

COTTONWOOD PALO VERDE AT SUN LAKES
ANNUAL MEETING OF THE MEMBERS
MINUTES
March 26, 2025 - *Unapproved*

Directors Present: Len Horst, Marty Neilson, Tami Ronnfeldt, Frank Gould, Bud Jenssen, Glenn Martinsen, and Maryann Sinerius

New Member: Pat Duncan and Jean Nelson

Directors Not Present: None

Also Present: General Manager, Steve Hardesty

The meeting was called to order at 4:00pm by Board President, Len Horst.

General Manager's Report on the Association

General Manager Steve Hardesty recognized the 2024 Employee of the Year, Esteban Figueroa (Foreman at Cottonwood Golf Maintenance) and thanked him for his work. Mr. Hardesty presented a slide presentation of the Association's Organizational Chart and the 2024 major project accomplishments and approvals by group. He also discussed the current vote for the Parking Regulations and the CW Pool Project.

2024 Audited Financials

Steve Hardesty presented a slide presentation of the Audited 2024 Financials reflecting no changes as per the independent audit performed by Kimberlin Company. Mr. Hardesty also highlighted the 2024 financial achievements performed by Management and Staff.

Board Motion:

Marty Neilson made a motion, seconded by Tami Ronnfeldt, to accept the independent audit performed by Kimberlin Company, PLLC of the Association's 2024 financial records as per the unqualified audit report, and reflecting no needed adjustments to the Association's December 31, 2024 financial report. The floor was opened to Board & homeowner discussion. There was no discussion. **Motion carried unanimously.**

SUN LAKES HOMEOWNERS ASSOCIATION #2

Income Statement

December 31, 2024

(Audited)

	CURRENT MONTH ACTUAL	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE \$\$\$	YEAR TO DATE PRIOR YEAR	YTD Var to Budget %%%	YTD Var to PY %%%
REVENUES:							
HOA DUES	\$ 471,070	\$ 5,665,586	\$ 5,656,921	\$ 8,665	\$ 4,949,475	0.2%	14.5%
RECREATION	38,055	299,059	301,865	(2,806)	294,909	-0.9%	1.4%
FOOD & BEVERAGE	448,383	4,682,277	5,037,136	(354,859)	4,738,352	-7.0%	-1.2%
GOLF	358,460	3,541,874	3,429,300	112,574	3,167,558	3.3%	11.8%
MISCELLANEOUS (CARRY FORWARD FUND, TRANSFER FEES, INTEREST, ETC)	12,795	191,075	216,000	(24,925)	371,073	-11.5%	-48.5%
				-			
TOTAL REVENUES	\$ 1,328,763	\$ 14,379,871	\$ 14,641,222	\$ (261,351)	\$ 13,521,367	-1.8%	6.3%
EXPENSES:							
ADMINISTRATION (1)	\$ 300,547	\$ 2,314,175	\$ 2,132,052	\$ (182,123)	\$ 2,260,215	-8.5%	-2.4%
RECREATION	37,541	303,364	331,790	28,426	333,435	8.6%	9.0%
PATROL	40,300	438,410	438,882	472	435,791	0.1%	-0.6%
LANDSCAPING	90,748	1,123,163	1,215,643	92,480	1,116,138	7.6%	-0.6%
CUSTODIAL	61,070	710,210	747,523	37,313	738,467	5.0%	3.8%
FACILITIES	57,360	668,600	718,909	50,309	668,411	7.0%	0.0%
POOLS	34,525	375,629	382,352	6,723	387,725	1.8%	3.1%
FOOD & BEVERAGE	450,057	4,899,104	5,113,046	213,942	4,973,803	4.2%	1.5%
GOLF PROSHOPS & MAINTENANCE	270,033	3,392,814	3,560,257	167,443	3,440,400	4.7%	1.4%
TOTAL EXPENSES	\$ 1,342,181	\$ 14,225,469	\$ 14,640,454	\$ 414,985	\$ 14,354,385	2.8%	0.9%
NET INCOME	\$ (13,418)	\$ 154,402	\$ 768	\$ 153,634	\$ (833,018)	20004.4%	-118.5%
PALO VERDE GATE (2)							
Revenues	\$ 20,349	\$ 260,995	\$ 263,174	(2,179)	\$ 249,634	-0.8%	-
Expenses	21,077	256,816	263,942	7,126	258,778	2.7%	-0.8%
NET INCOME	(728)	4,179	(768)	4,947	(9,144)	-2.3%	145.7%
DEPRECIATION EXPENSE (3)	\$ 1,128,121	\$ 1,908,121	\$ 1,954,887	\$ 46,766	\$ 842,789	2.4%	
CONSOLIDATED NET INCOME	\$ (1,142,267)	\$ (1,749,540)	\$ (1,954,887)	\$ 205,347	\$ (1,684,951)	10.5%	-3.8%

Special Funds

December 31, 2024

	Capital Reserve Fund (1)	Capital Improvement Fund (2)	Palo Verde Gate Fund (3)	Capital Reserve Fund	Capital Reserve Fund
Fund Balance January 1, 2024	\$ 5,962,076	\$ 672,170	\$ 3,482		
Additions from Dues, Fees, etc	1,526,843	150,000			
Cell Tower Income	247,962	-		Home Sales	Home Sales
Interest Earned	258,636	21,976		217	145
Expenditures for:					
Golf Courses & Equipment	(507,023)	-		\$ 3,500	\$ 1,500
HOA-Several Items	(239,784)	(147,872)		759,500	217,500
				YTD	APRIL 1ST
Fund Balance December 31, 2024	\$ 7,248,710	\$ 696,274	\$ 3,482		

Notes:

- (1) Funds set aside to replace worn out equipment, building parts, etc.
- (2) Funds set aside to improve and/or add to existing facilities.
- (3) Funds set aside to replace worn out parts and improve the PV gate (funding from PV residents only).

Number of homes sold in December 2024 was 16. December 2024 YTD totaled 217 resulting in revenue of \$998,000 YTD 2024 (\$4,599 Ave)

Number of homes sold in December 2023 was 17. December 2023 YTD totaled 224 resulting in revenue of \$582,250 YTD (\$2,599 Ave)

President's Message

Len Horst thanked the homeowners for attending. He reviewed how the HOA is managed and functions within the governing documents: 1) State Statutes 2) CCRs 3) Bylaws 4) Board Policies and Rules 5) Management Policies / Rules / Guidelines. Mr. Horst also reviewed the roles of the Board of Directors, the General Manager, and Committees.

Capital Plans for 2025

Steve Hardesty noted if the CW Pool Project vote passes it would be the Capital Project for 2025. If the CW Pool Project fails, the Facilities and Grounds Committee will review other projects and

present them to the Board for approval. Needed replacement of equipment will continue during the year as needed.

2024 Directors Comments

Bud Jenssen: thanked homeowners for allowing him to serve the past 12 years.

Glenn Martinsen: thanked homeowners for allowing him to work on the Board the past 3 years.

Thank You to Outgoing Board Members

Len Horst thanked outgoing Board Members, Bud Jenssen for his 12 years of service and Glenn Martinsen for his 3 years of service. Mr. Jenssen and Mr. Martinsen were presented with a gift for their service.

Introduction of New Board Members

Steve Hardesty introduced and congratulated new Board Members Pat Duncan and Jean Nelson. Len Horst welcomed them to the Board.

Introduction of New Board Positions

Len Horst and Steve Hardesty announced the new Board positions: President- Leonard Horst; Vice President - Marty Neilson; Secretary- Tami Ronnfeldt; Treasurer- Pat Duncan, Director- Frank Gould; Director- Maryann Sinerius; Director- Jean Nelson.

2025 Directors Comments

Jean Nelson: thanked everyone for their vote, will represent community to the best of her ability.

Maryann Sinerius: thanked Bud and Glenn, welcomed Jean and Pat.

Frank Gould: enjoyed working with Bud and Glenn, welcomed and congratulated Pat and Jean.

Marty Neilson: congratulated and thanked Bud and Glenn for many years of service, many pool meetings and questions were answered, looking forward to the year ahead.

Tami Ronnfeldt: thanked Bud and Glenn, welcomed and congratulated Jean and Pat, we will have a strong Board in the coming year, thanked Steve for all he does.

Pat Duncan: thanked everyone for their vote, look forward to serving.

Homeowner Comments: NONE

The meeting adjourned at 4:39 PM

Respectfully submitted,

Tami Ronnfeldt
Board Secretary