

**Community Services Associates, Inc.**  
**Finance Committee Meeting**  
March 14, 2023

On Tuesday, March 14, 2023, a meeting of the Community Services Associates, Inc., (CSA), Finance Committee, was held via video conference.

**Roll Call**

Present:	Michael Basham	Keith Burns	Pete Dontas
	Ann Esposito	Dave HersHKovits	Lisa Laudermilch
	Lee Ann Leahy	William McConnell	Don Sigmon
	Andy Sutton	Andrea Tarbox	Ray Warco
	TJ Ward	Rob Weber	
Ex-Officio:	Dave Ellis		
Staff:	Sam Bennett	Victoria Shanahan	Myla Mitchell
	Tracey McNeill		

**Call to Order**

The meeting was called to order by Lee Ann Leahy, Chair, at 9:00 a.m., Eastern Time.

**Finance Committee Charter** – Lee Ann Leahy

The Committee reviewed the Finance Committee Charter. There were no changes from the previous year.

**Finance Committee Scheduled Tasks** – Lee Ann Leahy

Mrs. Leahy presented the Committee with a matrix of tasks and the meeting dates these topics would be covered for the Committee to review. It was subsequently suggested that the 5-year financial plan and capital reserve study be added as tasks.

**Financial Statement Review/Update** – Lee Ann Leahy & Victoria Shanahan

The December 31, 2022, financial statements were reviewed.

The balance sheet as of December 31, 2022, was reviewed. Total assets on an accrual basis, were \$22,820,495 an increase of \$1,859,283 compared to the same period last year. A total fund balance of \$19,055,125 was reported, an increase of \$1,261,700 over the prior year.

The income statement as of December 31, 2022, YTD, was reviewed. Actual revenues were more than expenditures by \$ 1,261,700 resulting in a positive variance to prior year of \$2,319,597.

Independent Audit Update – Lee Ann Leahy & Victoria Shanahan

Ms. Shanahan reported on the independent audit that is currently underway. She expects an opinion next month and does not anticipate any problems arising from the audit. A meeting is to be scheduled with the Audit Subcommittee and the auditors before the opinion is delivered.

2023 Budget Amendment – Lee Ann Leahy & Victoria Shanahan

Ms. Shanahan requested that funds from projects that were not completed in 2022 be rolled forward into the 2023 budget. Of the unspent budget from 2022, \$517,206 will be carried forward to the Operating Fund and \$1,902,156 be carried forward to the Critical Infrastructure Fund.

Mr. McConnell made the following motion, seconded by Mr. Herskovits and the motion carried unanimously.

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends to the CSA Board the carry forward of \$517,206 and \$1,902,156 unspent in 2022, to the Operating Fund and Critical Infrastructure Fund, respectively”.

Investment Review –Victoria Shanahan

Ms. Shanahan reviewed a portfolio analysis with the Committee. CSA’s Investment Policy states that a single investment can’t be in excess of 5% of the total portfolio market value and all must have a BBB+ rating or higher. Of particular note was a high yield security that is currently rated BBB-. Another investment from the same company is a BBB+ with a lower yield. Staff will investigate why two investments with the same company have different ratings. Also noted were 2 bank securities that have BBB rating. These securities will be closely monitored, especially in light of recent bank failures.

Investment Subcommittee – Lee Ann Leahy

The investment subcommittee held several discussions and the topic of introducing an investment strategy which would set a goal to achieve total return equal to inflation as measured by CPI. A member of the subcommittee created a model which used historical market cycle data and it was determined that to achieve the goal that an equity element of investments would need to be introduced into the portfolio. The asset mix would shift from 100% fixed income investments to 20-35 % of equities (exchanged traded funds and mutual funds) and fixed income of 80-65%, with a certain level of credit quality.

The finance committee discussed the concepts presented and agreed that the proposal should be presented to the Executive Committee of the Board at the next meeting.

Capitalization Threshold Policy – Victoria Shanahan

Current CSA Financial Policy states that the current capitalization threshold is \$2500, Ms. Shanahan requested that the Committee approve a change to the policy that purchases under \$20,000 with a useful life of under 3 years will be expensed not capitalized.

Mr. Sigmon made the following motion, seconded by Mr. Movshin and the motion carried unanimously.

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends that the CSA Board approve a change to the policy that purchases under \$20,000 with a useful life of under 3 years will be expensed not capitalized”.

**Budget Adjustment** – Victoria Shanahan

Staff requested that the President and Vice President/CFO be given the authority to make adjustments to the budget of up to \$50,000, without Finance Committee approval. The amount can not exceed \$200,000, between Finance Committee meetings, and each adjustment would be reported at the subsequent meeting.

Mr. McConnell made the following motion, seconded by Mr. Sigmon and the motion carried unanimously.

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends that the CSA Board approve that the President and Vice President/CFO be given the authority to make adjustments to the budget up to \$50,000, without Finance Committee approval. The amount cannot exceed \$200,000, between Finance Committee meetings, and each adjustment would be reported at the subsequent meeting”.

**Adjournment**

With no further business to come before the Committee, Chair Leahy adjourned the meeting at 9:59 a.m.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Lee Ann Leahy".

Lee Ann Leahy  
Chair