

# WOODS FINANCE COMMITTEE MEETING

February 26, 2008 7:00 PM

## MINUTES - APPROVED

### **I Call to Order – Meeting called to order at 7:03 pm**

**II Roll Call** – Finance Committee members present: Judy Blache, Bonnie Burna, Dave Czerw, Edison Russell  
Members Absent: Lea Montgomery, Bill Perry, Connie Waterer  
Board members present: Mary Boggs  
Marsh Landing Management present: Peggy Paris  
Homeowners present: None

### **III Reading/Approval of Minutes for January 22, 2008 Meeting**

Motion to approve: B. Burna Second: Judy Blache  
Motion carried 3 in favor, none opposed, 1 abstained (E. Russell)

### **IV Homeowners Questions/Comments: None**

### **V Review of Proposed Expenditures**

The Finance Committee recommends to the Board that \$13,200 for the Elite Amenities Life Guard services contract for 2008 is in the budget, and provided the community operates within our budget, funds should be available when the services start in April 2008.

Motion: E. Russell Second: B. Burna  
Motion carried 4 in favor and none opposed

### **VI Review January 31, 2008 Financial Statements**

**A.** It was brought to the attention of Marsh Landing Management that the Board had voted at its January 2008 meeting to transfer \$10,000 from Balance Sheet line item 600 Fund Balance to the Reserve Fund line item 580 Community Center. This transaction is for the purpose of using surplus operating funds from 2007 to cover cost of carpet replacement in club house to take place in 2008. Marsh Landing Management to make accounting entry.

**B.** It is the understanding of the Finance Committee that the Woods community has taken ownership title of a home located at 12907 Deep Lagoon Place. The total amount owed by the former homeowners to the Woods as of January 31, 2008 is \$7,407.95. It is also understood that a mortgage in the approximate amount of \$200,000 has been assumed by the Woods. This transaction is not reflected on the Woods financial statements as of January 31, 2008.

The Finance Committee recognizes that if our understanding is correct, then a significant financial transaction has taken place involving the Woods community. We asked Peggy Paris of Marsh Landing Management to obtain the necessary information from the Board to properly record the transaction in our financial records.

This information includes transaction date, amount paid at auction for the home, amount of mortgage debt assumed or incurred by the Woods, appraised value of home, date of home appraisal.

The Finance Committee has significant concerns with the possibility that the Woods Community has just taken on a significant amount of debt, that the mortgage debt the Woods has assumed may be more than the

appraised value of the house thereby creating a loss to the community, and that the mortgage payment, insurance, upkeep, repairs, and taxes on the property are not included in the 2008 budget.

The Finance Committee respectfully recommends to the Board that the Woods Community refrain from taking ownership of any more property until the purchase of the aforementioned property is properly recorded into our financial records, and the impact of this transaction upon our finances and tax status is reviewed with our auditor and presented to the Board.

Motion: E. Russell Second: J. Blache  
Motion carried 4 in favor and none opposed

**VII Review response from Marsh Landing Mgt – Clubhouse Rental Revenue:**

On reasons why clubhouse rental revenue line item 732 is not divisible by \$200 when fee is \$200 per rental – Several reasons include, one billing error charging only \$125, a \$100 cancellation fee, a \$50 cancellation fee, as well as several other items.

**VIII Review SunTrust Items**

**A. Interest Rate on Money Market** – rate at 3.5 percent – most likely though end of May

**B. Interest Rate on PBI (Premium Business Interest) account** – rate at .25 percent

**SunTrust discontinued this product. Rate to remain low.**

**C. Possible closure of PBI account**

Recommend to Board closing the SunTrust Premium Business Interest account and transferring balance to the SunTrust money market account.

Motion: B. Burna Second: J. Blache  
Motion carried 4 in favor and none opposed

**IX Recommendation to Board on Line Item Distribution of 2008 Contributions to Reserves and Distribution of 2007 Operating Surplus Upon Transfer to Reserve Fund**

Recommend distributing February through December 2008 contributions to the Reserve Fund as follows:

#578	Roads	50 percent plus all interest earned on Reserve Fund
#579	Bridges	15 percent
#580	Community Center	5 percent
#581	Security	5 percent
#582	Drainage	5 percent
#583	Recreation	10 percent
# 584	Maintenance/Equip	5 percent
# 585	Contingency	5 percent

Recommend distributing the remaining 2007 Operating Surplus amount of \$77,478.50 (line item # 600 – Fund Balance) upon transfer to Reserve Fund after audit of 2007 financial records as follows: \$30,000 to line item # 582 – Drainage, the remaining balance in the percentages as noted above.

Motion: E. Russell Second: J. Blache  
Motion carried 4 in favor and none opposed

**X**     **Schedule March 2008 Finance Committee Meeting** – Scheduled for Tuesday March 25, 2008 at 7 pm

**XI**    **Adjourn Meeting** - Meeting adjourned at 8:28 pm