



SUNSET VILLAGE, INC.
Finance Committee Meeting

Tuesday May 14, 2024, at 10:00 am 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 10:02 AM by Karen Harding

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

Guests: John French via Zoom

Proof of notice of the meeting: The meeting notice was posted May 10, 2024, at 6:14 PM

Approval of April 19, 2024, Minutes

- Larry Smith motioned to accept the April 19, 2024, meeting minutes as presented. Motion was seconded by Karen Harding. All were in favor. Motion carried.

Presentation of February 29, 2024, Financial Statements

A detailed review of the reports was conducted noting that the February statement has the requested reclassified correction for the golf cart and piano purchases.

Balance Sheet

- Accounts receivable was up but in line with 2023.
- Still working on fees not collected yet due to the Vantaca conversion.
- Some receivables are with our lawyer's office.
- Share sales at the end of February 2024 is 5 completed, (cash in bank account). Karen is working through the reconciliation.
- Net loss as of YTD February 29, 2024, is \$33,982.

Income Statement

Income:

YTD February 29, 2024, Income actual was \$150,472 vs. budgeted of \$153,332, (\$2,861).

- Current month view and YTD view because it becomes important when we asked RPM to make some adjustments that effects the YTD, and the YTD makes more sense.

- RPM has the shareholders and renters maintenance fees all going into one GL account. They are working to separate the Shareholders and renters fees which should be completed by the April statement. We are pretty accurate with our budget numbers of the shareholders and the renters fees.
- Social Committee income and expenses are budgeted to be even at the end of the year. It will fluctuate from month to month based on residents and activities in the park each month.

Expenses:

YTD February 29, 2024, Operating expenses actual were \$50,588 vs. budget of \$70,804.

Operating expenses ran under budget primarily due to:

- Repairs & maintenance expenses are lower than anticipated due to the adjustments for the golf cart, piano and lawn service.
- Increased management fees. RPM timing was off for billing. This should more in line in March YTD actuals reflecting the correction. Management fees were too high, and the payroll cost were too low this month and will be adjusted in March.
- Depreciation is actual but was not budgeted for because it is a non-cash item.

Edward Jones CD Investments

- Edward Jones CD investments total \$2,200,000 with rates from 4.7% to 5.5% as of February 23, 2024.

Presentation of March 31, 2024, Financial Statements

A detailed review of the reports was conducted.

Balance Sheet

- Accounts receivable is at \$12,320 vs \$10,942 in 2023. There is an AFDA (allowance for doubtful accounts) which represents receivable balances that we may not be able to collect such as unsuccessful legal action, late fees, and others. We are taking action to collect and resolve these account receivables. There should be improvement going forward.
- Accounts payable, in previous years RPM wasn't recording what we owed on an ongoing basis, so this is a positive with the new system. The office does a great job approving the invoices coming in from our vendors and RPM puts them into the system. Then they are recorded and paid from there. It a more accurate reflection of what is happening with the moneys we owe.
- No new shares recorded. YTD remains at 5 shares completed. Some adjustments were made to account for the last of new sales incentives and December 2023 share sold but no money had been received until February 2024.
- YTD a \$42,000 loss versus 2023 loss of \$160,730. We are doing okay.
- There were some timing problems due to with catching up on the reports from Vantaca.

Income Statement:

- Budgeting for our revenue is right on. YTD we are under budget by \$945.
- Repairs and maintenance are under budget related to lawn maintenance one time cutting of \$3,000 versus the \$10,000 monthly budget.
- Reallocation of the RPM fees and payroll cost happened in March from February. YTD cost is back on track. Those adjustments skew the month and makes it hard to understand.

Expense Statement:

- Other administrative expenses are over budget (\$7,200 for the month) due to office expense, new home and share sales incentives and legal fees.

Edward Jones CD Investments

- As of March 28, 2024, we have \$2,200,000 in CDs and the rates are 4.7% to 5.45%.
- The approved CDs at the April 24, 2024, BOD Meeting is not included here.
- At the April 24, 2024, BOD Meeting, motions were made and approved to transfer \$240,000 from Bank OZK to Popular Bank to Edward Jones account. Also approved was the purchase of three \$200,000 CDs and the roll over one \$200,000 CD. The maturity dates will be staggered to work towards creating some CDs maturing each month.
- The April statement will not reflect these changes as the changes did not occur prior to the monthly closing statement at Edward Jones.

2025 Budget

- Need to prepare for the budget for 2025. Items to be considered when preparing the budget to balance the operating cost and income.
- Rental increases - gather information on the current area rates for HOA and rental fees. RPM, Maggie Stokes, and Larry Smith have previously gathered information that can be reviewed to determine if the income is appropriate to cover the operating cost.
- Shareholders fees based on the common expense, not to make money.
- The renters rates need to be determined and notice sent out for any increases by September to meet the required 90-day notice. Shareholders notification HOA increase notice is less (30-days).
- The Park management has been told that the water billing system is going to change. The city is only going to send one bill to Sunset Palms Inc. The individual billing will be up to the office if that is to continue. We need to consider options. Several suggestions were discussed and this topic needs further discussion.
- Also consider anticipated increases in taxes, insurance, utilities, RPM fees and payroll to name a few of potential cost increases.
- A preliminary budget meeting will be set up for June to discuss the above items to get ahead of the budgeting process.

Adjournment

Motion to adjourn was made by Gary Thrasher, seconded by Larry Smith. Motion passed unanimously. The meeting adjourned at 11:29AM.

