



Sunset Village, Inc., 3401 Gandy Blvd., Pinellas Park, FL 33781

### **Finance Committee Meeting Minutes**

Monday, August 21, at 10:00 am

In the BOD Conference Room and via Zoom

Join Zoom Meeting

<https://us06web.zoom.us/j/87439797228?pwd=Q1ZOZ2tVNhhMNTThkK3hubTQyR0NOUT09>

Meeting ID: 874 3979 7228 Passcode: 301280

Dial by your location +1 305 224 1968 US

**Roll Call:** Committee attendees in person: Maggie Stokes, Committee Chair; Gary Thrasher; Co-chair; Jan McCoy, Secretary; Richard Thomas LCAM; Marilyn Corazza Admin. Supvr. Via Zoom: Roberta Maynard, Larry Smith, Karen Harding, Bill Hickey, absent. Residents in attendance: Maureen Harvey lot 569 via Zoom

**Call to Order:** Meeting was called to order at 10:12 AM by Maggie Stokes

**Proof of Notice:** The meeting notice was posted 48 hours in advance of the meeting as required by the Association rules and Florida Statutes on Fri., Aug 18, 2023, at 6:14 PM.

**Approval of Minutes:** Jan McCoy made a motion to accept the July 24, 2023, meeting minutes. Gary Thrasher seconded the motion. The motion passed unanimously. The minutes were accepted as presented.

### **Agenda:**

#### **Financial statements**

##### **Income and Expenses:**

- It was a calm month. 10 trees were removed this month at a cost of \$23,000.00. The cost was split between the reserve account, landscaping \$10,000.00 and \$13,000.00 operating account.
- We gained \$12,000.00 from old accounts for 723 resident deposits and accounts receivable clean-up effort.
- We replaced a pool pump that we believe was hit by lightning. It has a 1-3 year lifespan.
- We have another high water bill. An additional meeting will be scheduled with the water company.
- Legal expenses were high again due to the repossession of a home.
- An expense was incurred for damages to a vehicle hit by the back gate and for new office furniture.

##### **Balance Sheet:**

- Requests to RPM for recoding of some accounts in the general ledger have been made but are not fully reflected here. Items are footnoted. The recording of our unrealized gain on the Edward Jones account (\$2,000.00) was recorded backwards and has been corrected.

- Operating cash remains the same. We are anticipating share sales income this next month.
- The major change this month was in the 723 bank deposit. Refunds due to prior 723 tenants will be refunded and revoked deposits were recorded as income. All of the corrections are over a year old.
- The \$5,000.00 shown as Model Home Deposit will move into fund balances for prior years (equity) after the audit. It should have been recorded in previous years.

#### **Audit:**

Status of the 2022 Financial Statement Audit through Bashor & Legendre Independent Auditors was shared. We are in the final stages of completion, but the document is unacceptably late.

- The main issue with the original statement was it indicated a \$682,687.00 loss to the income statement. They have since capitalized the expenses, resulting in a gain of \$254,000.00 in income.
- Shareholders did vote to conduct another audit for year end 2023. We have a list of different auditors to consider. Maggie Stokes recommends we do not use Bashor and Legendre again.
- Note for 2023: \$96,000.00 is on the books as the final 10% payment for the road project which will be capitalized in 2023.
- **Action:** Add agenda item for next month's meeting to review new auditor vendors for the audit of our 2023 financials.

#### **2024 Budget Planning:**

- The committee discussed what kind of historical data comparison should be created for use in review of the preliminary RPM budget submission (expected mid-Sept.) after which the finalized budget draft will be brought before the board of directors for approval.
- It was determined a weighted average, will provide the best comparison.
- This effort will require at least a couple of additional Finance Committee meetings. 14-day notice is required when the budget is presented for review by the board of directors. The budget document will be due to the Board of Directors a week in advance of that meeting.
- The Finance Committee planning meetings will require 48 hr. notice and will be scheduled as soon after receipt of the first draft as possible.
- Notice for both meetings must include an agenda and must specifically state that the budget and/or assessments that will be discussed at the meeting.
- If Maggie has better historical data, that will be helpful to RPM, it will be shared.
- RPM's budget procedure – they look at the prior year's financial statements and then adjust with unusual, itemized expenses. They take input from managers who are in-tune with activities within the park. They also reach out to contractors to validate expenses for the coming year.
- They present their budget in the same format as the RPM monthly statements. Maggie would like to convert to her monthly reporting format.
- RPM uses budgeted numbers for Sept through Dec. for comparison.
- Expenses are going to increase. Insurance coverage may increase as much as 30%. Bouchard Insurance will be forwarding quotes from providers for renewal due mid-September.
- The 723's require a 90-day notice of any increase. A 15% fee increase to our 723 tenants would be approx. \$80.00 monthly. We are a not-for-profit organization and do not increase assessments at will. Increases would be budget driven to cover expenses as required.

## August 2023 BOD meeting funds transfers

- The Finance Committee recommended that Maggie Stokes make the following motions at the August Board of Directors meeting.

1. That the Board of Directors authorize the transfer of \$13,333.33 from the Popular Bank operating account to the Edward Jones reserve Insured Bank Deposit account. This transaction is the funding of the reserves from the operating account as determined by the 2023 Budget.

**Motion:** Roberta Maynard made a motion to authorize Maggie Stokes to recommend the above motion for consideration by the board of directors. The motion was seconded by Karen Harding. The motion carried unanimously.

2. That the Board of Directors authorize the transfer of \$11,750.00 from the Edward Jones reserve Insured Bank Deposit account to the Edward Jones operating Insured Bank Deposit account. This transaction is to cover the reserves funds utilized in July 2023 for tree removal and repair of the electronic access hardware at the pool gate nearest the clubhouse.

**Motion:** Maggie made a motion to authorize she recommend the above motion for consideration by the board of directors. The motion was seconded by Larry Smith. The motion carried unanimously.

3. That the Board of Directors authorize the transfer of \$25,511.64 from the Popular Bank 723 Security Deposit account to the Popular Bank operating account. This transaction is the net result of the write-off of revoked 723 deposits and funds due to 723 tenants who purchased a share.

**Motion:** Maggie made a motion to authorize she recommend the above motion for consideration by the board of directors. The motion was seconded by Jan McCoy. The motion carried unanimously.

## Open Items

- The cash flow analysis is pending data for roof, reserve advisors report etc.
- We will be taking in 7 – 8 new share sales by the end of September.

## Adjournment

Motion: A motion was made to adjourn the meeting by Gary Thrasher, seconded by Roberta Maynard. All were in favor. The meeting adjourned at 11:35 AM.