APPROVED: June 7, 2022

Finance Committee Charter

WHEREAS, Article VI, Section 1 of the Bylaws of the Canyon Lake Property Owners Association (Association) grants the Board of Directors (Board) the power to conduct, manage and control the affairs and business of the Association; and

WHEREAS, Article II, section 2(i) of the Bylaws grants the Board the power to appoint such committees as may be necessary to, or convenient in, the discharge of any of its obligations or powers; and

WHEREAS, Article VI, section 1(e) of the Bylaws grants the Board the power to appoint committees of the Association;

NOW, THEREFORE, BE IT RESOLVED THAT a standing Finance Committee be established having the following terms of reference:

RESPONSIBILITY

The primary responsibility of the Finance Committee is to advise and assist the Board on financial planning and control for the Association.

In fulfilling its responsibility, the Finance Committee, in cooperation with Canyon Lake Property Owners Association Controller (Controller), shall:

- Review and make recommendations to the Board on the preliminary annual budget related to operations, repairs, maintenance and capital improvements including roads;
- Make recommendations to the Board regarding budget procedures, financial control, accountability and the annual budget;
- During the budget review process, work with Association Staff and Controller to identify and present recommendations regarding any budgetary weaknesses and operational subsidies to the Board;
- Review monthly financial statements and present comments on the Association's financial position through the Association's Treasurer to the Board;
- Review quarterly the financial holdings and investment strategies with third party broker and Staff Liaison;
- Meet with the Facilities Planning Committee to develop and maintain financial forecasting for reserves;
- Develop and maintain a five-year financial plan including the Operating and Reserves budgets;
- Review status of the Association's reserves and make recommendations as to their adequacy; and
- Perform such other related financial functions as directed by the Board.

MEMBERSHIP

The Finance Committee shall be composed of seven (7) Members of the Association and two (2) Alternate Members. Alternate Members will only vote in the absence of a regular Finance Committee

member(s) with the longest serving Alternate Member being the first to vote. The Chairperson shall be appointed by the Board to serve a three (3) year term, with additional members to be appointed annually. The Membership of the Finance Committee should include, if possible, members with experience in accounting, financial review, budgeting, and knowledge with investments and insurance coverage requirements.

The General Manager or designee and Board liaison shall be non-voting ex-officio members of the Finance Committee.