

Community Services Associates, Inc.

Finance Committee Meeting

February 16, 2021

A regular meeting of Community Services Associates, Inc., (CSA), Finance Committee, was held on Tuesday, February 16, 2021, via videoconference.

Present from the Finance Committee, were: Dave Borghesi, CSA Director, Chair; Barry Barth, CSA Director; Keith Burns, Member; Peter Dontas, Member; Ann Esposito, Member; John Farrenkopf, Member; David Herskovits, Member; Lee Ann Leahy, Member; John McEnery, Member; Rich Speer, CSA Director; Andrea Tarbox, Member and Rob Weber, Member

Absent from the Finance Committee, were: Scott Richardson, CSA Director and Don Sigmon, CSA Director

Present as Ex-Officio, was: Larry Movshin, CSA Chair

Present from Community Services Associates, Inc., were: Sam Bennett, President; Victoria Shanahan, Director of Finance and Administration and Sandra Archer, Executive Administrator

Call to Order

The meeting was called to order by Dave Borghesi, Chair, at 9:00 a.m., Eastern time.

Establishment of Quorum

With the majority of Committee Members in attendance, quorum was met.

Ratify Approval – Committee Meeting Minutes, November 10, 2020/February 2, 2021

A motion was made by John Farrenkopf, to support the resolution, “Ratify Approval – Committee Meeting Minutes, November 10, 2020/February 2, 2021, as amended”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Finance Committee, ratified approval of the Committee Meeting Minutes, November 10, 2020/February 2, 2021, as amended and finalized by email”.

Unfinished Business

Paycheck Protection Program Loan

Chair Borghesi and Ms. Shanahan provided an update:

- PPE loan, \$1,100,000, filed for forgiveness with our banking institution, Truist, loan provider, December, 2020;
- Truist has confirmed forgiveness and passed on to SBA for final forgiveness;
- Auditor advised loan can be recorded during 2020 if loan forgiveness is expected. Loan to be recorded in 2020, as governmental grant.

CSA Financial Statement Consolidation

Chair Borghesi, Ms. Shanahan provided an update:

- Six Oaks Cemetery and Sea Pines Forest Preserve Foundation, have not been consolidated into CSA’s financial statements;

- Board and Management decision, in past, to present only CSA financial statements, for auditors' opinion. Auditor placed qualification on audit, yearly;
- Mrs. Leahy and Ms. Shanahan to draft Policy Statement, on CSA's decision to not consolidate SOC and SPFPF with CSA's financial statements. The Policy to be revisited, yearly;
- Annual Report to Property Owners could include more SOC and SPFPF data.

New Business

Approval – Amendment, Budget 2021

A motion was made by Dave Borghesi, to support the resolution, “Approval – Amendment, Budget, 2021”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Finance Committee, approved amendment to Budget, 2021, in the amount of \$987,651, to cover the cost of Budget, 2020, rollovers, additional projects and re-implementation of a Beach Shuttle Fee for the Short Term Rentals”.

- Approximately \$958,000 represent a rollover from 2020 previously approved MR&R projects that were not completed by year end.

2021 Cash Management

Chair Borghesi provided an update:

- Bulk of 2021 property owner assessments, received by January 31, 2021;
- \$2.5M transferred into investments account and purchase short term U.S. Treasuries.

Insurance Review

Ms. Shanahan provided an update:

- Policy renewed January 1, 2021;
- Premium, 2021, \$1,020,276, increased 47.10% over 2020;
- Sea Pines does not compare to other HOAs: One million visitors annually, SLED certified guards, resort inside residential community, etc.;
- Chair Borghesi to send email for volunteers to serve on Insurance Review sub-committee. Sub-committee to report back at March 23, 2021, meeting.

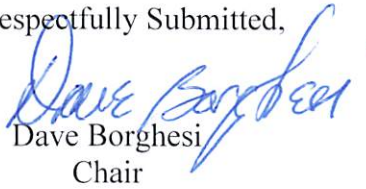
Investment Credit Quality

- Investment Policy requires review of quality of investments, three times yearly;
- Wealth Manager, Morgan Stanley, is custodian;
- \$12.9M in investments as of January 31, 2021;
- \$2.5M recent purchase, treasuries, through assessments received, 2021;
- Investments include ultra-short bond fund balance of \$2.6M for North Sea Pines Drive construction project;
- Virtually no change in credit quality from September 2020 review;
- No action required with respect to investment holdings;
- Continue with Investment Policy in place, maintain conservative approach;
- Chair Borghesi to distribute the investment analysis summary report via email.

Adjournment

With no further business to come before the Committee, Chair Borghesi adjourned the meeting at 10:00 a.m. The next regularly scheduled meeting of the Finance Committee, is Tuesday, March 23, 2021, 9:00 a.m., via videoconference.

Respectfully Submitted,


Dave Borghesi
Chair