

Finance Committee Reports

BOD Sept. 13, 2022

Finance Committee – met August 5, 2022. The following was discussed

Subcommittee Reports:

ICC: Maria reported that the ICC transaction review for May was completed. A few questions emerged that will be dealt with at a July meeting that will also be the July transaction review. ICC will be looking at CPA firm proposals for the 2023 Audit of the 2022 Financials.

Reconciliations: One outstanding check from January 2022 is outstanding. Staff is working with member to cash the check.

Financial Review: July 2022

Payment of all LHC assessments is complete. There is hope that one timeshare that has been delinquent for a lengthy time will actually be paid.

Keith then led the Finance Committee (FC) through a review of the remaining financial statements (Balance Sheets, Income and Expense Report, and Expenses versus Budget Report). Several members noted that there has been a recent higher-than-normal turnover in the ownership of time shares. Evidently, a time share can be purchased for a very nominal cost.

Two of the planned three reserve projects for 2022 have been completed; both were over budget. An additional unbudgeted reserve project became necessary to fix a front-gate problem. The total overage is about \$15k.

Other:

A proposal from the Pickleball Club for funds to revamp Tennis courts 1 and 2 to a dedicated Pickleball court was reviewed and advised to the Board of Directors for consideration by the Strategic Planning Committee.

Reserve Study: Kala Point contracted with Bach & Associates to perform the 2022 Reserve Study that is required by law. Mr. Bach has produced a draft of the reserve study that was discussed at this meeting by the FC. Several questions and discrepancies were noted. Keith, Dan and Donna met with Mr. Bach and corrections are being made.

Budget Review Process: Keith will finish the draft operating and reserve budgets as wages for 2023 have been set. This is expected to happen soon. After that, Keith will set up times for both the Operating and Reserve Budget subcommittees to meet to review the draft.

Outside Audit: The plan is to have an outside audit done of Kala Point' books in 2022. We have received one proposal from an accounting firm, but there are some concerns related to site visits, meetings, and tax returns. This will be discussed at the September meeting of the FC.

2023 Budget Fees and Rates were not set and will be approved in September as the BOD had not yet approved employee wages.

Next Meeting: The next meeting of the FC will be on Wednesday, September 7, at 9:00 am.