

Finance Committee Minutes  
April 14, 2022  
SROA Board Room

**Members Present:** In person: Michael Applegate, Gerhard Beenen, Luis Bayol, Clark Pederson; members present via zoom: Brad Banta, Veronica Jacknow, Keith Mobley, and Corey Wright

**Staff Present:** Joe Healy, James Lewis

Gerhard Beenen called the meeting to order at 9:00 a.m.

**First Interstate Wealth Quarterly Update**

Representatives from First Interstate Wealth presented an update of the overall financial markets and on SROA investments. Interest rates have increased over the past few months and Joe Healy will start moving funds from the CDARS program back into First Interstate Wealth and begin laddering funds with US Treasuries.

**Approve Minutes from March 17, 2022**

The Committee unanimously approved the Finance Committee minutes of March 17, 2022, with corrections.

**Review of March 19, 2022 SROA Board Actions**

There were no comments on the March 19, 2022 Board Action items.

**Approve March 31, 2022 Unaudited Financial Statements**

For the month ended March 31, 2022, there was a net operating surplus of \$107,332 which was \$97,175 better than budget. Operating revenues were over budget by \$51,496 due to RPP, MPP, Scene advertising and compliance fines all being ahead of goal for the month. Salary and burden expenses were under budget by \$13,389 due to open positions in Public Works and Recreation. Materials and services were under budget by \$22,245 due to timing of invoices, operating equipment/supply delays and fire station roof not needing to be cleared of snow. March's legal invoice had not been received at the time these reports were generated.

Through the first quarter of 2022, there was a net operating surplus of 139,522 which was \$274,022 better than budget. Operating revenue were \$187,660 ahead of budget due to the above-mentioned reasons and the Caldera expansion settlement payment. As of the end of March, net RPP sales totaled \$2,155,638, which is \$70k over the annual goal. RPP and MPP sales are 103.4% and 44.5% of their annual budget respectively. Revenue from Scene advertising was \$10,125 ahead of budget in the first quarter. Material and services were under budget by \$58,667 through the first three months. As of March 31, 2022, there was a combined operating and non-operating surplus of \$777,894.

Total assets as of March 31, 2022 were \$37,806,592. Cash and investments totaled \$15,108,808 an increase of \$101,226 from February. As March 31, 2022, investments included \$6,545,259 in US Treasuries and \$6,750,666 in First Interstate Banks CDARS program. There is \$330,000 in prepaid insurance due to be refunded from cancelled policies. The 1<sup>st</sup> quarter ROW fee \$28,500 from TDB/Bend Broadband is due.

**Cash Flow Update**

As of March 31, 2022 there was \$15,108,808 in total cash and investments of which \$5,322,421 was in the operating fund.

### **1<sup>st</sup> Qtr. 2022 Reserve Transfer**

The Committee unanimously approved the 1<sup>st</sup> quarter reserve transfer of \$7,397.62.

### **Financial Report**

Luis Bayol presented a draft one-page financial summary to be included in finance packets. A discussion ensued regarding the presentation and additional metrics and data to include to the report. Joe Healy will work with Luis Bayol and present a revised draft and present it to the Finance Committee at the May meeting.

### **Strategic Financial Forecast**

GM James Lewis discussed the need for a financial forecast for the next three years to plan for the effect that economic factors that have occurred over the last two years have had and will continue to have on SROA. The factors include general inflation, increased cost of goods/services, wage increases, challenges finding employees, need to keep adding to reserve funds, etc. – all of which affect SROA's ability to continue to provide essential services at the necessary and expected service levels. In short, SROA as an organization is not immune from these market factors that increase our expenses, and this has to be factored against our revenue sources (such as maintenance fees that are limited to a 6% yearly increase without a vote of the owners and our program fees). The financial forecast will allow us to identify future shortfalls in our somewhat static revenue sources as compared to the rising expenses. The financial forecast will allow us to develop strategies to account for the current and projected revenue to expense shortfall in order to provide essential and desired facilities and services for Sunriver owners and visitors. Such strategies could include a change to the Consolidated Plan regarding limits to maintenance fee increases, increasing existing fees to cover actual cost to provide services, or developing new sources of revenue to cover costs for impacts that are currently not being addressed. Joe H. and James L. will develop an outline for the financial forecast and present it to the Finance Committee at the May meeting.

By unanimous approval, the meeting was adjourned at 10:52 a.m.

The next Finance Committee meeting is set for May 19, 2022, at 9 a.m.

Submitted by Joe Healy