

**AUDUBON TRACE CONDOMINIUM ASSOCIATION, INC.**  
**BOARD OF DIRECTORS' MEETING**  
Wednesday, March 21, 2012

Board Members present:      Leonard Simmons                      Stephanie Prunty  
   Pat Traina                              Teva Ostarly  
   Richard Tate                             Sara Bugbee

Staff present:                      Tim Munch  
   Jeff Adams

Guest:                                Cheri Charvet, Eustis Insurance and Benefits

- I. Meeting called to order by Lenny Simmons at 6:35pm at Unit 3104.
- II. Discussion and Decision on Wind/Hail and Flood Insurances

WIND/HAIL

- a. Presentation by Cheri Charvet of Eustis Insurance and Benefits for Wind/Hail coverage
- b. Wind/Hail coverage provided through Am Risk with all A rated companies.
- c. Teva Ostarly moved to approve Eustis Insurance for wind/hail as presented. Stephanie Prunty seconded. Motion unanimously carried.
- d. \$170,000 to be paid out of the Operating Account, due upon signing with \$8,000/month for 10 months. Richard Tate moved to borrow entire premium (\$247,537.50) using ATCA CD to guarantee debt. Teva Ostarly seconded. Vote: 5 for and 1 against. Motion carried.

FLOOD

- a. Discussion concerning re-evaluation of all the buildings based on Eustis valuation, making flood policies consistent with other policies.
- b. Stephanie Prunty moved to revalue flood for all buildings to be consistent with other policies. Teva Ostarly seconded. Unanimously carried.
- c. ATCA Flood Insurance letter to homeowners was discussed. The letter will be sent out to all unit owners.

III. Committee Reports

**BUDGET/FINANCE** – Teva Ostarly presented the Balance Sheet and Profit and Loss statements as of February 29, 2012, noting that cost for the water main work was included except for the concrete work. Stephanie Prunty moved the financials be approved as submitted. Pat Traina seconded. Unanimously carried. Financials will be presented at the Open Board meeting.

**ARCHITECTURE/PERMITS** – No new requests came before the Committee.

**COMMUNITY RELATIONS & SOCIAL** – Pat Traina is working on having a Spring Social and will announce it at the Open Board. She is planning to have a committee meeting in April to coordinate the event. There was a discussion concerning the functions and responsibilities of “Block Captains.” Lenny asked the committee to meet to clarify their functions and responsibilities which could include a new name for the positions and make recommendations to the Board at the April meeting.

**LONG TERM PLANNING** – Richard Tate said the committee would like to put together a long term landscape plan. Most of the budget goes to lawn maintenance and would like to budget more for new plantings.

**GOVERNANCE** – Stephanie Prunty, referring to the 2 items cited in the Audit Report from Roger and Associates, LLC (letter attached to these minutes):

- Stephanie Prunty moved to approve a Board policy requiring 2 signatures on checks of \$5,000.00 or more. Teva Ostarly seconded. Unanimously carried.
- Whitney Bank has denied ATCA's request for a line of credit. Stephanie Prunty and Tim Munch are to contact several other banks to see if the Association can obtain a line of credit from one of them.

#### IV. Property Manager's Reports

**ACCOUNTS RECEIVABLE** – as of March 18<sup>th</sup> – (amounts are rounded):

\$33,000 total delinquent dues

\$22,000 of that are liens

\$11,000 of that equal 16 people who are actually behind

**WORK ORDERS** – of the 12 open work orders, pending for maintenance or plantings, the work is either scheduled or has been completed.

#### **SEWER LINE UPDATE and DAMAGED TREES/TREES CAUSING SEWER DAMAGE**

All sewer work on the North Drive is complete and concrete replaced. Most of the damage was caused by trees. There are 3 more trees on the property which are causing damage to sewer line. These will be removed and will not be replaced.

**BUILDING SIGNS** – Instead of completely replacing all building signs which are being damaged by weed-whackers, Teva Ostarly recommended obtaining metal sleeves for the posts. Tim is to look into this to see if it will work.

**WEBSITE UPDATE** – Microsoft is requiring that the Association convert to a different web format. Tim has researched other companies and has recommended that we use GoDaddy. The Association will save money. The website will be redesigned and will be ready by May 1<sup>st</sup>.

**2011-12 AUDIT MANAGEMENT LETTER** – The Association has received the management letter from the auditor. Tim Munch and Stephanie Prunty are to draft a response to the letter and send it to the auditor.

## V. Old Business

**MAIL BOXES** – Lenny Simmons and Tim Munch are to get with the US Post Master to find out about the feasibility of replacing old mail boxes at the Trace.

## VI. New Business

- Lenny Simmons to draft agenda for the March 28 Open Board Meeting
- Time Table for Board Elections
  - April 22 Board members submit Candidacy Declaration
  - May 23 Election notice sent to owners
  - May 30 Application deadline
  - June 6 Ballot information sent to owners – voting begins
  - June 13 “Meet the Candidates” open meeting
  - June 20 Voting Ends
  - June 26 Annual Meeting

## VII. Executive Session

Pat Traina moved to go into Executive Session at 8:40pm. Stephanie Prunty seconded. Unanimously carried.

Stephanie Prunty moved to exit Executive Session at 8:50pm. Teva Ostarly seconded. Unanimously carried.

## VIII. Adjournment

Next regular meeting of the ATCA Board is scheduled for Wednesday, April 18, 2012 at Unit 2701 at 6:00pm

Next ATCA Open Board meeting is scheduled for Wednesday, March 28, 2012 at the Golden Age Center, Jefferson Playground, at 7:00pm

Meeting adjourned at 8:50pm

Respectfully submitted,  
Sara Bugbee, Secretary  
Unit 207

ROGER AND ASSOCIATES, LLC  
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JOSEPH L. CABALLERO, PA (1891-1965)  
LAURENT J. ROGER, CPA (1909-1990)  
BRYANT G. MILLER, CPA (1927-1973)  
LAURENT J. (CHUCK) ROGER, II, CPA, MBA (1945-1999)  
MATTHEW D. ROGER, CPA, CFF, MS – Tx, APAC•

JOSEPH J. BERNARDI, CPA\*•  
DANIEL C. IMBORNONE, CPA\*•

MEMBERS AMERICAN  
INSTITUTE OF CPAs SOCIETY OF  
LOUISIANA CPAs  
LOUISIANA ASSOCIATION OF BUSINESS AND INDUSTRY  
BUSINESS NETWORK INTERNATIONAL  
•MEMBER  
AICPA TAX SECTION  
AICPA FORENSIC & VALUATION SERVICES SECTION  
LABI TAXATION & FINANCE COUNCIL  
LABI SMALL BUSINESS COUNCIL  
•ASSOCIATE CONSULTANT

To the Board of Directors  
Audubon Trace Condominium Association, Inc.  
Jefferson, Louisiana

In planning and performing our audit of the financial statements of the Audubon Trace Condominium Association, Inc. as of and for the fiscal year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Association's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of the inherent limitations in internal control, including the possibility of Management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis.

Although we did not identify any deficiencies in internal control that we consider to be material weaknesses, we have identified the following significant deficiency:

- We became aware that there were no codified policies and procedures with respect to dual signatures of check disbursements exceeding a certain dollar-amount threshold (for example, \$5,000). The Association should consider establishing such procedures, custom-tailored to fit its needs, which would provide a greater level of internal controls concerning this area of its accounting system.

It is noted that there is generally a segregation of duties with respect to the processing and approval of vendor invoices, the processing of accounts payable cash disbursements, and the signing of checks.

#### **OTHER MANAGEMENT POINTS**

A noteworthy Management point, which we do not consider to be a deficiency, is as follows:

- It does not appear that the Association has established a revolving line of credit and/or other similar commercial borrowing facility with a financial institution. Regardless of the Association's capital reserves, insurance coverage, and/or other measures of strength and stability, the Association should have in place such a source of debt financing in the event that such financing is necessary.

#### **RESTRICTED USE OF THIS REPORT**

This communication is intended solely for the information and use of appropriate members of Management, particularly Tim Munch (who is the Association's Property Manager), the Association's Board of Directors, and any other authorized individuals within the Association, and is not intended to be and should not be used by anyone other than these specified parties.



New Orleans, Louisiana  
January 18, 2012