



Avalon Village Owners Association Finance Committee Minutes –October 13, 2022

Members present: Susan Gerhardt, Bill Gilfillan, Glenn Castner, Deborah Johnson (by phone)

Others present: Beth Frost, Kim McLellan, Wanda Passero

Absent: Joel Gold

Bill Gilfillan called the meeting to order at 1:55 p.m.

Approval of August 18, 2022 Finance Committee Minutes:

- **Motion was made, seconded, and unanimously passed** to approve the August 18, 2022 Finance Committee minutes.

Bill reported the following financial reports for the period ending September 30, 2022:

- **Balance Sheet**
 1. Operating Account cash balance is \$84,193. This compares to \$31,293 at the same time last year. The October real estate taxes were paid at the end of September last year.
 2. Reserve Account cash balance is \$391,252. This compares to \$417,151 at the same time last year.
- **Operating Account**
 1. Revenues exceed expenses by \$55,202.
 2. Revenues are slightly below budget.
 3. Insurance is \$5,972 under budget due to not having any insurance claims.
 4. Maintenance is \$6,043 under budget.
 5. Accounting fees are over budget by \$9,395 due to our bookkeeping now being done by AccuBooks, an outside firm.
- **Reserve Account**
 1. Expenses exceed revenues by \$28,510. This is due to two floor replacements totaling \$29,719.
 2. The balance remaining on the loan from Reserves to Operations for the purchase of the newest John Deere tractor is \$13,092. This amount is being repaid by \$900 per quarter.

- **Reinvestment of Reserve CD**

There was a Certificate of Deposit with The First National Bank with a balance of \$286,475.99 that matured on 4/3/22 and had a yield of 2.18%. It automatically renewed on 4/3/22 with a maturity date of 4/3/2027 and a yield of 0.5%.

The Board has approved breaking this CD and reinvesting it in Treasury Bills as follows. The First National Bank has agreed to waive any early termination fees.

Invest \$70,000 in a 1-month T-bill, yield 2.3%
Maturity: 11/3/2022

Invest \$70,000 in a 6-month T-bill, yield 3.6%
Maturity: 3/30/2023

Invest \$140,000 in a 12-month T-bill, yield 3.85%
Maturity: 10/5/2023

This schedule takes into account a number of extraordinary future funding needs.

Recommendation of the 2023 Budget to the Board of Directors:

- **Motion was made, seconded, and unanimously passed** to recommend the 2023 budget to the Board of Directors.

This budget is based on an extraordinary period of rising costs and a community that is aging and therefore facing an increased demand for maintenance.

Keeping the budget and the reserve adequately funded is the way to avoid possible one-time assessments in the future that might be needed for unanticipated expenses. It also results in a well maintained and attractive community necessary for maintaining the perceived value of our shares to prospective buyers.

Future Finance Committee Dates:

February 16, 2023 at 2:00 p.m.

June 15, 2023 at 2:00 p.m.

August 17, 2023 at 2:00 p.m.

Meeting adjourned at 2:35 p.m.

Respectfully submitted by Bill Gilfillan and Beth Frost