

Treasurer Report

November and December 2020

Presented in January 2021 Meeting

Agenda

- Bank Balances 12-01-20
- Bank Balances 01-01-21
- Checking account activity November
- Checking account activity December
- Dues/Income collected November
- Dues/Income December
- Interest income received November
- Interest December 2021
- Bills paid in November
- December Bills
- Insurance costs 2020
- New insurance costs 2021

Bank Balances as of 12-01-20

- Checking - \$51,082.75
- Reserves - \$47,917.80
- Total Operations and Reserves - \$99,000.55
- Decrease - \$4,811.76
- Bond Account - \$35,253.36(account liabilities \$35,000)
- Increase of \$14.45 from last period

Bank Balances 1-01-21

- Checking - \$47,508.78
- Reserves - \$47,938.11
- Total Operations and Reserves - \$95,446.89
- Decrease of \$3,553.66
- Bond Account - \$35,268.30 (account liabilities \$35,000)
- Increase of \$14.94 from last period

Checking Account Activity - November

- Opening balance- \$55,914.70
- Deposits- \$4,246.04 (Detail on slide 7)
- Interest- \$6.32
- Withdrawals \$9,084.31 (Details on slide 9)
- Ending balance \$51,082.75

Checking Account Activity - December

- Starting balance - \$51,082.75
- Deposits \$1,533.04 - (Details slide 8)
- Interest - \$6.03
- Withdrawals - \$5,133.04 (Details slide 10)
- Ending Balance - \$47,508.78

Deposit Detail Checking - November

- 20/21 Annual Dues - \$551.04
- Partial Payment - \$920.00
- Partial Payment - \$2,000.00
- Transfer Fees - \$375.00
- Architectural Fee - \$400.00
- Total Deposits - \$4,246.04

Deposit Detail - December

- 20/21 Dues - \$551.04
- Special assessment - \$782.00
- Partial payment past due dues - \$200.00
- Total deposits - \$1533.04
- Interest - \$6.03
- Total - \$1,539.07

Bills/Withdrawals from Checking Detail November

- Caufield Law - \$1,080.00
- Chase Credit Card - \$872.41 (new printer, copies, postage)
- IRS - \$123.20
- Timber Cove Excavating - \$2,500.00
- Walls Law - \$840.00
- Intuit/ QuickBooks/payroll - \$35.00
- Frontier office phones - \$135.64
- Payroll - \$3,498.06
- Total - \$9,084.31

Bills/Withdrawals December

- National Partners Insurance - \$718.09 (Final payment)
- Intuit Payroll - \$61.50
- Intuit Payroll - \$26.50
- Payroll - \$3,450.00
- Payroll - \$750.00
- Frontier office phones - \$136.12
- Total - \$5,113.04

Dues Collected/Income - November

- 20/21 Annual dues - \$551.04
- Payment plan - \$2,920.00 (partial payments previous years)
- Fiscal YTD 20/21 - \$97,100.38
- Transfer fees collected - \$375.00 (3 escrows)

Dues/Income - December

- 20/21 Dues - \$551.04
- 20/21 Dues to date - \$97,651.78
- Special Assessment - \$782.00
- Partial payment plan - \$200.00

Interest Income - November

- Checking - \$6.32
- Reserve Account - \$19.64
- Bond Account - \$14.45
- Total - \$40.41

Interest income - December

- Checking - \$6.03
- Reserves - \$20.31
- Bond Account - \$14.94
- Total - \$41.68

Bills expected in January

- 3rd quarter Payroll tax (est.) - \$3,100 (approved in previous meeting)
- Utilities. - \$136.00
- Intuit Online Payroll Service - \$61.50
- Tax and annual review prep by CPA - \$2,500.00 (not yet billed/approved previously)
- Labor TBD on hours worked
- Walls Law - \$210.00
- Chase credit card - \$3,010.16. Insurance policy \$2,542 and misc. office expense
- Motion to pay bills

Insurance costs 2020/2021

- **D&O Insurance \$15,000**
- **Broker fee \$1,105**
- **Aggregate insurance-\$ 2,429.27 (Davis Sterling requires \$3 million in coverage)**
- **General Liability-\$6,064.89**
- **Finance charge-\$500.60 (D&O)**
- **Finance charge -\$364.46 (GL/XS)**
- **Total- \$25,463.62**
- **This compares to \$28,253.00 for previous year, a slight reduction.**
- **Monthly payments were \$1,929.15-**
- **Out broker informs us the “head butting” incident drops off next year but the current lawsuit will remain another year minimum for disclosure purposes.**
- **Our rate was reduced slightly this year due to measure put in place including new bylaws, conflict of interest, code of conduct and whistleblower policies even though the other incidents remain an issue for insurability.**

Insurance costs

- Why were these listed every month?
- As a reminder that our overall financial issues were due to insurance costs more than 5x historical costs
- Without maintaining proper coverage, the membership is put in danger of more assessments.
- Your board has been open and transparent with our insurers, informing them of threats to ensure we do not face future issues of denial of coverage as we experienced in the past due to irresponsible actions taken by former board members and/or associates.

Insurance Good news !

- We have been able to secure new insurance
- Our policy is now through State Farm
- Our policy is \$2,542.00 a year
- This is a savings of over \$22,000 from previous year
- New policy began on 12-27-20, the day our old policy expired

How did we do it?

- State Farm loss runs only consider last 3 years vs. 5 from previous insurers.
- We have no open claims from 2018, 2019, or 2020.
- The headbutting claim was in 2017 from a 2016 loss run with no payment from insurers
- The lawsuit while settled later was closed on loss runs from insurers over previous 3 years and handled by a former insurer from July 2017, over 3 years previously
- Our new bylaws are viewed favorably, and we have no physical property to insure.
- Insurance coverage includes \$3million in Liability, \$6million Aggregate and \$1million D&O

Good news

- The savings on insurance costs will enable the HOA to devote greater resources to roads
- This policy represents greater cost savings that we have experienced in many years and we are covered under a policy in our own State.
- Questions, Comments?