

STEOA BOARD MONTHLY FINANCIAL REPORTS

FOR MONTHS JUNE, JULY, AUGUST 2022

Key Financial Information: - See attached financial reports for additional information

Contingency Fund : \$120 to McEvoy for Pool question.

Reserve Fund: Finished paying for Landscape Renewal & Irrigation. Road Fix. Moved \$44,000 to Live Oak MMA (Aug 9)

Operating Fund: Recker sent the bill and is paid for 2021 tax preparation.

Home Sales: One home on Algardi closed Aug 15, 2022.

HOMEOWNER DUES: All owners are paid up! One has a prepayment of \$828.00 knowing that January dues may increase. Payment methods are Zelle 31, Physical checks 70, using Payhoa (card or Bank account) 13. Invoicing takes much less of my time than QBO to actually prepare and send.

REPLACEMENT OF Website/QuickBooksOnline: I'm adding in the PAYHOA P&L report for comparison. There is a issue in I have outstanding with PAYHOA where the Chase bank feeds have different date than the statement (I have to change each transaction to match). Invoicing for dues is quicker in Payhoa. Minor issues are resolved quickly with Payhoa support.

BOD ACTION: It's time to discuss continued use of QuickBooks. I'm only sending PAYHOA reports for August.

BY DJP 09/10/2022

STEHOA

Budget vs Actual

January 01, 2022 - December 31, 2022

	Expected	Actual	Variance
Income			
4100 Homeowner Dues	\$178,284.00	\$85,480.00	-\$92,804.00
4150 Late Payment Fees	\$0.00	\$148.92	\$148.92
Total for 4100 Homeowner Dues	\$178,284.00	\$85,628.92	-\$92,655.08
4200 Resale Disclosure Strm. Fees	\$988.00	\$1,482.00	\$494.00
4500 Bank Interest			
4510 Chase Savings	\$1.00	\$5,434.17	\$5,433.17
4531 First Internet Bank MMA	\$300.00	\$154.75	-\$145.25
4540 Live Oak Bank MMA	\$400.00	\$312.04	-\$87.96
4542 Live Oak Bank Savings	\$0.00	-\$24,724.21	-\$24,724.21
Total for 4500 Bank Interest	\$701.00	-\$18,823.25	-\$19,524.25
4300 Pool Key Deposit	\$0.00	\$100.00	\$100.00
Total Income	\$179,973.00	\$68,387.67	-\$111,585.33
Expenses			
6100 General Expenses			
6105 Accounting/Financial Review	\$350.00	\$0.00	\$350.00
6107 Bank Charges	\$50.00	\$5.00	\$45.00
6110 Annual Meeting Room	\$50.00	\$0.00	\$50.00
6115 Electric - Common Area	\$550.00	\$310.24	\$239.76
6120 Income Taxes (State & Federal)	\$200.00	\$50.00	\$150.00
6125 Information Technology	\$1,000.00	\$1,741.31	-\$741.31
6130 Insurance/Fire & Liability	\$3,900.00	\$0.00	\$3,900.00
6140 Licenses, Fees, & Dues	\$100.00	\$41.00	\$59.00
6145 Miscellaneous	\$0.00	\$130.30	-\$130.30
6150 Office Supplies	\$150.00	\$149.92	\$0.08
6155 Postage & Mailing	\$175.00	\$21.82	\$153.18
6160 Printing & Copying	\$500.00	\$18.48	\$481.52
6170 Real Estate Taxes	\$60.00	\$0.00	\$60.00
6175 Road Crack Filling	\$0.00	\$1,200.00	-\$1,200.00
6190 Social	\$1,140.00	\$412.92	\$727.08
6195 Street/Sidewalk Clean/Repair	\$1,200.00	\$0.00	\$1,200.00
6199 Trash Removal Charges	\$19,000.00	\$10,696.08	\$8,303.92
Total for 6100 General Expenses	\$28,425.00	\$14,777.07	\$13,647.93
6200 LANDSCAPE			
6205 Backflow Inspection/Repair	\$250.00	\$0.00	\$250.00
6215 Irrigation Repair	\$500.00	\$113.00	\$387.00
6220 Irrigation Water	\$3,500.00	\$876.60	\$2,623.40
6225 Miscellaneous	\$0.01	\$0.00	\$0.01
6230 Mistletoe/Tree Pruning	\$500.00	\$0.00	\$500.00
6235 Maint - Common Areas	\$18,000.00	\$7,540.00	\$10,460.00
6240 Palm Tree Pruning	\$1,000.00	\$1,207.50	-\$207.50
6245 Install/Remove Plants, Gravel & Supplies	\$2,000.00	\$1,464.54	\$535.46
6250 Pre-Emergence Spraying - Bi-Annual	\$3,794.00	\$5,744.00	-\$1,950.00

STEHOA

Profit vs Loss

June 01, 2022 - June 30, 2022

Category	Total
Income	
4100 Homeowner Dues	\$67,008.00
4200 Resale Disclosure Strm. Fees	\$247.00
4500 Bank Interest	
4510 Chase Savings	\$0.16
4531 First Internet Bank MMA	\$27.97
4540 Live Oak Bank MMA	\$57.87
4542 Live Oak Bank Savings	\$19.97
Total for 4500 Bank Interest	\$105.97
Total Income	\$67,360.97
Expenses	
6100 General Expenses	
6115 Electric - Common Area	\$44.31
6125 Information Technology	\$113.99
6140 Licenses, Fees, & Dues	\$10.00
6199 Trash Removal Charges	\$1,609.17
Total for 6100 General Expenses	\$1,777.47
6200 LANDSCAPE	
6220 Irrigation Water	\$112.16
6240 Palm Tree Pruning	\$1,207.50
Total for 6200 LANDSCAPE	\$1,319.66
6300 POOL/TENNIS	
6310 Pool Electricity	\$847.97
6325 Gas - Pool	\$1,276.86
6330 Janitorial Service	\$335.00
6345 Miscellaneous	\$210.00
6355 Pool Cleaning & Chemicals	\$533.00
6365 Water - Pool	\$269.98
Total for 6300 POOL/TENNIS	\$3,472.81
7000 Uses of Funds	
7110 Roads & Sidewalks	\$2,722.22
7131 Landscape General	\$4,805.00
Total for 7000 Uses of Funds	\$7,527.22
Total Expenses	\$14,097.16
Net Total	\$53,263.81

STEHOA

Budget vs Actual

January 01, 2022 - December 31, 2022

	Expected	Actual	Variance
Total for 6200 LANDSCAPE	\$29,544.01	\$16,945.64	\$12,598.37
6300 POOL/TENNIS			
6310 Pool Electricity	\$3,665.00	\$2,805.92	\$859.08
6320 Fire Protection/Rural Metro	\$212.00	\$0.00	\$212.00
6325 Gas - Pool	\$13,000.00	\$14,388.13	-\$1,388.13
6330 Janitorial Service	\$4,020.00	\$2,305.00	\$1,715.00
6335 Janitorial Supplies	\$100.00	\$0.00	\$100.00
6340 Licenses/Permits	\$270.00	\$270.00	\$0.00
6345 Miscellaneous	\$0.01	\$441.22	-\$441.21
6355 Pool Cleaning & Chemicals	\$5,408.00	\$5,037.55	\$370.45
6360 Repairs & Maintenance	\$1,313.00	\$309.95	\$1,003.05
6365 Water - Pool	\$2,579.00	\$1,572.76	\$1,006.24
Total for 6300 POOL/TENNIS	\$30,567.01	\$27,130.53	\$3,436.48
7000 Uses of Funds			
7110 Roads & Sidewalks	\$2,923.00	\$2,865.50	\$57.50
7123 Recreation Center	\$1,600.00	\$1,254.40	\$345.60
7130 Landscaping	\$0.00	-\$500.00	\$500.00
7131 Landscape General	\$10,600.00	\$9,705.00	\$895.00
7132 Irrigation	\$20,000.00	\$11,000.00	\$9,000.00
7133 Erosion Control	\$1,000.00	\$0.00	\$1,000.00
7211 CONTINGENCY - General	\$0.00	\$120.00	-\$120.00
Legal Expense			
Total for 7000 Uses of Funds	\$36,123.00	\$24,444.90	\$11,678.10
Total Expenses	\$124,659.02	\$83,298.14	\$41,360.88
Net Total	\$55,313.98	-\$14,910.47	-\$70,224.45

STEHOA**Budget vs Actual**

January 01, 2022 - December 31, 2022

	Expected	Actual	Variance
Income			
4100 Homeowner Dues	\$178,284.00	\$175,776.28	-\$2,507.72
4150 Late Payment Fees	\$0.00	\$148.92	\$148.92
Total for 4100 Homeowner Dues	\$178,284.00	\$175,925.20	-\$2,358.80
4200 Resale Disclosure Strm. Fees	\$988.00	\$1,976.00	\$988.00
4500 Bank Interest			
4510 Chase Savings	\$1.00	\$1.21	\$0.21
4531 First Internet Bank MMA	\$300.00	\$202.88	-\$97.12
4540 Live Oak Bank MMA	\$400.00	\$468.26	\$68.26
4542 Live Oak Bank Savings	\$0.00	\$312.44	\$312.44
Total for 4500 Bank Interest	\$701.00	\$984.79	\$283.79
4300 Pool Key Deposit	\$0.00	\$100.00	\$100.00
Total Income	\$179,973.00	\$178,985.99	-\$987.01
Expenses			
6100 General Expenses			
6105 Accounting/Financial Review	\$350.00	\$350.00	\$0.00
6107 Bank Charges	\$50.00	\$0.00	\$50.00
6110 Annual Meeting Room	\$50.00	\$0.00	\$50.00
6115 Electric - Common Area	\$550.00	\$354.45	\$195.55
6120 Income Taxes (State & Federal)	\$200.00	\$50.00	\$150.00
6125 Information Technology	\$1,000.00	\$1,747.28	-\$747.28
6130 Insurance/Fire & Liability	\$3,900.00	\$3,792.00	\$108.00
6140 Licenses, Fees, & Dues	\$100.00	\$41.00	\$59.00
6145 Miscellaneous	\$0.00	\$82.46	-\$82.46
6150 Office Supplies	\$150.00	\$0.00	\$150.00
6155 Postage & Mailing	\$175.00	\$91.42	\$83.58
6160 Printing & Copying	\$500.00	\$161.68	\$338.32
6170 Real Estate Taxes	\$60.00	\$0.00	\$60.00
6175 Road Crack Filling	\$0.00	\$1,200.00	-\$1,200.00
6190 Social	\$1,140.00	\$412.92	\$727.08
6195 Street/Sidewalk Clean/Repair	\$1,200.00	\$0.00	\$1,200.00
6199 Trash Removal Charges	\$19,000.00	\$12,200.84	\$6,799.16
Total for 6100 General Expenses	\$28,425.00	\$20,484.05	\$7,940.95
6200 LANDSCAPE			
6205 Backflow Inspection/Repair	\$250.00	\$192.00	\$58.00
6215 Irrigation Repair	\$500.00	\$113.00	\$387.00
6220 Irrigation Water	\$3,500.00	\$1,003.66	\$2,496.34
6225 Miscellaneous	\$0.01	\$0.00	\$0.01
6230 Mistletoe/Tree Pruning	\$500.00	\$0.00	\$500.00
6235 Maint - Common Areas	\$18,000.00	\$8,202.00	\$9,798.00
6240 Palm Tree Pruning	\$1,000.00	\$1,207.50	-\$207.50
6245 Install/Remove Plants, Gravel & Supplies	\$2,000.00	\$1,251.54	\$748.46

STEHOA

Budget vs Actual

January 01, 2022 - December 31, 2022

	Expected	Actual	Variance
6250 Pre-Emergence Spraying - Bi-Annual	\$3,794.00	\$3,847.00	-\$53.00
Total for 6200 LANDSCAPE	\$29,544.01	\$15,816.70	\$13,727.31
6300 POOL/TENNIS			
6310 Pool Electricity	\$3,665.00	\$3,195.55	\$469.45
6320 Fire Protection/Rural Metro	\$212.00	\$210.02	\$1.98
6325 Gas - Pool	\$13,000.00	\$14,222.53	-\$1,222.53
6330 Janitorial Service	\$4,020.00	\$2,680.00	\$1,340.00
6335 Janitorial Supplies	\$100.00	\$0.00	\$100.00
6340 Licenses/Permits	\$270.00	\$270.00	\$0.00
6345 Miscellaneous	\$0.01	\$385.04	-\$385.03
6355 Pool Cleaning & Chemicals	\$5,408.00	\$5,353.33	\$54.67
6360 Repairs & Maintenance	\$1,313.00	\$1,185.26	\$127.74
6365 Water - Pool	\$2,579.00	\$1,841.00	\$738.00
Total for 6300 POOL/TENNIS	\$30,567.01	\$29,342.73	\$1,224.28
7000 Uses of Funds			
7110 Roads & Sidewalks	\$2,923.00	\$2,865.50	\$57.50
7123 Recreation Center	\$1,600.00	\$1,254.40	\$345.60
7130 Landscaping	\$0.00	-\$500.00	\$500.00
7131 Landscape General	\$10,600.00	\$9,705.00	\$895.00
7132 Irrigation	\$20,000.00	\$11,000.00	\$9,000.00
7133 Erosion Control	\$1,000.00	\$0.00	\$1,000.00
7211 CONTINGENCY - General	\$0.00	\$120.00	-\$120.00
Legal Expense			
Total for 7000 Uses of Funds	\$36,123.00	\$24,444.90	\$11,678.10
Total Expenses	\$124,659.02	\$90,088.38	\$34,570.64
Net Total	\$55,313.98	\$88,897.61	\$33,583.63

STEOHA

Profit vs Loss by Month

August 01, 2022 - August 31, 2022

Category	Aug '22	Total
Income		
4100 Homeowner Dues	\$828.00	\$828.00
4200 Resale Disclosure Strm. Fees	\$247.00	\$247.00
4500 Bank Interest		
4510 Chase Savings	\$0.18	\$0.18
4531 First Internet Bank MMA	\$53.13	\$53.13
4540 Live Oak Bank MMA	\$156.22	\$156.22
4542 Live Oak Bank Savings	\$36.65	\$36.65
Total for 4500 Bank Interest	\$246.18	\$246.18
Total Income	\$1,321.18	\$1,321.18
Expenses		
6100 General Expenses		
6105 Accounting/Financial Review	\$350.00	\$350.00
6115 Electric - Common Area	\$88.63	\$88.63
6125 Information Technology	\$113.99	\$113.99
6199 Trash Removal Charges	\$1,597.57	\$1,597.57
Total for 6100 General Expenses	\$2,150.19	\$2,150.19
6200 LANDSCAPE		
6220 Irrigation Water	\$127.06	\$127.06
6235 Maint - Common Areas	\$667.00	\$667.00
Total for 6200 LANDSCAPE	\$794.06	\$794.06
6300 POOL/TENNIS		
6310 Pool Electricity	\$791.82	\$791.82
6325 Gas - Pool	\$304.96	\$304.96
6330 Janitorial Service	\$335.00	\$335.00
6355 Pool Cleaning & Chemicals	\$469.57	\$469.57
6365 Water - Pool	\$268.24	\$268.24
Total for 6300 POOL/TENNIS	\$2,169.59	\$2,169.59
Total Expenses	\$5,113.84	\$5,113.84
Net Total	-\$3,792.66	-\$3,792.66

STEHOA

Expenses by Vendor

June 01, 2022 - June 30, 2022

Send Date	Check #	Memo	Amount
Arizona Commerce Commmission			
06-08-2022		ARIZONA CORP COMM .CC.STATE.AZ. AZ 06/08	\$10.00
Total for Arizona Commerce Commmission			\$10.00
REALM			
06-10-2022		Online Payment 14548357402 To REALM Environments 06/10	\$4,805.00
Total for REALM			\$4,805.00
Waste Management of Arizona, Inc.			
06-14-2022		Waste Management	\$1,609.17
Total for Waste Management of Arizona, Inc.			\$1,609.17
E-Konomy Pool Service			
06-17-2022		E-KONOMY POOL SERVICE AZ 06/15	\$32.60
06-17-2022		E-KONOMY POOL SERVICE AZ 06/15	\$500.40
Total for E-Konomy Pool Service			\$533.00
Reserve My Court LLC 2021			
06-21-2022		RESERVEMYCOURT WWW.RESERVEMY GA 06/20	\$60.00
Total for Reserve My Court LLC 2021			\$60.00
Zoom USA			
06-21-2022		ZOOM.US WWW.ZOOM.US CA 06/19	\$14.99
Total for Zoom USA			\$14.99
Sunland Asphalt			
06-24-2022		Online Payment 14653918585 To Sunland Asphalt 06/24	\$2,722.22
Total for Sunland Asphalt			\$2,722.22
PayHOA, LLC			
06-28-2022		WWW.PAYHOA* PAYHOA L WWW.PAYHOA.CO KY 06/28	\$99.00
Total for PayHOA, LLC			\$99.00
Great West Tree & Landscape, Inc.			
06-29-2022		ORIG CO NAME:DESERT WEST TREE ORIG ID:9215986202 DESC DATE:220629 CO ENTRY DESCR:SALE SEC:CCD TRACE#:021000025217536 EED:220629 IND ID: IND NAME:SUNRISE TERRITORY ESTA TRN: 1805217536TC	\$1,207.50
Total for Great West Tree & Landscape, Inc.			\$1,207.50
Total Vendor Expenses			\$14,097.16

The Landscape Committee has had a busy year and has several projects on our fall schedule, including:

- **Continue Landscape Renewal Activities:** Continue pursuing cost and water savings and beautification around the pool and tennis court areas.
- **Invasive Grasses:** Identify and treat invasive buffelgrass and fountain grasses. (See discussion items below)
- **Tree Maintenance:** Identify and selectively trim and treat “high value” statement trees in groomed common areas.
- **Drainage & Erosion Control: Work with LandTamers to address multiple erosion issues along community streets. (See discussion items below)**
- **Replenish gravel at community entrances.** Use designated reserve funds to replenish gravel where needed in high visibility entrance areas.
- **Landscape Lighting:** Propose options for using lighting to improve safety and beautification on streets and at community entrances in 2023. Use some existing funds to test solar lighting at entrances to the HOA.

For Discussion:

Issue #1: How far to go in addressing invasive grasses?

- Invasive grasses pose two risks. The first is that our hillsides could eventually be overtaken by grasses crowding out native plants and wildlife. The second is that these hot burning grasses increase the fire risk to homes and properties.
- The committee does not have the resources or a good strategy for assessing the full extent of the spread of invasive grasses in our extensive ungroomed common areas. In addition, it is unclear what the cost would be to fully rid all of our common areas of these grasses.
- We believe that addressing the invasive grasses problem needs an integrated approach, coordinating efforts with community groups who are working on this problem and with HOAs with adjacent properties and common areas. That would be a large undertaking that is beyond the scope of the committee.
- Our proposed approach:
 - Continue to educate HOs about the issue of invasive grasses and ask them to treat and/or remove these grasses from their property.
 - Continue to encourage HOs to clear up to 25’ behind their homes of invasive grasses and dead trees or shrubs that might become a fire risk. This would include clearing these fuels from HOA common areas if within 25’ of the HOs landscape wall.
 - Hire a landscaper twice a year to identify and clear invasive grasses in selected areas along streetsides and HOA drainage easements. (Infinity Earthworks, LandTamers)

Issue # 2: How to address erosion and drainage issues?

- There is obvious sand erosion from our hillsides onto our streets and sidewalks, especially at the base of the road leading to the pool parking area, at the end of Calle Milana, and along Velasquez. Bob McBratney has created photo documentation of these high erosion areas.
- In addition, unwanted plants and sand debris have accumulated in many of our HOA drainage easements, posing a risk of further erosion and potential drainage blockages.
- While the committee can work with LandTamers to address the more minor erosion issues, **a point-person is needed** to investigate possible engineering solutions to the most serious erosion and grading issues.
- This effort would benefit from continued collaboration with the Roads Committee.

Budget Update:

The committee has achieved considerable cost savings by significantly reducing water use and landscape maintenance fees. We anticipate a reduced budget for 2023 while using our remaining 2022 funds to meet ongoing expenses and to complete the various fall projects listed above.

Respectfully submitted,
Carol Tornow & Sharon Ostrom, Co-Chairs

The Social Committee has not been active over the summer months. However, two New Homeowners packets were delivered to new neighbors.

There will be a First Thursday happy hour event held at the pool area on October 6th. It will be the first of the season. In November we will hold our “Welcome Back Snowbirds” event. Details are TBD, but we are tentatively planning on a Mexican dinner night.

Respectfully submitted,

Nancy Berndt

SECURITY COMMITTEE REPORT

- 9 of 99 houses had an inoperative street lamp as of two weeks ago
- burned out bulb/bad photovoltaic sensor/on off switch in the garage/CB are all possibilities
- this does not include the 15 homes Cadore south of Territory (discussion item)
- most are out of town for the summer
- several are repeat offenders including the (long term) house for sale on Cadore and recently purchased houses with absent owners
- will try to energize a neighborhood watch program when the southern migration completes

Drew Metcalf

The Pool and Tennis Committee has not met over the summer, but we hope to meet in the coming weeks to begin budget preparations and continue work we've done on identifying proposed changes to our HOA's rules & regulations pertaining to the pool and tennis court facilities.

With Delphine's excellent help, I have gathered and analyzed utility usage data for the pool area, particularly to see what effects the chemical cover we began using earlier this year might have had.

The good news is that our water use has decreased by 26% for the 6 months ending in July, compared with the prior year. I don't yet know the resulting dollar savings.

What is puzzling is that our gas use is up 6% for the 12 months ending in July, compared with the prior year. We'd hoped that the chemical cover would reduce heating costs for the pool, but the data doesn't show that to be the case, at least not yet.

Also, for the 6 months ending in June, our electricity use is up 27% compared with the prior year.

I've shared this data with our committee members and we'll do our best to figure out why usage is up and what, if anything, we can do about it.

On a happy note, I'd like to share with you that Sandy McBratney took the initiative this summer to replace the coverings on our pool railings, purchasing new material and sewing the new covers herself. I've asked that in our next communication to all HOA members we give recognition and thanks to Sandy for this generous contribution of her time and energy and expense, which benefits everyone who uses our pool.

I hope to be present for Monday's board meeting, but I have to report tomorrow (Thursday) for jury duty and may end up serving on a trial that could prevent me from attending. If I'm not present, I hope Ken Bosma will be, so that he can share his considerable knowledge about pool operations as needed.

Respectfully,

Greg Falk, Chair
Pool and Tennis Committee

Sunrise Territory Estates
Roads Committee

September 2022

Monsoon rains have left deposits of sand and gravel on several roads which need sweeping.

The Roads Committee has asked several sweeping contractors for bids to sweep our streets. We are hopeful that this activity will be accomplished with our current budget.

The roads other wise remain in excellent condition.

Respectfully submitted,

Frank King and Bob McBratney

Co-Chairs STEHOA Roads Committee

Sunrise Territory Estates HOA Financial Review Committee Report for 2022

(Mid-Year Interim Report)

Submitted by: STEHOA Financial Review Committee

Date: July 27, 2022

Table of Contents

- 1. Introduction**
- 2. Review Process and Documentation**
- 3. Findings**
- 4. Recommendations**

Appendices

- A. Financial Review Committee Duties and Responsibilities**
- B. Financial Review Worksheets for Period January 1, 2022 to June 30, 2022**
- C. Financial Review Worksheets for Period July 1, 2022 to December 31, 2022**

1. Introduction

- a) The Sunrise Territory Estates Homeowners Association (STEHOA) Board of Directors has established a Financial Review Committee to provide the Board and the general membership with added assurance that the financial transactions of the HOA are conducted with integrity.
- b) The review is also expected to meet the requirement of Arizona State Statute 33-1810. This statute required that: *“Unless any provision in the planned community documents requires an annual audit by a certified public accountant, the board of directors shall provide for an annual financial audit, review or compilation of the association. The audit, review or compilation shall be completed no later than one hundred eighty days after the end of the association's fiscal year and shall be made available upon request to the members within thirty days after its completion.”*

2. Review Process and Documentation

- a) The STEHOA Board of Directors has approved a Duties and Responsibilities document which defines the process the Financial Review Committee should follow in conducting its review. The currently-approved Duties and Responsibilities for the Financial Review Committee can be found in Appendix A.
- b) The Financial Review Committee conducts two reviews a year: one for the period January 1 to June 30, and a second for the period July 1 to December 31. These two reviews, taken together, meet the Arizona State Statute 33-1810 requirement for an annual review of the HOA's fiscal year.
- c) Financial Review Committee worksheets used in the review of the first half of the fiscal year can be found in Appendix B.
- d) Financial Review Committee worksheets used in the review of the second half of the fiscal year can be found in Appendix C.

3. Findings

- a) Overall it was found that the financial transactions in the first half of STEHOA's fiscal year 2022 were conducted with integrity, with no evidence of misappropriation of funds being identified.
- b) For the periods selected, accounting records match bank statements.
- c) Accounting records appear to be sufficiently reliable to permit the preparation of accurate and complete financial statements.
- d) A payment (\$120) was made to the HOA's law firm where the expense had not been explicitly approved by the Board prior to it being incurred. The HOA's past practice has been that legal expenses are charged against Contingency in the budget, but no monies were allocated to Contingency in the Board-approved budget for 2022. A suggestion was made that the expense could be charged to the Pool budget as the Pool Committee Chair should be able to manage the approved funds in the way he/she feels appropriate. The view of the Financial Review Committee is that while this is likely appropriate within the defined line items under Pool (or any other budget category), it is not good practice to

introduce a new line item expense category after the annual budget has been approved, without Board approval.

- e) It is noted that as of June 30/22 the annual budget established for Pool expenses has already been substantially spent and will most likely be exceeded by the end of the year. The reason for this is unexpected increases in natural gas and electricity costs.

4. Recommendations

- a) The Board should consider how it wants to handle legal expenses in future. Options are to establish a funded line item under General Expenses, continue with past practice and charge legal expenses to a Contingency line item, or allow legal expenses to be charged to tier 2 budget categories (e.g., Roads, Pool, Landscaping). The Financial Review Committee recommends maintaining current practice as legal is not a predictable expense. An associated issue is whether Committee Chairs should be allowed to deal with the HOA's law firm directly, and hence incur legal expenses. It is the view of the Financial Review Committee that the HOA President should be the single point of contact in dealing with the HOA's law firm.
- b) Since the Pool budget will likely be exceeded by the end of the year, the Board should address this situation and approve additional funds from contingency funds in our Chase Bank Savings Account if this is warranted. It is best practice that once it is realized that a tier 2 budget category will be exceeded that this be brought to the Board's attention as soon as practical.

Appendix A: STEHOA Financial Review Committee Duties and Responsibilities

(Approved by STEHOA Board on March 8, 2021)

The Financial Review Committee conducts reviews of STEHOA financial transactions to assure the Board of Directors and the general membership that STEHOA financial transactions are conducted with integrity. In addition, the reviews are intended to meet the requirements of Arizona State Statute 33-1810. The Financial Review Committee consists of one or more members of the Association other than the Treasurer and Assistant Treasurer. Typically a single person can do the review.

Responsibilities

1. The Committee shall conduct two reviews a year, one to cover the period January 1 to June 30, and the other the period July 1 to December 31. The first-half review should be reported to the Board as soon as practical after June 30th each year. The annual review, comprising the two semi-annual reviews, shall be completed and submitted to the HOA Board as soon as practical after December 31st, but not beyond 180 days of the end of the year. The Arizona State Statute 33-1810 requires the annual review be made available upon request to HOA members within 30 days of its completion.
2. The Treasurer shall supply all necessary financial information to the Financial Review Committee for its review, and shall be available to answer any questions from the Committee.
3. The review shall ensure that:
 - Transactions are executed as authorized and accurately recorded.
 - Accounting records match bank statements.
 - Accounting records appear to be sufficiently reliable to permit the preparation of accurate and complete financial statements.
4. For each review the Committee shall prepare a written report and submit this report to the HOA Board with a description of the Committee's findings. The first-half review report can be considered an interim update on the Committee's work.

Review Process

1. The Committee shall obtain from the Treasurer:

- Read-only login to Google Docs, and an introduction to the naming and organization conventions used by the HOA.
 - Read-only login to QuickBooks (QB).
 - Read-only login to the HOA bank account that is mainly used for holding and dispersing HOA funds. Where possible, read-only access to other bank accounts where the HOA has funds deposited should be obtained as well.
2. Verify that all quarter-end balances in all bank accounts match balances in QB.
 3. Choose one month in each review period and review every recurring payment:
 - Verify that the payment is consistent with the QB entry.
 - Where applicable, verify that an associated contract is in Google Docs.
 - Verify that there is an invoice on Google Docs, and that the recurring charge is consistent with the current contract.
 4. Review all (or otherwise approved by the HOA Board) non-recurring payments during the review period:
 - Verify that the payment is consistent with the QB entry.
 - Verify that the expense is consistent with the approved annual budget or with a separate Board approval.
 - Verify there is an invoice or receipt(s) in Google Docs that has been appropriately approved for payment. The Financial Review Committee's review should compare actual practice to the reference process included in Attachment A to this document.
 - Review all non-recurring payments whether they are categorized as ATM & Debit Card Withdrawals, Electronic Withdrawals or Other Withdrawals.
 5. Reconcile homeowner dues as follows:
 - Compare expected amount of homeowner dues to the amount recorded in QBs for the period January/February, and for July/August.
 - Verify that end-of-month bank balances in February and August in the HOA's primary bank are the same as recorded in QBs.

6. Reconcile investment transactions by verifying that transactions between a bank that holds a money market account (MMA) or certificate of deposit (CD) for the HOA, and the HOA's primary bank, and from a bank holding a MMA/CD to another bank where the funds are to be deposited in a MMA/CD, are consistent and that corresponding bank statements are in Google Docs.

Attachment A to Appendix A

Reference Process for Authorizing and Approving STEHOA Financial Payments

Type of Expense	Method of Expenditure Authorization	Invoice Approval Required Before Treasurer Makes Payment?
<u>Recurring Expenses</u>		
Ongoing contract in place (e.g., regular pool maintenance fees, garbage pickup fees, regular landscaping fees)	By Board motion to approve contract By Board approval of annual budget	No (as long as invoice is consistent with contract)
Account in place (e.g., utility bills, software use fees)	By Board motion to approve setting up account By Board approval of annual budget	No (Treasurer, or other delegate, should confirm that invoice seems reasonable)
<u>Non-Recurring Expenses</u>		
Ongoing contract in place with vendor but expenses that vary (e.g., use of pool chemicals, ad hoc landscaping tasks)	By Board approval of annual budget By Committee Chair if annual budget will not be exceeded. If annual budget will be exceeded Board motion is required for expense	Yes. By Committee Chair. (Typically by printing name and signing invoice saying Okay to Pay) (Approval to pay could also be done by email but this then requires the Treasurer to put the email and the invoice in Google Docs)
Reserve Fund Expenditures (e.g., road improvements)	By Board approval of vendor and contract value. Contract signed by President	Yes. By Committee Chair (see box above)
Contingency Fund Expenditures	By Board approval	Yes. By Committee Chair (see box above)
Expenses incurred by vendor where <u>no</u> annual budget established (e.g., legal fees)	By Board motion giving prior approval of expense	Yes. By Director (see box above)
Expenses incurred by HOA <u>member</u> where annual budget established (e.g., Social Committee expenses)	By Committee Chair sending email to Committee member authorizing expenditure (or equivalent process)	Yes. By Committee member submitting signed receipts to Treasurer along with authorizing email (or equivalent process)

Appendix B: Financial Review Worksheets for Period January 1, 2021 to June 30, 2022

Financial Review Objective (Verify Bank Balances)	Balances in Bank Accounts	Balances in Quickbooks	Bank Statements Filed in Google Docs	Finding
Quarter end (Mar 2022)	In Chase checking account: \$34,837.97	In Chase checking account: \$34,837.97		No Exceptions
	In Chase savings account: \$10,000.30	In Chase savings account: \$10,000.30		No Exceptions
		In First Internet Bank MMA: \$52,315.75	In First Internet Bank MMA; \$52,315.75	No Exceptions
		In LiveOak Bank MMA: \$72,468.62	In LiveOak Bank MMA: \$72,468.62	No Exceptions
		In LiveOak Bank Saving: \$25,000.81	In LiveOak Bank Savings: \$25,000.81	No Exceptions
Quarter end (Jun 2022)	In Chase checking account: \$61,571.16	In Chase checking account: \$61,571.16		No Exceptions
	In Chase savings account: \$10,000.79	In Chase savings account: \$10,000.79		No Exceptions
		In First Internet Bank MMA: \$52,378.70	In First Internet Bank MMA: \$52,378.70	No Exceptions
		In LiveOak Bank MMA: \$72,607.27	In LiveOak Bank MMA: \$72,607.27	No Exceptions
		In LiveOak Bank Business Savings: \$25,048.65	In LiveOak Bank Business Savings: \$25,048.65	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Cherry Landscaping	Jan 14	\$1,490.00	Yes	Yes	Yes	Recurring	No Exceptions
Rural Metro	Jan 18	\$210.02	Yes	Yes	Yes	Recurring	No Exceptions
IRS E-File	Jan 18	\$6.44	Yes	Yes	Yes	Yes	No Exceptions
E-Konomy Pool Service	Jan 19	\$650.00	Yes	Yes	Yes	No	Ad Hoc work. Not part of contract.
E-Konomy Pool Service	Jan 19	\$420.59	Yes	Yes	Yes	Recurring	No Exceptions
Cherry Landscaping	Jan 19	\$15.00	Yes	Yes	Yes	Recurring	Part of corrected invoice for \$1,505
Zoom	Jan 20	\$14.99	Yes	Yes	Yes	Recurring	No Exceptions
Economy Plumbing Service	Jan 31	\$115.00	Yes	Yes	Yes	Yes	No Exceptions
Economy Plumbing Service	Jan 31	\$192.00	Yes	Yes	Yes	Yes	No Exceptions
Teri Weatherby	Jan 04	\$464.00	Returned check. Member paid twice	N/A	N/A	N/A	No Exceptions
State Farm	Jan 05	\$3,160.00	Yes	Yes	Yes	Recurring	No Exceptions
State Farm	Jan 05	\$632.00	Yes	Yes	Yes	Recurring	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
SK&A Janitorial	Jann 06	\$355.00	Yes	Yes	Yes	Recurring	No Exceptions
Gregory Jumper	Jan 10	\$13.25	Yes	Yes	Yes	Yes	No Exceptions
Southwest Gas	Jan 11	\$2,298.10	Yes	Yes	Yes	Recurring	No Exceptions
Waste Management	Jan 11	\$1,332.32	Yes	Yes	Yes	Recurring	No Exceptions
Greg Moxness	Jan 13	\$212.80	Yes	Yes	Yes	Yes	No Exceptions
Ken Bosma	Jan 28	\$80.82	Yes	Yes	Yes	Yes	No Exceptions
Gregory Jumper	Jan 31	\$16.24	Yes	Yes	Yes	Yes	No Exceptions
Deposit Returned	Jan 03	\$828.00	Returned check	N/A	N/A	N/A	No Exceptions
Deposit Returned	Jan 26	\$826.00	Returned check.	N/A	N/A	N/A	No Exceptions
Deposit Returned Fee	Jan 03	\$12.00	Homeowner paid	N/A	N/A	N/A	No Exceptions
Deposit Returned Fee	Jan 26	\$12.00	Bank forgave fee	N/A	N/A	N/A	No Exceptions
Cherry Landscaping	Feb 14	\$100.00	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	Feb 14	\$113.00	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	Feb 14	\$1,897.00	Yes	Yes	Yes	Yes	No Exceptions
GoDaddy	Feb 14	\$114.46	Yes	Yes	Yes	Yes	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Cherry Landscaping	Feb 16	\$1,510.00	Yes	Yes	Yes	Yes	No Exceptions
E-Konomy Pool Service	Feb 17	\$574.38	Yes	Yes	Yes	Yes	No Exceptions
Zoom	Feb 22	\$14.99	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	Feb 24	\$200.00	Yes	Yes	Yes	Yes	No Exceptions
City of Tucson	Feb 01	\$221.44	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	Feb 01	\$201.75	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Feb 02	\$44.42	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Feb 03	\$402.19	Yes	Yes	Yes	Recurring	No Exceptions
SK&A Janitorial	Feb 07	\$315.00	Yes	Yes	Yes	Recurring	No Exceptions
Southwest Gas	Feb 08	\$2,768.66	Yes	Yes	Yes	Recurring	No Exceptions
Bob Schmand	Feb 09	\$74.96	Yes	Yes	Yes	Yes	No Exceptions
Waste Management	Feb 15	\$1,425.13	Yes	Yes	Yes	Recurring	No Exceptions
Gregory Jumper	Feb 16	\$56.18	Yes	Yes	Yes	Yes	No Exceptions
Bob Schmand	Feb 23	\$47.84	Yes	Yes	Yes	Yes	No Exceptions
Mary Ann Mills	Feb 25	\$25.00	Pool Key Deposit Return	N/A	N/A	N/A	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Intuit Quickbooks	Mar 07	\$912.46	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	Mar 15	\$1,510.00	Yes	Yes	Yes	Recurring	No Exceptions
E-Konomy Pool Service	Mar 17	\$32.60	Yes	Yes	Yes	Recurring	No Exceptions
E-Konomy Pool Service	Mar 17	\$174.95	Yes	Yes	Yes	Yes	No Exceptions
E-Konomy Pool Service	Mar 17	\$843.77	Yes	Yes	Yes	Recurring	No Exceptions
Zoom	Mar 21	\$14.99	Yes	Yes	Yes	Recurring	No Exceptions
Cherry Landscaping	Mar 28	\$53.00	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	Mar 28	\$100.00	Yes	Yes	Yes	Yes	No Exceptions
PayHoa	Mar 28	\$99.00	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	Mar 01	\$268.62	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	Mar 01	\$151.90	Yes	Yes	Yes	Recurring	No Exceptions
Ecosense Landscaping	Mar 02	\$95.00	Yes	Yes	Yes	Yes	No Exceptions
TEP	Mar 03	\$44.31	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Mar 04	\$394.49	Yes	Yes	Yes	Recurring	No Exceptions
SK&A Janitorial	Mar 07	\$335.00	Yes	Yes	Yes	Recurring	No Exceptions
Holbrook Asphalt	Mar 07	\$1,200.00	Yes	Yes	Yes	Yes	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Southwest Gas	Mar 09	\$2,980.41	Yes	Yes	Yes	Recurring	No Exceptions
Mimi McMahon Melo	Mar 10	\$31.00	Yes	Yes	Yes	Yes	No Exceptions
Waste Management	Mar 15	\$1,450.23	Yes	Yes	Yes	Recurring	No Exceptions
Monsoon Irrigation	Mar 23	\$5,300.00	Yes	Yes	Yes	Contract signed by President included deposit	No Exceptions
Greg Lee	Mar 28	\$48.86	Yes	Yes	Yes	Yes	No Exceptions
Ken Bosma	Mar 30	\$18.48	Yes	Yes	Yes	Printing of directory for Secretary.	No Exceptions
Gregory Jumper	Mar 30	\$34.62	Yes	Yes	Yes	Yes	No Exceptions
Live Oak Bank	Mar 31	\$25,000.00	Yes	Yes	Yes	Yes	No Exceptions
City of Tucson	Mar 31	\$92.28	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	Mar 31	\$263.65	Yes	Yes	Yes	Recurring	No Exceptions
Amazon	Apr 15	\$1,139.42	Yes	Yes	Yes	Drinking Fountain for pool. HOA credit card used.	No Exceptions
Cherry Landscaping	Apr 18	\$1,505.00	Yes	Yes	Yes	Recurring	No Exceptions
E-Konomy Pool Service	Apr 18	\$40.70	Yes	Yes	Yes	Recurring	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
E-Konomy Pool Service	Apr 18	\$797.65	Yes	Yes	Yes	Recurring	No Exceptions
USPS	Apr 18	\$8.66	Yes	Yes	Yes	Yes	No Exceptions
Zoom	Apr 20	\$14.99	Yes	Yes	Yes	Yes	No Exceptions
Termagon	Apr 26	\$70.00	Yes	Yes	Yes	Yes	No Exceptions
PayHoa	Apr 28	\$99.00	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Apr 01	\$44.30	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Apr 04	\$377.88	Yes	Yes	Yes	Recurring	No Exceptions
SK&A Janitorial	Apr 06	\$335.00	Yes	Yes	Yes	Recurring	No Exceptions
Laurie Stone	Apr 11	\$16.76	Yes	Yes	Yes	Yes	No Exceptions
Southwest Gas	Apr 12	\$2,384.99	Yes	Yes	Yes	Recurring	No Exceptions
Waste Management	Apr 12	\$1,597.89	Yes	Yes	Yes	Recurring	No Exceptions
AZ Dept of Revenue	Apr 19	\$50.00	Yes	Yes	Yes	Recurring	No Exceptions
Ellen Schmand	Apr 25	\$25.00	No	N/A	Yes	Pool key deposit return	No Exceptions
Laurie Stone	Apr 25	\$76.16	Yes	Yes	Yes	Yes	No Exceptions
Nancy Berndt	Apr 25	\$320.00	Yes	Yes	Yes	Yes	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Ken Bosma	Apr 29	\$114.96	Yes	Yes	Yes	Yes	No Exceptions
Pima County Health	May 02	\$270.00	Yes	Yes	Yes	Yes	No Exceptions
USPS	May 05	\$13.16	Yes	Yes	Yes	Yes	No Exceptions
Cherry Landscaping	May 16	\$1,505.00	Yes	Yes	Yes	Recurring	No Exceptions
E-Konomy Pool Service	May 18	\$823.99	Yes	Yes	Yes	Recurring	No Exceptions
Zoom	May 20	\$14.99	Yes	Yes	Yes	Recurring	No Exceptions
Monsoon Irrigation	May 31	\$5,700.00	Yes	Yes	Yes	Yes	No Exceptions
PayHoa	May 31	\$99.00	Yes	Yes	Yes	Recurring	No Exceptions
TEP	May 02	\$44.19	Yes	Yes	Yes	Recurring	No Exceptions
TEP	May 03	\$381.20	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	May 03	\$268.62	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	May 03	\$132.02	Yes	Yes	Yes	Recurring	No Exceptions
McEvoy, Daniels & Darcy	May 03	\$120.00	Yes	No	Yes	Yes	See note in Findings
GRS Electric	May 03	\$135.00	Yes	Yes	Yes	Yes	No Exceptions
SK&A Janitorial	May 06	\$335.00	Yes	Yes	Yes	Recurring	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
Southwest Gas	May 10	\$1,667.44	Yes	Yes	Yes	Recurring	No Exceptions
Waste Management	May 13	\$1,569.62	Yes	Yes	Yes	Recurring	No Exceptions
Infinity Earthworks	May 18	\$450.00	Yes	Yes	Yes	Yes	No Exceptions
Realm Environmental	May 18	\$4,805.00	Yes	Yes	Yes	Contract signed by President included deposit	No Exceptions
Carol Tornow	May 24	\$148.54	Yes	Yes	Yes	Yes	No Exceptions
TEP	May 31	\$44.29	Yes	Yes	Yes	Recurring	No Exceptions
Termagon	Jun 06	\$150.00	Yes	Yes	Yes	Yes	No Exceptions
Arizona Corp Comm	Jun 08	\$10.00	Yes	Yes	Yes	Yes	No Exceptions
E-Konomy Pool Service	Jun 17	\$32.60	Yes	Yes	Yes	Recurring	No Exceptions
E-Konomy Pool Service	Jun 17	\$500.00	Yes	Yes	Yes	Recurring	No Exceptions
Zoom	Jun 21	\$14.99	Yes	Yes	Yes	Recurring	No Exceptions
Reserve My Court	Jun 21	\$60.00	Yes	Yes	Yes	Recurring	No Exceptions
PayHoa	Jun 28	\$99.00	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Jun 01	\$414.28	Yes	Yes	Yes	Recurring	No Exceptions

Financial Review Objective (Check Recurring and <u>Non-Recurring</u> Expenses in Review Period)	Date	Amount of Payment by Chase Bank	QuickBooks Entry Matches Chase Payment?	Expenditure consistent with Annual Budget or with Separate Board Approval	Invoice or Receipt in Google Docs?	Invoice Approved by Committee Chair/ Officer for Non-Recurring Expense?	Finding
City of Tucson	Jun 01	\$269.98	Yes	Yes	Yes	Recurring	No Exceptions
City of Tucson	Jun 01	\$112.16	Yes	Yes	Yes	Recurring	No Exceptions
SK&A Janitorial	Jun 06	\$335.00	Yes	Yes	Yes	Recurring	No Exceptions
Southwest Gas	Jun 07	\$1,276.86	Yes	Yes, for now, however it is clear that the Pool heating budget will likely be significantly exceeded by year end.	Yes	Recurring	No Exceptions
Realm Environmental	Jun 10	\$4,805.00	Yes	Yes	Yes	Yes	No Exceptions
Waste Management	Jun 14	\$1,609.17	Yes	Yes	Yes	Recurring	No Exceptions
Sunland Asphalt	Jun 24	\$2,722.22	Yes	Yes	Yes	Yes	No Exceptions
Desert West Tree	Jun 29	\$1,207.50	Yes	Yes	Yes	Yes	No Exceptions
TEP	Jun 30	\$433.69	Yes	Yes	Yes	Recurring	No Exceptions
TEP	Jun 30	\$44.31	Yes	Yes	Yes	Recurring	No Exceptions

Financial Review Objective (Reconcile Investment Transactions)	Investment Transaction Recognized in Chase Account	Documents Recorded in Google Docs?	Finding
Transfer of \$25,000 to LiveOak Bank	Yes	Yes, under Banking Statements	No exceptions

Financial Review Objective (Reconcile Homewowners' Dues)	Expected Semi-Annual Homeowner Dues	Semi-Annual Dues Recorded in QuickBooks as of Mar 31/22	Does Chase Checking Account Balance Match Quickbooks as of January 31/22	Finding
First Semi-Annual payment	\$89,142.00	\$89,283.36	Yes Chase: \$89,583.05 QB: \$89,583.05	No exceptions.

Note: If the HOA Checking Account balances in Chase Bank and in Quickbooks are the same at the end of the months of January and July, after which most homeowners dues would have been paid, and the recorded amount in QuickBooks at the end of February and August is very close to the amount of semi-annual dues expected, then the integrity of the collection and deposit of dues has been adequately demonstrated. There will always be slight discrepancies between the expected dues and the dues actually collected due to the fact there may be late payments, overpayments, pre-payments and interest on late payments.

Appendix C: Financial Review Worksheets for Period July 1, 2022 to December 31, 2022

Financial Review Objective (Verify Bank Balances)	Balances in Bank Accounts	Balances in Quickbooks	Bank Statements Filed in Google Docs	Finding
Quarter end (Sept 2022)	In Chase checking account: \$	In Chase checking account: \$		No exceptions
	In Chase savings account: \$	In Chase savings account: \$		No exceptions
	In First Internet Bank MMA; \$ (from Bank Statement in Google Drive)	In First Internet Bank MMA; \$		No exceptions
	In LiveOak Bank MMA: \$ (from Bank Statement in Google Drive)	In LiveOak Bank MMA: \$		No exceptions
Quarter end (Dec 2022)	In Chase checking account: \$	In Chase checking account: \$		No Exceptions
	In Chase savings account: \$	In Chase savings account: \$		No Exceptions
	In First Internet Bank MMA: \$ (from Bank Statement in Google Drive)	In First Internet Bank MMA: \$		No Exceptions
	In LiveOak Bank MMA: \$ (from Bank Statement in Google Drive)	In LiveOak Bank MMA: \$		No Exceptions

[illegible]

[illegible]

[illegible]

Financial Review Objective (Reconcile Investment Transactions)	Investment Transaction Recognized in Chase Account	Documents Recorded in Google Docs?	Finding
No transactions	No transactions	No transactions	No exceptions

Financial Review Objective (Reconcile Homewowners' Dues)	Expected Semi-Annual Homeowner Dues	Semi-Annual Dues Recorded in QuickBooks as of Aug 31/22	Does Chase Checking Account Balance Match Quickbooks as of Jul 31/22	Finding
Second Semi-Annual Payment			Chase: \$ QB: \$	No exceptions.

Note: If the HOA Checking Account balances in Chase Bank and in Quickbooks are the same at the end of the months of January and July, after which most homeowners dues would have been paid, and the recorded amount in QuickBooks at the end of February and August is very close to the amount of semi-annual dues expected, then the integrity of the collection and deposit of dues has been adequately demonstrated. There will always be slight discrepancies due to the fact there may be late payments, overpayments, pre-payments and interest on late payments.