**LAKE SAINT LOUIS COMMUNITY ASSOCIATION**

**FINANCE COMMITTEE MEETING MINUTES – APRIL 21, 2020**

The meeting was called to order by Heather Malone at 6:00 P.M. and all members were in attendance except Doug Johnston. In addition, Board Members Tim Elder, Tom O’Connor, Joyce Corey and Jim Matthies were in attendance. The meeting was conducted via on line remote access and the sole item for the meeting was a presentation on the annual financial audit report by Ms. Lindsey Ruhr, CPA of our auditing firm Botz, Deal and Co. This was followed by questions and comments from the attendees.

Following Lindsey’s page by page explanation of the audit figures, Don Otto asked for clarification of the $520,000+ capital expenditure figure on page 7 since it exceeds 10% of revenue. The higher figure includes appropriate dredging expenses relating to preparation of the needed silt basin. Don and John Surgant noted the mismatch in the figures pertaining to CD market value, cost and unrealized gain on page 11. Lindsey noted this to be a misprint to be corrected and went further to explain the effect of changes in interest rates on fair market valuation. She also said interest income for 2020 will probably be lower due to dredging expenditures. Wayne pointed out what he saw to be confusion between the 10% capital expenditure limit and the maximum capital spending limit which Lindsey subsequently explained and resolved.

Don, Bill Kral and Ken Dobbins asked if Botz, Deal was comfortable with the data presentation by the Northstar bookkeeping/accounting software and system. Ken was concerned that software complications could cause Botz, Deal to render a qualified opinion in the future. Lindsay’s response was that software conversion issues were resolved in the past and that coordinating with Northstar was not a problem. However, her opinion was that Northstar is more complicated than necessary and had capabilities not needed by LSLCA in our scope of operations. The monthly reconciliation of accounts by Amanda is helpful.

John asked about the possibility of taxation of CA “unrelated” operations since the LSLCA generated an excess over expenses in 2019. Lindsey explained that we would need tax accounting consultation on that matter and, particularly, what level of excess over expenses would likely trigger a need to make tax payments. Heather said she would look into this and follow up.

The meeting adjourned at 7:10 P.M.

Respectfully Submitted,

John M. Surgant, Jr.