



Finance Committee Meeting Minutes

Tuesday, September 19, 2023

Via Zoom Platform or In Person at 1117 E Rancho Vistoso Blvd., Suite 103,
Oro Valley, AZ 85755

Committee Members Present: Ted Dann (Treasurer/Chair), Joan Sauer, Paige Shockley, and Linda Corsey

Absent: Barbara Stough

First Service Residential Staff: Barbara Daoust, Kim Breland and Colin Rinne

I. **Call to Order:** The meeting was called to order at 3:01 PM.

II. **Chair's Opening Remarks**
No comments.

III. **Agenda**

A motion was made by Paige Shockley and seconded by Ted Dann to approve the agenda as presented. Motion was approved unanimously.

IV. **Review the Minutes from August 22, 2023**

A motion was made by Joan Sauer and seconded by Paige Shockley to approve the August 22, 2023, minutes as presented. Motion unanimously passed.

V. **Review of August 2023 Financials**

The committee reviewed and discussed the Treasurer's report and the August financial reports.

- The VCA Operating Fund balance as of August 31, 2023, is \$662,294.99. This is sufficient to cover current and foreseen cash needs of the association.
- The Reserve Fund balance is \$3,667,045.
- The liquidity of the association is very strong to meet the association's needs.
- The account receivable balance is \$189,306 and account payable balance is \$531,164.34 which is made up of prepaid assessments and unclaimed property and security deposits which may revert to VCA.
- Total income for the month of August is \$164,721 which is \$27,677 under budget because of lower revenues from residential and commercial assessments.
- Total expenses for August are \$231,308 which is \$22,484 over budget for the month and year to date \$130,866 under budget.
- The monthly contribution of \$79,167 was made to the reserve fund. Total year to date contribution is \$633,333.
- A total of \$2,125 was spent out of the reserve fund in August with a total of \$126,068 year to date.
- Reserve Investments managed by Morgan Stanley as of August 31:

Cash and Equivalents	\$ 321,934
Savings & Time Deposits	\$ 353,684
ETFs and CEFs	\$ 12,048
Municipal Bonds	\$ 39,184
Corporate Fixed Income	\$ 204,198
Government Securities	\$1,067,250
Certificates of Deposit	\$ 1,376,651
Mutal Funds	\$ 61,043

Total \$3,435,992

- Siena's operating fund balance year to date is \$6,043 and the reserve fund year to date is \$221,831.
- Request to have the reserve fund investments displayed at market value.
- Lien cost/collection in the financial report for \$25,000 was the settlement with Carpenter Hazlewood to transfer all the remaining collection accounts to Halk, Oetinger, and Brown.

A motion was made by Joan Sauer and seconded by Ted Dann to accept the 2023 August Financial Report, Morgan Stanley and Treasurer's Report. Motion was unanimously approved.

VI. Old Business

A. Capital Reserve Tracking Tool

It was reported that the project tracking tool does tie into the August financial report.

B. Reserve Study

The committee reviewed the draft 2024 Reserve Report prepared by Association Reserves. The study reflects that the association is slightly over 60% funded. Discussion ensued on capital projects that are scheduled for 2024. Management will request a proposal from the reserve provider.

C. Commercial Assessments

Based on the association attorney findings, the board has decided to adjust net acres for 16 commercial parcels which were identified having variances in the 2020 audit performed by Butler Hansen. The owners have been notified of the change which will take effect January 1, 2024.

D. Unclaimed Property/Security Deposits

This matter will be addressed with Paul Hansen from Butler Hansen during the audit process.

E. Audits & Tax Returns for 2021, 2022 & 2023

The board has engaged Butler Hansen to complete the 2021, 2022 and 2023 audits. The audits for 2021 and 2022 will be completed this year.

VII. New Business

A. 2024 Draft VCA Budget

The committee reviewed the draft 2024 budget for VCA which reflects a \$8.00 per quarter increase or \$32 annually. Discussion ensued on reserve interest income and bank investment charges.

A motion was made by Joan Sauer and seconded by Ted Dann to move the reserve fund bank/investment charges from the reserve income to the expenditure section. Motion was unanimously approved. \$10,000 will be shown in the 2024 draft budget for GL Code 8537 Bank Investment Charges.

A motion was made by Linda Corsey and seconded by Joan Sauer to bring the 2024 draft budget to the October board workshop for discussion. The motion was approved unanimously.

B. Board & Finance Committee Budget Meeting

The board workshop meeting will be held either on October 2 or October 9, 2023.

VIII. Adjournment

Next meeting is tentatively scheduled for Tuesday, October 17, 2023, at 3:00pm.

A motion was made by Linda Corsey and seconded by Ted Dann to adjourn the meeting at 3:55pm.