

**Glastonbury Landowners for Positive Change
Presents a Summary & Correction
Of
GLA Finance Committee Meeting Minutes
January 27, 2016 (6:30-9:00 PM)
Liberty Hall Kitchen**

GLFPC Note: This is a compilation of the official minutes dated 1/27/16 and sent to landowners on the GLA email list on February 2, 2016. There were errors or omissions made in the figures presented at the meeting and in the official minutes. We are presenting the facts and additional information which was omitted. We ask: How can the landowners be assured that the financials and other information presented by the board are correct when erroneous information is presented as accurate, or omissions occur? Every board member has the fiduciary responsibility to assure that accurate information is given the members.

Board Members Attending: Rudy Parker (Treasurer), Charlotte Mizzi (President), Dennis Riley (V.P), Charlene Murphy (Secretary), Dan Kehoe.

Member Landowners Attending: Donna Andersen, Tim Brockett, Debbie DeGraaf, Claudette Dirkers, Dorothy and Leo Keeler, Tim Murphy, Sally Muto, Linda Ulrich, Ia Williams, Regina Wunsch.

The first item addressed was the Final Review of the 2016 Draft Budget where there was a suggestion to not rely on past due assessment income not yet collected to balance the budget, and another suggestion to use \$7,910 left over from the 2015 budget to balance this budget (see below).

Regina then spoke about the need to correct the opening balance in QuickBooks by recalculating all the past due landowner accounts with carryover balances because of interest calculation errors in 2013 and 2005 and hiring Julie Indreland to find a way to put the correct interest opening balance for the 2013 QuickBooks into the interest calculator. Dan agreed to work with Rudy to fix the interest error. A spreadsheet will be created to show past due penalties, principal and interest owing on each past due account.

Next was a discussion of past due collections. There are two landowners on payment plans who are not paying enough to cover their current year assessments. Debbie DeGraaf will call landowners whose balances are less than \$1,000 whose accounts have no interest errors. Landowners behind in payments should be sent a letter or given a phone call. If a payment is late the interest will accrue for that month.

There was a potential error regarding double payment of an internet service invoice for Administrative Assistant Karleen McSherry. Rudy explained that he had corrected the errors and all payments for these internet invoices are now correct.

The committee addressed some of the concerns expressed by Regina in her recent lengthy letter regarding the financials:

- 1) Only the savings account interest should appear in the 003 Other Account. All of the entries from June through December must be reviewed, because there are problems with the November and December balances. There was a refund from St. John's that had been entered in the wrong place in December. The Treasurer will ask the accounting service to check all entries from June on to find and correct the problem with the December balance and check the prior months to make sure they are correct. He will advise the accounting service that only the Savings account interest should be in the 003 account and it needs to be transferred into the 004 account at the end of the year.
- 2) Unspent road maintenance money budgeted for 2015 will be transferred into the Road Reserves Cash accounts and the corresponding Fund accounts. Rudy will calculate the remaining Project Review Impact Fees and will instruct the accounting service to move them to the Road Reserve Cash accounts and corresponding Fund accounts after subtracting the related wages for the Administrative Assistant. Note that some impact fees were already moved before June 2015 by the previous Treasurer. These adjustments will be made before the February 8th board meeting.
- 3) An invoice for variance process charges in the amount \$5,252.75 was mailed to the Ericksons on 11/20/2015 and has not been paid.
- 4) The Internet service reimbursement invoices from Karleen McSherry which were in question were resolved (see above). *GLFPC Note: The question of missing receipts for other reimbursements made to Karleen McSherry was not resolved.*
- 5) There were a number of payroll errors regarding Fred Counts, the snow plow driver-employee. All errors have been corrected and Fred will be getting accurate W2 and 1099 forms for income taxes.
- 6) The committee decided to table discussion of payment plans on past due assessments, and projected income from same, until their next meeting scheduled for February 17, 2016 at 6:30 pm at the Liberty Hall kitchen.

Additional discussion by the committee:

- 1) There is a deadline to review the financial reports/budget before the February 8th board meeting and the February 12th mailing to members. Regina agreed to assist the Board one last time and will receive a copy of the current QuickBooks on Wednesday, February 3rd.
- 2) Charlene will hold the Petty Cash funds and will reimburse the Administrative Assistant when receipts are submitted. Charlene will have the debit card to purchase office supplies and postage.
- 3) Regina offered suggestions from Bob Story, CPA, on how to simplify the GLA books. Rudy and Dan will review and present their findings to the board. They will make notes in order to assist future Treasurers to fulfill their duties.
- 4) The committee discussed the potential of having an annual audit of the books by the accountant, who will have time to do this after tax season ends in April. They

also discussed the scope of an audit since audits can vary greatly in cost according to their scope.

- 5) The committee decided to discuss with the board at the February 8th board meeting how unspent 2015 budgeted funds will be allocated, and ask the board to vote on simplifying the books and allocations for the 2016 Snow Fund.

GLFPC Note: the following explanation, which is incomplete, was presented in the official meeting minutes sent to the landowner members:

<u>\$27,311</u>	<u>Total funds remaining unspent in the 2015 budget</u>
-11,896	Snow budget remaining
- 3,327	NG Road Funds remaining – Move to NG Road Reserves Cash Fund
- 926	SG Road Funds remaining – Move to SG Road Reserves Cash Fund
<u>- 7,910</u>	Earmarked to balance the 2016 budget (lines 110 and 120)
+3,252	Still to be allocated

Finance Committee Note: \$1,085 for Employment Practices Liability Insurance was moved to Overhead Costs by the accounting service. ***At the meeting Regina pointed out that the \$1085 that was erroneously put under snow expenses needed to be added to the deductions. The board member presenting the figures agreed and stated that would still result in left over unallocated funds.***

GLFPC Note: upon review of this explanation Regina noticed that the outstanding payable and payroll liabilities incurred in 2015, totaling \$1,555.24 had not been deducted from the unspent funds. Also the 2015 year end P&L cash budget performance handed out at the January board meeting gives the total unspent budget balance as \$24,774. So it needs to be explained where the \$27,311 number referenced in the meeting and in the minutes comes from. Furthermore the monies collected above the budgeted amount in 2015 were not included. Approximately \$19,000 was collected from payment plans, past dues from the sale of properties with liens and from the sale of properties with subdivision waivers. This substantially increases the total of unallocated monies for 2015. Lastly, it should be noted that there are still unallocated savings from prior years as the board voted not to allocate them to the roads. Part of those monies was used in 2015 for extra loan principal payments to pay off the road loan. Subtracting the 2015 outstanding liabilities, unspent road and snow monies and the budget deficit allocation, there were \$42,871 (rounded) in unallocated funds (checking and savings) available as of 12/31/15. When promoting use of unallocated funds to balance the budget it would be best to inform landowners and board members that there are still unallocated funds available from prior years and what the bank account balances are.

Landowners offered the following discussion topics:

- 1) The GLA needs a comprehensive road plan to assure landowners that their assessments are being spent appropriately on the roads.
- 2) There was a question of the Treasurer's ability to adequately perform the duties of the office, and other board members being at risk if a lawsuit were brought for financial errors or misconduct. (*GLFPC Note: Some landowners have called for Rudy to resign or for the board to remove him due to the number of errors made and an unwillingness to work with landowners more knowledgeable in financial matters*). Rudy stated that he was appointed by the board to the office and that he serves at the discretion of the board. Several board members present expressed confidence in Rudy and said that the lack of documentation to train directors assuming the duties as Treasurer is the biggest failing of the board.