



**SUNSET VILLAGE, INC.**  
**Finance Committee Meeting**

Thursday September 19, 2024, at 10:00 AM Board Conference & Zoom  
Zoom Link:

<https://us06web.zoom.us/j/89898655500?pwd=HfQevq7JvK9jQny9W2jnKa6wEIDNcW.1>

Meeting ID: 898 9865 5500 Passcode: 496479  
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 10:01 AM by Karen Harding

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

**Guests:** Doug Stephens (lot 135) and Pat Bianco (lot 256)

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

**Approval of Minutes:** August 21, August 29 and September 6, 2024

**Motion:** Drew Lawrence made a motion to accept the August 21, 2024, minutes as presented.  
Seconded by: Bill Hickey. The motion passed unanimously.

**Motion:** Roberta Maynard made a motion to accept the August 29, 2024, minutes as presented.  
Seconded by: Drew Lawrence. The motion passed unanimously.

**Motion:** Bill Hickey made a motion to accept the September 6, 2024, minutes as presented.  
Seconded by: Roberta Maynard. The motion passed unanimously.

Karen thanked the committee for all the hard work on preparation of the 2025 budget which was approved by the Board of Directors on September 18, 2025, as presented. Our maintenance fee will increase from \$87 to \$100 per month effective January 1, 2025. The budget income and expenses will have a shortfall of \$151,913. We received one comment from a shareholder which was addressed. (see budget presentation for details). The budget was well received.

Review of August 31, 2024, Financial Statements.

- The Operating Savings account balance is \$387,751 which includes \$200,000 for the Certificate of Deposit which was not purchased until September. This amount will form part of the Operating Short Term Investments line in September. The \$387,751 will be \$187,751. It is a timing of the transfer of money. Certificates of Deposit were \$2,800,000 at August 31, 2024 and \$1,800,000 in 2023, \$200,000 invested in September, see Operating Savings.

- Accounts receivable is at \$13,276. Marilyn and RPM are still working on collections. The number is decreasing as payments are being received.
- No change in shares sales from July 31.
- YTD Income is \$81,744. Total assets at the end of August are \$21,178,068.
- Operating income for the month is at \$84,000 compared to our budget of \$76,000. The rental income has decreased because there are less renters than anticipated in the budget. The variance in rental income is \$3,200 for the month. YTD \$9,600.
- Interest income is higher than expected and decreased the month shortfall.
- Repairs and maintenance were over budget by \$17,000. Contributing factors are \$10,000 for the home removal at 196 Canal which was not in the budget, increase of \$5,000 in the cost for lawn maintenance and \$9,800 for the trimming of the palm trees which was done but not budgeted until October and ground maintenance costing \$2,300. These increases in costs were offset by entries to reallocate costs to the reserve fund and savings on cleaning supplies. This accounts for the \$17,000 variance.
- Payroll costs was above budget by \$3,400. It is timing when RPM reconciles the payroll. The reconciliation occurs the following month and Karen would prefer that it occur in the month it happens. The payroll accrual that happens every month is \$2,2000. Karen has requested an increase to account for the additional employee. RPM wants to do a review prior to an increase. Most of the other expenses are on target.
- \$15,000 operating loss for the month, which the majority amount is depreciation, a noncash item but is an expense. YTD operating loss is about \$55,000.
- Almost \$149,000 of reserve money was used this month, mostly for the roof payments. Every month \$13,333 from the operating account is sent to the reserves to accumulate the annual \$160,000 per the Reserve study.
- The expenses used out of the Reserves is now capitalized, the capitalized items on the balance sheet increases. The money was spent on an asset that has longevity and will depreciate over time.
- Our net income is \$120,000 for the month and \$81,744 YTD.
- YTD there is a surplus. Most is contribution from the prior year.
- Karen developed a new work sheet to clearly show the reserve expenditures view. It is a work in progress. It will be divided into columns, spending, projected spending for the year, budgeted spending, and any variance with notes. The report will be modified as needed.

#### Certificates of Deposits

- \$2.8 M on August balance sheet does not reflect the \$200,000 CD purchased on September 6, 2024. Edward Jones statement is dated August 26, 2024.
- Two \$200,000 CDs will mature in October and will be discussed in the October meeting.
- Interest rates are decreasing from 5.5% to 4.15% on recent CD purchases.

#### Share Sales Review

- No share sales in August.
- YTD total 14 new share sales. 5 conversions from renters to shareholders and 9 new share sales.

#### Cash Position Review

- \$100,000 transferred from the Bank of OZK Operating account to the Popular Operating Account to pay insurance and expenses.
- Edward Jones saving account had \$388,000. A \$200,000 CD was purchased on September 6, 2024.
- Popular account has \$54,000. It was agreed to transfer \$64,000 from OZK Operating account to the Popular Operating account to cover the shortfall expenses.
- Edward Jones Reserve Fund account is for reserve expenditure. The money is transferred to the Operating account and payments to the vendors. There is no impact on the Operating account.

#### Adjournment

Motion to adjourn was made by Jan McCoy, seconded by Bill Hickey. Motion passed unanimously. The meeting adjourned at 10:47 AM.

Respectfully Submitted:

Roberta Maynard