

# Nepenthe Homeowners Association – Finance Committee

April 21, 2025

**Attendees:** Carol Duke, John Apostolo, Julie Valverde, Brian Coates (Board Liaison)

**Excused:**

**Absent:**

**Homeowners:** Mary Gray, Peter Pelkofer, Courtney Delfin, Karen Lowrey, Cheryl Nelson, Ashley Tangeraas

| <b>Topic</b>                                                       | <b>Objective / Info / Decision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Action</b>                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Approval of Prior Meeting Minutes and Action Items</b>          | <ul style="list-style-type: none"><li>Duke called the meeting to order @ 4:30pm</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"><li>Apostolo moved to approve and seconded by Valverde</li></ul>                                                                                                                                                                                                                     |
| <b>Financial Statement Approval</b>                                | <ul style="list-style-type: none"><li></li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"><li>Apostolo moved to approved and seconded by Valverde</li></ul>                                                                                                                                                                                                                    |
| <b>General Manager Update/Board Liaison</b>                        | <ul style="list-style-type: none"><li>Brian has the mid-April 2025 financials available</li><li>No general manager update</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"><li>Brian to send</li></ul>                                                                                                                                                                                                                                                          |
| <b>Actual vs. Reserve budget variance report 2024 and YTD 2025</b> | <ul style="list-style-type: none"><li>Duke presented the key reserve line items from 2024 (see attached spreadsheet):<ol style="list-style-type: none"><li>Reserve component 23133 Irrigation Repairs/Controller Stations and Misc Landscape Drains; Painting/Structural Repairs/Fencing and Irrigation: Valves were over budget according to the most recent Reserve Study dated Nov 2024.</li><li>Duke presented Reserve Tracker Summary for 2024, Jan 2025, Feb 2025, and March 2025, and called out discrepancies in Actuals expenditures. The outcome is pending based on General Manager feedback. (see attached spreadsheet)</li><li>Duke presented YTD 2025 actuals vs. budget from 1/1/25 – 3/26/2025. Numbers are not finalized need updated questions from General Manager. (see attached spreadsheet)</li></ol></li></ul> | <ul style="list-style-type: none"><li>Questions to the General Manager to explain why there are discrepancies for the first three months of the year.</li><li>Apostolo noted the Finance Committee should make a recommendation to note the pros and cons of cash vs accrual accounting for the Association.</li></ul> |
| <b>Deliverables</b>                                                | <ul style="list-style-type: none"><li></li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"><li></li></ul>                                                                                                                                                                                                                                                                       |
| <b>Homeowner Comments</b>                                          | <ul style="list-style-type: none"><li>How does the Board address over budgeted line items.</li><li>To date the Board is looking forward to a tracking mechanism from the Finance Committee.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"><li></li></ul>                                                                                                                                                                                                                                                                       |
| <b>Adjourn</b>                                                     | <ul style="list-style-type: none"><li>Duke adjourned the meeting @ 5:05PM</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                        |

**Next meeting: May 19, 2025 @ 4:30PM @ the Clubhouse and Zoom**

**Submitted by; John Apostolo**

2025 Reserve Component Actuals

| Account #                               | GL#    | Reserve Component    |              | 2025         | Actuals % |
|-----------------------------------------|--------|----------------------|--------------|--------------|-----------|
| 18000/242, 368, 376, 493, 533, 920, 924 | N23275 | Landscaping-Planting | Total Budget | \$ 447,829   |           |
|                                         |        |                      | Actuals      | \$ 43,240    | 10%       |
| 18000/105,155,928                       | 23133  | Irrigation           | Total Budget | \$ 151,653   |           |
|                                         |        |                      | Actuals      | \$ 2,455     | 2%        |
| 18000/365, 368, 380                     | N23282 | Trees                | Total Budget | \$ 422,141   |           |
|                                         |        |                      | Actuals      | \$ 109,682   | 26%       |
| 4000                                    | L23136 | Structural Repairs   | Total Budget | \$ 1,255,296 |           |
|                                         |        |                      | Actuals      | \$ 476,638   | 38%       |
| 19000                                   | 23127  | Fencing              | Total Budget | \$ 654,564   |           |
|                                         |        |                      | Actuals      | \$ 221,611   | 34%       |
| 3000                                    | L23135 | Painting             | Total Budget | \$ 332,048   |           |
|                                         |        |                      | Actuals      | \$ 107,900   | 32%       |

2024 Nepenthe Monthly Reserve Actual vs Budget Report

|                   |                   |                                           |                          |                              |                       | Percent            | Dues per       |
|-------------------|-------------------|-------------------------------------------|--------------------------|------------------------------|-----------------------|--------------------|----------------|
| Account #         | Reserve Component | Budget Avg per Month                      | 2024 Budget <sup>1</sup> | 2024 EOY Actual <sup>2</sup> | Actuals Avg per Month | Variance to Budget | month/per home |
| Account #         | GL#               | Reserve Component                         |                          |                              |                       |                    |                |
| 18100/5/7/9       | 23133             | Irrigation Repairs                        |                          |                              |                       |                    |                |
| 18155             |                   | Irrigation: Controller stations           | \$ 13,831                | \$ 165,974                   | \$ 238,925            | \$ 19,910          | 144%           |
| 18928             |                   | Misc Landscape Drains                     |                          |                              |                       |                    | \$ 33.75       |
| 18364/5/6/7       | N23282            | Tree Maintenance: Tree Pruning            | \$ 37,361                | \$ 448,332                   | \$ 353,873            | \$ 29,489          | 79%            |
| 18368/372/376/380 |                   | Tree Maintenance                          |                          |                              |                       |                    |                |
| 3000              |                   | Painting                                  |                          |                              |                       |                    |                |
| 4000              |                   | Structural Repairs                        | \$ 166,438               | \$ 1,997,260                 | \$ 2,571,639          | \$ 214,303         | 129%           |
| 19000             |                   | Fencing                                   |                          |                              |                       |                    | \$ 363.23      |
| 18242             | N23275            | Irrigation: Valves ("Siding Remediation") | \$ 44,167                | \$ 530,000                   | \$ 708,128            | \$ 59,011          | 134%           |
|                   |                   | Totals                                    | \$ 261,797               | \$ 3,141,566                 | \$ 3,872,565          | \$ 322,714         | 123%           |
|                   |                   |                                           |                          |                              |                       |                    | \$ 546.97      |

|              |                                                        | Reserve Tracker 12/2/24               |                                    | Total Reserve Tracker 12/2/2024 | Reserve Tracker 1/10/25  | Reserve Tracker 2/6/25   | Reserve Tracker 3/26/25  |
|--------------|--------------------------------------------------------|---------------------------------------|------------------------------------|---------------------------------|--------------------------|--------------------------|--------------------------|
| GL Code      | Reserve Component                                      | 2024 Expenditures Year to Date Actual | 2024 Approved Pending Expenditures | Total                           | 2024 Expenditures Actual | 2024 Expenditures Actual | 2024 Expenditures Actual |
| 22872        | 14000 - Recreation                                     |                                       |                                    |                                 |                          |                          |                          |
| 22960        | 03500 Painting: Interior                               |                                       |                                    |                                 |                          |                          |                          |
| 23014        | 02000 Concrete                                         | \$191,425.00                          | \$38,929.00                        | \$230,354.00                    | \$230,354.00             | \$230,354.00             | \$230,354.00             |
| 23103        | Reserve Interest                                       |                                       |                                    |                                 |                          |                          |                          |
| 23120        | 05000 - Roofing                                        | \$53,781.03                           | \$3,565.00                         | \$57,346.03                     | \$60,636.03              | \$58,871.03              | \$58,871.03              |
| 23122        | 12000 - Pool & 13000 - Spa                             | \$39,956.62                           |                                    | \$39,956.62                     | \$39,956.62              | \$39,956.62              | \$39,956.62              |
| 23127        | 19000 - Fencing                                        | \$567,889.19                          | \$131,562.81                       | \$699,452.00                    | \$741,578.64             | \$703,666.47             | \$703,666.47             |
| 23133        | 18000/105,155,928 Landscaping-Irrigation               | \$169,825.00                          | \$17,060.00                        | \$186,885.00                    | \$203,685.00             | \$186,885.00             | \$186,885.00             |
| 23146        | 21000 - Signage                                        | \$1,769.75                            | \$509.57                           | \$2,279.32                      | \$2,360.14               | \$2,279.32               | \$2,279.32               |
| 23178        | 01000 Paving                                           |                                       |                                    |                                 |                          |                          |                          |
| 23199        | 31000 - Reserve Study                                  | \$7,000.00                            |                                    | \$7,000.00                      | \$6,600.00               | \$6,600.00               | \$6,600.00               |
| L23133       | 26000 - Outdoor Equipment/Benches                      |                                       |                                    |                                 |                          |                          |                          |
| L23135       | 03000 Painting: Exterior                               | \$183,663.34                          | \$91,300.00                        | \$274,963.34                    | \$274,963.34             | \$274,963.34             | \$274,963.34             |
| L23136       | 04000 - Structural Repairs                             | \$1,418,322.23                        | \$297,301.55                       | \$1,715,623.78                  | \$1,255,296.00           | \$1,715,623.78           | \$1,715,623.78           |
| N22912       | 23000 - Mechanical Equip                               |                                       |                                    |                                 |                          |                          |                          |
| N22991       | 20000 - Lighting                                       | \$8,189.00                            |                                    | \$8,189.00                      | \$8,189.00               | \$8,189.00               | \$8,189.00               |
| N23017       | 08000 - Rehab, 22000 - Office Equipment, 24000 -       | \$41,479.17                           | \$3,874.00                         | \$45,353.17                     | \$45,353.17              | \$45,353.17              | \$45,353.17              |
| N23130/23130 | 32000 - Undesignated                                   | \$226,758.76                          |                                    | \$226,758.76                    | \$279,368.76             | \$279,368.76             | \$279,368.76             |
| N23274       | 17000 - Tennis Court                                   |                                       |                                    |                                 |                          |                          |                          |
| N23275       | 18000/242, 368, 376, 493, 533, 920, 924 - Landscaping- | \$597,315.00                          | \$30,000.00                        | \$627,315.00                    | \$753,495.00             | \$627,315.00             | \$627,315.00             |
| N23282       | 18000/365, 368, 380 - Landscaping-Trees                | \$187,595.25                          | \$30,445.00                        | \$218,040.25                    | \$236,165.25             | \$218,040.25             | \$218,040.25             |
| N22911       | 30000 - Miscellaneous / Underground Utilities          | \$4,990.00                            | \$4,945.00                         | \$9,935.00                      | \$12,430.00              | \$9,935.00               | \$9,935.00               |
|              | Totals                                                 | \$3,699,959.34                        | \$649,491.93                       | \$4,349,451.27                  | \$4,150,430.95           | \$4,407,400.74           | \$4,407,400.74           |