



SUNSET VILLAGE, INC.
Finance Committee Meeting

Friday, April 19, 2024, at 3:00 pm Maintenance Conference & Zoom

Zoom Link:

<https://us06web.zoom.us/j/82343410372?pwd=t4pGkvmwCyzgNapV92f3GCwDNm96Xe.1>

Meeting ID: 823 4341 0372

Passcode: 873254

+1 305 224 1968 US

Call to Order: The meeting called to order at 3:01 PM by Karen Harding

Roll Call Attendees: Karen Harding, Chair via Zoom; Gary Thrasher, Roberta Maynard, Jan McCoy via Zoom, Larry Smith via Zoom, Bill Hickey, Drew Lawrence, Mike Parkman, Marilyn Corazza Manager.

Guests: Tina Boske via Zoom, Royce Pauley

Proof of notice of the meeting: The meeting notice was posted April 16, 2024, at 6:14 PM

Approval of January 17, 2024, Minutes

- Roberta Maynard motioned to accept the January 17, 2024, meeting minutes as presented. Motion was seconded by Larry Smith. All were in favor. Motion carried.

Chair Comments:

- Welcome the new committee members
- Roberta Maynard agreed to record the meeting minutes.
- The Finance Committee Charter should be finalized in the following week at the Board meeting.

2023 Audit Update

- Devin Dempsey of Maloney & Novotny, LLC has provided a draft of the financial statements and work is scheduled to be completed by the required timelines completed 90% of the audit financial statements. Two minor questions or analysis are outstanding along with their final internal review process, and the audit report will be completed. The auditor has offered to attend the May Board of Directors meeting to present a summary of the audited results and participate in a question-and-answer session.
- The committee was happy to hear this.
- The Chair indicated the audit process has gone smoothly and the auditors have been very thorough and professional throughout the process.

Presentation of January 31, 2024, Financial Statements

A detailed review of the reports was conducted noting that the January statement has notes to the Income statement to be addressed and corrected. The RPM new Vantaca System still has some

issues and RPM has previously stated that they should have been resolved by the end of the first quarter. The February and March statements have not been finalized yet. Karen now has access to the online portal for the Bank of OZK and RPM's Vantaca system. Popular bank access should be complete any day now. Access to Edward Jones portal will be discussed at a meeting with Edward Jones on April 22, 2024. There was discussion to have completed reports in a timely manner from RPM. The RPM contract should be reviewed to determine a course of action for delayed/in-completed reports.

Balance Sheet

- Cash: We have over \$3M in the bank with cash, savings, and short-term investments totaling \$3,144,770 as of January 31, 2024.
- Assets: Total asset balance is \$20,606,636 Accrued interest income represents what has been recorded to date as interest receivable from CD's
- Liabilities and Fund Balances
 - Reserve funding pooled balance is \$306,407
 - Shares recorded and prior year earnings are presented separately this year

Income Statement

Income:

YTD Jan. 31, 2024, Income actual was \$69,902 vs. a plan of \$76,666.

- Interest income accrual for January of \$8,169 will be recorded in February

Expenses:

YTD Jan 31, 2024, Operating expenses actual were \$94,282 vs. budget of \$70,804.

Operating expenses ran over budget primarily due to:

- Purchases of a golf cart (\$11,021) and piano (\$8,582) need to be reclassified to fixed assets rather than expenses – they have a useful life beyond a year and should be recorded as an asset on the balance sheet not expense on income statement.
- Payroll Costs are over budget – payroll reporting is now in place and the Treasurer will analyze actual vs. budget
- Utilities are somewhat over budget – primarily due to higher than budgeted water expenses – the Treasurer will follow up and review last year's water billing analysis and report back to the committee
- Depreciation is actual but was not budgeted for

The operating loss will be reduced to \$5,076 after adjustments are completed.

Bill Hickey discussed the interest receivable and interest income and the Treasurer explained that primarily interest is generated from the cash deposits, but there are small amounts generated from cash on hand in the various bank accounts.

Bill Hickey sought clarification on the FDIC insured status of our cash deposits. Whether it was per depositor or bank. FDIC provided insurance on funds on hand on up to \$250,000 per financial institution not depositor.

Edward Jones CD Rollovers

- We have one \$200,000 CD maturing April 24, 2024.

- We have \$249,000 in the Bank of OZK Operating Account
- We have \$425,000 at Edward Jones Savings Account
- We have \$137,000 in the Popular Bank operating Account
- We have additional rollovers coming due in June, July, and August which will provide any required flexibility to access additional funds.
- There are more share sales to close which will result in additional funds.

The Treasurer will make a recommendation to the Board to roll over the \$200,000 CD maturing on April 24, 2024, with a term to be determined after meeting with Edward Jones on April 22, 2024.

The motion was made by Karen Harding, seconded by Bill Hickey, to recommend to the BOD, transfer \$240,000 from the Bank of OZK Operating Account to the Popular Operating, then transfer \$240,000 to the Edward Jones Account and purchase three \$200,000 CDs with terms to be determined. The motion passed.

The Chair informed everyone that there is a Line of Credit option available with the Edward Jones investment package that we participate in. There is no current balance and has been no use of it since inception. The auditor pointed this out and we will see a note in our December 31, 2023, audited statements about this. The Treasurer will comment on this in regular reporting to the Board, likely once per quarter.

The Chair would like everyone to think about the 2025 budget and that we will need to start work on that process sooner rather than later. The Chair will seek information from RPM on current rental rates charged by other associations.

The Chair thanked everyone for their participation and for volunteering to be a part of the committee. The committee looks forward to a good year working together.

Adjournment

Motion to adjourn was made by Roberta Maynard, seconded by Bill Hickey. Motion passed unanimously. The meeting adjourned at 4:34 PM.