MINUTES

CVPOC BOARD MEETING NOVEMBER 4, 1997

The meeting was called to order by President Chris Lampropulos. A quorum was present consisting of Jim McKay, Jason Wilson, Larry Jackson, Lisa Honseler, Evelyn Leach, Janet Gunn, Doug Barrow.

Presented first and out of order from the agenda was the Audit report for the period ending June 30, 1997 by Mr. David R. Davis of the C.P.A. firm of Davis, Yecny & McCulloch, P.C. The scope of work performed by this accounting firm was a <u>Certified</u> <u>Audit</u> of the accounting records and business policies for Coast Village. As a result of the comprehensive study done by Mr. Davis and his staff, the following observations and recommendations were made:

The Audit went very smoothly with no major material discrepancies that affect the reporting for the current period operations of 7-1-96 to 6-30-97. There were no problems dealing with employees or Board members and everyone was helpful in facilitating the audit. Most of the following recommendations are made for the purpose of improving accounting controls and the documentation of records to assure continuity and efficiency when Board or personnel changes occur.

It was necessary to go back in history to the original set-up of the CV assets and make corrections to the values used for the two lots owned by Coast Village. It was then necessary to correct related accumulated depreciation. No other prior period adjustments were needed.

It is necessary to establish an allowance for bad debts account and this was done by reviewing the actual accounts receivable balances at 6-30-97 to determine the accounts actually questionable (Amounts in arrears by more than 90 and/or 120 days). An Allowance for Bad Debts Account was established.

It is recommended the CV Board set-up a reserve account for repairs/replacements of equipment/buildings and major capital expenditures. This needs to be a separate fund actually segregated from other CV monies and based on anticipated costs. This effort may require the services of professionals capable of making these estimates.

It is recommended the CV Board review the monthly expenditures and receipts comparing them with budget projections for the same period. The Board's review of these records needs to be part of the monthly minutes for audit purposes.

It is recommended the CV Board review the payroll each month and publish any changes to salaries in the monthly board minutes. Auditors need to be able to trace the Board's actions to the payroll records through the official Board minutes.

It is recommended that there be minutes of Executive Board Meetings available for audit purposes.

It is recommended that a sub-committee of the Board meet to regularly compare actual receipts and expenses to budgeted projections. This process and sub-committee should alert the Board to problems as soon as possible.

It is recommended the Board prepare a plan to fund the cost of capital expenditures, i.e., paving, electrical costs, equipment replacement, etc.

It is recommended the Board publish a policy statement issuing guidelines for the capitalization of major assets, i.e., under $500 is expensed, or whatever amount seems reasonable for this limit.

It is recommended the Board set up a separate accounting for rental property income and expenses as required to create a clear record for the IRS. This will enable the auditors to take as much expense against rental income as possible.

There needs to be an annual motion passed by the board to apply assessments collected in excess of the expenses to subsequent years. This is an IRS requirement regarding taxable income.

There needs to be a formal written policy regarding the collection of Accounts Receivables. This is done to guarantee appropriate action is taken on a timely basis and everyone is treated equally. The reserve for Doubtful Accounts should be incorporated into this policy statement.

There needs to be a policy regarding depreciation methods used for all capital assets stated by the Board to assure uniformity.

Following Mr. Davis' presentation of the above audit report, Chris requested information regarding the efficiency of the office. Jackie was commended by Mr. Davis for her cooperation and hard work. There was a discussion regarding the duplication of effort Jackie has to make regarding the electrical billings and her accounting software programs. Mr. Davis indicated that he believed this could all be streamlined, perhaps utilizing QuickBooks Pro.

Chris requested the Treasurer, Lisa Honseler, to look into this problem and review software changes for the office.

Mr. Davis again recognized the hard work done by a relatively new Board of Directors and expressed his confidence in their ability to continue to improve the integrity of the records for Coast Village.

Jason Wilson made a motion to accept the financial reports as presented. Motion was seconded by Larry Jackson. Motion carried unanimously.

There was a reading of the minutes for October 11, 1997. Jason Wilson made a motion to accept the minutes as read. Evelyn Leach seconded the motion. Motion carried unanimously.

A Treasurer's report was given by Lisa Honseler. As of 10/22/97 there was $23,702.99 in the regular checking account and $36,316.98 in the Money Market Account. Three loans with lot owners were paid off this fiscal year.
Janet Gunn made a motion to accept the treasurers report. Jason Wilson seconded motion. Motion passed unnaimously.

The CV Board reviewed the expenses for October and unanimously approved them.

CORRESPONDENCE: There was no correspondence.

COMMITTEE REPORTS:

Janet Gunn reported the House Committee now meets on Fridays at 3 p.m. instead of Wednesdays. All the real estate signs have been taken down and removed from the park. The House Committee is working on a notice to be sent to all the home owners highlighting what is in the C.C.& R.'s that the House Committee will be paying particular attention to as regards to enforcement. There were no complaints from homeowners. Five plot plans were submitted; two were approved and three will be resubmitted.

Water Pressure problems are still being battled.

Foreclosures: The Sharpe's place on Saylor has filed for Bankruptcy protection. We will try to get details for Board regarding the particulars of this filing and the effects on what they owe. Liens were filed prior to bankruptcy.

There was a discussion regarding leaving the satellite baths open. Jason Wilson made a motion to leave the baths open. Janet Gunn seconded the motion. Motion passed unanimously.

There are three trees which may threaten the propane tank. Tabled this item until someone can study the problem to determine if the trees should be removed or a cover placed over the tank. Tabled until next Board meeting.

A problem regarding Cardinal Employment Services loosing employee paychecks was brought before the Board. It was recommended that someone representing our Board speak to the head administration in Eugene. Chris will follow up with the local Cardinal office in an attempt to resolve the problem before going to the head office.

Keith Davidson wrote a letter requesting a meeting be called to review the proposed changes in the By-Laws. It was decided to have a meeting on 11-21-97 at 10 a.m.

At 11:40 a.m. Doug Barrow made a motion to adjourn the meeting. Janet Gunn seconded the motion. Motion carried.

The above Minutes for the November 4, 1997 meeting was accepted by the Board of Directors on December 13, 1997 with one correction to the spelling of Janet Gunn's name. Motion to accept was made by Carolee Blatter, seconded by Janet Gunn, motion carried unanimously.

Charlene Lampert

COAST VILLAGE PROPERTY OWNERS CORPORATION
2750 HWY 101 #1
FLORENCE, OR 97439

NOTICE

November, 1997

The Architectural Review Committee is here to help you and all of Coast Village. We are here to enforce the new Revised and Restated Covenants now recorded as our official guide.
We call to your attention, especially the following , written here in abbreviated form.

Article 10.2, A: Side and rear setbacks are to be developed and maintained as greenbelts. Greenbelt vegetation shall not be disturbed or removed on any lot within five (5) feet from the side and back property lines.
A two foot walkway between the greenbelt and dwelling unit must be kept clear by order of the Fire Marshall.

Article 5.2, B: ..... only one dwelling unit shall be allowed on each lot.
5.2, C: Any new installation or replacement of a dwelling unit structure is subject to maximum age and physical condition requirements at the time of the installation as determined by the Board of Directors. Any new installation which does not have a holding tank can be no older than five (5) years at the time of installation except as otherwise allowed by the Board of Directors. Review and appeal procedures are specified in the Bylaws.

ALL LOT DEVELOPMENT PLANS MUST BE APPROVED BY THE "ARC" BEFORE THE LOT OWNER REQUESTS A BUILDING PERMIT FROM THE CITY OF FLORENCE.

Before construction all fences must be approved by the City of Florence.
All permits must be posted in plain sight.
Any plot plan presented to the "ARC" for approval and then is presented to the Board of Directors for their final approval Please remember the Board meets only once a month so consider the time element when applying for any permit.

The "ARC" meets every Friday afternoon at 3 p.m. Any questions or problems please make time to meet with us to discuss same.

Board of Directors and the Architectural Review Committee.