY
4. To reverse pre-paid dues from the prior FY
5. Re-class of two loans into a single account and record current liabilities
6. To correct interest expense recorded as an asset account
7. To re-class some elements of dredging expenses
8. To correct a prior year entry posted to general payable as a payroll liability
9. To record pre-paid dues received before FY end
10. To correct posting of flood insurance to insurance expense
11. To capitalize playground, major marina repairs, and dredging costs for FY 2009
12. To record FY 2009 depreciation
13. To record allocations that were not recorded in August and November 2008
14. To re-class income received from insurance company (re a legal issue)
15. To reverse prior year accrued payables and record current year accrued payables
16. To bring pre-paid Federal tax liability to actual as of end FY 2009 and to record current tax year liability
17. To re-class donations received for Playground (consistent with other donations)
18. To re-class payroll liability (Fed Tax to FICA)
19. To create an allowance for doubtful accounts (\$10,000)
20. To re-class opening balance equity for duplicate entry
21. To record loan of funds from Building & Grounds to Club O&M

**FOOTNOTES:** The footnotes address these issues . . .

1. Nature of Organization
2. Summary of Significant Accounting Policies
3. Future Major Repairs and Replacements
4. Current Vulnerability Due to Certain Concentrations
5. Operating Leases
6. Line of Credit
7. Notes Payable
8. Special Assessment (Governance)
9. Inter-fund Borrowings
10. Pending Lawsuits

**DRIFTWOOD KEY CLUB., INC.  
FY2009 Audit:  
FINANCIAL SUMMARY**

	FY 2009	FY 2008
CURRENT ASSETS	\$470,496	\$471,789
FIXED ASSETS	2,614,275	2,168,158
LESS ACCUMULATED DEPRECIATION	(670,012)	(559,348)
NET FIXED ASSETS	1,935,263	1,608,810
NET INTANGIBLE ASSETS	7,614	8,537
TOTAL ASSETS	\$2,413,373	\$2,089,136
CURRENT LIABILITIES	\$466,276	\$332,896
NON-CURRENT LIABILITIES	251,463	140,388
TOTAL FUND BALANCES	1,695,634	1,615,852
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$2,413,373</b>	<b>\$2,089,136</b>

**1. General, Replacement, and Marina & Dock**



*The Keynotes is published monthly at Hansville, Washington by the Driftwood Key Community Club. The purpose of the Keynotes is to give the membership an overview of the Board activities, to provide information about activities and to highlight issues important to the members.*

*Comments are welcome.*  
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**LOT CLEARING**  
 by Sharon Lockwood

I just wanted to thank all of our Driftwood Key Club Members for maintaining your lots and the size of your trees so that our neighbors do not lose their views.

I have enjoyed working with and meeting many of you this year and hope everyone has a very Merry Christmas and a safe Happy New Year.

**EVENTS***by Chris McClellan*

Save the date!! Back by popular demand is the Valentine's Day Spaghetti Dinner!

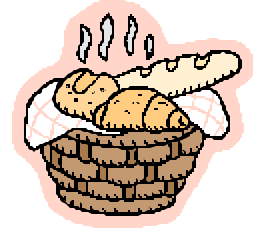
Good food and the wonderful company of friends and neighbors can be expected on Sunday, February 14 at the Clubhouse. We are raising funds to pay for the memorial sign for Wade Brunette.

Tickets will be available in January and will be \$8.00 per person. Dinner will include spaghetti, salad, garlic bread, and dessert. Be sure to watch for further details in the next Keynotes.

**POTLUCK TIME AGAIN***by Constance Borgomainerio*

So you meant to come to potluck last year, but kept forgetting or just weren't sure. Well, here's a *sure* way to help you remember potluck dates. On your new 2010 calendar, mark the last Saturday of each month through October as "Potluck Saturday, 5 pm. Then remember to check it! We'll see you there.

Saturday, January 30. Bring a dish to share. Social hour begins at 5pm, dinner at 6pm. If you have any questions, call Constance @ 638-0286.

**DOCKS AND WATERFRONT***by Bob Bock* ON THE DOCKS

Because of the extra cold weather the water to the docks has been turned off. We have a couple of vulnerable spots that will have to be fixed when the weather is warmer. As the weather warms we will turn the water back on.



We still have some delinquency problems on the docks but expect them to be resolved soon. The boats in question have been removed and the vacant slips are out for new lease-holders.

A new shed or cover for the bilge pump has been installed. The old one is being repaired and moved to the top of the gangway for use as storage for kids life jackets.

The Docks Committee has completed work on a new waiting list policy and is ready for Board approval, after which we will make announcements for the implementation dates.

There are two new volunteers for security walks on our docks: Dave Ritchey and Gary Edin. Thanks to all of you who are doing this important job.

Respectfully submitted,  
Bob Bock, Docks and Waterfront Chair.

## JANUARY 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 8:30am Line Dancing  7:00pm Pinochle	2
3	4 8:30am Line Dancing  1:00pm Knitting Club	5 8:30 am Weights & Strength Group  10:00am Art Group	6	7 8:30am Strength & Weight Group 12:00-2:00 Drifters 7:00pm Board Workshop	8 8:30am Line Dancing	9 Private Party
10	11 8:30am Line Dancing	12 8:30 am Weights & Strength Group  10:00am Art Group	13  6:00pm PSA Mtg	14 8:30am Strength & Weight Group  7:00pm Board Mtg	15 8:30am Line Dancing 1:00pm Bonco 7:00pm Pi- nochle-Lbry	16 9:00am - 2pm DK/NKPSA Derby
17	18 8:30am Line Dancing  1:00pm Knitting Club	19 8:30 am Weights & Strength Group  10:00am Art Group	20	21 8:30am Strength & Weight Group  1:00pm - Libry Art Guild	22 8:30am Line Dancing	23
24	25 8:30am Line Dancing	26 8:30 am Weights & Strength Group  10:00am Art Group	27 10:00 Ladies Aid  7:00pm PSA Board Mtg	28 8:30am Strength & Weight Group  10:00am-Lbry Investment Grp	29 8:30am Line Dancing	30 5:00 pm Monthly Potluck

**Board of Trustees and Committee Chairs - 2010**

President:	Gene Borgomainerio	638-0286 (360)	gene@borgomainerio.com
	Asst. Public Safety		
Vice President:	Robert (Bob) Bock	638-2522 (360)	rbock91@centurytel.net
	Docks & Waterfront		
Secretary:	John Remington	638-0533 (360)	redondo_john@hotmail.com
	Building & Grounds, Public Safety		
Treasurer:	John W. Ward	683-2609 (360)	dkc-ward@earthlink.net

**Trustees**

Alan Arnesen	Pool	638-2093 (360)	acspecialists@hotmail.com
Frank Fox	Governance	891-2397 (425)	f.fox@live.com
Brad Luton	Architectural Control	638-0756 (360)	<u>brad152@comcast.net</u>
	Storm Water		
Sharon Lockwood	Lot Clearing	638-2968 (360)	sharonlockwood@cox.net
Chris McClellan	Office Operations	214-5485 (253)	<u>jcmac90@hotmail.com</u>
	Events & Fundraising, Asst. Treasurer		

**Misc. Committee Chairs**

Mark Bell	Nominating Comm.	638-1263	bellmark4478@att.net
Robin Bookey	Web Site	638-1193	Driftwoodkey.org
Cindy Brooke	Pool Advisory	638-2567	info@brookeproducts.com
Bruce Cosacchi	KEYNOTES	638-2074	sailor54@centurytel.net
Cecile Loitz	Voting / Elections	638-2430	<u>CEC534@aol.com</u>

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