HIGHLANDS RANCH
COMMUNITY ASSOCIATION

Minutes
January 20, 2025 Finance Committee Meeting
Highlands Ranch Community Association, Inc.
Eastridge Recreation Center

<u>FC Members Present:</u>

Leighton Stephenson
Ron Welk
Shane Callahan
Michael Flower
Erik Vaska

<u>FC Members Absent:</u>

Jennifer Harris

<u>Staff Members Present:</u>

Brice Kahler, CFO
Emily Arnold, Accounting Manager

<u>Board Members and Visitors Present:</u>

Leo Stegman, Board Treasurer

1. The Finance Committee meeting was called to order at 6:00 p.m. A quorum of the Finance Committee was present.

2. The Finance Committee reviewed the November 18, 2024, Finance Committee meeting minutes.

   A motion was made to accept the November 18, 2024, HRCA Finance Committee meeting minutes as presented. The motion was approved with one abstention.

   Motion: Leighton Stephenson Second: Shane Callahan

   A Finance Committee meeting was not held in December 2024.

3. The Finance Committee reviewed the November 30, 2024, HRCA Financial Statements. There have been no changes since November financials were sent to the Committee via email on December 16, 2024. The actual to budget favorable/unfavorable variances were identified for consolidated financials and operating funds. Consolidated net revenues are below budget YTD by $581K. The budget shortfall is primarily due to non-cash loss on disposal of assets totaling $419K.

   A motion was made that the HRCA Finance Committee accept the November 30, 2024, Highlands Ranch Community Association Financial Statements. The motion was approved unanimously.

   Motion: Ron Welk Second: Erik Vaska

4. The Finance Committee next reviewed and discussed the DRAFT December 31, 2024, HRCA Financial Statements. The actual to budget favorable/unfavorable variances were identified, explained, and discussed for consolidated financials, each operating fund, and various programs. Year to date revenues are up $852K or 2.7% to budget. Driving revenues are insurance reimbursements from tornado damage, grants, homeowner fees, and program revenue. YTD expenses are up $1.1M or 3.8% to budget. Capital expenditures of $5.3M for the year were discussed.

   The December financial statements will be finalized and presented for approval after the annual audit is completed in March.

5. The Finance Committee next reviewed the Q4 2024 Highlands Ranch Community Association 501(c)3 Financial Statements. Actual to budget variances were discussed for Highlands Ranch Cultural Affairs Association, Highlands Ranch Scholarship Fund, and Highlands Ranch Backcountry Conservation and Education Fund.

   A motion was made to recommend that the HRCA Finance Committee accept the Q4 2024, 501(c)3 Financial Statements. The motion was approved unanimously.

   Motion: Erik Vaska Second: Michael Flower

6. Brice Kahler presented the Q4 2024 Investment overview. HRCA is conservatively invested per our Investment Policy. Weighted average earnings have decreased slightly with some early calls on CD’s.

With no further business, the meeting was adjourned.

Respectfully Submitted,

Emily Arnold, Accounting Manager