

**Note to readers: This report covers all the activity in which the treasurer and finance team are involved.**

## FINANCIALS AND FINANCIAL SITUATION

1) As a result of the difficulties with getting accurate monthly financials from PMI, the MF finance team has previously issued 7/31/23 and 8/31/23 and 9/30/23 manually done financials. Since the decision has been made to utilize EP Rentals as our service provider for 2024, the MF finance team has a two part plan going forward:

a) we will manually produce monthly financials based on the information that is stored in TOPS for the remainder of 2023 – having said that, the 10/31/23 financials (as well as later ones) will be different in two ways: first, the financial information will have been input into our On Line QuickBooks [QB] software from which the financials will be generated and second, the financials will be done on a cash accounting basis (rather than an accrual accounting basis used by TOPS)

b) the action above will greatly facilitate our transition to working with EP Rentals going into, and during, 2024 - our financial tools of On Line QB (cash accounting) and the use of our current Bank of Colorado [BOC] checking account (which EP Rental will use for depositing our revenue and paying our bills) fit right in with their normal operating financial paradigms.

2) We do have current information on the balances in our various accounts as of 9/30/23, so the values in the Show Us The Money section below are accurate.

3) *The treasurer & finance chair and financial secretary made the decision that we would make a paradigm change for 2023. We will no longer allocate the monthly assessment revenue among the Operating Fund and the Reserve Fund (with three different components) in the monthly financials. Instead, we will do the allocation at year end. The upside of this decision is the monthly financial process & reporting for PMI (and our MF review of the financials and publishing our augmented monthly financials) is simplified. The downside of this decision is we will no longer have a monthly view of the Operating Fund and Reserve Fund ownership of the cash assets on the Balance Sheet.*

## MONTHLY ASSESSMENTS

We have two owners that are significantly in arrears for their assessments. Since the finance team has previously done all it can to get this situation resolved (including imposition of late fees), the situation has already been escalated to the board for their decision on planned actions (invoking use the Violation protocol).

### SHOW US THE MONEY!

**As of September 31, 2023 - \$189,522.77**

BOC Checking	\$22,779.48
BOC Operations Savings	3,806.28
Fidelity Operations Savings	6,788.50
Fidelity Reserve Savings	98,970.64
Alliance Checking (PMI MF account)	57,177.87

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## FINANCE TEAM STATUS INFORMATION

1) Outsourcing Implementation Team Status:

a) relative to PMI: PMI will no longer be our service provider for 2024; they will continue to serve MF for the remainder of 2023, with their two key tasks being *continued operational financial management and providing MF with transitional information as our financial information (an asset owned by MF) is released from their 2023 custodianship*

b) relative to selection of our 2024 operational financial management service provider: EP Rentals has been approved by the board to provide this service for 2024; the contract has been signed; our Outsourcing Implementation Team has been redesigned (slightly) as needed basis the difference in service providers

c) relative to the “onboarding” activities between MF and EP Rental; activities needing to take place in October – December

have already begun – the expectation is the two organizations will be fully prepared for the 2024 new business year partnership, including the needed communication to our MF owners that need to occur prior to year end

2) Investment Management Status: The finance team previously produced and distributed (for the March & September board meetings) information on our MF Investment Management portfolio. The “book” value, as opposed to “fair market value”, for each month is used for our financials – for full transparency both values are reported in the Financial Statement Notes each month. The table that follows provides a view of our increasing monthly values.

<i>Month</i>	<i>Operating Savings Book Value [\$]</i>	<i>Reserve Savings Book Value [\$]</i>	<i>Total Book Value [\$]</i>
2022 BBF	6,560.92	85,251.87	91,812.79
January	6,582.74	85,813.24	92,395.98
February	6,603.91	97,578.46	104,182.37
March	6,628.06	97,611.31	104,239.37
April	6,652.51	97,635.42	104,287.93
May	6,679.14	97,661.67	104,340.81
June	6,705.20	97,772.66	104,477.86
July	6,723.43	98,423.58	105,147.01
August	6,760.85	98,816.27	105,577.12
September	6,788.50	98,970.64	105,759.14

Note1: We moved \$11,610.91 into reserve savings (planned for JAN, executed in FEB) so all the 12/31/22 = 1/1/23 reserve monies would be in its own account (\$96,862.78).

3) Multi-year Planning Team Status: The team (AKA the MF RP/RF Study Team) has effort going on in two areas, which are a) revising the current Multi-year Planning document and b) determining what outside resource to use in the reserve (property management) arena to **validate our locally produced plan and provide consultation in areas where we have no local expertise**. Working with Lowell Richardson of PMI we obtained three bids for a Reserve Plan/Reserve Fund Study. The team brought forward a recommendation in the second area for consideration at the 6/24/23 board meeting - with the recommendation being approved. A Reserve Advisors engineer made an onsite visit on Tuesday, 8/22/23, to initiate the study. The Study Team has received the Study Report and created a Study Team Executive Summary (which includes recommendations for board review & approval) that will be an agenda item at the 11/4/23 board meeting.

4) Reserve Plan/Reserve Fund Tracking Report Status: An initial report was presented at the 3/19/23 board meeting. An updated version was presented at the 8/5/23 board meeting. An updated report was not done at the 9/23/23 board meeting. Instead, a final view of the “budget” versus “needed” 2023 funding was presented to the board for approval – and that approval was received [board approval was required since the “needed” monies will cause an over-expenditure of the 2023 “budget” funds]. It is expected that the B&G team will present an updated 2023 status at the 11/4/23 board meeting.