

To: Heather Gardens Metropolitan District Board

Audit/Finance Committee

From: Rita Effler, Treasurer

Report on Audit/Finance Committee

July 15, 2024

The meeting was called to order at 1:04 P.M. in the Board Room. Debbie Parker was on Zoom. A quorum was declared. Lary Herkal, HGA, GM, also was in attendance part of the time. Carrie Toennis was available for questions.

There was no previous meeting report. A report was included regarding questions inspired when approving invoices.

April, 2024, financials were perused with acknowledgement by Carrie that May and June can be expected by the end of this week. Zion Bank funds were discussed as were Key bank balances

A discussion ensued with Lary Herkal concerning how they can give us the detail we want without revealing actual salaries. I pointed out that it was not necessary for them to tell us what they paid, but that we would like to know what we paid and to whom, which would include all the fees, taxes benefits for each position. I likened it to having contracted 10 temporary workers. HGA would not pay a lump sum without amounts attributed to each individual. We did not get anywhere, but we engaged!

A Motion was made and approved to recommend to the board securing a credit card to be used by Directors as needed with guidelines.

A Motion was made and approved to recommend to the board reinvesting funds transferred to the operating account from investments in our capital savings account.

A Motion was made and approved to recommend to the board to contract for Golf course pump replacement at no more than \$200,000 without lack of due diligence and 3 bids.

There was discussion concerning the proposals received for accounting services. We were careful not to talk numbers, deeming it unethical if HGA wanted to bid to provide services. After Larry Davila indicated HGA would like first right of refusal, deciding if HGA wanted the job at the price someone else bid,(which we refused to consider because it isn't ethical), but confirmed with Lary Herkal earlier in the meeting that HGA might be interested, we determined that it would be in the best interest of our constituents to give HGA the opportunity to offer accounting services without management responsibility. Our concerns include lack of staff capable of providing the accounting reports timely, as well as knowing that HGA must convert the accounting system to new software sooner than later.

Budget work sessions will be scheduled as information becomes available.

The meeting was adjourned at 3:15 PM.