

Nepenthe Homeowners Association – Finance Committee

July 21, 2025

Attendees: John Apostolo, Carol Duke, Julie Valverde, Ashley Tangeraas, Nina White (Board Liaison)

Excused:

Absent:

Homeowners: Courtenay Delfin, Karen Lowery, Paula Conners

<i>Topic</i>	<i>Objective / Info / Decision</i>	<i>Action</i>
Approval of Prior Meeting Minutes and Action Items	<ul style="list-style-type: none"> Apostolo called the meeting to order @ 4:00 	<ul style="list-style-type: none"> Duke moved to approve and seconded by Valverde
Financial Statement Approval	<ul style="list-style-type: none"> Financials from June 2025 	<ul style="list-style-type: none"> Duke moved to approve and seconded by Valverde
GM Update; Browning Report & Budget	<ul style="list-style-type: none"> GM noted that a meeting regarding the reserve study was held on 7/14/25 with the Browning group, Board members and Finance committee members. Changes to the study from the Finance Committee and the final numbers from Nicole will be provided to Browning by the end of the week. <p>A budget timeline was presented to the GM for the Reserve Budget and Operating Budget. The GM agreed to the suggested timeline but indicated that the Reserve and Operating Budgets are tied together so if there are changes to the Reserve Budget it may affect the Operating Budget so the timeline may need to be updated accordingly</p>	<ul style="list-style-type: none"> Changes to the Reserve study from Finance Committee and the final numbers from the GM to be provided by the end of the week for submission to Browning Finance Committee continue to finalize Reserve Budget numbers with a timeline of September for a draft operating budget
Liaison Update	<ul style="list-style-type: none"> The liaison discussed some suggested changes that should be made to the reserve study such as consolidating components for irrigation and landscape and adding components for AB 1572 	<ul style="list-style-type: none"> Recommend to Board to adopt the suggested changes. Motion by Duke and seconded by Valverde
Browning Report	<ul style="list-style-type: none"> See above discussion 	<ul style="list-style-type: none">
Reserve tracker	<ul style="list-style-type: none"> Duke presented the following actuals as of 7/1/25: Landscaping Planting actual = \$164,555 which is 37% of 2025 budget. Irrigation actual = \$66,390 which is 44% of 2025 budget Trees actual = \$124,366 which is 29% of 2025 budget Structural Repairs = \$1,298,810 which is 103% of 2025 budget 	<ul style="list-style-type: none">

Next meeting: August 18, @ 4:00pm @ the Clubhouse and Zoom

Submitted by; Julie Valverde

	<ul style="list-style-type: none"> Fencing actual= \$598,544 which is 91% of 2025 budget Painting actual= \$197,675 which is 60% of 2025 budget 	
Homeowner Comments	<ul style="list-style-type: none"> None 	•
Adjourn	<ul style="list-style-type: none"> Meeting Adjourned at 4:16 	

Future Items for discussion/recommendation

Accrual vs Cash Accounting

- Create a list of questions for consultants. This is a deliverable to Nina. Questions have been compiled.
- Meet with Consultants at First Service, Nepenthe Accountant, Other HOA's as necessary.

Insurance (Liability & Flood)

- Understand insurance risks going forward

Budget 2026

- Draft 2026 Budget

Deliverables sent to Finance Committee

Soft Copy of Browning 2026 workbook sent to Browning -Will be sent 7/25/25

Description	Format	Distribution	Delivered Dates
Soft copy browning 2026 workbook sent to Browning- June 6			

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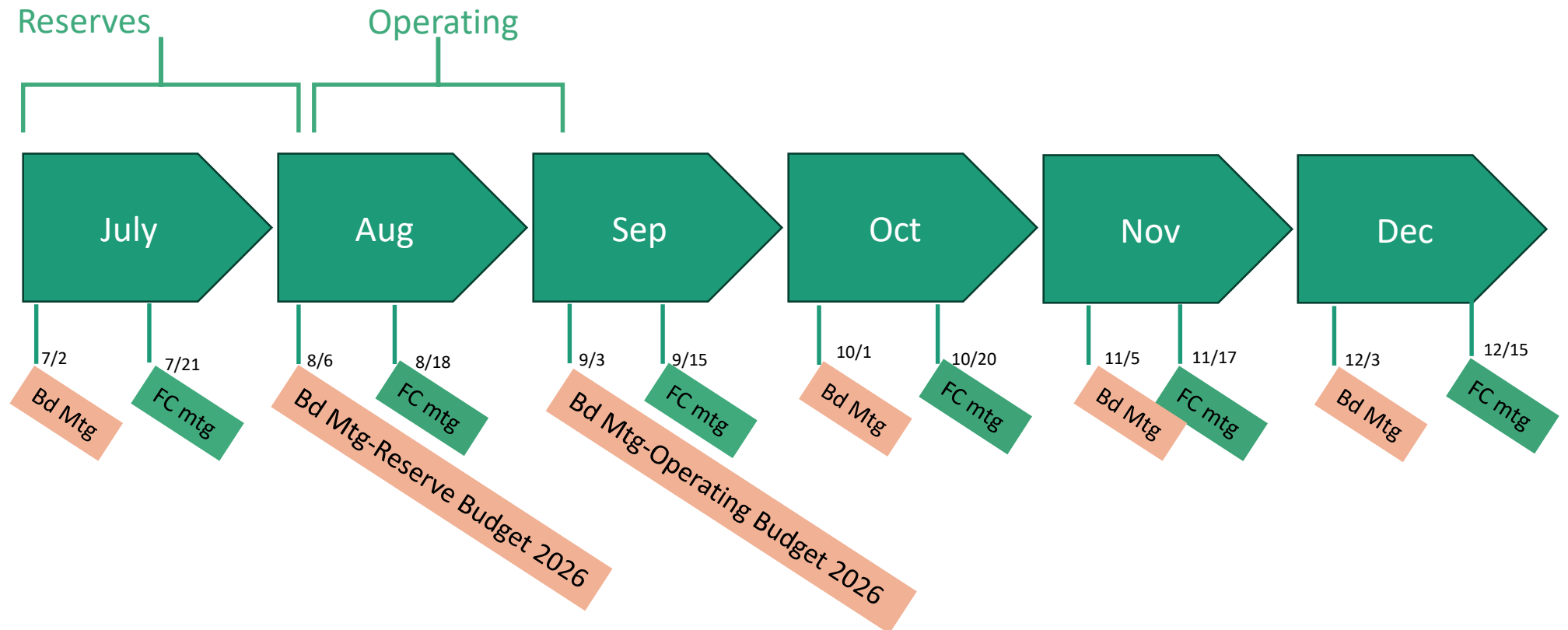
July 21, 2025

Monthly Reserve Tracker	Hard copy Soft Copy (pdf)	Finance Comm Liaison to FC Chair or designee	June 6,16 June 2,3,16
Reserve GL Summary Sheet	Hard Copy Soft Copy (pdf)	Finance Comm Liaison to FC Chair or designee	June 6,16 June 3,16
Reserve Expense Authorization (REA)	Hard Copy Soft Copy (pdf)	Finance Comm Liaison to FC Chair or designee	June 6,16 June 3, 16
Vendor Invoices	Hard Copy Soft Copy (pdf)	Finance Comm Liaison to FC Chair or designee	June 6,16 June 3,16
Association Financials	Hard Copy Soft Copy (pdf)	Finance Comm Liaison to FC Chair or designee	June 6,16 June 3,16

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2025 Budget Timeline



**Dates may change depending on any large unexpected operating expenses impacting 2026 budget year

2025 Reserve Component Actuals Through 7/1/2025

Account #	GL#	Reserve Component		2025	Actuals %
18000/242, 368, 376, 493, 533, 920, 924	N23275	Landscaping-Planting	Total Budget	\$447,829	
			Actuals	\$164,555	37%
18000/105,155,928	23133	Irrigation	Total Budget	\$151,653	
			Actuals	\$66,390	44%
18000/365, 368, 380	N23282	Trees	Total Budget	\$422,141	
			Actuals	\$124,366	29%
4000	L23136	Structural Repairs	Total Budget	\$1,255,296	
			Actuals	\$1,298,810	103%
19000	23127	Fencing	Total Budget	\$654,564	
			Actuals	\$598,544	91%
3000	L23135	Painting	Total Budget	\$332,048	
			Actuals	\$197,675	60%
Totals			Total Budget	\$3,263,531	
			Actuals	\$2,450,340	75%

Note: Actuals through 7/1/25. Six Months/50% of year to date.

Changes to send to Browning now

Page 17&18, landscaping, 18000 Irrigation

Line 100 - Rename irrigations repairs

103 and 109: This appears to be a **duplicate**. Please advise

Line 105- 2025 only. Does this stay in the 2026 report as a reference?

Line 154 - Rename AB1572 smart controller as subcategory under irrigation

Line 928 - Combine into line 100

Page 18, Landscaping 18000 Landscape renovation & Plant replacement

241 and 245 appear to be a **duplicate** with different costs Please advise

Line 241 is listed as 2025 and 2025 but appears under the years 2027and 2027 in the report. Please advise

Combine into one category lines 241,245 and 248, 490,530. Combine - and rename Plant replacement
Once this is combined, we can review and recommend the starting annual cost and Bob can add his inflation factor

Line 531- 2025 only. Does this stay in the 2026 report as a reference?

Leave line 920 for further discussion. This could become AB1572 for grass replacement

Leave line 924 as contingency

Page 18, Tree Maintenance, Pruning and Forest health

Combine lines 364 366,367,368,369,372 and 376

Line 365 -2025 only. Does this stay in the 2026 report as a reference?

Leave line 380 as contingency

Recommendations approved by Finance Committee 7/21/2025 to forward to Nepenthe Homeowners Association Board of Directors.

For Board and Nicole to review and make recommendations to Finance and then to Bowning

Page 5, total painting, exterior, 03000:

This is listed at \$124,000 total for 2025. We have spent more than \$200k this year so far and have budget \$332,048. This should be in the Browning report with at least \$332,000 in 2026

Page 6, structural repairs, 04000:

The same issue as painting. \$675,414 is the total. We have spent at least \$950k so far in 2025. We budgeted \$1.255 million and this should be at least that in 2026

Page 7, roofing, 05000, 838, 840, 842, 844, hog valleys:

I know we must have some work here. According to the study, page 80, the roofs were installed without these valleys. I doubt that is entirely true.

What does Bob know about this situation. Nicle please confirm with Bob

Courtenay, Nina & Nicole to meet with Paul Reeves and understand what Advance Roofing knows about this subject

Page 11, mechanical equipment, clubhouse, 23000, 200, 204 and 210:

It looks like we are replacing all the ac units in 2026. We did some replacements in 2024

Nicole -Please confirm and we could have some major reduction here.