

## **MINUTES OF ECIA FINANCE COMMITTEE MEETING**

**March 8, 2006**

The meeting was called to order at 9 AM. Present were chair Gisela Knight, members Pat Bell, Allen McQuiston and Ed Moreno, Board Liaison Dan Drobnis, and staff members Bill Donohue and Debby Padilla. Dee Cooper was excused.

--Asa Laws of ECIA auditors Zlotnick, Laws & Sandoval was present for the auditor's exit conference. The discussion draft of the 2005 audit was reviewed. Mr. Laws commended Debby Padilla for her accuracy in keeping the ECIA books. He explained the income tax situation. As has been the case for several years, the ECIA will again use regular corporate tax law rather than non-profit law, since deeding of roads to the County continues to permit offset against income. He stated that an update of the 20-year Repair and Replacement schedule is urgently needed, and suggested that separate accounts be created for the Special Assessment Fund. Discussion was held about controls and segregation of duties as well as bank statement reconciliation, the latter in light of a check deposit that had been lost in the mail. A second person (other than Debby) will sign off on bank statement reconciliations. The chair thanked Asa Laws for his work.

--No one appeared for the public forum.

--Minutes of the February 8 meeting were approved as submitted. Financial statements were reviewed and accepted.

--The FC discussed how to use the 2005 operating surplus of \$41,056. Motion was made and seconded to recommend to the Board designation of the full amount to the Operating Fund Balance for maximum flexibility in the use of these funds. Motion approved unanimously.

--The Committee reviewed the draft 2005 Annual Report of the FC which will go to the ECIA membership.

--A detailed review and discussion was held regarding the draft investment policy. In view of some uncertainty about federal insurance of non-CD funds held by our broker, the matter was held over for investigation until the next meeting. Ed Moreno suggested to establish cash management guidelines. The FC will follow through after the investment policy is finalized.

--Pat Bell and Ed Moreno reported briefly on the meeting with Hope Kiah on website expansion.

--There were no other reports. Next meeting date is April 12, 2006.