



FINANCE COMMITTEE MEETING

October 17, 2023

MINUTES

CALL TO ORDER – The Finance Committee meeting was called to order at 8:31 a.m. by Chairman Lynn Kehler.

Establish Quorum – Quorum was established:

Chair	Lynn Kehler	Present
Board Liaison	Mark Holthouse	Present
Committee Member	Bill Sanden	Absent
Committee Member	Leroy Hoelting	Present
Committee Member	Doyle Lyons	Present

Somer Heckert and Mindy Gutierrez, RowCal

Introduction of guests - Homeowner, Jay Kloster. Jay is a retired partner in Erickson, Brown and Kloster, a local accounting firm. He will fill out a Volunteer Application, and the Finance Committee recommends that he be appointed to the Finance Committee. This will be included on the EB agenda for later this month.

Review September 19, 2023 Meeting Minutes

A motion was made, seconded and passed to approve the minutes from September 19, 2023 as submitted (Mark/Leroy). The missing invoices from August were included in the September financial statement. It was noted that the agreements for the KC Townhomes and all subassociations are on the KCPOA website.

Review September 2023 Financial Statements & Bank Statements

- a. Leroy led the discussion on the status of the operating and reserve CD's. One Operating CD will renew in November, Leroy will review for an appropriate renewal date. The other Operating CD's will renew in Spring and Summer of 2024. Prepaid taxes will be removed from the P & L statement and recorded as a prepaid assessment on the balance sheet. It was noted that some Allied Security invoices are missing, the final Securitas invoice will be sent to Mark for his review prior to payment.
- b. The Reserve CD's were reviewed. The IC is working on their budget for the upcoming calendar year. One final expense is expected this calendar year for Groninger Concrete work. The Reserve CD's coming due this year will be rolled over. The CD's coming due in March, April and May of 2024 can cover the cost of road work next year.
- c. The Income Statement was reviewed. The line item "Rent" for the POA office will be changed to Occupancy Costs. The expenses for a new refrigerator, etc.



can then be coded to this line item. Interest Income is unfavorable to budget at this time but will increase as the year progresses. Unfavorable variances in "Irrigation System" and "Stormwater Fees" were expected and discussed. The Association will be paying for the two street light line repairs that occurred from the CSU installation. The Association will now hire a private locate company to approve 811 locates. This was done 5 years ago and will be re-instituted based on this problem.

Review Aged Accounts Receivables

- a. Toll Brothers has brought their accounts current. A motion was made, seconded and passed to approve the September financial statement with corrections reviewed with Somer for reclassification of expenses and change in account names (Mark/Leroy).

Old Business

- a. Audit Status: Lynn and Bill are working with Ciratas to get a first draft in October. They will reconnect with Lane as needed to get this accomplished.
- b. Westgate Deposit: The IC will make a recommendation to the EB to refund \$25K of the Westgate Street Cut Deposit. This will leave money in the account for additional work to be scheduled in 2024.
- c. Consultant Costs: Mark is working with John Hurwitz to get better control of the consultant costs. The line item "New Development" will be changed to "New Development Supervision" to make the line item transparent as consulting fees.

New Business

- d. The Finance Committee meeting time will remain at 8:30 a.m.
- e. Quarterly Committee Reports will be generated by Mark and provided to each committee. This will allow each committee to see their budget, the 5 year plan, and what has been spent each quarter.
- f. Operating Expenses vs. Reserves was discussed. Reserves are for significant improvements and betterments that extend the life of capital assets. Operating expenses are for annual maintenance, repairs, POA management and administration. The reserve study is available on the website.

Adjournment – The meeting adjourned at 9:48 a.m.

Next meeting: November 21, 2023, @ 8:30 a.m.

Respectfully submitted by Mindy Gutierrez