



Finance Committee Meeting Minutes

Monday, June 17, 2024

Via Zoom Platform or In Person at 1171 E Rancho Vistoso Blvd., Suite 103,
Oro Valley, AZ 85755

Committee Members Present: Joe Affinati (Treasurer, non-voting member), Robin Perkins, Paige Shockley, Joan Sauer, and Barbara Stough

Absent: Bob Mariani

First Service Residential Staff: Barbara Daoust, Timothy Holt and Kimberly Breland

Guest: Matt Wood

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

II. **Chair's Opening Remarks**

No comments made.

III. **Agenda**

One item was added under New Business, C. Mutual Funds.

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

IV. **Review the Minutes from May 21, 2024**

A motion was made by Joan Sauer and seconded by Barbara Stough to approve the May 21, 2024, minutes as presented. The motion unanimously passed.

VI. **Review of May 2024 Financials**

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

- The VCA Operating Fund balance as of May 31, 2024, is \$548,781. This is sufficient to cover current and foreseen cash needs of the association.
- The Reserve Fund balance is \$4,413,001.
- The liquidity of the association is very strong to meet the association's needs.
- The account receivable balance is \$133,766 and total operating liabilities balance is \$587,508 which is made up of prepaid assessments, unearned income and accrued expenses.
- Total income for the month of May is \$204,180 which is \$2,605 over budget.
- Total expenses for May are \$207,189 which is \$27,632 under budget.
- The monthly contribution of \$66,667 was made to the reserve fund. YTD reserve total is \$342,452.

- Reserve Investments managed by Morgan Stanley as of May 31:

Cash and Equivalents	\$ 19,095.78
Savings & Time Deposits	\$ 433,645.65
ETFs and CEFs	\$ 802,092.82
Municipal Bonds	\$ -
Corporate Fixed Income	\$ -
Government Securities	\$ 505,397.05
Certificates of Deposit	\$1,576,723.54
Mutal Funds	\$ 226,542.77
Net Unsettled Purchases/Sales	\$ -
Total	\$ 3,563,497.61

- Siena's operating fund balance year to date is \$2,915 and the reserve fund year to date is \$248,503.

A motion was made by Joan Sauer and seconded by Robin Perkins to accept the 2024 May Treasurer's, Financial and Morgan Stanley Reports. Motion was unanimously approved.

- It was noted that corporate taxes were higher than anticipated and the large accrued amount for Pitney Bowes.

VII. Old Business

A. Capital Reserve Tracking Tool

The committee reviewed the spreadsheet.

B. Unclaimed Property/Security Deposits

The board has agreed to reclass the \$20,406.62 Architectural Design Fees. It was suggested to move the amount to the Miscellaneous category.

VIII. New Business

A. 5 Year Financial Plan

The committee reviewed a draft five- year plan. The following members volunteer to work on this project with Matt Wood: Robin Perkins, Paige Shockley, Barbara Stough.

B. 2023 Audit

A motion was made by Joan Sauer and seconded by Paige Shockley to recommend to the board the approval of the 2023 audit report presented by Butler Hansen.

C. Mutual Funds

Discussion ensued on how much funds have been invested in the stock market. It was suggested that the Board President and Treasurer contact Butler Hansen to discuss investment strategy and tax implications in moving funds. The committee recommended a more conservative number such as 10% to place funds in risk investments. Currently the Financial Investment policy allows up to 40%. The committee will revise the policy and seek board approval.

Note: Paige Shockley left the meeting at 4:08 PM.

A motion was made by Joan Sauer and seconded by Robin Perkins to recommend to the board a change in the investment policy to have equity type of investments not exceed 10% of the portfolio. The motion was approved unanimously.

IX. Adjournment

Next meeting is tentatively scheduled for Tuesday, July 16, 2024, at 3:00 PM.

A motion was made by Barbara Stough and seconded by Robin Perkins to adjourn the meeting at 4:21 PM.