

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
MARCH 24, 2021
Special Meeting

Cole Hewitt, Yampa Valley Housing Authority Board President, called the virtual meeting of the Yampa Valley Housing Authority to order at 10:00 a.m.

Board members participating included: Cole Hewitt, Catherine Carson, Mike Beyer, Emily Katzman, Alison Brodie, Luke Carrier, Roger Ashton, Chris Slota, Tim Corrigan, Michael Ann Marchand, Michael Buccino, Reid Petersen and Leah Wood.

Others participating included: Jason Peasley, YVHA Executive Director; Kevin Delehanty, YVHA Executive Assistant; and Madison Tomson, McMahan and Assoc. Sarah Katherman prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

There was no board member comment.

EN RE: RESOLUTION 2021-003 – SECOND 2021 SUPPLEMENTAL BUDGET AMENDMENT

Jason noted that YVHA had attempted to make a correction to the DPA program budget in December but had underestimated the amount needed. He said that YVHA had made more loans than expected. He added that there is money available in the fund balance to cover these loans.

MOTION

Catherine moved to approve Resolution 2021-003, a supplemental budget amendment of \$43,200, to defray expenditures in excess of amounts budgeted in the Down Payment Assistance Fund. Chris seconded the motion. **The motion carried unanimously.**

EN RE: REVIEW OF 2020 AUDIT

Cole reviewed the draft auditor letter to the governing board of YVHA. He noted that the letter cites some difficulties, primarily having to do with the transition to new accounting software. He added that McMahan and Associates had also made some recommendations for ways that YVHA could improve its financial procedures.

At Cole's request, Ms. Madison Tomson, of McMahan and Associates, reviewed the three bullet pointed items in the letter under *Corrected and Uncorrected Misstatements*. She stated that the first item was true up DOLA grant receivables and revenues for 2020 because some of the grant payments had been received in January of 2021. She said the second point was a balance sheet correction regarding the Alpenglou waterline project. The third point concerns an extra debt service payment that had been recorded on the Fish Creek Fund loan. Ms. Tomson said that the discrepancy had occurred in the software transition, and had been reconciled in the general ledger accounts. She said that the delay in the audit had been related to this item and that she did not expect any of the issues with the transition to be problems in the future.

Catherine expressed appreciation for the suggestion to have Jason review general journal entries. She suggested that this could be discussed at the Finance Team level. She also asked about note D.18. Ms. Tomson confirmed that Fish Creek and Hillside are exempt from TABOR because they are enterprise funds.

Cole stated that while it is the fiduciary responsibility of the entire Board to review and approve the audit, the Finance Team will be doing a thorough review. He said that two items in the audit will require some follow-up by management. He cited the recommendation regarding review of journal entries. He asked Jason to draft a response to this suggestion, work with the Finance Team on an action plan and then present it to the Board at the next meeting. Ms. Tomson offered that only review of non-standard entries is needed.

Jason said that the other issue is the debt coverage ratio (DCR) for the loans at Fish Creek with the Water and Power Authority. He said that YVHA had missed the required DCR this year due to higher than anticipated variable expenses, such as snow removal. He said he would reach out to the Water and Power Authority as well as to Alpine Bank to determine the ramifications. Jason offered that rather raise rents, it would be prudent to keep a better eye on expenses to ensure meeting the required DCR in the future. He said that he would discuss this issue with the Property Management Team prior to presenting it to the Board.

Ms. Tomson noted that due to the complex agreements related to development partnerships, and the need for the auditors to review them in detail, there may be additional fees beyond those associated with the regular audit.

In response to a question from Mike regarding the calculation of needed reserves, Ms. Tomson stated that YVHA is doing what it should be doing. Jason offered that one of the big picture measures regarding the financial health of the organization is the available cash on hand to cover expected expenditures. He said that this has not been an issue because YVHA assets continue to grow. He asked if it would be appropriate for YVHA to establish a reserve policy. Ms. Tomson reviewed the fund balances as a percentage of expenditures. She noted that the percentages are somewhat lower than in previous years due to investments in new projects, but that they remain healthy.

MOTION

Chris moved to approve accept the YVHA audited financial statements for fiscal year 2020, as presented by McMahan and Associates. Mike seconded the motion. **The motion carried unanimously.**

Jason noted that there would not be Finance or Property Management Team meetings prior to the next regular Board meeting. He said that the requested management responses would be reviewed by the Teams in April and presented to the Board in May.

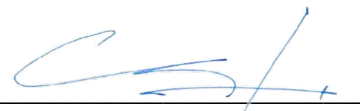
EN RE: ADJOURNMENT

The special meeting of the Housing Authority was adjourned at 10:35 p.m.

No further business coming before the Board, same adjourned sine die.



Sarah Katherman, Minute Taker


Cole Hewitt, President