

Tierra Grande Improvement Association, Inc.
Board of Directors
May 27, 2020

TELEPHONIC / ZOOM MEETING

Directors Present: Carol Gasperetti, President
Michael Sumner, Executive VP
Judi Magnussen, Treasurer
Jim Lardner, Secretary
Rhonda Davis, Director

Directors Absent: None

Administration Present: Sue Moran, Administrator
George Hobbes, Accountant

Guest(s): Lee Baldwin, CPA - Auditor

Audience: None

Carol Gasperetti, President, called the meeting to order at 4:05 p.m.

AGENDA:

Ms. Gasperetti asked if there were any changes to the Agenda.

There being no changes made to the Agenda, the Agenda was accepted.

ACTION ITEMS:

2019 Financial Review: Lee Baldwin, CPA. Accounting Director for Baldwin Accounting & Consulting addressed the Board regarding the 2019 TGIA Financial Review. Mr. Baldwin opened by explaining the difference between an audit and a review. Essentially an audit requires auditors to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. His Independent Accountant's Review Report stated that he believes that the results of the procedures reviewed did provide a reasonable basis for the report.

Based on that review, Mr. Baldwin was not aware of any material modifications that should be made to TGIA's 2019 financial statements in order for them to conform with generally accepted accounting principles.

Mr. Baldwin reviewed the report with the Board page by page. TGIA's Assets and Liabilities are pretty consistent from year to year. This year Mr. Baldwin broke out Assessment Revenue

Received from Other Income. The break out clearly reflects that Tierra Grande could not cover day to day expenses if the Association depended on Assessment revenue alone.

Mr. Baldwin was not aware of any changes to accounting standards that would impact Tierra Grande in 2020.

Mr. Lardner asked about the need for an audit vs. a review. Mr. Baldwin stated that Tierra Grande's revenue and expenses don't vary much from year to year. He did not see a need for an audit at this time. Ms. Moran stated that she would like an audit when it comes time for her to leave the Association. An audit would help the new Administrator understand better the financial and accounting checks and balances, policies and procedures, necessary to operate the TGIA office.

Mr. Baldwin stated that he will attend the Tierra Grande Annual Meeting and present the 2019 Review to the membership.

Mr. Baldwin left the Board meeting at this time.

Motion: Motion by Ms. Magnussen, seconded by Mr. Sumner to approve the 2019 Financial Review as presented. No further discussion. Unanimously approved. Motion carried.

Minutes: April 22, 2020 Board Meeting

Ms. Gasperetti asked if there were any changes or corrections to the content or to the substance of the minutes. No changes were identified. There being no further discussion:

Motion: Motion by Mr. Lardner, seconded by Ms. Magnussen to approve the minutes of April 22, 2020 as presented. No further discussion. Unanimously approved. Motion carried.

Amendment to the Personnel Practices: The major changes proposed to the Personnel Practices were:

II. D. Compensation Types:

NEW: Salaried exempt employee (Administrator) work is based on a 40-hour week, etc.

III. D. Paid Time Off (PTO):

NEW: PTO is available to regular part-time employees, etc.

Motion: Motion by Mr. Sumner, seconded by Ms. Magnussen to approve the amendments to the Personnel Practices as presented. No further discussion. Unanimously approved. Motion carried.

FINANCIAL REPORT(s) – The Financial Reports for period ending April 30, 2020 were reviewed.

Mr. Lardner asked about the \$50,000 identified as “Suspense” under Fixed Assets. Mr. Hobbes responded that the bank statement for that new certificate of deposit was not available in time for reconciliation.

There being no further questions or discussion the Financial Statements for the periods April 30, 2020 will be placed in the record for audit or review.

OLD BUSINESS - None

NEW BUSINESS - None

OTHER ITEMS

Deed in Lieu of Foreclosure: Ms. Moran reported that the owner of a lot currently in the hands of our attorney and being prepared for foreclosure has requested the option of deeding the property to TGIA in lieu of foreclosure. She inquired how the land should be treated when received. Is it a donation or is it a foreclosure? Mr. Sumner responded that the property should be treated as a donation when received. Reimbursement of legal / property related expenses will be recovered when the lot is sold by TGIA at a later date.

Response from Pre-Foreclosure Letters Sent to Owners Whose Property Taxes are Current: Ms. Moran reported that on May 18th notices were mailed to 22 owners who were in the 4th year of non-payment with TGIA but current with their property taxes. So far, TGIA has received one payment (over \$500) from an owner. The owners were given until June 30th to contact us or TGIA would begin foreclosure proceedings.

ADJOURNMENT: Ms. Gasperetti adjourned the meeting at 4:45 p.m.

Next TGIA Board Meeting: The next meeting is scheduled for Wednesday, June 24, 2020 at 4:00 p.m.

Signature

/sdm: Minutes05/27/2020

Date Approved