

-Harris Ridge Home Owner Association

Board of Directors Meeting Minutes

October 14, 2008

1. Call to Order

Meeting was called to order by Rollie Sidla at 7:05pm @ Home of Rollie Sidla

2. Members Present

Rollie Sidla, Treasurer (acting secretary for this meeting)

Erin Woodard

Joe Rawlinson

Doug Cowan

Will Simpson

Absent Members

Dwayne Wheatley, President

Toni Diaz, Vice President

3. Homeowner Concerns

A Homeowner appeared regarding her account. After review by Will, Doug and Erin, the board voted to refund \$90 based on her payment schedule and past payment history. (She was notified by Carmen of the decision).

Motion by Erin, Seconded by Joe and approved by all.

Homeowner: The board confirmed that planting a 20 to 30 foot mesquite tree was OK but advised the tree would be messy.

4. The advice by the board members is to call 911 in the event of loud music from the dance hall on Dessau.

5. Property inspections are twice a month. Doug, Toni and Rollie are making arrangements to ride with the inspector.

6. Property manager report: No violations. Cash in the bank is \$139,112, past due accounts \$14,058, September net income, cash basis, is \$-8,744 (loss).

7. Treasurer's /finance committee report: The July, August and September financial statements are approved by the finance committee the 2007 audit is complete. The audit notes an exception due to the lack of a reserve study for the replacement of long term assets. Rollie recommended that the main 7 page body of the audit be posted on the web site for members. The audit has two letters attached which Rollie and Will recommended that the content be used internally as indicated in the letters, and that the content would be available to any interested member if that member would meet with a board member who would provide an explanation.. The two attachments deal with deficiencies, most of which have already been addressed.

Rollie noted that the letters specify that the board should review its requirement that any board member should be independent of accounting responsibilities and indicated that the merged income statements that he prepared be used only by the board for tracking year to date results. Will suggest that annual meeting financial presentation should consist of separate PSProperty and Goodwin' statements with a summary assembled by the finance committee.

However, accounting responsibilities by a board member may include:

- Preparation of the annual budget required of the board and treasurer.
- Design and implementation of internal controls required by the Sarbanes Oxley act.
- Summarization of any accounting data prepared by management.

To reduce future audit costs, Demel Erickson, who prepared the audit, propose the options of a "Director's Audit, a CPA review, accrual basis and a full audit. The cost would average about \$2,500 per year.

Carmen offered to get a quote for Stephan Tilson, CPA who prepared our 2002 audit.

8. Rollie presented a package which included the auditor letters, 2009 budget draft, using only annualized 2008 year to date actual figures, the reserve analysis format and an income summary by major category. A motion was made by Will, seconded by Joe and approved by all to Contract with Doug Plas to prepare the reserve study at a cost of \$300.

9. The board approved Tracey Wernli as a finance committee member.

The meeting was adjourned at 9:10 pm.

The next meeting will be at Rollie's again on Tuesday, November 11, 7:00 PM
13112 Bennington Lane