

Cottonwood Palo Verde
Audit & Finance Meeting Minutes
Date: April 3, 2025

Board Liaison Present: Pat Duncan

Management Present: Brian Sage, Controller, Steve Hardesty, GM

Committee Members Present: Denise Orthen, Lauren Kingry, Richard Bruno, Brian Shaw

Committee Members Absent: None

Homeowner Guests: None

Called Meeting to Order at 2:00 p.m.

Approve April Agenda: Agenda approved (Richard & Lauren)

Approve February Minutes: Approved (Richard & Lauren)

HOA Controller: Brian Sage

February Financials-

The association is \$155,000 better than budget year to date (YTD). House sale revenue is very good and as of the end of February there were 26 sales with \$130,000 revenue.

Contributing Factors Include:

- Golf is doing very well. Revenues, except for clothing sales is up and expenses are down. All in all, about \$58,000 to the good side of budget.
- Recreation is doing very well with its TAD performances.
- Landscape kept its expenses well under budget for the most part. Wages & benefits, and fertilizer and chemicals are the large under budget items. However, tree trimming is over budget by over \$9,000 which should be within projected annual budget by year end.
- Facilities, Pools and Custodial also contributed to the surplus by keeping their expenses below budget.
- F&B is over budget by \$2,400 for the year and is progressing in a positive manner as planned.
 - Revenue is lower than budget by \$44,000 which is being offset by management holding down costs to reduce the shortfall in revenue.
- Admin is over budget mostly due to recruiting costs which reflects a one time recruitment fee. This line item is projected to be within year end budget.

Other Items:

- The audit is complete and the surplus of \$205,000 will remain in operations and not be moved to reserves.
- The audit reflected an “unqualified opinion.”

- The reserve study is complete and being updated monthly. Denise questioned why there are already discrepancies in this year's replacement costs. It is noted that present day costs will be altered as "like items" are purchased.

Projected April Capital Requests- About \$8,000 in total. Speed minders for roadway speed monitoring and also request for pool speakers at PV.

Old Business: None

Committee Member Cost Center Comments

- **Administration/PV Gate:** Brian Shaw- Admin is over budget. Recreation is under budget. See comments above.
- **Facilities/Maintenance, Golf Maintenance, Landscaping:** Rich Bruno covered several important points of his previously published written reports. Managers are doing a good job of holding down costs.
- **Food/Beverage:** Denise Orthen talked about F&B hitting several of their %'s, but the liquor is still an 'outlier' and several other items as detailed above..
- **Golf Pro Shops:** Lauren Kingry- Lauren hit on some of the high points of his previously published written report, both revenues and rounds played are up, costs are holding down.
- **Comments:**
 - **Board Liaison: Pat Duncan-** Pat briefly talked about how Steve gave a real nice overview of the year at the annual meeting, and Len talked about governance amongst other topics.
 - **General Manager: Steve Hardesty-** Steve answered many questions, ie, hiring an expert to put together a plan for the trees.
- **Homeowner Comments-** None.
- **Recommendation(s) to Board-** none
- **Recommendation(s) to Management-** none
- **Meeting Adjourned at 3:00PM**

Next Meeting May 1, 2025. CLC Meeting Room 1, 2:00 PM

Submitted by:

Denise Orthen, Chairperson

Brian Shaw, Secretary