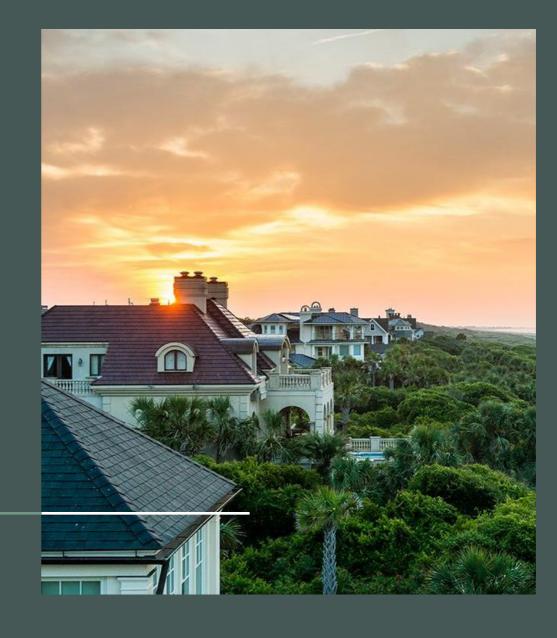
#### COMMUNITY

ASSOCIATION

### Treasurer's Report

Lisa Mascolo MARCH 21, 2024 KICA ANNUAL MEETING





### Finance Committee

Lisa Mascolo

Board Treasurer & Committee Chair

**Dale Schoon** 

Director of Finance & Committee Vice-Chair

Jim DiLella

**Paul Hennessy** 

Debbie Diddle

Paul Hough

**Michael Petrecca** 

**Bran Petranovic** 

**Jeff Porter** 



## 2023 Accomplishments

#### KICA Liability & Property Insurance Portfolio Review

- Collaborated w/insurance agent
- Recommended accepted portfolio strategy to BOD

#### New Auditor Selection

- Expedited but thorough process
- o 2022 tax return completed on time
- o 2023 Audit unmodified opinion

#### Transition to new Investmentadvisor

- Transitioned assets to Morgan Stanley & brought portfolio to IPS compliance
- Cook Street (Investment Advisor) reports quarterly at Finance Committee
- More robust reporting to BOD, FC and membership

#### Operating cash investment strategies

- Short-term, higher yield investments for imminent cash needs
- o T-bill ladder for less imminent cash needs



# 2023 Accomplishments

#### 2023 budget process & performance

- Effective budget process including transparency to members
- Both Operating & Reserve Funds performed better than budget (see Q4 Quarterly Finance Report posted to the KICA web site)
- Operating Fund Net Loss: Budget (\$840,770) vs Actual (\$246,928)
- Reserve Fund Net Surplus: Budget \$1,640,597 vs Actual \$3,468,501

#### • Revised Investment Policy Statement

- Latest version dated Jan 2024
- Clearer, more effective guidelines and performance criteria
- Increased the upper constraint of equity allocation from 40% to 50%

#### Employee Health Insurance change

- Analyzed options
- Provided accepted recommendation to implement self-insured collective strategy

#### Collections

Ended 2023 w/ no outstanding assessments or liens



### KICA Financial Condition

- Healthy and stable Strong balance sheet
- Investment Portfolio
  - Effective structure in place for short and long term resources
  - Effective relationship w/ Investment Advisor
  - Positioned to adjust to the market
  - Investment income in 2023 = \$975k vs. loss in 2022 = (\$525k)

#### Reserve Funding

- Based on March 2023 Reserve Study report 56.9% funded.
- Reserve fund is 100% restricted to major repairs and replacement
- Finance Committee to review new report end of March



## KICA Financial Condition

#### • 2024 Budget

- o Board approved an Operating Fund \$608k net deficit
- Reserve Fund budget slated for a \$3.2M net surplus
- o 2024 CTR budget of \$4M The Cape to be in added in Q2 &Q3

#### • Future risks under consideration

- Liability and property insurance
- Health insurance costs
- Named storm exposure
- Revenue stream consistency: Island sales (CTR); Comcast royalties, Access Fees

# 2024 Priorities

- Financial Controls Manual
- MRR Reserve policy
- Budget/Fund Balance strategies
- Operating Cash Investment Policy Statement
- Insurance landscape



# Thank you!



