

**Hillsboro Cove Homeowner's Association
Annual Meeting 11 April 2023
St. Martin Lutheran Church**

The meeting was called to order by President Bill Daly at 6:03 p.m. He welcomed the members and introduced the other Board members and Nick Harris from Realty Performance Group. He gave special recognition to Margie Badger (who could not be present) for her three years' service on the board; he also acknowledged her husband, Tom, for his contributions over the past years.

The president called on Richard Johnson to introduce the single candidate for the board: Debbie Gerlach. After introducing Debbie, Johnson spoke about serving on the board as an honor, a responsibility, and an opportunity.

John Solberg made a presentation about how our HOA finances are handled. He explained how the change in accounting requirements a couple of years ago presented a challenge, but now we've got things on the right track and we are in a very positive position with a healthy reserve fund (which is the source of payment for major maintenance items). The written financial report is attached to these minutes.

Nick Harris reported for the RPG Management Company. He expressed appreciation for the Board and reported that the HOA is in good fiscal shape. He responded to several questions about snow removal and insurance.

Bill Daly announced that Debbie Gerlach has been elected to the Board.

He then reported on the work the board has done this year. Some highlights:

- Tree mapping: Bill Daly and John Solberg explained the recent tree mapping project.
- John Solberg explained the pesticide opt out variance.
- Richard Johnson explained the process for revising the outdated bylaws.
- Deck staining is to be done this year.
- Paving/sealing of driveways will be done this summer over 1/3 of the development
- Review of question of rental units
- Some mailboxes will be replaced because they are rusting out
- Strategies for goose removal
- Roof evaluation will be made to enable us to plan for replacement
- Greenlight internet coming soon

The floor was then opened for questions:

- Question from a new resident about whether we need sump pumps. Answer: basements drain with gravity, no sump pump needed.
- Compliments given to the gutter cleaners last year.

The meeting was adjourned at 7:38 p.m.

Respectfully submitted,
Richard Johnson, Secretary

2022 EOY Financial Report

(Taken from Independent Auditors' Report by Bonn, Dioguardi & Ray, Jan.27, 2023)

BALANCE SHEET

	2022	2021
Assets		
Cash and cash equivalents	542,753	445,616
Accounts receivable from homeowners	4,170	-
Accrued interest receivable	-	30
Prepaid expenses	7,300	20,428
Total Assets	554,223	466,074
Liabilities		
Accounts Payable	11,573	3,343
Pre-payments from Homeowners	15,153	7,250
Contract Liabilities (Reserves)*	590,182	533,972
Total Liabilities	616,908	544,565
Fund Balances		
Operating Fund (Operations)	-	-
Major Maintenance Fund**	(62,685)	(78,491)
Total Fund Balances	(62,685)	(78,491)
	554,223	466,074

*Contract Liabilities is accumulated Reserve funds free of Operating Fund loans.

**The negative value in the Major Maintenance Fund is the balance of a loan made to the Operating Fund in 2020 that is being repaid by positive EOY balance of the Operating Fund. Taking this loan into account, the actual amount of cash available (EOY, 2022) in Reserves was \$527,497.

REVENUES AND EXPENDITURES

	2022		2021	
	Operating Fund	Major Maintenance Fund	Operating Fund	Major Maintenance Fund
Revenues				
Assessments	352,416	209,184	329,510	213,370
Interest	1,022	-	466	-
Other	809	-	1,089	-
Total Revenues	354,247	209,184	331,065	213,370
Expenditures				
Fixed Contracts	267,859	-	232,017	-
Payroll-General Maintenance	57,934	-	62,056	-
Professional Services	9,988	-	22,083	-
Other Expenditures	2,660	-	579	-
Exterior Home Maintenance	-	53,537	-	-
Streets, Driveways, Parking Maint.	-	47,225	-	-
Water/Electric Infrastructure	-	14,060	-	-
Tree Maint. Remove & Replace	-	33,551	-	-
Miscellaneous Maj.Maintenance	-	4,601	-	-
Total Expenditures	338,441	152,974	316,735	125,935
Net EOY Fund Balance	15,806	56,210	14,330	87,435

Expenditures using specific categories of Major Maintenance expenses were not available. The total below is from the 2021 Auditor Report

FUND BALANCES AND CONTRACT LIABILITIES (RESERVES)

Major Maintenance Fund		
	2022	2021
Fund Balance -- Beginning of the year	(78,491)	(92,821)
Net EOY Operating Fund balance	15,806	14,330
Fund Balance, beginning new year	(62,685)	(78,491)
Contract Liabilities (Reserves)		
	2022	2021
Balance - Beginning of the year	533,972	446,537
Transfer Net EOY Major Maintenance Fund	56,210	87,435
Contract Liabilities (Reserves) beginning new year.	590,182	533,972

The loan held by the Major Maintenance Fund is repaid by a positive EOY Net Operating Fund balance, and cannot be repaid using Major Maintenance funds.

The EOY Net Major Maintenance Fund balance (not including the loan) is added to "Contract Liabilities" -- the Reserves account.