

## ROTONDA WEST ASSOCIATION

### Budget & Finance Committee Meeting Minutes

Thursday, October 20, 2022

**Attendees Present:** Tom D'Abrosca (Chair), Sam Besase Treasurer and BOD Liaison, Gwen Grace, Jack Metz, RoseAnne Woodliff, Thom Lisk, Derrick Hedges, Jenn Bulle

**Zoom & Owners Present:** Andy Van Scyoc, Patti Cowin, Colleen Koppenhaver, Hank Killion, Annette Castel, Sheryl Nowiski, Nancy Schwechel, Holly Carr, Jerry Eldred

**Meeting was called to order** by Tom D'Abrosca at 9:00am

1. **ROLL CALL:** Zoom connection was operational for any interested public attendees, attendees noted above.
2. **Approval of old minutes:** *Motion to approve September 12, 2022 and Budget workshop September 22, 2022 minutes made by RoseAnne Woodliff & second by Thom Lisk. Minutes were approved as written.*
3. **Owner Input** – None
4. **REGULAR BUSINESS**
  - a. **Treasurer Report** – S. Besase presented September 2022 Treasurer's Report, noting that his internet had not been restored and may need revision. See attached report.
  - b. **Income Analysis** – Total cash is noted to be a combined \$2,455,425 in reserves and operating accounts. Income has exceeded budgeted amount by approximately \$188.9K
  - c. **Expense Analysis** – Expenses overall are overbudget by approximately \$62.7K, leaving a positive income overage of approximately \$115K. Please note Hurricane Ian impacts are not factored into this report.
  - d. **Reserve Analysis** – S. Besase noted RWA transfers of \$600,000 this year from operating into capital reserves.
  - e. **Delinquent Property Status Update** – Manager Hedges noted continued progress on arrears retrieval. Assessment income has exceeded budget due to sales of homes in foreclosure and lien process and collection of arrears.
  - f. **CDARS Spreadsheet Analysis** – CDs continue to rollover at monthly intervals. Treasurer Besase stated current CDRs interest rates are at 3.9% and he expects it to increase this year which positively impacts future interest income.
  - g. **Lien & Foreclosure Status** – Current Liens and Foreclosures will continue to move forward. Jenn, RWA bookkeeper, is working with legal to stay on top of actionable items. Future new liens and foreclosures undetermined at this point.
5. **OLD BUSINESS**
  - a. **Budget 2023 Income Adjustments given Hurricane Ian** – The committee discussed income projections and Ian's effects on potential income streams. The Committee agreed not to change any budget line items with the knowledge that Income line items such as Transfer Fee Income, Estoppel Fee Income, Fine Fee Income, Attorney Income can be adjusted perhaps in the 2nd quarter of next year if additional income is needed. It is noted that the RWA office does not charge TRANSFER FEES for inter family

transfers or transfers to family trusts. Any additional expenses necessary for Hurricane Ian response will be handled through Operating reserve fund.

- b. **Audit Committee versus Random Cash Mid-Year Audit by Professional Auditor** – Auditor spent a day with Manager Hedges and Jenn, the bookkeeper to review policies for handling of cash with RWA staff post audit and will provide a written report with recommendations for best practices. The report will be shared with Committee and Board.

**6. New Business:**

- a. **New Committee Member Application** - Colleen Koppenhaver submitted an application and resume to become a Budget and Finance Committee member. *Tom D'Abrosca moved and it was seconded by Sam Besase to recommend Colleen Koppenhaver be approved by RWA BOD as a Committee Member. Motion passed unanimously.*

**7. Individual Committee Member** – none.

- 8. **Adjournment** – Motion to adjourn was made by Tom D'Abrosca and seconded by RoseAnne Woodliff to adjourned at 9:45am. Next meeting will be Monday, November 14, 2022 at 9:30am.

Submitted by:

RoseAnne Woodliff

Budget & Finance Committee Secretary

## TREASURER'S REPORT – SUMMARY

09/01/2022 THRU 09/30/2022

### CASH:

1001 - Englewood Bank (8283) Checking-Operations	\$ 231,021.56
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - Operating	\$1,198,445.95
1008 - CDARS Program - Reserves	\$ 900,000.00
1106 - Englewood Bank (3864) – BAR Reserves	<u>\$ 125,757.49</u>
Total CASH as of 08/31/2022	\$2,455,425.00

### Builders Deposits – New Construction

1102 - CSB 2004 - Builders Deposits (+7)	\$ 302,572.50
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\*Translates to approximately 250 homes under construction in RWA.

1007-CDARS-OPERATING:	~\$1,199.0K - AS OF 09/30/22
1008-CDARS-RESERVES:	~\$ 900.0K - AS OF 09/30/22
CDARS-TOTALS:	~\$2,099.0K - AS OF 09/30/22

4200-ESTOPPEL INCOME exceeds the 2022 YTD budget by \$51.2K (9 mo.)

(Avg of 83 per mo. (on track for 800 for year) Vs budget of 50 per mo.)

4210-TRANSFER INCOME exceeds the 2022 YTD budget by \$34.2K (9 mo.)

(Avg of 90 per mo. (on track for 825 for year) Vs budget of 50 per mo.)

4300-FINING INCOME exceeds the 2022 YTD budget by \$73.5K (9 mo.)

(Avg of \$9.9 per mo. Vs budget of \$1.8K per mo.) (Accrual Accounting)

4400-ATTY-BOOKS, etc, exceeds the 2022 YTD budget by \$20.3K (9 mo.)

(Avg of \$2.3K per mo. Vs budget of \$-0- per mo.)

Year-end INCOME ALREADY exceed the YEAR END budget by ~\$188.7K (12 mo.)

2022 YTD EXPENSES:	ACTUAL	BUDGET	UNDER/OVER
6000 LI	\$852,638	\$826,500	UNDER BY \$ 26.1K
7000 LI	\$535,460	\$438,750	OVER BY \$ 96.7K
8000 LI	\$ 25,898	\$ 33,750	UNDER BY \$ 7.9K

YTD EXPENSE LINE ITEMS ARE RUNNING OVER BUDGET BY ABOUT \$62.7K

Year-end EXPENSES may be OVER YEAR END budget by ~\$100K (12 mo.)

\$100K divided by 8,040 properties = about \$12.50 under budget per property

If we charged \$178 vs \$190 the 2022 YTD trend shows RWA would break even.

HURRICANE IAN IMPACTS ARE NOT FACTORED INTO THIS REPORT!!!

Respectfully - Sam Besase – RWA Treasurer - October 12, 2022