I. **Meeting called to order** at 7:07 pm by Chairman Andrew McDonald  
   **Members Present:** McDonald, Gathers, Glenos, Johnson, Tamadon  
   **Members Absent:** Bilbrey, Gooz  
   **BOD Liaison:** None present

II. **Approval of Agenda:** MOTION Passed

III. **Approval of May 17, 2012 Minutes:** MOTION Passed

IV. **Resident Open Forum:** No residents in attendance

V. **Review of Financial Reports:** No new financial reports were available at the time of the meeting

VI. **Old Business:**
   1. Members expressed interest in the Board’s response to the May FAC recommendation to transfer $85,000 from “Prior Year Owners’ Equity” to the “Repair and Replacement Reserve” within in the Association’s balance sheet.
   2. Members asked about the absence of recent (after June, 2011) FAC minutes on the Association’s website. These can be useful to Committee members as well as to the community as a whole.

   Chairman McDonald agreed to follow up with the Community Manager on both items.

VII. **New Business:**

   The committee discussed issues raised in the Draft 2011 Audit report prepared by the Goldklang Group and the accompanying cover memo from the Community Manager. Members are particularly interested in understanding the Board’s position on several issues that have been raised in previous audit reports. Specifically:

   1. Is the Board in fact comfortable with the broad scope of services provided by CMC and other Associa–owned entities? Or should competitive bids be sought for selected components, e.g., day-to-day banking, performance of the reserve study or insurance consulting.

   2. Are the Board, CMC and the Association’s tax counsel mutually comfortable with the accounting procedures and documentation used to support the Association’s use of the “Corporate Method” to figure income tax liabilities? The Community Manager’s lengthy citation concerning the use of Form 1120 implies that more such support may be required, while the audit report appears to disclaim any review of controls at this level. Is there an opinion on file from tax counsel?

VIII. **Adjournment:** MOTION: Passed at 7:36 pm