

Treasurer's Report
January 4, 2024

Craig Baldwin and I met for a couple of hours with Carrie Toennis, HGA's new controller, Friday morning December 22nd. Carrie is still working on November financial reports and explained that she wants them right before she releases them.

Carrie and I discussed alternatives for accounting for HGMD's revenue and expenses. I explained the I had never been given the choice to approve payables before they were paid and only see expenses a month later after money is spent. A written standard operating procedure for accounting and HGMD doesn't seem to be in existence. Carrie has laid one out for approving payables.

Vickie Wu, accounts payable clerk, will batch invoices so that a designated HGMD officer can approve prior to payment, available every other Wednesday beginning January 3rd.

We discussed transferring all revenue received through payment of the Recreation Fee into the HGMD operating account once a month. It appears that what HGMD wants to do for accountability is possible.

HGA could continue to pay approved HGMD vendor invoices from their operating account and bill us monthly for approval to transfer funds from our operating account. Or they could run all our invoices through our own checking account with HGA invoicing us for shared expenses. Carrie seems to think that there is an easy alternative, though she did caution there could be some additional expense. There are some applications that might not be available through the accounting system.

According to Carrie, the programming is so sophisticated that it credits, individually, each unit's account with each portion of the dues to each category. It totals these. Therefore, at the end of the month, we know exactly how much was collected as the Recreation Fee. We have never received a reconciliation.

We did not spend a great deal of time discussing employee wages and benefits. Carrie is familiar with how we are billed for maintenance and custodial services. She did mention that the wages we pay are grossed up. I am assuming that is to include the benefits and only includes shared staff, not exclusive staff. However, it would seem, as part of any agreement we enter to share employees, we should approve those amounts, especially since we will be employing most of our own staff if we go that way.

I wonder, given government contract regulations, how we have managed to legally engage with this agreement for the past five years. I just was given access, January 2nd, to some older agreements, going back to 2000. They could be enlightening. The consideration exchanged must exceed that allowable without bids. The contract to manage HGMD certainly exceeds \$120,000. Fair market rental of the maintenance facility is worth that!