

Minutes Rev A 2/15/19

Finance Committee Special Meeting Friday, February 15, 2019

9:00 AM Conference Room

Attendees: Committee members David Sorkin, Sal Monaco (Chair), Nolan Zisman, Dan Drobnis; HOAMCO Staff Julie Navarro (General Manager); Board members Joseph Guitierrez (Treasurer), Todd Handy

Prior Distributions: Draft Audit Report; **At Meeting:** Auditor's Management Letter, Tax Returns, Forensic Audit Summary.

Public Comment—None

Additions to/Adoption of Agenda—Adopted as distributed

Review of Draft Audit—Several suggestions for changes were made:

Numbers, as presented, appear reasonable, although not identical when compared to Trial Balance of 1/19/19

Correction of several typos in the text

Correction of Auditor misunderstanding of ECIA Special Assessments

Discussion of HOAMCO invoice and check processing problems as highlighted in Management Letter

Review of Tax Returns. The Association owes the applicable taxes on its interest and other unrelated income: \$7,151 Federal and \$668 State. **MOTION 1 to recommend that a Board officer sign for filing.**

Review of Summary of Forensic Audit. **MOTION 2 to recommend Board acceptance and posting to the ECIA web site**

A recommendation for the Annual Audit can only be made when the next draft is available for review, either by e-mail or at a meeting with the Auditor, perhaps Friday 2/22

Review of Projected Annual Cash Flow

A Gantt Chart or overall Project Plan is not yet available for the Pool project, much less all Replacement Reserve projects. So an overall Replacement Reserve cash expenditure plan is not yet possible

An Operating cash expenditure plan for 2019 has not been done, although the information is available in the monthly budget

An overall cash income plan could be estimated, assuming a similar collection pattern from the 2018 financial reports

Recommendations for Investment

Lacking the foregoing specifics, the Finance Committee considered the cash balances, amount due between Operating and Reserve funds, and guesses based upon the January, 2019 Financial Report and recommended to the Treasurer that about \$150K from the CD maturing on 2/28/19 can be rolled to a new three-year CD maturing in 2022, and the remaining \$78K held in cash as an additional cushion.

Next Meeting

Possible Finance Committee Special Meeting with Auditor Friday, Feb 22. Finance Committee Regular Meeting Tuesday, Mar 12, 2018, at 9:30 AM.

1. Adjourn—11:30 AM