

"FOLLOWING THE MONEY"

8/16/2007

On the Trail



Conrad Grundke

8/16/7

Residents Voice Meeting

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THE MONEY TRAIL (CONT):

The Last Episode:

- ***2007 Update on Credit Card Data***
- ***Aug 1 GRF Special Meeting***
- ***Bonus & Incentive Plans***

This Episode:

- ***Audit – WHY/WHAT?***
- ***History of LW (leisure World)***
- ***Guidelines/Policies/Management Agreements***
- ***The Future***

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AUDITS

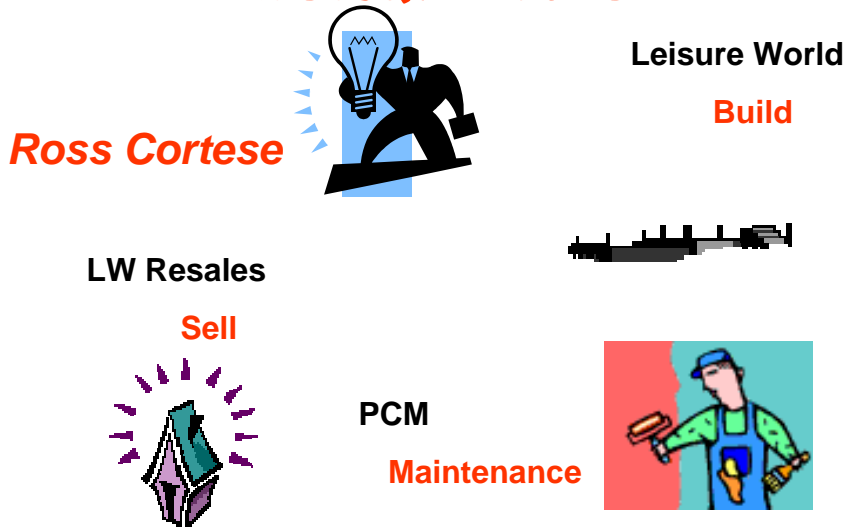
- Purpose of Financial Audits:
 1. “Yearly” Audit is a **“BALANCE SHEET” AUDIT**
 - Ensures that Balance Sheet figures were derived from acceptable accounting standards.
 - These companies all passed yearly audits; GM, ULHM, Starbucks, TLHM, IBM, Enron, GRF, WorldCom, etc.
 2. “Forensic” Audit is a **“DETAILED” AUDIT**
 - It can locate “creative” bookkeeping.
 - Could prevent such accounting problems as; Enron, WorldCom, Tyco, Global Crossing, etc.

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HISTORY – 1960'S

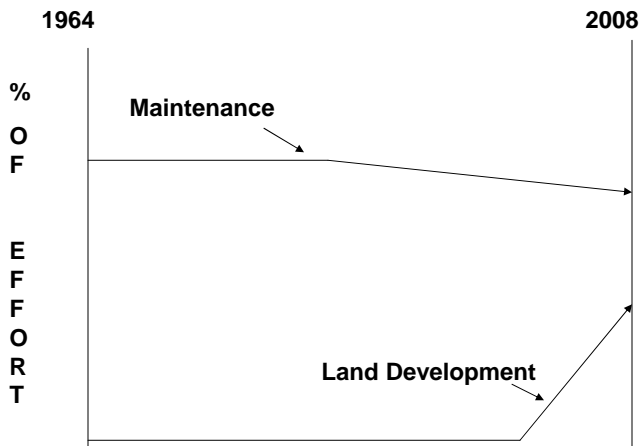


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EVOLUTION OF PCM

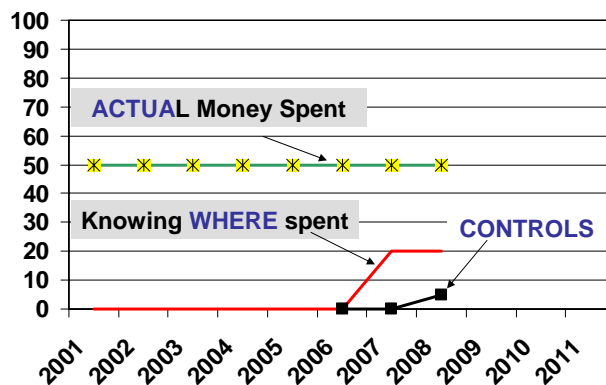


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DETERMINING CONTROLS VIA MANAGEMENT AGREEMENT

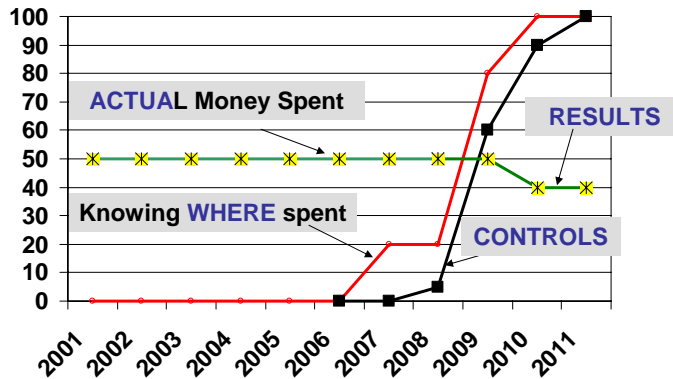


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THE FUTURE - GUIDELINES, POLICIES, & CONTROLS



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WHY WOULD WE NEED CONTROLS WITH THE FOLLOWING SAVINGS !

Desc	One Time	Annual	Year	To Date
Prop Tax	1,500,000	550,000	2005	2,600,000
Fed Tax	600,000	250,000	2001	2,100,000
State Tax	500,000	50,000	1996	1,050,000
Grants	400,000		2000	400,000
Emerg Access Rd	950,000		2007	950,000
Landscape Staffing		480,000	1992	7,200,000
Cable TV		850,000	2003	3,400,000
Wrkr Comp		350,000	1994	4,550,000
Hi-speed Internet		500,000	2005	1,000,000
Composting		225,000	1992	3,375,000

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PCM COST SAVINGS (CONT)

<i>Desc</i>	<i>One Time</i>	<i>Annual</i>	<i>Year</i>	<i>To Date</i>
Gate Clearance		200,000	2006	200,000
Nursery		185,000	1990	3,145,000
Recycling		130,000	1994	1,690,000
In-house Interior		70,000	2006	70,000
Total	3,950,000	3,840,000		31,730,000

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LET'S CREATE A SIMPLE BUDGET

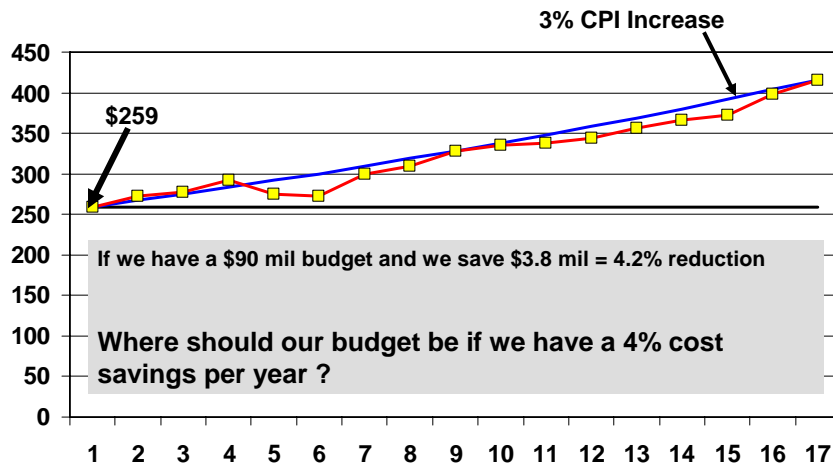
- **Assumptions:**
 - **No Growth**
 - **Fixed Amount of Facilities**
 - **No Additional Service Levels**

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LET'S REVIEW THE BUDGET AGAIN

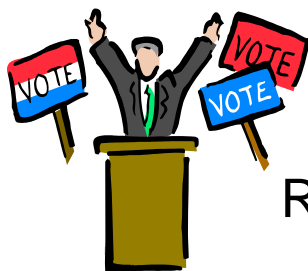


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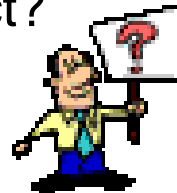
ASK YOUR CANDIDATE!



Support
Forensic
Audit?

Renegotiate
Contract?

Understand Ledgers?



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***WE RETURN TO THE MAJOR INGREDIENT
BETWEEN THE OWNERS & PCM?***

TRUST

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HOW DO WE GET IT?

Measure

&

Verify

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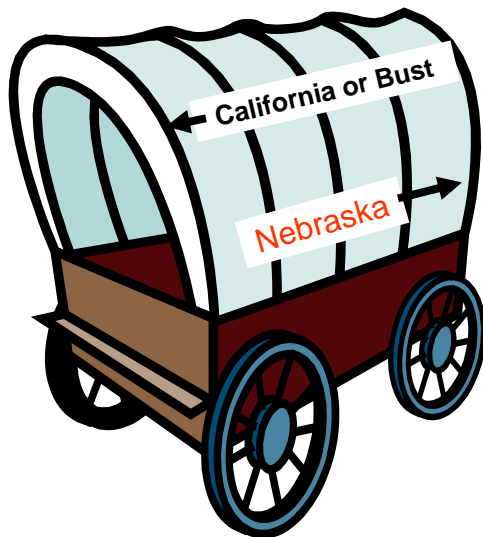
A SUCCESS STORY

Beginning In 1987

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REACHING PARADISE



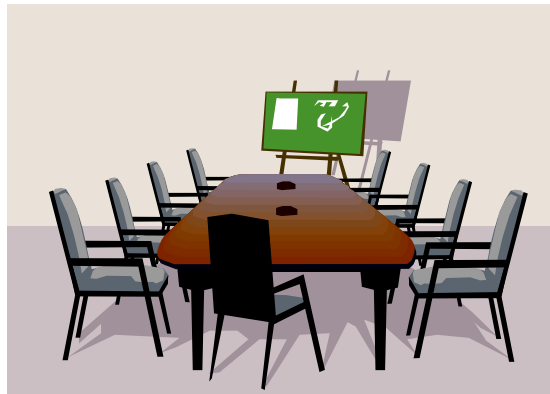
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COMMUNITY ACTIVITIES

**United Board Room
Committee Rooms**



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BUSINESS WOMAN/EDITOR

Jan's
Exterminating Co.



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THE (EX)TERMINATOR



The "Voice"



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JAN'S GUARANTEE



Eliminate from:

- Home
- LWV Community
- Board Meetings
- LW Globe Articles

Any future :

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Infestation!

**PCM Rodents will be
protected.**

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JAN'S PROMISE ! **YEARLY COST FOR THIS SERVICE** **WILL BE A MINIMAL:**

1% of Yearly Budget

Not to exceed \$900,000

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The End

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