

Finance Committee Minutes March 11, 2009.

Chairman Jim Susa called the Finance Committee meeting to order at 7:00 p.m. Committee members Mary Chaffin, Debbie Budd, Dale Henson, Jennie Oliver and Harlan Quinn were present and represented a quorum. There were no Committee members absent. Jim mentioned to the Committee that Jay Gerding had resigned in February after many years of significant service to the Committee. Guests were Sarah Lebsack, George Erhardt and Anne Dill. Gerrie Crawford from Stratford Management was also present. Finally Board liaison John Lambert was present.

The Committee received a presentation from Anne Dill regarding the services offered by Community Association Banc ("CAB"). CAB specializes in banking services for home owners associations. The object of the presentation was to detail how CAB would handle money that might be deposited by the Association. Currently the Association places money in a number of institutions to maintain federal insurance coverage on all funds (other than Treasury Bills which are not insured). CAB could provide services for all Association funds in one place. Several questions were asked about the security of funds deposited with CAB as well as yield and liquidity. A hand out was provided by Ms. Dill. After the presentation, the Committee requested some information from Stratford and agreed to read the information provided in the hand out and discuss at the May 13, 2009 Committee meeting.

Mary moved to approve the January 2009 minutes. Debbie seconded the motion and it was unanimously approved.

The Committee then discussed the January 2009 financials. The financials show a deficit of \$68,830.21 for the month, which is a lower deficit than the budgeted \$96,456.48. In months other than November and May (the months dues are collected) the Association has deficits. In November and May, there are significant monthly surpluses. The year-to-date figures are \$351,549.95 in surplus, which is ahead of the budgeted surplus of \$299,115.56. Despite this, there are a few categories of income and expenses that are not performing near their expected budgeted amounts including interest income, backflow repairs and office security system. The balance sheet shows \$102,498.11 in the operating account and \$632,151 in other accounts and \$650,000 in US Treasury Bills. A motion was made by Dale to recommend the approval of the January 2009 financial statements to the Board. Mary seconded the motion and it was unanimously approved.

The Committee then discussed the February 2009 financials. These financials show the progress of the Association after one third of the fiscal year has occurred. The financials show \$122,131.35 in the operating account. The operating account was replenished by \$75,000 withdrawn from the M & I money market account during February. The Committee then discussed the cash flow over the past two months and the projected cash flow in March and April. After the discussion, it was determined that the operating account will need to be replenished again by the M & I money market account sometime in April but that between the M & I account and the operating account, there should be at least \$75,000 left at April 30, 2009. This means that the Association will not need to

liquidate any of the \$650,000 in US Treasury Bills to pay operating expenses in the Spring as sufficient other money is available until the May 1st dues payments arrive. The Committee also discussed the net surplus at the end of February at \$252,096.51 versus the budgeted net surplus at the end of February being \$189,659.08. Thus despite some categories of budgeted income and expenses being off, the Association as a whole is still ahead of where it thought it would be at this point in the budget year. Debbie moved to recommend the approval of the February 2009 financial statements to the Board. Mary seconded the motion and it was unanimously approved.

The Committee then discussed the progress of the annual financial audit being conducted by the firm of Mitchell & Roediger, CPAs. Gerrie stated that the auditor believed the preliminary audit would be completed by March 20th and a draft audit report would be available to the management company at that point. The Committee reminded Gerrie that state law required the audit to be completed by April 30, 2009 and Gerrie did not see any problems with meeting that date.

The Committee then discussed the renewal of the Certificate of Deposit ("CD") that had matured at Washington Federal Savings. Gerrie had obtained bids for renewing the CD for six months from Washington Federal Savings (2.030%), Community Association Banc (1.73%), Canyon Community Bank (1.95%) and Chase Bank (1.49% for 9 month CD). Bids were also received by Bank of America (1.74% for 9 month CD) and Wells Fargo (1.39% for 9 month CD) but both of those institutions required that the operating account be in the bank to obtain those rates. After discussion, a motion was made by Dale, seconded by Mary that the Committee recommend to the Board the creation of a \$100,000 CD at Washington Federal Savings for six months. The vote was unanimous.

The Board discussed the next meeting date of May 13, 2009. Sarah Lebsack stated that the various committees were in the process of submitting their budget requests and that the management company would be compiling those requests and preparing a draft budget document for the Committee to review in May.

The meeting was adjourned at 8:18 p.m.