

# Pacific View Condominium Association

Notes to Financial Statements (Unaudited)

August 31, 2025

## Note 1 – Nature of the Organization

The Pacific View Condominium Association (Pacific View HOA), was formed under the condominium laws of Oregon on July 29, 1967 as a not for profit home owners association. The primary purpose of the association is to maintain and administer the common facilities of the condominium and to collect and disburse the assessments and charges of the association. The condominium is located at 1238 North Marion, Gearhart, Clatsop County, Oregon and consists of 27 condominium units in one building, a parking basement, a carport and a swimming pool included in the carport parking building, a paved parking lot on the east side of the building and landscaping on the surrounding property owned by the HOA.

The financial statements are unaudited, as determined by a vote of the home owners to forgo an audit. Financial records are maintained by the HOA management company, Gearhart By The Sea, hired by the HOA board of directors. See footnote 2 D.

## Note 2 – Summary of Significant Accounting Policies

### A. Fund Accounting

Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

**Operating Fund** – This fund is used to account for financial resources available for general operations of the association.

**Reserve Fund** – this fund is used to accumulate financial resources designated for major repairs and replacement of common elements of the building and grounds.

### B. Member Assessments

Association members (owners) are subject to monthly assessments to provide funds for operating expenses and major repairs and replacements. Assessment revenue is recognized monthly based on assessment amounts, unpaid assessments are shown as accounts receivable.

### C. Property

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the financial statements. Common areas consist of the main residential building Structure, swimming pool and carport structure, elevator,

Eastside decking and stairs, sidewalks, curbs, the east parking lot and landscaping surrounding the structures.

## Page 2 Notes to Financial Statements

### D. Investment

The Association owns a portion of Gearhart By The Sea (GBTS), a for profit corporation owned in conjunction with three other Condominium HOA's adjacent to the Pacific View building. The investment is shown at historical cost (1972) on the financial statements.

GBTS manages the HOA of its four owners and acts as a rental agent for those units that have opted to rent their units as vacation rentals. Pacific View has the right to have one homeowner on the GBTS board of directors.

As of August 31, 2025 the financial statements of GBTS are not available.

Additional information about GBTS will be made available when the Board of Directors of GBTS releases the information.

### E. Fiscal Year

The fiscal year begins September 1 and ends on August 31 of each year.

## Note 3 - Future Major Repairs and Replacements

No major repairs or replacements are planned for Fiscal Year 2025-2026.

An update to the 2022 reserve study was performed by Schwindt & Co Reserve Study Services in 2025 to estimate the remaining useful lives and replacement costs of the components of common property. Because funding is based on estimates, actual expenditures may vary from the estimated future expenditures and the variations may be material. Monies accumulated in the Reserve fund may not be adequate to meet all future needs for major repairs and replacements. Thus, the board has the right to raise monthly assessments or levy a special assessment to meet these needs.

A copy of the Reserve Study is on the Pacific View web page under the Documents tab.

## Note 4 – Reserve fund

The Association's Reserve Fund policy is to build up the Reserve Funds balance based on the reserve study. The objective is to assess owners an amount as recommended in the

reserve study, which will steadily build up a reserve fund that can adequately fund anticipated major maintenance and repair projects. The reserve study was updated in 2025 after a major structural repair project is completed.