



ANNUAL MEETING

Flintsgrovehoa.org or email: FlintsGroveHOA@gmail.com

ALL RESIDENTS PLEASE ATTEND – APRIL 25th

The annual Flints Grove HOA meeting will take place Tuesday, April 25 in the Auditorium of Dufief Elementary. **7– 9pm, April 25th**

If you can not attend, please complete the proxy form and submit it to a member of the Nomination Committee (see below for contact information).

Interested in Becoming a Board Member?

Five Board Member positions will be open for re-election. Elections will take place at the Annual Board Mtg, April 25.

To submit a nomination, **contact a member of the Nomination Committee:**

Howard Margolis, howardmargolis61@gmail.com

Michael Wolmetz, mikew@jhu.edu

Min Liu, minliu2000@yahoo.com

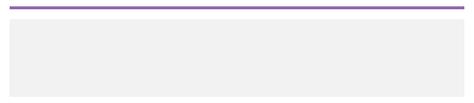
Annual Meeting Topics

2016 Review

2017 Look Forward

2017 Budget Approval

2017 Board Elections



**The Flints Grove
Homeowners Association, Inc.
Financial Statements
December 31, 2016**

CONTENTS

	Page(s)
Financial Statements	
Accountant's Compilation Report on Financial Statements	1
Statement of Assets, Liabilities and Fund Balance – Cash Basis	2
Notes to Financial Statements	3 - 4
Supplementary Information	
Major repairs and replacements	5

James L. Layton
Certified Public Accountant – Certified Fraud Examiner – Certified Valuation Analyst
9 Lord Mayors Court
Cockeysville, Maryland 21030
(410) 961-6982
FAX (410) 629-7101

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of The Flints Grove Homeowners Association, Inc.

I have reviewed the accompanying financial statements of The Flints Grove Homeowners Association, Inc., which comprises the statement of assets, liabilities and fund balances – cash basis as of December 31, 2016 and the related statement of revenues, expenses and changes in fund balances cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting. As disclosed in Note 2B, the Association uses the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Conclusion on the Financial Statements

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Supplemental Information

The supplemental information contained in the Required Supplementary Information on Future Major Repairs and Replacements is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. I have compiled the supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I have not audited or reviewed the supplementary information, and accordingly, I do not express an opinion, a conclusion, nor provide any assurance on it.



March 15, 2017

The Flints Grove Homeowners Association, Inc.
Statement of Assets, Liabilities and Fund Balances - Cash Basis
December 31, 2016

	Operating Fund	Reserve Fund	Total
ASSETS			
Cash and cash equivalents	\$ 39,634	\$ 186,216	\$ 225,850
	<u>39,634</u>	<u>186,216</u>	<u>225,850</u>
Total assets	<u>\$ 39,634</u>	<u>\$ 186,216</u>	<u>\$ 225,850</u>
 LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund balances	<u>39,634</u>	<u>186,216</u>	<u>225,850</u>
Total liabilities and fund balances	<u>\$ 39,634</u>	<u>\$ 186,216</u>	<u>\$ 225,850</u>

See accountant's compilation report.

The Flints Grove Homeowners Association, Inc.
Statement of Revenues, Expenses and Changes in Fund Balances - Cash Basis
For the year ended December 31, 2016

	Operating Fund	Reserve Fund	Total
Revenue			
Assessments	\$ 31,299	\$ -	\$ 31,299
Interest income		238	238
	<hr/>	<hr/>	<hr/>
Total revenue	31,299	238	31,537
Expenses			
Repairs and maintenance			
Landscaping	11,035		11,035
Fence work	1,175		1,175
Snow removal	1,885		1,885
Insect treatment	1,263		1,263
Tree work	1,500		1,500
Playground	1,258		1,258
Total repairs and maintenance	<hr/> 18,116	<hr/> -	<hr/> 18,116
Insurance	4,443		4,443
Professional fees	9,472		9,472
County tax	1,025		1,025
Office supplies	1,468		1,468
Rent	322		322
Utilities	200		200
Social expense	365		365
	<hr/>	<hr/>	<hr/>
Total expenses	35,410	-	35,410
Excess (deficit) of revenues over expenses	<hr/> (4,112)	<hr/> 238	<hr/> (3,873)
Fund balances, beginning of the year	69,946	159,777	229,724
Interfund transfers	<hr/> (26,200)	<hr/> 26,200	<hr/> -
Fund balances, end of the year	<hr/> <hr/> \$ 39,634	<hr/> <hr/> \$ 186,216	<hr/> <hr/> \$ 225,850

See accountant's compilation report.

The Flints Grove Homeowners Association, Inc.
Notes to the Financial Statement
December 31, 2016

Note 1 – NATURE OF THE ORGANIZATION

The Flints Grove Homeowners Association, Inc. (the “Association”) is a nonprofit homeowners’ association incorporated on April 5, 1982 organized for the purpose of maintaining and preserving the common property of the Association. The Association is composed of 149 single homes and 56 townhomes located in North Potomac, Maryland.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

- A. Fund Accounting – The Association uses fund accounting, which requires that funds be classified separately for accounting and reporting purposes. The Association uses two funds:
 - a. Operating Fund – The Operating fund is used to account for financial resources available for the general operations of the Association; and
 - b. Replacement Fund – The Replacement Fund is used to accumulate financial resources designated for future major repairs and replacements

- B. The financial statements are prepared on the cash basis of accounting. Under the cash basis of accounting revenues are recognized when received and expenses when paid. Cash basis accounting is a comprehensive basis of accounting other than generally accepted accounting principles.

- C. Restricted Cash – Restricted cash includes reserve funds held for future capital expenditures for the community.

- D. Use of Estimates – The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

- E. Cash and Cash Equivalents – Cash equivalents are defined as highly-liquid short-term debt instruments whose maturity dates do not extend past three months from the original date of purchase. As of December 31, 2016, the Association held \$186,216 in a money market fund.

- F. Common Property – In conformity with industry practice, The Association does not recognize real property directly associated with individual units as assets. This includes common property, primarily consisting of land, sidewalks, etc. The Association is responsible for preserving and maintaining the common property.

Note 2 – MEMBERS’ ASSESSMENTS

Association members are subject to annual assessments to provide funds for the Association’s operating expenses, future capital acquisitions, and major repairs and replacements. Excess assessments at year-end are retained by the Association for future periods.

The Flints Grove Homeowners Association, Inc.
Notes to the Financial Statement
December 31, 2016

Note 3 – INCOME TAXES

Homeowner associations may elect to be taxed as either a homeowner association or as a nonexempt membership organization. For the year ended December 31, 2016, the Association elected to be taxed as a homeowner association. Under that election, The Association is taxed only on non-exempt at the applicable federal and state tax rates. For the year ended December 31, 2016 the Association had no federal or state tax liability. The Association is no longer subject to tax examinations by federal tax authorities for years prior to December 2013.

Note 4 – SUBSEQUENT EVENTS

Management of the Association has evaluated events and transactions that occurred after the balance sheet date through March 15, 2017 the date the financial statements were available to be issued, and has determined that no subsequent events have occurred that require recognition or disclosure in the financial statements.

Supplemental Information

**The Flints Grove Home Owners Association, Inc.
Required Supplementary Information on Future
Major Repairs and Replacements
December 31, 2016**

During 2010, an independent Reserve Analyst conducted a Capital Reserve Study Update. In an Update Study, the line items and their associated ages and quantities are based on information provided by an existing reserve study, as well as the updated information provided by property management personnel. Replacement cost estimates have been updated, as derived from published industry standards and the reserve analysts experience in construction budget preparation. Typical life expectancy figures are based on published industry standards. The estimated remaining life figures are based on the reserve analysts engineering inspections of the items, and their assessment of the physical conditions of those assets

The following table is based on the study and presents significant information about the components of common property as of the date of the replacement analysis (2010).

	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost
Entrance sign lighting	19 years	\$ 650
Asphalt paving – Pebble Hill	5 years	25,920
Asphalt paving – Rich Branch	5 years	14,850
Asphalt walking path	5 years	61,930
Asphalt walking path	14 years	61,930
Concrete walk/curb – Pebble Hill 10%	24 years	3,360
Concrete walk/curb – Pebble Hill 90%	5 years	30,240
Concrete walk/curb – Rich Branch 5%	5 years	1,155
Concrete walk/curb – Rich Branch 95%	24 years	21,862
Detention Basin Renovation	16 years	18,000
Entrance Sign – Stone wall	5 years	6,500
Path culverts	5 years	2,400
Wooden bridge at stream	5 years	8,500
		<u>\$ 257,297</u>

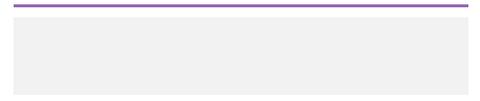
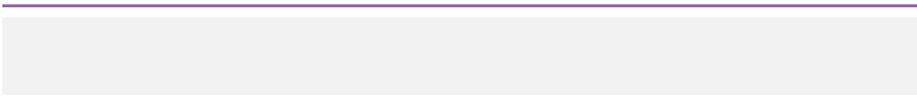
The study does not take into account the effects of inflation or interest between the date of the study and the date that the components will require repair or replacement. Actual expenditures may vary from this estimate and the variations may be material.

See accountant's report.

2017 Proposed Budget

Category of Expense	Amount
CPA Review	\$ 1,600
Bookkeeping	\$ 3,500
Directory	\$ 800
Insurance	\$ 4,500
Landscaping (& Mosquito)	\$ 16,300
Legal	\$ 2,500
MC HOA	\$ 1,025
Newsletter	\$ 1,600
Postage	\$ 630
Pro Fees for Tax Returns	\$ 400
Rent (Mtg Rms, PO Box)	\$ 600
Repairs	\$ 12,000
Social	\$ 800
Snow Removal	\$ 2,000
Tree	\$ 13,000
Utilities	\$ 200
Other- doggie bags, msc. printing, bank fees	\$ 500
Total Expenses	\$ 61,955

Total 2017 Dues	\$ 65,420
Remainder (Dues-Expenses)	\$ 3,465



**Flints Grove Homeowner
Association OFFICIAL PROXY/
BALLOT
2017 ANNUAL MEETING**

Names of all co-owners of a particular unit: _____

Address: _____

Name of person appointed proxy holder: _____

Owners' signatures: _____

Date: _____

Unless the ballot form below is completed, this proxy will be used only for the purpose of obtaining a quorum at the Annual Meeting to be held on April 25, 2017, or at the rescheduled meeting if there is no quorum at that time.

Instructions

- 1. Be sure to give this form to your appointed proxy holder in time to take to the meeting.**
- 2. Be sure all owners of the lot or unit referenced above sign this form.**
- 3. If you wish to vote, please complete the ballot below. Vote for no more than five (5) positions listed to be filled. You may write in a candidate, but the ballot can only be voted if that person is nominated from the floor.**
- 4. Your Association fees must be current in order to vote.**
- 5. If you are voting, tear off the Ballot below, place it in a sealed envelope with this proxy form taped to the outside of the envelope.**

*** Flints Grove Homeowner Association
2017 Annual Meeting
OFFICIAL BALLOT**

There are five (5) positions open on the Board of Directors. Do not vote for more than five (5) candidates or your ballot will not be counted.

Candidates

Name of Write-in Candidate 1: _____

Name of Write-in Candidate 2: _____

Name of Write-in Candidate 3: _____

Name of Write-in Candidate 4: _____

Name of Write-in Candidate 5: _____