



SUNSET VILLAGE, INC.
Finance Committee Meeting

Wednesday August 21, 2024, at 10:00 am Maintenance Conference & Zoom
Zoom Link:

<https://us06web.zoom.us/j/84758636805?pwd=SOB27bHL8WugwfuZSZLvnZjiiQBuaW.1>

Meeting ID: 847 5863 6805 Passcode: 411973
One tap mobile: +13052241968,,84758636805#,,,,*411973# US
Dial by your location: +1 305 224 1968 US

Call to Order: The meeting was called to order at 10:06 AM by Karen Harding

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

Guests: Maureen Harvey lot #569, Bill Haas lot #496, Rosalita Polio lot # 043, Pamela House lot # 014

Proof of notice of the meeting: The meeting notice was posted August 18, 2024, at 1:14 PM

Approval of July 25, 2024, Minutes

Drew Lawrence motioned to accept the July 25, 2024; meeting minutes as presented. Motion was seconded by Larry Smith. All were in favor.

Monthly Financial Statements

Edward Jones statements are ended on July 26, 2024, and our financial statements end July 31, 2024. Two \$200,000 Certificates of Deposit with maturity dates of July 18 and 25th were reinvested in early August so the \$400,000 is in the Operating Savings account at Edward Jones on the July financial statements.

Review July Financial Statements:

- Total Cash and short-term investments balance on July 31, 2024, was \$3,383,179. The Reserve money's are \$295,620. The reserve money will decrease as we move forward with funding the projects previously approved by the Board of Directors. (roofing, gate operating arms, shuffleboard court).
- Accounts receivable balance is \$15,277 at the end of July. Karen will discuss with Gavin at RPM about adjusting for the allowance of doubtful accounts properly. The allowance should be a reduction in receivables rather than an increase in receivables. Of the \$15,277, 0-30 days

receivable balance is \$6,600, 30-60 days \$4,000, 60+ days is \$3,800. Some are rental fees, fee adjustments, late fees due to the ACH issues and collection issues. Marilyn and Karen will be reviewing the receivables more closely. Karen will follow up next week. In early August, one settlement was received for about \$1,100. This amount should decrease as the issues are resolved.

- Shares recorded is at \$18,083,600 in the value of the shares sold over time, since the beginning of the company being incorporated. Fourteen shares have been completed (money received) in 2024. Nine available lots remain in the park.
- The growth in our total assets has increased from 7/31/2023 at \$18,451,601 to July 31, 2024, at \$21,183,833. The community is doing well.
- The income statement for the period ending July 31, 2024, reflects a decrease in rental income due to the 5 rental conversions to shareholders so far this year. Other operating income for the month was \$855 below budget due to late fee adjustments and no background checks completed in July. Repairs and maintenance expenses were \$24,477 and \$6,873 over budget due to the purchase of the camera (\$3,300) for the front entrance and increase in the lawn maintenance contract. Some of this was offset by savings in cleaning supplies. The payroll cost was over budget by \$3,000 due to the new hire of the Office Administration Assistant. Because of the new hire, the accrual amount will be adjusted to provide a proper reflection of the cost month to month.
- The operating loss as of July 31, 2024, after depreciation was \$7,100. YTD operating loss was \$40,000. We used \$90,000 of the reserve money for the deposits on the roof project, the shuffleboard court and the swing gate operators on the back gate. We anticipate using more of these funds as authorized by the Board of Directors. We deposit \$13,333 each month to accumulate \$160,000 yearly in the Reserve Fund as anticipated in the Reserve Study. Our Net Operating Income for July is \$68,000 and the Operating Loss YTD \$40,000. Our Budget anticipated loss for the year is \$108,000.
- Two \$200,000 Certificate of Deposits matured in July and were reinvested in August. The next maturity dates for Certificates of Deposits are in October 2024.

Share Sales

Fourteen share sales YTD. Nine new share sales and 5 conversions. There are 9 available lots. There was one \$1,200 incentive that was grandfather in from 2023.

Budget

Reviewed the Lots Analysis sheet. Based on 49 rentals with the rental increase of \$59/month in 2025, the total income will be \$326,220. The 466 shareholders maintenance fee of \$100/per month in 2025 will be \$559,480. The committee reviewed the 2025 draft budget sheet information. RPM notified the office this week that the manager will be populating the budget at Sunset Palms. Marilyn will be meeting with RPM. Karen and Marilyn will review the budget work sheet, compare and develop a more accurate budget for the committee to review, adjust and then present to the Board of Directors for approval. The plan is for the Finance Committee to meet next week to finalize the budget. The goal is to present the budget at the September Board of Directors meeting for approval. It may take a year or two to have gradual maintenance/rental increases to obtain a balanced budget. Inflation, the cost of services and

repairs are factors considered in the budget process. Several line items on the budget worksheet were reviewed and discussed.

The rental increase notice will be mailed to all the renters in September. The shareholders' notice of increase will be presented after the approval of the budget by the Board of Directors.

Adjournment

Motion to adjourn was made by Drew Lawrence, seconded by Larry Smith. Motion passed unanimously. The meeting adjourned at 11:00 AM.

Respectfully Submitted:

Roberta Maynard