

Gibson's Grant Homeowners Association
Finance Committee Meeting
December 31, 2020
9 AM

Members present: Chair Jamie Kinsel, Tom Beery, Tom Daly, Art Ebersberger
Member absent: Bill Wood

2021 welcomes new board members – Srabani Banerjee (VP, Chair of ARC and Environmental Committees), Richard Garey (Secretary and Communications Committee Chair), and Curtis Hall (Member at Large and Chair of Facilities). Tom Gosselin continues on the Board at the new position of President and also chairs Landscaping. Jamie remains as Treasurer and Chair of the Finance Committee.

Jacques Smith continues to work on obtaining the necessary permits so that Envirotech can undertake the work detailed on their approved contract to remediate erosion along the Chester River by the Pier.

The Committee discussed the 2019 Independent Auditor's Report issued by Strauss & Associates. Todd from Sentry Management and Jamie held a conference call with the accountant, Shawn Hellman, earlier this month. The opinion is qualified in one regard – the accountant could not reconcile actual billed HOA fees with those projected by the developer's initial tier structure. The Board proactively addressed this issue in 2020 by reducing the previous structure (which did not adjust associated fees as lots were shifted and reconfigured by the developer) to three categories only – duplex, single family and townhouse. Also noted: the balance sheet reflects current assets only. Buildings and the land held in common have no cost basis. There is no tax advantage for an HOA to expense building depreciation in any event as it files as a nonprofit. The 2020 Reserve Fund study does provide replacement value figures which are included in the report on page ten. Finally, FDIC insures up to \$250,000 at member banks. HOA funds approach this figure at Union Bank when operating and reserve funds are combined. Sentry has previously stated that their agreement with Union Bank provides that any deposits greater than the 250K are secured by US Government bonds held in the bank's own portfolio. The audit report is available on the GG website.

The Committee reviewed the incomplete December 2020 Balance Sheet and Income/Expense Comparison to Budget figures. Several major expense items are not yet recorded. Outstanding receivables from Elm Street: 4th Q contribution of \$2,500, thermostat replacement at clubhouse \$812.50 and kayak launch material \$1,144. Jamie & Todd meet monthly– as operating cash balances allow the balance owed to the reserve fund accounts from operating accounts is being reduced. HOA fee receivables are reviewed as well with collection procedures implemented as necessary.

Status of amendment questions before the community as of December 18:

Amendment #1 -Sidewalks on private property back to homeowner's maintenance responsibility:

In Favor – 53 Against – 30

Amendment #2 – all buyers in GG contribute 3 months HOA fees at closing (not just 1st time buyers)

In Favor - 67 Against – 16

Both questions have been endorsed by the Finance Committee and the 2020 Board of Directors. A total of 168 votes are needed to pass, 113 votes to deny. It was evident at the virtual Annual Meeting that there is confusion concerning these issues. Further outreach to the residents that have not responded either way will be necessary in 2021.