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# 2012 ANNUAL REPORT OF THE HOA INFORMATION AND RESOURCE CENTER

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## Executive Summary

The HOA Information and Resource Center (“Office”) was created in 2010 by the Colorado Legislature<sup>1</sup> in response to growing legislative, homeowner and resident concern regarding common interest communities in Colorado. The Office is organized within the Division of Real Estate (“Division”) under the Department of Regulatory Agencies (“DORA”).

As directed, the Office collects information via registrations directly from homeowners’ associations (“HOAs”)<sup>2</sup> and from inquiries and complaints filed by homeowners. The Office provides assistance and information to homeowners, HOA boards, declarants and other interested parties concerning their rights and responsibilities pursuant to the Colorado Common Interest Ownership Act (“CCIOA”).<sup>3</sup>

The HOA Information Officer (“Officer”) administers the Office, reviews, analyzes, and presents the data and information collected in an Annual Report.

Now in its second year of operation, the Office continues to compile HOA registration data, as well as consumer inquiries and complaints. This Annual Report, containing the data and information collected in 2012, is provided in compliance with §12-61-406.5(b) (II), C.R.S. to the Director of the Division of Real Estate. Of particular concern is the serious nature of many of the complaints received and the inability of homeowners to resolve their issues without resorting to legal channels. The Office remains committed to listening to consumer concerns regarding HOAs, and providing the citizens of Colorado the necessary educational outreach and resource materials in order to assist them with understanding their rights and responsibilities under CCIOA.

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<sup>1</sup> HB10-1278, as codified in §12-61-406.5(1), C.R.S., effective January 1, 2011.

<sup>2</sup> §12-61-101(1.2), C.R.S., states that “HOA or Homeowners’ Association means an association or unit owners’ association formed before, on, or after July 1, 1992, as part of a common interest community as defined in Section 38-33.3-103, C.R.S.” A “common interest community” is defined as “real estate described in a declaration with respect to which a person, by virtue of such person’s ownership of a unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in a declaration. Ownership of a unit does not include holding a leasehold interest in a unit of less than forty years, including renewal options. The period of the leasehold interest, including renewal options, is measured from the date the initial term commences.” §38-33.3-103(8), C.R.S.

<sup>3</sup> §38-33.3-101, C.R.S., *et. seq.*

## 2012 Legislative Update

In the 2012 Colorado legislative session, House Bill 12-1237, “Concerning the Records Kept by the Unit Owners’ Association of a Common Interest Community”, repealed and reenacted Section 317 of the Colorado Common Interest Ownership Act (CCIOA)<sup>4</sup>. This new legislation, which is effective January 1, 2013, mandates association record keeping and disclosures concerning HOAs.<sup>5</sup>

This new HOA records law addresses the following:

- Records which must be maintained and produced;
- Records which may be withheld from production;
- Records which must be withheld from production;
- The elimination of a requirement that owners must state a “proper purpose” to access records;
- The use of membership lists;
- The procedures for requesting HOA records; and
- Charges for assembling, producing, and copying the records.

This legislation is of vital importance to homeowners in common interest communities, since many complaints received by the Office revolved around access to association documents, transparency, and the cost to obtain such documents.

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<sup>4</sup>§38-33.3-101, C.R.S., *et. seq.*

<sup>5</sup>(HB 12-1237), ch. 232, p. 1016, §1, effective January 1, 2013, and codified at §38-33.3-317, C.R.S.

## Registration

The Office is charged with registering HOAs in Colorado and collecting information regarding those HOAs through a database for registrations. The statute requires that “every unit owner’s association organized pursuant to 38-33.3-301 shall register annually with the Director of the Division of Real Estate.”<sup>6</sup> Statute mandates HOAs to complete an initial registration and renew their registration on an annual basis, as well as updating any relevant information within ninety days of any change.<sup>7</sup>

### Pre-CCIOA

The Office issued Position Statement 1.1 in 2011 which states that “It is the position of the Director of the Division of Real Estate that homeowners’ associations formed prior to July 1, 1992, that have not elected treatment under the Colorado Common Interest Ownership Act (“CCIOA”), are not required to comply with the registration requirement set forth in §38-33.3-401(1), C.R.S.”<sup>8</sup>

Some pre-CCIOA HOAs, out of caution, have voluntarily registered due to the “lien provision” with regard to an HOA that is required to register, but fails to do so.<sup>9</sup> Additionally, some HOAs formed prior to July 1, 1992 fall under the registration requirement as a result of electing treatment under CCIOA.<sup>10</sup>

The Office used the Secretary of State ID number issued to registrants to ascertain whether the registrant is subject to CCIOA. The first four digits of the ID denote the year of incorporation, however, the ID does not provide additional detail regarding the month; therefore, the Office could not determine whether HOAs incorporated in the year of 1992 are subject or not.

The share of Pre-CCIOA and CCIOA HOAs are as follows:<sup>11</sup>

Status	HOAs	HOA %	Units encompassed	Unit %
Pre-CCIOA or elected treatment under CCIOA	2535	30.37%	336,401	39.41%
Incorporated in 1992	147	1.76%	12,922	1.51%
CCIOA (by virtue of year of incorporation)	5412	64.84%	478,134	56.02%

<sup>6</sup> §38-33.3-401(1), C.R.S.

<sup>7</sup> §38-33.3-401(2)(a), C.R.S.

<sup>8</sup> 2013 Colorado Real Estate Manual, Section 4-2, Chapter 4: Subdivision Laws, page 4-2.

<sup>9</sup> §38-33.3-401(3), C.R.S., states that “...[A]n association that fails to register, or whose annual registration has expired, is ineligible to impose or enforce a lien for assessments under [section 38-33.3-316](#) or to pursue any action or employ any enforcement mechanism otherwise available to it under [section 38-33.3-123](#) until it is again validly registered pursuant to this section...”

<sup>10</sup> §38-33.3-118, C.R.S.

<sup>11</sup> Percents add up to less than 100 due to the 253 HOAs (encompassing 26,085 units) that did not provide a valid Secretary of State ID.

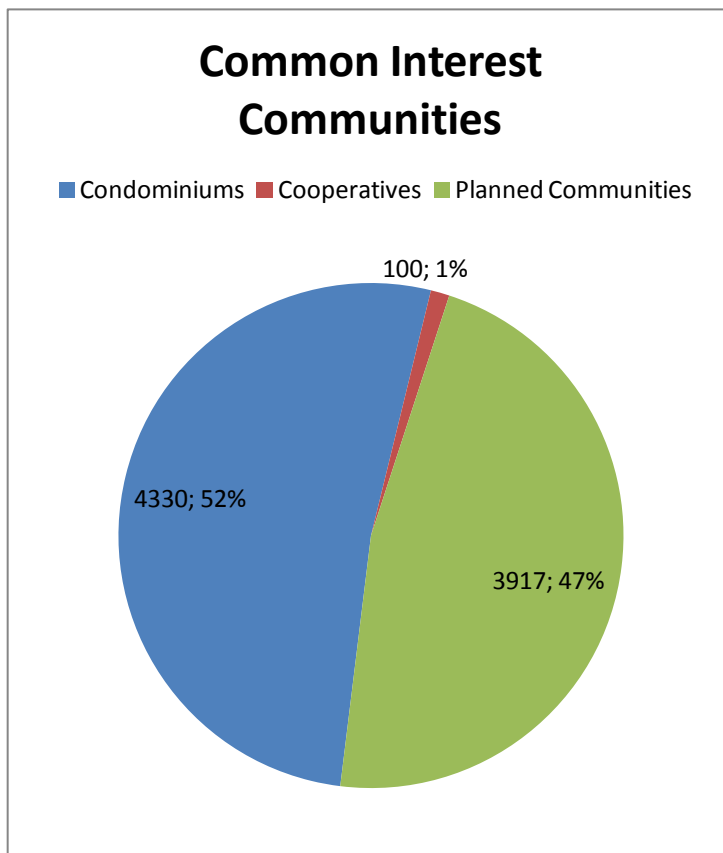
## Registration Fee Requirements

As part of the registration process, HOAs indicate whether they collect over \$5,000. HOAs that collect greater than \$5,000 in annual dues are required to pay the registration fee. HOAs that are not authorized to make assessments and do not have any revenue or HOAs that collect \$5,000 or less in annual revenue are not required under the statute to pay the registration fee,<sup>12</sup> however, this provision does not absolve any such HOA from still registering.

Fee Status	HOAs	HOA %	Units encompassed	Unit %
Exempt	613	7.34%	30685	3.60%
Not Exempt	7734	92.66%	822857	96.40%

## Statistics

The Office has received 8,347 registrations as of December 31, 2012; the unit counts accompanying these registrations total 853,542 units. Units include single and multi-family dwellings, as well as timeshare properties.



We expect the number of registrations will increase if all HOAs are required to register, including those pre-CCIOA properties.

While it is not feasible for the Office to ascertain the number of HOAs that have not registered, estimates by industry experts far exceed the number of registrations. Lack of widespread knowledge regarding the registration requirement has potentially deterred registration. In addition, if an HOA does not comply with registration, the only penalty to them is the “lien provision.”

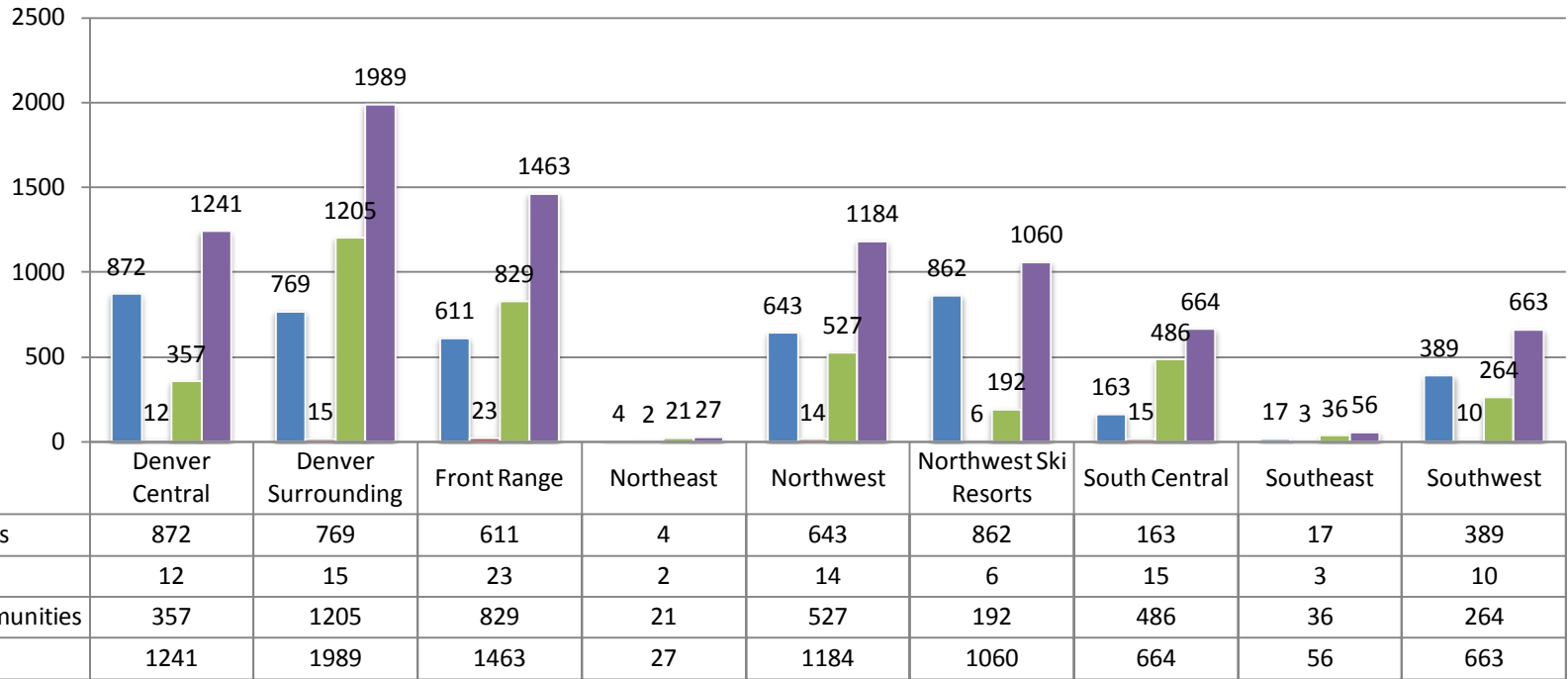
The Office also collected geographical information regarding where HOAs are located in the state, with regard to the number of condominiums, planned communities, and cooperatives. Under

CCIOA, ““Cooperative” means a common interest community in which the real property is owned by an association, each member of which is entitled by virtue of such member’s ownership interest in the association to exclusive possession of a unit.”<sup>13</sup>

<sup>12</sup> §38-33.3-401(2)(b), C.R.S.

<sup>13</sup> §38-33.3-103(10), C.R.S.

# Regions of HOAs



**Denver Central:** Cherry Hills Village, Denver, Edgewater, Englewood, Glendale

**Denver Surrounding:** Arvada, Aurora, Bennett, Brighton, Broomfield, Castle Pines, Castle Rock, Centennial, Commerce City, Conifer, Eastlake, Evergreen, Federal Heights, Fort Lupton, Franktown, Golden, Greenwood Village, Henderson, Highlands Ranch, Indian Hills, Larkspur, Lakewood, Littleton, Lone Tree, Morrison, Northglenn, Parker, Pine, Thornton, Westminster, Wheat Ridge

**Front Range:** Allenspark, Bellvue, Berthoud, Black Hawk, Blue River, Boulder, Central City, Como, Dacono, Divide, Drake, Dumont, Eldorado Springs, Erie, Estes Park, Evans, Fairplay, Firestone, Fort Collins, Georgetown, Glen Haven, Greeley, Grover, Guffey, Jamestown, Jefferson, Johnstown, Kersey, Lafayette, Laporte, Livermore, Longmont, Louisville, Loveland, Lyons, Mead, Milliken, Niwot, Pinecliffe, Platteville, Red Feather Lakes, Sedalia, Severance, Strasburg, Superior, Timnath, Watkins, Wellington, Windsor

**Northeast:** Carr, Eaton, Elizabeth, Frederick, Hudson, Sterling, Weldona

**Northwest:** Avon, Basalt, Battlement Mesa, Carbondale, Clark, Clifton, Cordillera, Cortez, Dillon, Eagle, Eagle-Vail, Edwards, Fraser, Frisco, Fruita, Glade Park, Glenwood Springs, Granby, Grand Junction, Grand Lake, Gypsum, Hayden, Hot Sulphur Springs, Kremmling, Leadville, Loma, Mack, Meeker, Mesa, Minturn, New Castle, Oak Creek, Palisade, Parachute, Powderhorn, Redstone, Rifle, Silt, Silverthorne, Snowmass, Tabernash, Walden, Whitewater, Woody Creek, Wolcott, Yampa

**Northwest Ski Resorts:** Aspen, Beaver Creek, Breckenridge, Copper Mountain, Keystone, Snowmass Village, Steamboat Springs, Vail, Winter Park

**South Central:** Alamosa, Alma, Bailey, Buena Vista, Calhan, Canon City, Cascade, Coal Creek, Colorado City, Colorado Springs, Cotopaxi, Creede, Cripple Creek, Elbert, Florence, Florissant, Fort Garland, Fountain, Hartsel, Hillside, Howard, Lake George, Manitou Springs, Monte Vista, Monument, Nathrop, Penrose, Peyton, Salida, South Fork, Twin Lakes, Westcliffe, Woodland Park

**Southeast:** Cuchara, La Veta, Pueblo, Rye, Trinidad, Walsenburg, Weston

**Southwest:** Almont, Bayfield, Capulin, Cedaredge, Chromo, Cimarron, Crested Butte, Delta, Dolores, Durango, Gunnison, Hesperus, Lake City, Mancos, Montrose, Mountain Village, Mount Crested Butte, Norwood, Ophir, Ouray, Pagosa Springs, Paonia, Pitkin, Placerville, Rico, Ridgway, Telluride

## Inquiries

One of the main objectives of the HOA Information and Resource Center is to provide homeowners and residents with information to assist them with understanding their rights and responsibilities with regard to HOAs.<sup>14</sup> The HOA Officer acts as a clearinghouse for information concerning the basic rights and duties of unit owners, declarants, and unit owners' associations under the act. The Office received approximately 2,873 inquiries for the year 2012, and answered questions, assisted with referrals, and provided information to consumers, homeowners, community managers, HOA board members, attorneys, government agencies, vendors, and declarants.

Most of the inquiries to and assistance from the Office pertained to the following areas:

- The general operation of an HOA, such as assessments, accounting, insurance, budgets and reserves;
- Board of directors responsibilities, such as election, voting and proxy issues, meeting procedures, and conflicts of interest;
- Enforcement capabilities of an HOA, including fees, costs fines, liens, foreclosure and receiverships;
- Declarant issues such as disclosure of documents, following CC&R's and termination of control;
- Maintenance and upkeep of the community;
- Disclosure and the production of HOA records to owners;
- Manager/management company and vendor concerns; and
- The HOA registration process.

The majority of the intake calls were from homeowners and residents seeking information and laws relevant to their particular problem or situation, or a better understanding of HOA rules and regulations. Some of these inquiries received by the Office resulted in complaints being filed. The Officer responded to these inquiries through follow-up telephone conversations, emails, and in-person meetings, thereby assisting consumers, homeowners, and interested industry parties.

By listening to homeowner concerns and providing referrals to other government agencies and legal resources as appropriate for their circumstances, and providing them with information and resources pertaining to their rights and responsibilities under CCIOA, the Office empowers consumers with the knowledge that they need to work within their HOA, and if necessary to effectuate change for the better.

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<sup>14</sup> §12-61-406.5(3)(a), C.R.S.

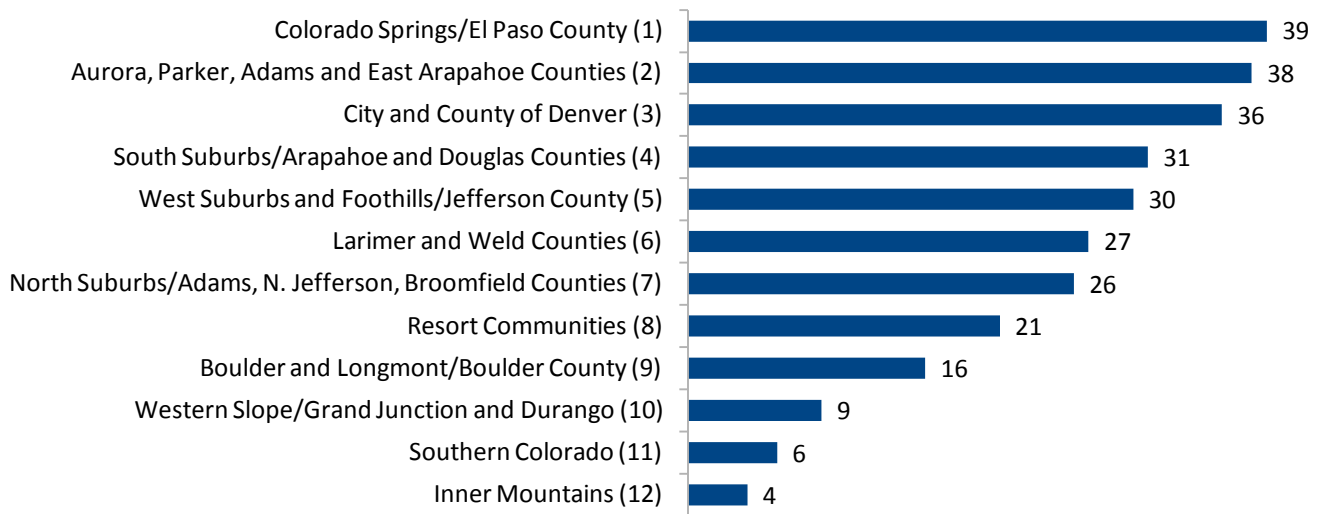


## Complaints

The Office received complaints from homeowners and residents in HOA communities via mail, phone, email, in person, and through online submission on the Division’s website. Beyond the complaint itself, information collected includes contact details of the complainant, the name, type and contact information of the HOA at issue, and whether the HOA is managed by a management company, and if so, the name of that company.

### Geographic Breakdown of Complainants

The Office received 576 complaints from 309 different homeowners and residents. Twenty-six complainants (8.4%) did not provide regional data.



**Region 1:** Colorado Springs, Elbert County, Fountain, Manitou Springs, Monument, Woodland Park

**Region 2:** Aurora, Bennett, Commerce City, Parker

**Region 3:** City and County of Denver

**Region 4:** Castle Pines, Castle Rock, Centennial, Cherry Hills Village, Englewood, Greenwood Village, Highlands Ranch, Lone Tree

**Region 5:** Evergreen, Golden, Lakewood, Littleton, Morrison, Pine, Sheridan

**Region 6:** Evans, Firestone, Fort Collins, Greeley, Johnstown, Loveland, Red Feather Lakes, Weld County, Wellington, Windsor

**Region 7:** Arvada, Brighton, Broomfield, Northglenn, Thornton, Westminster, Wheat Ridge

**Region 8:** Aspen, Avon, Breckenridge, Dillon, Eagle, Estes Park, Frasier, Glenwood Springs, Pagosa Springs, Silverthorne, Snowmass Village, Steamboat, Telluride, Vail, Winter Park

**Region 9:** Boulder, Lafayette, Longmont, Louisville, Superior

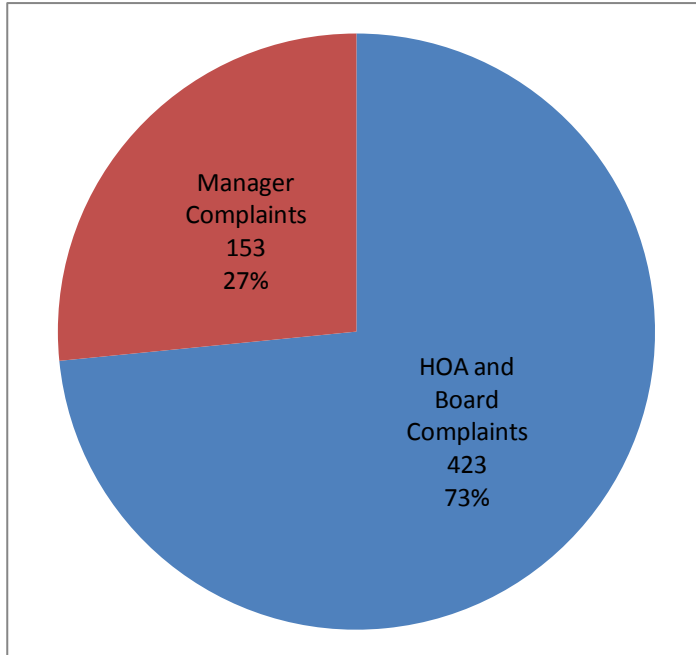
**Region 10:** Cedaredge/Delta, Durango, Fruita, Grand Junction, Montrose

**Region 11:** Bayfield, Pueblo, San Luis Valley, Trinidad, Walsenburg

**Region 12:** Chaffee County, Fremont County, Gunnison, Park County

## Complaint Types

The majority of the 576 complaints received pertained to following governing documents, performing maintenance, general allegations of mismanagement and transparency, homeowner communications, production of HOA records, and accounting issues. Many of the complaints in these categories are notable for their severity.



Of the complaints received, most were directed toward HOAs in general and boards of directors. Note that complainants sometimes were unable to establish whether the HOA board or manager was at the root of their complaint.

Not following the HOA's governing documents (i.e., its declarations, covenants, bylaws, rules, and regulations) resulted in the greatest number of complaints.

Complaints for failure to maintain community property to appropriate

standards, failing to make necessary repairs, and not properly budgeting for future maintenance were the second most numerous.

There were many non-specific complaints regarding the mismanagement and transparency of the HOA, such as allegations of breach of duties and fiduciary responsibilities, as well as poor management practices.

Nearly eight percent of the complaints stated that the HOA does not communicate properly, or does not allow owner input on important community projects and issues, oftentimes ignoring their concerns outright.

Many complaints also dealt with the contentious issue of HOA's failing to produce records, whether by the board or manager. Concerns were the disclosure, procedures, and cost to obtain documents.

Accounting issues such as improper practices, budgeting, bookkeeping inaccuracies, auditing, and arbitrary fees/fines/penalties/interest were at the center of these complaints.

## Complaints Involving Managers

Complaints that specifically mentioned managers as either a cause or responsible party accounted for 27% of all those received.

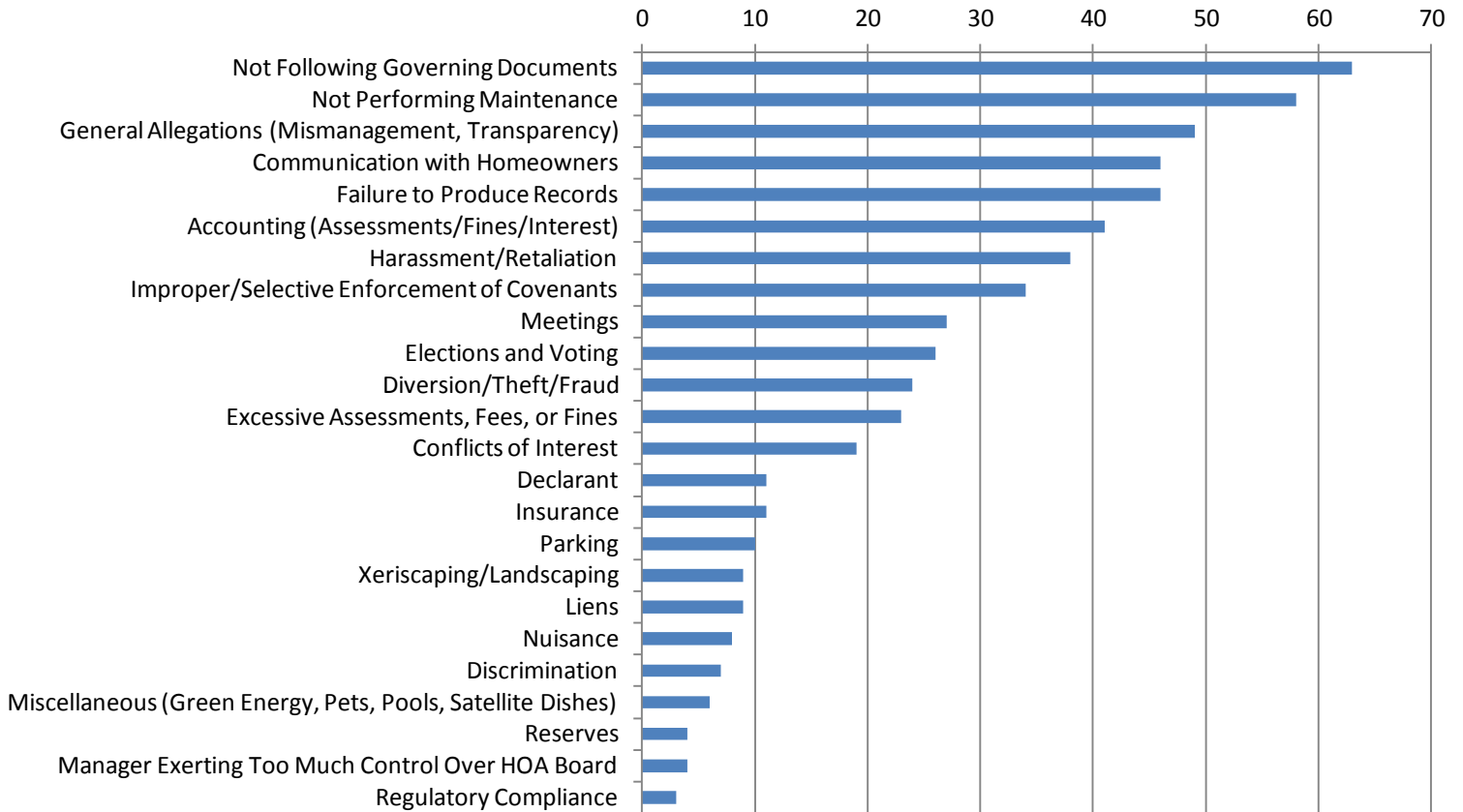
Although some of the complaints singled out managers as harassing or otherwise personally instigating problems for the complainant, the majority were tied to the roles of the manager in the operational aspects of the HOA, such as maintenance, producing records, and properly carrying out their managerial duties.

The role of the community manager is extremely important in that the HOA board consists of volunteer owners who may not have adequate time or expertise to commit to overseeing and running the HOA community. Oftentimes the board hires a community manager to handle its' affairs, which include:

- Budgeting for expenses, dues and reserves, and holding/investing community funds;
- Dealing with maintenance/insurance issues, and hiring and contracting with vendors and professional advisors for the community;
- Communicating with owners and providing proper notices , and setting/enforcing fines; and
- Updating and educating the boards as to the requirements and laws that they must follow.

It is hard to determine how much influence or control some HOA managers have over the board of directors or how involved the board is with community concerns. While some boards are very involved with the oversight of their community manager regarding the operation of their association, others let the manager handle almost every aspect of running the community without much oversight.

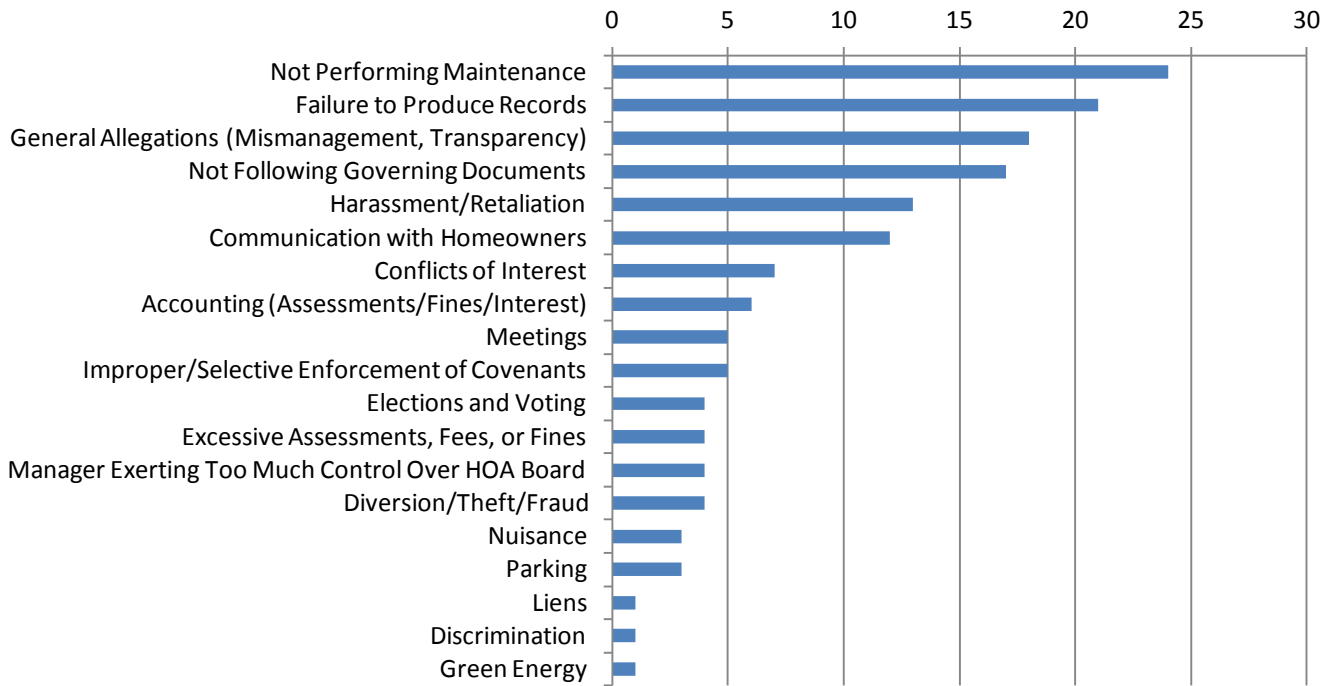
# All Complaints to the HOA Information and Resource Center



Complaint Type	Number	%
Not Following Governing Documents	63	10.94%
Not Performing Maintenance	58	10.07%
General Allegations (Mismanagement, Transparency)	49	8.51%
Communication with Homeowners	46	7.99%
Failure to Produce Records	46	7.99%
Accounting (Assessments/Fines/Interest)	41	7.12%
Harassment/Retaliation	38	6.60%
Improper/Selective Enforcement of Covenants	34	5.90%
Meetings	27	4.69%
Elections and Voting	26	4.51%
Diversion/Theft/Fraud	24	4.17%
Excessive Assessments, Fees, or Fines	23	3.99%
Conflicts of Interest	19	3.30%
Declarant	11	1.91%
Insurance	11	1.91%
Parking	10	1.74%
Xeriscaping/Landscaping	9	1.56%
Liens	9	1.56%
Nuisance	8	1.39%
Discrimination	7	1.22%
Miscellaneous (Green Energy, Pets, Pools, Satellite Dishes)	6	1.04%
Reserves	4	0.69%
Manager Exerting Too Much Control Over HOA Board	4	0.69%
Regulatory Compliance	3	0.52%
<b>Total</b>	<b>576</b>	<b>100.00%</b>

# Complaints Involving Managers

(Included in 'All Complaints to the HOA Information and Resource Center')



Complaint Type	Number	%
Not Performing Maintenance	24	15.69%
Failure to Produce Records	21	13.73%
General Allegations (Mismanagement, Transparency)	18	11.76%
Not Following Governing Documents	17	11.11%
Harassment/Retaliation	13	8.50%
Communication with Homeowners	12	7.84%
Conflicts of Interest	7	4.58%
Accounting (Assessments/Fines/Interest)	6	3.92%
Meetings	5	3.27%
Improper/Selective Enforcement of Covenants	5	3.27%
Elections and Voting	4	2.61%
Excessive Assessments, Fees, or Fines	4	2.61%
Manager Exerting Too Much Control Over HOA Board	4	2.61%
Diversion/Theft/Fraud	4	2.61%
Nuisance	3	1.96%
Parking	3	1.96%
Liens	1	0.65%
Discrimination	1	0.65%
Green Energy	1	0.65%
<b>Total</b>	<b>153</b>	<b>100.00%</b>

## 2013 - Objectives and Goals

The HOA Information and Resource Center's goals for 2013 are to:

- Expand community outreach throughout the State;
- Utilize media and non-profit resources for the dissemination of HOA information;
- Develop more educational information for HOA owners, managers, and developers;
- Provide community presentations, forums, and workshops on HOA issues;
- Offer HOA educational classes for consumers and industry professionals;
- Have a greater Office website presence with practical HOA issue information and materials, expanding FAQ's, and providing useful resource links for additional assistance and referrals;
- Streamline the HOA registration system in order to collect relevant HOA data; and
- Empower the consumer with knowledge concerning their rights and responsibilities in an HOA.

The Office is committed to providing consumers and other interested parties with the resources and information necessary to inform and assist them regarding HOA issues.

## Appendix

### **Complaint Types Grouped in Accordance With Colorado Revised Statutes**

Predominate complaint areas encompassed the following statutes:

#### **§38-33.3-209.5. Responsible governance policies - due process for imposition of fines.**

This section of CCIOA pertains to associations promoting responsible governance and providing due process requirements. Complaints dealt with issues of an HOA not having in place or following policies and procedures for the conduct of meetings, collection of assessments, dealing with conflicts and enforcement of rules, maintaining accurate and complete accounting records, and the inadequate disclosure, inspection and production of records. These issues in turn resulted in allegations of a lack of transparency on the part of the board or manager.

Some complaints concerned the HOA board or manager circumventing the rights and interests of homeowners by not following or completely ignoring the governing documents, whether they were covenants, bylaws, or rules and regulations. This encompassed meetings, voting and election procedures, insurance issues, as well as improper or selective enforcement of covenants. Some of this misconduct involved favoritism toward board members and their friends, and retaliation or harassment against others. Preferential treatment was given to some homeowners (usually HOA board members); while other homeowners who questioned board member's fiduciary responsibilities or their actions were ignored or retaliated against.

Additional complaints dealt with the lack of due process requirements, particularly setting and imposing fines against a homeowner without the requisite notice of an opportunity for a hearing on the subject. Complainants stated that fines were imposed against them; however, they never received any notice for an opportunity to challenge or dispute the fine in an impartial forum. Oftentimes, the manager made the final determination for the fine's imposition, and not the HOA board. In addition, small fines sometimes ballooned into large dollar amounts with the addition of expensive legal and collection fees; for instance, an original fine of less than \$100 could ultimately result in a final amount owed in excess of \$1,000, or worse yet, the initiation of a foreclosure action by the HOA against the homeowner's property.

#### **§38-33.3-307. Upkeep of the common interest community.**

A number of complaints were concerning the HOA board or manager not providing needed maintenance to the community. Either a lack of funds/reserves or not acting on homeowner concerns led to instances regarding poor upkeep, decay of common areas, and older properties not being maintained properly or upgraded. Additional complaints involved improper budgeting resulting in high monthly dues increases and special assessments in order to deal with maintenance deficiencies, and inadequate insurance coverage to remedy damages to the community.

**§ 38-33.3-308. Meetings.**

Complaints regarding meeting issues revolved around inadequate notice or the lack of notice of board and annual meetings, the mishandling of meeting procedures, and the stifling of owners by not allowing them to present their issues at meetings. Many complaints alleged boards were improperly holding or not holding meetings and making decisions in the absence of owners. Improper side meetings between board members outside of regularly scheduled meetings or via email without any input by the owners prompted concern. In many instances, complainants alleged that the board or manager did not provide or follow an agenda, adequately document board-meeting minutes, or that boards invoked executive sessions to obscure proceedings and exclude participants.

**§ 38-33.3-310. Voting - proxies.**

The Office received complaints concerning the lack of a quorum when voting, voting ballots counted improperly and not tallied by a neutral party, and proxy voting used improperly. Instances of fraudulent and disruptive elections, improper notice of elections to be held, poor record keeping of election results, and claims of no elections taking place at all were alleged. Complainants also related occasions of boards not counting proxy votes of owners properly, so existing boards could keep control, as well as not having a process in place to verify proxy votes.

**§38-33.3-310.5. Executive board – conflicts of interest.**

There were complaints pertaining to allegations of special personal interests of board members and managers in the hiring of vendors and contractors, and not having a proper bidding process or bid review for vendors. In addition, some complainants alleged that board members did not inform others regarding their potential conflicts of interest when rendering board decisions. There were also a few reports that board members provided professional services to the association while voting on issues related to those services.

**§ 38-33.3-317. Association records.**

Many complaints focused on an HOA or manager not allowing a homeowner access to documents, not having procedures in place to obtain those documents, as well as the costs of accessing, compiling, retrieving, and reproducing those records. Documents usually requested and denied were financial information and budgets, meeting minutes, vendor contracts and bids, and management contracts. Homeowners often felt stonewalled when requesting records from the HOA, and after learning of the high cost for obtaining the records, many simply withdrew their request.

Oftentimes HOAs and managers have complicated policies in place that a homeowner must maneuver through when making requests. In some instances, information requests went completely unanswered or even outright denied without any legitimate explanation. The implementation of HB12-1237, “Concerning the Records Kept by the Unit Owners’ Association of a Common Interest Community”, effective January 1, 2013, could improve homeowner access to HOA documents, potentially addressing some aspects of this area of concern.



## **Additional Complaint Types**

### **Diversion/Theft/Fraud.**

These allegations pertained to instances of community monies not being accounted for, overpayments on vendor contracts and kick-backs to the manager or board members, double billings, diverting community monies for personal pet projects, and the inadequate disclosure of community funds to the owners. Complainants related that many times there was poor record keeping or no records available, or that there was a lack of financial auditing. The Office directed complainants alleging a crime to discuss any such matters with the appropriate law enforcement authorities.

### **General Allegations (Mismanagement/Transparency).**

A category newly incorporated into this year's report was that of General Allegations of Mismanagement and Transparency, which included allegations that could not be included in other, more specific complaint categories. These were very general complaints, such as "the board and manager are incompetent and do not know what they are doing", "the HOA is being mismanaged", "the association is a complete mess", "they are acting arbitrarily", "they cannot do anything right", etc. Because of the lack of specificity in these allegations and statements, they have been placed in a separate category.