

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 produce QB-based monthly financials based on the information that is stored in TOPS for the remainder of 2023 (including a revised 9/30/23 version) – having said that, the 9/30/23 revised 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 OnLine 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.

The initial set of 12/31/23 financials has been completed for publication and distribution. That version provides a full view of the revenue and expense activity for the year. There will be a final version of the 12/31/23 financials produced (it will not be distributed prior to the 1/27/24 board meeting) which will include all the end-of-year journal entries dated 12/31/23 needed to close out 2023 and allow making the needed journal entries dated 1/1/24 to start up 2024. The information in the sections below is based on the values that will be in the final version of the 12/31/23 financials.

2) We ended the year with operating revenue of \$98,313.86 and operating expense of \$101,264.60 for a net income of **minus** \$2,950.74. We had reserve revenue of \$63,504.30 and reserve expenses of \$42,725.00 allowing us to increase our Reserve Fund balance by \$20,779.30. The balance went from \$96,862.78 to \$117,642.08.

MONTHLY ASSESSMENTS

We have several owners that are significantly in arrears for their assessments as the year ends. 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). There was minimal progress made as the board worked with PMI in this arena – the expectation is that as the board works with EP Rentals in this arena the situation will quickly be resolved.

SHOW US THE MONEY!

As of December 31, 2023 - \$158,641.79

BOC Checking	\$38,181.59
BOC Operations Savings	Closed out
Fidelity Operations Savings	6,874.27
Fidelity Reserve Savings	100,146.03
Alliance Checking (PMI MF account)	13,439.90

That year end balance includes \$28,304.40 in pre-paid 2024 assessments (monies received/booked on or before 12/31/23 – monies received/booked 1/1/24 or later will appear in the 1/31/24 financials.

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 been done – the two organizations are fully prepared for the 2024 new business year partnership, including the needed communication to our MF owners that needed to occur prior to year end

The appropriate EP Rentals personnel have been set up with the needed authority and tools for managing our operational financial activities. The normal start of year activities and January financial activities are progressing as expected during January.

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.

Month	Operating Savings Book Value [\$]	Reserve Savings Book Value [\$]	Total Book Value [\$]
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
October	6,817.24	99,131.06	105,948.30
November	6,845.22	99,775.18	106,620.40
December	6,874.27	100,146.03	107,020.30

Note 1: 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 was an agenda item at the 11/4/23 board meeting. It was decided at the 11/4/23 board meeting that slightly revised versions of the first two recommendations would be voted on at the 11/28/23 board meeting. The third recommendation was approved at the 11/4/23 board meeting.

The Study Team brought forward two proposals for board consideration at the 11/28/23 board meeting. These proposals were based on team-perceived opportunities for improvement in our current practices and processes related to the Reserve Plan/Reserve Fund arena. **both recommendations were approved**

The current status is that there will be no more active work for the Study Team until second quarter of 2024.

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]. While a verbal update was done to some degree at both the 11/4/23 & 11/28/23 board meetings, a written report covering the final 12/31/23 year end status will be provided at the 1/27/24 board meeting.