

Finance Committee Meeting - June 10, 2020

The Finance Committee met on line with all members "present" except Nancy Foote and Mike Sylvester.

The Audit Report of 2019, was discussed in great detail. It was noted as a "clean" audit, with very few adjustments required. The Association is in "great shape" financially, with about \$3 million in Operations Surplus and Reserve Funds.

Interest income for 2019 was \$70,286, (pre-tax) for a return on investment of about 2%. It is anticipated that future returns will be much lower due to the current prevailing rates on the type of investments we utilize.

The audit recognizes "depreciation" while we budget on a "cash" basis resulting in some confusion of the numbers, but it's all good!

Most Members pay their dues prior to the end of the year resulting in prepaid revenues of \$1,904,577.

The Budget vs Actual for "end of year" 2019, resulted in an Operations Surplus of \$154,499; which will be carried forward in the Contingency Fund. The result was about two-thirds due to higher revenue, and one-third for lower than budgeted expense. This result is equal to about \$84 per Member.

The May financial highlights were not available. April preliminary results indicate a reduction in revenue offset somewhat by lower expenses.

The Accounts Receivable Aging Report remains about the same as last year, with six or seven Member Accounts in significant arrears.

Personal use of Association vehicles was discussed regarding proper compensation and taxation treatment of this benefit. This is a Human Resources function; but it is noted we must comply with IRS rules whatever they may be.

A recommendation was submitted to establish a "Home Office Allowance"; this too, is a Human Resources issue.

The Clubhouse Improvement project was discussed and agreed any financial requirements would be brought to the Finance Committee for consideration and recommendation.

The Budget Guidelines for 2021 were discussed; and, the Committee recommended no increase over last years' assessment of \$1,695, while providing full funding of Operations Departments.

The Committee agreed to support polling the Membership again for the "Community Enhancement Fee"; which received support by the Members but failed to achieve the necessary quorum for passage. This proposed fee is a levy on new (incoming) Members of the Association.

We agreed the next Committee meeting would be held in person and "out of doors".

Respectfully submitted,

John Oehler
Chairman