

From: Diane Carley

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Green valley, AZ 85614

To: SpringPointe Homeowners Association

Green Valley, AZ 85614

February 18, 2024

Board:

The President of SpringPointe HOA, Mitchell Koentopf, approached me to do a 2023 HOA's Financial Review, which I accepted. My career has been in accounting, starting with my bookkeeping business, then I became CFO of a construction company. My career continued with being CFO of a manufacturing company. Since retiring to Green Valley, I spent 5 years as president of a large GVR club and also a Treasurer for 3 years with another club. I have previously done a Financial Review for a local club and I review financials for a local resident, on a monthly basis.

Overall, I have found your 2023 Financials to be sound for the most part. Here are my comments regarding your Financial Review:

- 1) The HOA assessments for 2023 are correct.
- 2) The homeowners' assessment process of interest, late fees and lien procedures look good.
- 3) Mitch Koentopf mentioned a \$300 deposit in November that was not explained. I found the documentation for this deposit. It was from Unit 1752 N Rio Mayo for prepaid 2024 dues.
- 4) Only the Treasurer has access to Quickbooks Online. In case something happens to him, I suggest that he start saving Quickbooks to a flash drive, before each Board meeting, and give it to another officer. Then each month, he gives the officer a new flash drive and receives the old one back to reuse.

- 5) There are some small expenses that have been paid without the treasurer receiving a receipt or other documentation. Even though they are small amounts, your records should at least have the person requesting the reimbursement to fill out the HOA's Reimbursement form and sign it. (Example attached.)
- 6) Bert Nido has been the landscaper for many years and does no billing. It is then the responsibility of the Treasurer to create documentation and have Bert sign it. The documentation for the monthly work could be a one-time document stating the monthly fee with Bert's signature. Bert also was paid for additional work in 2023 without documenting it. Bert has been paid over \$9,000 without any records on file to support this. Also, as a self-employed individual, the HOA should be giving Bert a 1099 Form each year, if he earns more than \$600. This is required by the Federal Government and needs to be corrected.
- 7) The 2023 Budget was not in balance, which is incorrect. The present Treasurer corrected this on the 2024 Budget. The HOA's annual budget should always be in balance.
- 8) I was informed that the Board's minutes are weak on financial details of the meeting, which concerns me. Having detailed minutes is another way of having good financial backup. The Treasurer's requests for expenses over \$500, which he presents to the Board for approval, should be stated in the minutes and the Treasurer's paper request attached to the approved minutes.

Please contact me, if you have any questions or if I can be of further service.

Thank you,

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