



### Alligator Talk

This photo from an association in Hilton Head, S.C., seems slightly humorous, as the top sign seems redundant in light of the bottom sign. But it is also a grim reminder of the dangers that alligators pose. A recent tragic alligator encounter resulted in a [court case](#) against one association.

### Employee Volunteers

Federal and state wage and hour laws require employers to compensate employees for their work. Sounds pretty basic, right? This can get confusing, however, when hourly employees “volunteer” their time. [Read more](#)

### More on Auditor Independence

Two recent articles (“Imagine This,” and “Something Every Manager Should Know”) on proposed auditor independence rules generated several questions and comments, suggesting that some very direct follow-up is warranted. [Read more](#)

**HOA Pulse has more full text cases than any other site in the industry. New cases this week include:**

[Foothills Townhome Association v. Christiansen](#)

[Hendrix v. Eagle Neck Homeowners Association, Inc.](#)

[Lamden v. La Jolla Shores Clubdominium HOA](#)

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### Employee Volunteers

By Lynn Krupnik

Federal and state wage and hour laws require employers to compensate employees for their work. Sounds pretty basic, right? This can get confusing, however, when hourly employees “volunteer” their time. For example, what if the association maintenance man “volunteers” to stay late to finish repairs? What if the association administrative assistant “volunteers” to attend an association holiday event, perhaps to take tickets or pass out food? Are these hourly employees really volunteering their time or are they working?

The Supreme Court says a “volunteer” is someone who:

- Without promise or expectation of compensation,
- But solely for his personal purpose or pleasure,
- Works in the activities carried on by another person,
- For their own pleasure or profit.

[Read full article](#)

### More on the Impact of Auditor Independence Rules on Management Company Accounting

By Gary Porter, CPA

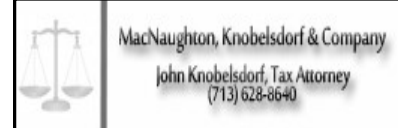
At the heart of this issue is the fact that the HOA industry, as it has operated for many years, has generally not understood or recognized the difference between audit/review services and other accounting services. To put this into the framework recognized by the AICPA:

- Audit and review services are “attest” services, because the independent CPA is “attesting” to work performed by his client (the association).
- Making a cash-to-accrual conversion, making year-end tax accrual, preparing income tax returns, and “preparing financial statements” (the act of adding footnotes, a cash flow statement, and reserve disclosures to management-prepared financial statements) are all considered “non-attest” services, because the CPA is involved in the act of creating information, not attesting to what another person has done. These are considered management functions.

Performance of these “non-attest” services is considered to impair the independence of the CPA because they are management functions. The proposed rules shift the burden of performing these services back to the association / management company.

[Read full article](#)

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## Articles on the Web

Article Title	Article Summary	State
<a href="#">Bexar County residents claim they're being intimidated by HOA, deputies</a>	Residents of Hickory Hollow homeowners' association feel they are being intimidated by their association for fines issued by Sheriff's deputies.	Texas
<a href="#">Erosion threatens another Sound Beach Home, &amp; homeowner's association</a>	A broken pipe that occurred during Sandy is causing erosion, putting a home in the Sound Beach Property Owners' Association in danger of falling into the sound.	New York
<a href="#">Fire victims still pay HOA fees amid plans to rebuild</a>	Residents who lost their homes due to fire, still pay fees to homeowners' association with the hopes of getting their homes rebuilt.	South Carolina
<a href="#">HOAs must file taxes</a>	Most homeowner associations are considered corporations under federal tax laws. This requires HOA's to file taxes.	West Virginia
<a href="#">Supporters of bill barring condo owners from withholding assessments still hopeful</a>	A bill that would bar condominium owners from withholding assessments when their boards don't maintain the property failed to pass.	Illinois
<a href="#">Bimini Bay developer got HOA cash on day of arrest</a>	The developer of a half-built resort withdrew more than \$16,000 from the HOA accounts the day he was arrested for stealing from the association.	Florida
<a href="#">Unclear if lawmakers will take on homeowners' associations this session</a>	A bill is being presented during this legislative session that will limit an HOA's ability to foreclose on the residents. Lawmakers have been reluctant to reform association laws.	North Carolina
<a href="#">Hidden Lakes residents remain skeptical despite changes promised by HOA</a>	Homeowners fight for control of their association from the current board which is made up of the developers.	Texas
<a href="#">Cloud lifted over decorations for Georgetown Commons couple</a>	Couple faced fines, levied by their homeowners' association, for landscaping and holiday light violations. After a trial in court, the magistrate excused the fines, ruling in favor of the couple.	Pennsylvania
<a href="#">Lawmakers roll out new bills regulating HOAs</a>	State lawmakers introduce bills aimed at homeowners' associations that would help them to be regulated and managed more efficiently.	Colorado
<a href="#">Condo board candidates challenge 'disregard of owners'</a>	A group of unit owners is running against the current board in the next election. The candidates, calling themselves "the clean slate", are not happy with the management by the current board.	Illinois
<a href="#">Does contract for bulk services ring a bell?</a>	In this Q & A, topics include an association contract with a cable and telephone company and delinquent taxes and assessments.	Illinois
<a href="#">Board resists having defibrillator installed</a>	Installing defibrillators in a HOA that has numerous retirees, a renter in a condo association holding a board position and the hierarchy between by-laws and the Condominium Act are discussed in this Q & A.	Illinois
<a href="#">Condo associations organize</a>	A group of directors formed a committee to research their town's policy on granting rebates for those who do not participate in trash and recycling pickup.	Connecticut
<a href="#">Middlesex Habitat sells contentious Riverbend property to Homeowners Association</a>	Habitat for Humanity received a lot in a homeowners' association as a donation. Residents thought the lot was to remain open space and did not want Habitat to build on it. Habitat decided to sell the lot back to the association.	Connecticut
<a href="#">HOA bill would give associations a leg up in court</a>	Many proposed laws affecting homeowners' associations are being pushed through the Arizona state legislature. There have been so many that legislators put them together as one large bill.	Arizona