

## **FINANCIAL REVIEW COMMITTEE**

### **OVERVIEW**

The Colorado Common Interest Ownership Act (CCIOA) has guidelines for HOA financial disclosures. When annual revenue exceeds \$250,000, a formal audit may be required by a certified public accountant. For those HOAs with less than \$250,000 in annual revenue, a lesser review of the books and records may be performed by a qualified person (or persons), who need not be a certified public accountant.

At least annually, within 90 days of the end of each fiscal year, the Victorian Gables HOA will convene a Financial Review Committee to validate the year-end books and records of the HOA. Additionally, if requested by at least one-third of the HOA membership, a financial review will take place using the most recent financial statements available to the HOA.

### **RESPONSIBILITIES**

1. Reconcile bank and investment account statements to HOA's Income Statement and Balance Sheet.
2. Assure all revenue due to the HOA has been received or, if not received, appropriate action has been taken to collect it.
3. Assure all HOA expenses appear to be relevant, appropriately authorized, if applicable, and paid promptly.
4. Provide timely advice to the Board and Treasurer regarding best practices.

### **COMPOSITION**

The Financial Review Committee shall consist of at least (2) HOA Members appointed by the Board of Directors. To avoid a potential conflict of interest, these individuals cannot have any involvement in bank deposits, authorizing expenses, processing invoices and preparation of the HOA's financial statements. The Financial Review Committee may enlist a certified public accountant to provide an opinion if they believe it is in the best interest of the HOA.

### **TERM**

The Financial Review members shall serve at their pleasure, subject to approval by the Board of Directors. The Board of Directors may remove a Financial Review Committee member at any time without cause. After issuing an opinion, the Committee will dissolve.

### **REPORTING**

The sole objective of the Financial Review Committee is to provide an opinion about the accuracy of HOA's financial statements and its handling of books and records.

January 10, 2024 Board Meeting