

**SALT VERDE FINANCIAL CORPORATION
BOARD MEETING NOTICE AND AGENDA**

BOARD OF DIRECTORS MEETING

Wednesday, April 21, 2021, 9:30 AM

**SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85281**

Directors: David Rousseau, President; John Hoopes, Vice President; and Randy J. Miller

Salt Verde Financial Corporation meetings will be held via teleconference until further notice. The public may access the teleconference meetings by contacting the Corporate Secretary's Office at (602) 236-4398. Supplemental materials will be available on the SRP website.

Call to Order
Roll Call

1. Postponed from the April 13, 2021 Salt Verde Financial Corporation Meeting – Financial Matters JEFFREY WRIGHT
 - A. Unaudited summary of the financial statements covering the first nine months (through January 31, 2021) of Fiscal Year 2021 (FY21)
 - B. Request for approval of the proposed Operating Budget for FY22
2. Adjourn PRESIDENT DAVID ROUSSEAU

The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Board on any of the matters listed on the agenda.

**NOTICE WILL BE SENT REGARDING THE NEXT
SVFC MEETING**

04/14/2021

Salt Verde Financial Corporation

Financial Matters

Approval of FY2022 Operating Budget

Jeff Wright
April 13, 2021

Salt Verde Financial Corporation

Summary

FY 2022 Budget

- Increase in scheduled rates and corresponding revenues
- Decrease in collateral interest revenue and expense
- Decrease in bond interest expense

Salt Verde Financial Corporation

FY2022 Operating Budget

Salt Verde Financial Corporation

FY2022 Operating Budget

(Amounts in thousands)	<u>FY2021</u>	<u>Proposed</u> <u>FY2022</u>	<u>Change</u>
<u>Income</u>			
Gas Revenues	\$ 70,098	\$ 72,438	\$ 2,340
Investment Income	3,032	3,026	(6)
Interest on Collateral	2,464	57	(2,407)
Total Income	<u>75,594</u>	<u>75,521</u>	<u>(73)</u>
<u>Expenses</u>			
Bond Interest	57,546	56,859	(687)
Amortization of Prepaid Gas	35,721	35,721	-
Transfers to SRP	3,092	3,026	(66)
Interest on Collateral	2,595	164	(2,431)
Other	113	131	18
Total Expenses	<u>99,067</u>	<u>95,901</u>	<u>(3,166)</u>
Net Loss	<u>\$ (23,473)</u>	<u>\$ (20,380)</u>	<u>\$ 3,093</u>

Salt Verde Financial Corporation

FY2022 Operating Budget

<u>Other Expenses</u>	<u>FY2021</u>	<u>Proposed FY2022</u>	<u>Change</u>
Trustee	\$ 9,020	\$ 9,020	\$ -
Rating Agencies	24,000	24,500	500
D&O Insurance	55,971	67,059	11,088
Directors & Meeting Exp.	1,920	1,920	-
Audit Fees	83,000	85,000	2,000
Bank Charges, Tax & License	141	1,741	1,600
SRP Service Agreements	97,920	97,920	-
Legal & Advisory	50,000	50,000	-
Subtotal	<u>321,972</u>	<u>337,160</u>	<u>15,188</u>
<u>Non-cash Other Expense</u>			
Amortization	<u>(208,702)</u>	<u>(206,140)</u>	<u>2,562</u>
<u>Total Other Expenses</u>	<u>\$ 113,270</u>	<u>\$ 131,020</u>	<u>\$ 17,750</u>

Salt Verde Financial Corporation

Recommendation

- Approve the proposed Operating Budget for FY2022