

Middleton Estates Community Association
Carlisle, PA 17013
Regular Board Meeting

Date: July 10, 2012

Location: Stuart Community Center

Time: 6:30 pm

Board members in attendance: Tracy Sharp, Katie Landis, Denise Adams, Judy Hershey, Bea Fisher, Jessica Sheets, Jan Verow

Board members absent: Kathy Kaufmann, Steve LeGros

Agenda:

Tracy called the meeting to order at 6:33.

Open Floor: (0 members in attendance)

Open Floor Closed at 6:33 pm.

The following expense items were discussed from the Agenda:

- **Approval of meeting minutes from 6/12/12** – Motion was made by Katie Landis to approve. Seconded by Judy Hershey. Vote was unanimous.
- **Architecture Issues** – Bea
 - No new issues to discuss
- **Maintenance Issues** – Tracy
 - Lawn—Tracy did a walk-thru with Mike Rossow. He started working behind some buildings. Work especially needs done along the tree line. Front pine tree row will be separate project (will be ripping ground shrubs out under pines). In the Fall he will be enhancing the front entrance as well as several other projects.
 - Benches—Katie caught a guy stealing a bench via a kayak. Bench now by playground. Still needs cemented in.
- **Loose Ends**
 - Newsletter—Suggestions given; send another draft to board; out to community late July.
- **Financial Report** - Katie
 - Monthly financial report
 - Larry Walker (accountant) Presentation
 - He underestimated the time his work would take (sheer volume of handwritten old material). Reviewed his findings with the board. He said everything looks great and in order. He compared actual expenses and actual income for 3 years. Trend is we are accumulating money, which we need to spend—a lot, quickly.

What he did for us is not an actual audit. It is called a Compilation. (Looks at books and makes sure they are in good order).

His findings balance with Katie's report.

Growth of account is because significant savings in trash contract and landscaping contract

IRS says spend savings and use it on the people.

He would like to see \$120,000 down to \$60-70,000 next year. Balance will continue to rise. IRS doesn't like that. They can take away tax exempt status.

Discussed money in CDs. They came due after Katie took over. Someone prior lost papers. (He doesn't suggest CD's)

Larry goes by deposits. IRS doesn't care about deposits. Just wants to know what is there at the end of the year.

Accumulating money just because not spending. Concerned about tax liability.

Larry would like us to first see what needs to be done in the community in the next 3-4 years.

We've saved 50,000 over the last 3 years.

By-laws say we are a non-profit. Federal and state income tax exempt, not sales tax exempt.

Exempt function income=dues. Interest doesn't count. 60% has to be dues. 90% of expense number has to be spend for benefit of members.

Inform homeowners in newsletter that everything (books) turned out ok.

Next year he would only cover 2 years.

He will present Compilation report at the Annual Meeting (March) with all the members.

Larry will come to February 12th meeting to prepare budget and Annual Meeting info .

Discussion on how to spend extra money:

Options: (1) Spend 50,000 and/or (2) decrease dues. Doesn't think members will appreciate money spent on the park, because it floods often. Not much common area to spend money on. Tracy suggested: (1) redoing sidewalks on far side of neighborhood (park side) where they're cracking and (2) paving behind the buildings on the left and alley behind units on right as you pull in. Those could be justified.

Denise brought up lighting needed behind left side. Pave all driveways.

Meeting Adjourned at 8:06.

Submitted by Jessica Sheets 7/14/12