

## ROTONDA WEST ASSOCIATION

### Budget & Finance Committee Meeting Minutes

Monday, January 8, 2024

**Attendees Present:** Tom D'Abrosca (Chair), RoseAnne Woodliff, Timothy Houghton, Thom Lisk, Colleen Koppenhaver, Derrick Hedges, Jenny Bulle      **Absent/Excused:** Jack Metz

**Zoom & Owners Present:** Sandra Wales, Bill D., Nadine Clough, Nancy Ward-Synder

**Meeting was called to order** by Tom D'Abrosca at 9:30am

1. **ROLL CALL:** Zoom connection was operational for any interested public attendees, no attendees noted
2. **Approval of old minutes:** *Motion to approve November 13, 2023 as written made by Tom D'Abrosca & second by Thom Lisk. Minutes were approved. Note: There was no monthly meeting in December, 2024 therefore no minutes were produced for that month.*
3. **Owner Input** – None.
4. **REGULAR BUSINESS – RWA Monthly Financial Review December 2023 presented by Sam Besase. See attached Report.**
  - a. **Income Analysis** – See attached report. Total Cash as of 12/31/2023 is \$2.67 Million. Overall Income exceeded Budget by ~\$160.K or ~8.55%
  - b. **Expense Analysis** – Expenses overall are underbudget by approximately ~82.4K or ~4.73%. Wages were 3% overbudget due to Board approved yearend bonuses. See attached report.
  - c. **Federal and State Tax Liability Expense 2024** – Committee requested a new line item on monthly report to prepare for Budget 2025 planning.
  - d. **Reserve Analysis** – Reserves balance grew by ~286K due to increased allocation and increased interest rates. See attached report.
  - e. **CDARs** – CDRs are being laddered at rates 4.79% to 5.22%. Discussion was whether or not to revert back to 90-day CDRs or stay the course. Committee agree Derrick Hedges and Jenny Bulle are doing a great job at managing RWA funds, optimizing earnings potential and keeping under insured limit amounts.
  - f. **Sweep Accounts** – *Committee requests follow upon details for sweep accounts with Craig and Liz from Centennial Bank. The Committee requested Centennial arrange a presentation to HOA to encourage more members to sign up for automatic bank authorization payment of annual assessments.*
5. **OLD BUSINESS**
  - a. **RWA Manger Update on Liens/Foreclosures** – 62 properties are in lien/foreclosure process. Two – three are waiting to sell. Derrick is getting with a new law firm that work with foreign delinquent owners. Overall, at year end ~194 delinquent accounts or ~165 owners are 2.1%. Significant reduction due in thanks to RWA staff ongoing efforts and willingness to set up payment plans. Weekly updates provided by Manager in Manager's report to owners.
  - b. **Three Year Building & Grounds Plan** - Deadline of February 1<sup>st</sup> to close bidding process on 1600 sq ft office expansion and take to Board. \$500,000 is planned to be spent over the two-year building process. Budget & Finance committee requests to be involved in the process to assess impact to reserves funding.
  - c. **2022 Audit Recommendations** –

1. **Mid-Year Review** – Derrick, Colleen, & Jenny to follow up with Geoff to get an understanding for this committee what the scope of mid-year review was supposed to include and ensure reporting reflects scope analysis. Committee was reminded our policy does address mid-year anticipated scope.
- d. **Updated Reserve Study 2024** – Reserve study 2024 starts in January 2024. Committee requests a draft report upon completion at February meeting.
6. **Individual Committee Member** – RoseAnne Woodliff reminded the committee this would be her last meeting until March given elective surgery. Colleen Koppenhaver volunteered to take over minutes during RW leave.
- C. Koppenhaver requested the year end audit break out earned interest income.
7. **Adjournment** – Motion to adjourn was made by Tom D’Abrosca and seconded by RoseAnne Woodliff to adjourned at 11:00 am. Next meeting will be Monday, February 12, 2024 at 9:30am.

Submitted by:

RoseAnne Woodliff

Budget & Finance Committee Secretary

**ROTONDA WEST ASSOCIATION, INC.**  
**TREASURER'S REPORT**  
**12/01/2023 THRU 12/31/2023 (END OF YEAR)**

**CASH:**

1001 – CREWS (Englewood) Bank (8283) Checking-Opns	\$ 106,022.20
1002 – Centennial Bank – Operating/Sweep	\$ 654,847.10
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - OPERATIONS	\$1,035,232.93
1008 - CDARS Program - Reserves - CAPITAL	\$ 718,431.43
1105 – Centennial Sweep–Reserves – 7343 OPERATIONS	\$ 25,067.67
1106 - CREWS Bank (3864) – BAR Reserves-CAPITAL	\$ 134,117.06
<b>Total CASH as of 12/31/2023</b>	<b>\$2,673,918.39</b>

**Builders Deposits – New Construction**

1103 – Centennial 6065 Builders Clean Site Escrow	\$ 203,000.00
1104 – Centennial 6189 Clean Site MMA	\$ 57,221.75
Total CASH – Builders Deposits – New Construction	\$ 260,221.75*

\*Translates to approximately 260+ homes under construction in RWA. ~3.2%

4111-ASSESSMENT INCOME exceeded EOY 2023 budget	~\$ 0.3K
4200-ESTOPPEL YTD INCOME exceeds EOY 2023 budget by	~\$5.9K
4210-TRANSFER YTD INCOME exceeds EOY 2023 budget by	~\$ 3.3K
4300-FINING INCOME YTD exceeds EOY 2023 budget by	~\$140.0K
4400-ATTY-BOOKS YTD, etc., exceeds EOY 2023 budget by	~\$ 30.3K
The EOY INCOME exceeded budgeted amounts by	~\$160.2K
<b>YTD 2023 INCOME LINE ITEMS WERE OVER BUDGET BY</b>	<b>~8.55%</b>

<b>2023 YTD EXPENSES:</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>UNDER/OVER</b>
6000 Line-Item Series	\$1,171.3K	\$1,131.0K	OVER BY ~\$ 40.3K
7000 Line-Item Series	\$611.1K	\$569.8K	OVER BY ~\$ 41.3K
8000 Line-Item Series	\$ 40.8K	\$ 40.0K	OVER BY ~\$ 0.8K
2023 YTD Expenses	\$1,823.2K	\$1,740.8K	OVER BY ~\$ 82.4K

**YTD 2023 EXPENSE LINE ITEMS WERE OVER BUDGET BY ~4.73%**

The RWA spent ~\$78K less than income received.

**Respectfully - Sam Besase – RWA Treasurer – January 6, 2024**

**ROTONDA WEST ASSOCIATION, INC.**  
**TREASURER'S REPORT – SUMMARY**  
**12/01/2023 THRU 12/31/2023 (END OF YEAR)**

- APPROXIMATELY 97.6% OF PROPERTIES PAID 2023 ASSESSMENTS.
- ~194 DELINQUENT ACCOUNTS = ~2.4% ~165 Owner's delinquent = 2.1%
- BY 12/31/23 ~7,846 around 97.59% HAVE PAID
- 2.4% DELINQUENT IS PROBABLY AS LOW AS IT HAS EVER BEEN!!!!
- APPROX 62 PROPERTIES ARE IN LIEN/FORECLOSURE PROCESS = 7.7%
- Latest CDAR interest rates are 4.79%, to 5.22%. (vs 0.17% in 2022)
- FED met 12/13/23 – rates UNCHANGED. (Next FED meeting is 01/31/24)
- 6180-Employee Wages & Taxes & Benefits OVER \$692.2K VS \$670.0K = \$22.2K EOY
- 6000-Legal Expenses OVER \$104.0K VS \$ 80.0K = \$24.0K EOY
- 7760-Maintenance/Repair of Equipment OVER \$ 72.4K VS \$ 60.0K = \$12.4K EOY
- 7860-Lot Care/Dwelling & Tree Removal OVER \$ 77.0K VS \$ 19.0K = \$58.0K EOY
- **Expense line items – were OVER budget by ~\$82.4K compared to overall budget. ~7.3%**
- RWA RESERVES contribution in 2023=~\$286K (approx. \$240K more than required) (+2 ½ yrs.)
- RWA is about 6 to 7 years ahead on RESERVES, most HOA's are BEHIND on RESERVES!
- **CARRY OVER–EXCESS FUNDS (Net Income/Loss) 12/31/23 is: ~ (-\$788.1) 1937/42 98%/2%**
- APPROXIMATELY 4,020 PROPERTIES HAVE PAID 2024 ASSESSMENTS ~50%
- RWA BUDGET FOR 2024 APPROVED BY THE BOD ON 11/09/23
- End of Year 2023 – RWA budget has never been in better financial shape!!!!
- RWA INCOME EXCEEDED THE END OF YEAR BUDGET BY ~\$160.2K
- RWA EXPENSES – EOY – WERE OVER BUDGET BY ~\$82.4K

RESPECTFULLY, SAM BESASE - RWA TREASURER, JANUARY 6, 2024