

Finance Committee Minutes July 16, 2008.

Chairman Jim Susa called the Finance Committee meeting to order at 7:05 p.m. Committee members Mary Chaffin and Jay Gerding were present and represented a quorum. Member Alyssa Rhein was uncharacteristically absent. Her participation and wit were sorely missed by the group. Gerrie Crawford and Sarah Lebsack from Stratford Management were also present. There were no guests present.

Jay moved to approve the June 2008 Minutes. Mary seconded the motion and it was unanimously approved.

The Committee then discussed the June 2008 financials. The financials were produced by the Voyager accounting system and all transition issues from Platinum Management to Stratford Management in using the Voyager system have been finally successfully resolved. The income statement shows that the year-to-date net surplus for the Association exceeds the expected budgeted surplus, even with the unbudgeted expenses of the recall election and Clanagan lawsuit and the Board approved but previously unbudgeted expenditure of \$30,000 for wall painting. The balance sheet shows the Association with almost \$1.9 million in assets, no debt and a reserve fund of \$1 million. Mary moved to accept the financial statements as presented. Jay seconded the motion and it was unanimously approved. The Committee recognized the significant effort of Gerrie and Sarah to work through all of the transition issues to produce accurate financial statements and thanked them profusely for that.

The Committee then discussed the fiscal year 2008-09 draft budget. Management produced a pro forma budget giving historical figures 2006-07, budget figures for 2007-08, year-to-date figures for 2007-08 and budget estimates for 2008-09. The Committee then discussed, line by line, each of the figures and corrections were made in light of discussions between management and the Committee. Sarah and Gerrie were requested to provide additional information for the Committee's August meeting.

The Committee then discussed the cash flow of the Association. Given the expected monthly expenditures for operating items and the expected capital items over the remainder of the fiscal year, it was estimated that the Association will end the 2007-08 fiscal year with at least \$100,000 in the operating account as a results of the previous 12 months of operations. At that point, dues will refill the operating account.

The Committee then discussed the mileage reimbursement rate issue for the covenants coordinator. The Committee voted to recommend to the Board that the mileage reimbursement rate be increased to \$1.25 per mile and that the Committee also begin the process of analyzing possibilities of buying or leasing a vehicle or continuing on the existing system of reimbursing the covenants coordinator for use of their personal vehicle.

The Committee then discussed the issue regarding the failure of Platinum Management to open a certificate of deposit at Chase Bank as requested by the Finance Committee. The

Committee voted unanimously to recommend to the Board that the matter not be pursued due to the minor amounts involved and the likelihood that the costs of pursuing the matter will outweigh the amount to be recovered.

The next meeting is August 13, 2008. There being no further matters to come before the Committee, Jay moved and Mary seconded that the meeting be adjourned. The motion passed. The meeting was adjourned at 8:25 p.m.