



Finance Committee Meeting Minutes

Tuesday, October 17, 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, Linda Corsey, and Barbara Stough

First Service Residential Staff: Barbara Daoust, and Kim Breland

I. **Call to Order:** The meeting was called to order at 3:00 PM.

II. **Chair's Opening Remarks**

No comments.

III. **Agenda**

A motion was made by Joan Sauer and seconded by Barbara Stough to approve the agenda as presented. Motion was approved unanimously.

IV. **Review the Minutes from September 19, 2023**

A motion was made by Paige Shockley and seconded by Ted Dann to approve the September 19, 2023, minutes as presented. Motion unanimously passed.

V. **Review of September 2023 Financials**

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

- The VCA Operating Fund balance as of September 30, 2023, is \$583,921. This is sufficient to cover current and foreseen cash needs of the association.
- The Reserve Fund balance is \$3,751,845.
- The liquidity of the association is very strong to meet the association's needs.
- The account receivable balance is \$180,443 and account payable balance is \$491,825 which is made up of prepaid assessments and unclaimed property and security deposits which may revert to VCA.
- Total income for the month of September is \$168,043 which is \$24,355 under budget because of lower revenues from residential and commercial assessments.
- Total expenses for September are \$218,801 which is \$595 over budget for the month and year to date \$130,271 under budget.
- The monthly contribution of \$79,167 was made to the reserve fund. Total year to date contribution is \$712,500.
- A total of \$750 was spent out of the reserve fund in September with a total of \$126,818 year to date.
- Reserve Investments managed by Morgan Stanley as of September 30:

Cash and Equivalents	\$ 201,394
Savings & Time Deposits	\$ 355,105
ETFs and CEFs	\$ 21,021
Municipal Bonds	\$ 39,233
Corporate Fixed Income	\$ 202,811
Government Securities	\$1,131,575
Certificates of Deposit	\$ 1,380,417
Mutal Funds	\$ 99,903
Total	\$ 3,431,459

- Siena's operating fund balance year to date is \$6,874 and the reserve fund year to date is \$224,876.
- It was clarified that unearned revenue is made up of assessments that have been invoiced and paid quarterly, they are carried as a liability and will be recognized when income is earned. The Treasurer's report will be amended to reflect this comment.
- Suggestion was made to see if there is a better investment for the \$190,000 in the Morgan Stanley portfolio.

A motion was made by Linda Corsey and seconded by Ted Dann to accept the 2023 September Financial Report, Morgan Stanley and the amended Treasurer's Report. Motion was unanimously approved.

VI. Old Business

A. Capital Reserve Tracking Tool

It was reported that the project tracking tool ties to the September financial report.

B. 2024 Draft Siena and VCA Budget

The committee reviewed both the VCA and Siena draft budgets.

A motion was made by Joan Sauer and seconded by Linda Corsey to recommend the approval of the VCA and Siena budgets to the board. Motion was unanimously approved.

C. Audit Progress

It was reported that Butler Hansen is currently working on the 2021 audit.

VII. New Business

A. Reserve Study Proposal

The committee reviewed the reserve study proposals submitted by Association Reserves.

A motion was made by Linda Corsey and seconded by Joan Sauer to recommend approval of option c, the Loyalty Update Plan (three-year agreement) for a cost of \$3,130 per year with the third year having the onsite inspection conducted. Motion was unanimously approved.

Note: Irrigation system along Woodburne needs to be discussed with the reserve study provider in the future.

It was suggested to add the reserve study expense to the 2025 budget for Siena.

VIII. Adjournment

Next meeting is tentatively scheduled for Tuesday, November 21, 2023, at 3:00pm.

A motion was made by Linda Corsey and seconded by Ted Dann to adjourn the meeting at 3:43pm.