

Audit And Finance Committee
Regular Meeting Minutes December 7, 2017

A&F Members Present:

Dave Mattson
Glenna Reeves
Michael Rufert
Ed Schauble
Holly Unck
Gene Wagner

A&F Members Absent:

Doug Berk

Board Members Present:

Woody Neiman, Treasurer

Administration Present:

Brian Shaw, Controller
Steve Nolan, General Manager

Guests Present:

Sue Schwartz
Mark Christiansen

Honorary Members:

Bob Tull
Wally Gammel, not present

Call To Order: Meeting called to order at 3:02 pm in the Phoenix Room by the Chair

Guest Comments: Sue Schwartz indicated she was anxious to hear Mark Chritian's presentation.

Meeting Minutes Approved: The Minutes of the Committee's November 2, 2017 meeting were approved as submitted.

Meeting Agenda Approved: The agenda was revised to allow Mark Christensen to give his presentation first prior to our business meeting as outlined on the agenda.

Report from auditing company representative, Mark Christiansen:

Mark provided each member a copy of a nine page presentation outline that Mark discussed in detail **during** the meeting. The first page of this report was the Treasurer Report presented to the Board on November 29, 2017. Mark pointed out first areas of consideration outlined on the report and highlighted each area for discussion. In short, the Association is doing great. Brian, Steve and Woody pointed out the Special Funds section and made a point of the fact that we are ending our year with a positive balance that provided our homeowners with only a \$2 month increase in dues for the coming year. He also pointed out that people love our community, they want to come here and are buying homes continually. He also pointed out that a 57 page report is available for anyone who wants to review it at the Homeowners office. All these numbers tie together. Ed pointed out that each member of the Finance team are assigned a particular area for continued research and review

throughout the year so that each member is not responsible for the entire finance report but can concentrate on a couple of areas that they specifically monitor. Mark pointed out various areas for particular comparison and detail in the monthly reports for overall review of the entire Association. One point was clarified, the Capital Reserve columns relate to financial replacement of existing assets, whereas the Capital Improvement columns relate to new assets. On each page provided many areas are provided but Mark emphasized that each report of the Balance Sheet should be reviewed looking at the current month and compare it with the year prior as well as the year end budget. One item discussed was the adjustments for depreciation that come as the end of the year and this is a large adjustment that will only be seen at the end of the year. He used the Income Statement for All Operations dated October 2017 as an example. Comment was made that Brian is doing a good job predicting when monies are coming in and adjusting budgets to accommodate these differences. He commented that we subsidize the Food and Beverage but figures show that the patronage is increasing and we are overall in a great financial position. This is the sixth audit we have had under current management and we have never had to make any adjustments. Mark emphasized that it is important that we have an annual audit, it is good for internal controls, procedures and policies. It was a very informative and helpful report.

Financial Reports: Controller Brian Shaw's summary worksheet for September was distributed. This summary shows normal activity, no alarming entries. Controller Shaw referred all to the summary statement by Treasurer Neiman. Controller Shaw felt this year-end estimate would be approximately \$67,000 and no large unbudgeted expenses were expected.

A&F member comments from the Financial Reports:

Gene Wagner – Homeowner Services & Administration: Gene wrote a report and provided copies to all team members. This was for review later.

Holly Unck – Recreation & Landscaping: nothing special to report

Dave Mattson – Food & Beverage (including PV & CW): Dave had questions about the second vote on the fitness center and why it is necessary. Woody responded indicated our attorneys felt this required a two-step process. There was no funding in the last vote, the next vote will again ask for a yes/no vote but will also ask for funding with a dollar amount not to exceed. Dave attended the F&B meeting and Marshall had his whole team there with a presentation that was very professionally done.

Doug Berk – Golf (including Pro Shop & Maintenance): absent.

Glenna Reeves – Facilities, Pools & Custodial: Glenna provided a report of the Third Quarter review meeting and all members received a copy.

Mike Rufert – Dispatch/Patrol & PV Gate: nothing special to report

Comments re Quarterly Review Meeting:

A detailed and excellent report from Glenna Reeves received and distributed to A&F Members.

Board Liaison Comments: Treasurer Woody Neiman reported recent actions by the Board at its regular meeting on November 22nd. He commented that the meeting was much too long. There needs to be a template to follow to shorten the process in the meeting. We have a number of new **Committee members**.

General Manager Comments: General Manager Steve Nolan reported that we have a very short time table to prepare for the next fitness center vote. The architect Ken Eller and fitness consultant Bethany Griner(sp?) are working together to have a more refined not-to-exceed estimate for the Homeowners prior to the March vote on the issue. He also commented that the kids pool should be back together shortly, the heaters will be turned back on.

Old Business:

1. A&F Committee member reports re other HOA committees. The Chair expressed appreciation to the A&F members who were able to help the Election Committee with the vote counting process on November 16th and attend the Quarterly Review Meeting on November 17th.
2. Controlller Shaw arrangements with Karen Lease for a time when she would be able to detail the accounting system for A&F members which she created and maintains for the HOA. He reported this will probably be February or March. This will be done as a group one time.
3. The Chair collected and will forward copies of the Confidentiality Statement for each new member to Beth Becker.

New Business:

1. The A&F Action Plan for 2017 was provided to all members for review. The new plan for 2018 was developed for transfer to Beth Becker.

Recommendations To The Board Of Directors: None.

Recommendations To Management: None.

Next Meeting: Thursday, January 4, 2018 at 3:00 p.m. in the Phoenix Room.

Adjournment: The meeting was adjourned at 4:40 pm.
Respectfully submitted, Glenna Reeves, Secretary.