

Special Finance Committee Meeting

Minutes of February 25, 2015

Committee Chair Dan Drobnis called the meeting to order at 9:34 AM

Committee Members Attending: Gale Oppenheim, Tom Willmott and John Calzada

Committee Members Absent: Sandy McGregor

Board Liaison/Treasurer: Todd Handy

Board Member: Dag Ryen and Greg Collelo

Interim GM Paul Skojec

Public Comment: None

1. **Adoption of Agenda:** Adopted
2. **Approval of Minutes from February 11, 2015:** Approved
3. **Preliminary 2014 Audit Information:** Nick Grieco and Michael Swain reviewed the "Management Letter" of the audit with our committee, indicating that they would be making a finding of a "significant deficiency". The problem had to do with receiving four different budgets. The recommendation is to complete and approve a single budget each year. A lengthy discussion was held as to why and how there were four different budgets. Todd explained why the four different budgets surfaced and the committee was satisfied that it would not happen in the future.

The next discussion centered on the "Governance Letter". Nick mentioned that according to the figures 70% of the receivables are considered uncollectable. This holds the appearance of being a problem. No solution became immediately apparent. The audit disclosed that we currently have 2.5 years of our R&R funded and they had no difficulties performing the audit.

The final discussion surrounding the audit focused on the "Financial Statements". The only new item noted was the line of credit from Edward Jones that was utilized this year because of the time lag between cd's maturing and the need to meet payroll. No interest was paid on that line of credit and we do not anticipate needing to utilize it in the future.

A discussion took place regarding some changes in tax law that would need to be applied to expenses beginning at \$500. More discussion was held concerning the draft financial statements and the need for the Board to take action at their next meeting to correct the minutes of their January meeting. The correction was necessary because of a typo that occurred in transcribing the proper amount of the official budget.

5. **Draft 2015 Finance Committee Annual Report:** The committee held a short review of what would be placed in the annual report to include what pages of the audit. It was decided that pages 4,5,15,16,17,18 from the audit would be included in the annual report.

6. **Next Meeting:**

Regular Finance Committee Meeting March 11th at 9:30 AM

Adjourn

Respectfully Submitted

John Calzada

Preliminary Agenda--RevB
Finance Committee Meeting 2/11/15
9:30 AM Conference Room

1. Public Comment
2. Modifications/Adoption of Agenda
3. Approval of Minutes from 11/7/15
4. Interim General Manager's Report
 - HOAMCO GM Transition
 - Community Property Physical Security Status
 - Audit/Annual Report Timeline
 - HOAMCO Financial Transition
5. Board Liaison/Treasurer Report
 - Proposed Capital Projects
 - Stable Automated Gate
 - Third Entrance Marquee
 - Liability Insurance Requirement
 - Overdue Assessment Collections
 - Notification and Lien schedule
 - Collections
6. Monthly Financials
 - P&L vs. Budget
 - Balance Sheet
 - Accounts Receivable
 - 2014 Legal Expenses
7. Procedures Audit Report
8. Document Retention Policy Draft
9. Annual Calendar Items
 - Charter Review
 - Yearly Items
10. Security Plan
 - Capital items--cameras
 - Attendant and Security Service
11. Report from Ad Hoc Information Technology Committee
12. Next Meetings
 - Audit Draft Review Special Meeting Feb. 25 9:30 AM
 - Regular Finance Committee Meeting Mar. 11 9:30 AM
13. Adjourn

Finance Committee Meeting

Draft Minutes of February 11, 2015

Committee Chair Dan Drobnis called the meeting to order at 9:33 AM

Committee Members Attending: Gale Oppenheim and John Calzada

Committee Members Absent: Tom Willmott and Sandy McGregor

Board Liaison/Treasurer: Todd Handy

Interim GM Paul Skojec

1. Public Comment: None

2. Adoption of Agenda: Adopted

3. Approval of Minutes from January 7, 2015: Approved

4. Interim General Manager's Report: Paul told the committee that the Board is getting ready to interview the first candidate for the General Manager's position. The interview should take place in the next week or so. Electrical issues at the stables are holding up the installation of the surveillance camera. The camera and equipment has been ordered but will need to wait until the electrical problems are fixed. A job ad, for the new position of Facility Attendant has been posted. The office is working to assist in the annual audit. Some problems were identified in QuickBooks and Todd has been working to resolve those issues. The first draft of the audit report has been sent to committee members for a quick review. HOAMCO is in the process of inputting all the homeowner's accounts into Topps with the end of March as a potential cutover date for all things financial.

5. Board Liaison/ Treasurers Report: Todd explained that the stable committee has not submitted any information on the automatic gate. The information committee has not submitted anything on the marque for Avenida Eldorado. Dan mentioned that the information committee is down to two members with much to do. He thought that the last marque purchased cost about \$5,000 and an attempt should be made to find the old invoice. Todd said that a meeting has been set with Steve Crawford to review our insurance policy and to clarify some Board concerns. The meeting will take place on Friday, February 13th at 9:30. A very spirited discussion took place over the suggestion by the stable community that ECIA purchase an umbrella insurance policy for them, and then bill for reimbursement by the barn owners. The Finance Committee members present were adamantly opposed to such an idea and reaffirmed its earlier recommendation that the stable owners each provide their own one million dollar liability insurance coverage naming the ECIA as additionally insured. Todd mentioned that the committee would need to review our insurance coverage and limits next month.

Motion: Gale made the motion to recommend to the ECIA Board that a one million dollar liability insurance coverage, naming the ECIA as additionally insured, is purchased by all stable owners, at their expense. The motion was seconded by John and passed 3-0

Todd explained that our interim GM would be implementing the policy regarding overdue assessments. The May mailings will have a warning to those that have not yet paid their assessments, that the lien fees are going to be much higher this year.

6. Monthly Financials: The committee made a quick review of the financials. Todd mentioned that as a result of the two-week delay in assessment billing, collections are trailing far behind last year. While the County Tax Assessor and Treasurer have both told us that we do not have to pay the property tax bill (on the Community Center Property) Todd told the committee that there would be a line item for the amount until ECIA receives something in writing.

7. Procedures Audit: Gale told the committee that she is polishing this report up and should have it out by email to committee members this week.

8. Document Retention Policy: Gale told the committee that this policy was sent to the Dan on Monday for review. A short discussion was held comparing the HOAMCO retention policy to the one that Gale wrote. Gale is going to rework her draft policy so that a side-by-side comparison with HOAMCO's can be made.

9. Annual Calendar Items: The Chair will be adding several items to the calendar and then forward to committee members for review.

10. Report form the Ad Hoc Information Technology Committee: Dan explained that changes have been made to where backups are stored. There were a series of network problems that required we call a technician for help. Paul mentioned that HOAMCO's IT consultant is scheduled to visit the ECIA office soon to ensure that the GM has secure connectivity with HOAMCO's network. The consultant will be asked to provide an overview of the current IT environment.

11. Next Meetings:

Audit Review Special Meeting February 25th at 9:30AM

Regular Finance Committee Meeting March 11th at 9:30 AM

14. Adjourn

Respectfully Submitted

John Calzada