

Finance Committee Minutes

February 16, 2023

SROA Board Room

Members Present: In person: Michael Applegate, Gerhard Beenen, Keith Mobley, Clark Pederson; Via zoom: Brad Banta, Luis Bayol, Virginia Jacknow.

Staff Present: Joe Healy, James Lewis

Clark Pederson called the meeting to order at 9:00 a.m.

Approve Minutes from December 15, 2022

The Committee unanimously approved the Finance Committee minutes of December 15, 2022, with corrections.

Review of December 17, 2022 SROA Board Actions

There were no comments on the December 17, 2022 Board Action Items.

Review of January 21, 2023 SROA Board Actions

There were no comments on the January 21, 2023 Board Action Items.

Approve December 31, 2022 Unaudited Financial Statements

For the month ended December 31, 2022, there was a net operating deficit of \$174,458 which was \$224,789 worse than budget. Operating revenues were better than budget by \$31,579 mainly due to RPP revenues, Scene advertising and interest income. These positive variances were partially offset by less property transfer fees than budgeted. Home transfers continue to slow over the past several months. Salaries and burden were over budget by \$32,557 due to General Manager bonus, overtime in public works department and an increase in vacation accrual. Departmental expenses were over budget by \$88,825 due to redo of the entrance circle landscaping, sanding cinders, fuel and labor associated with icy/snow conditions. Insurance and legal expenses were over budget by \$12,870 due to both November and December legal invoices and higher insurance rates. All legal invoices have been posted for the fiscal year 2022. The administration building debt to the reserve fund was paid off in December.

For the year ended December 31, 2022, there was a net operating surplus of \$582,992. Operating revenues were \$533,131 ahead of budget due to RPP, MPP, gate, café rental, Scene advertising, compliance fines and the Caldera expansion settlement payments. There was a total of \$2,357,194 in RPP revenue in 2022 which was \$212,542 better than budget. Eighty-three more houses participating in the RPP plan in 2022 than in 2021. There was \$544,560 in gate revenue compared to a budget of \$500,000. Salaries and wages were under budget by \$213,745 due to open full-time and part-time positions. Materials and services were over budget by \$29,789 for the year due to the above-mentioned reasons. There as \$131,536 in total interest income for the year. Ladder fuel reductions (LFR) expenditure were \$126, 829 were under budget for the year. Some of the work is carrying forward to 2023 and will be reimbursed from grant funds. For the year ended December 31, 2022, there was a combined operating and non-operating surplus of \$1,805,315 which was \$1,073,538 better than budget.

Total assets as of December 31, 2022, were \$36,415,271. Cash and investments totaled \$14,987,625 an increase of \$2,732,520 from November. As of December 31, 2022, investments included \$12,255,105 in US Treasuries between ninety-day and two-year durations. Deferred revenues increased by \$2,634,531 due to payments received for 2023 maintenance dues, RPP and MPP memberships.

Fixed assets placed into service at year-end included replastering of the lazy river, mini-excavator and Polywood nautical loungers.

Fourth Quarter Reserve Transfer

The Committee unanimously approved the fourth quarter reserve transfer of \$548,026.14.

Skypark 2022 Year End Transfer

The Committee unanimously approved the 2022 Skypark reserve transfer of \$17,159.09.

Approve January 31, 2023 Unaudited Financial Statements

For the month ended January 31, 2023, there was a net operating deficit of \$44,438 which was \$77,460 better than budget. Operating revenues were over budget by \$77,052 due to a payment made for the Caldera expansion, Recreation Plus Program sales and interest income. Thirty-seven additional plats were recorded with the county at \$1,250 per plat due to SROA. There were 111 more home enrolled in the RPP program than the same point last year. Salaries and burden were over budget by a combined \$10,813. Liability for accrued vacation increased \$25,887 due to wage increases and less vacation time taken than accrued. This variance was partially offset by savings in open f/t and p/t positions in Recreation. January's legal invoice had not been received at the time these reports were generated.

There was \$31,058 in LFR work done in January, this is a carryover from 2022 contracts and will be reimbursed as part of the grant. There was a total of \$47,646 earned in interest income for the month. As of January 31, 2023, there was a combined operating and non-operating surplus of \$203,752.

Total assets as of January 31, 2023, were \$40,168,359. Cash and investments totaled \$18,031,112 an increase of \$3,043,487 from December. As January 31, 2023, there was \$15,185,274 invested in US Treasuries with durations between 90-day and 2-years. Construction in progress included design work for the Public Works building, a 2023 Ford Ranger and boilers at SHARC. Deferred revenue increased by \$3,139,648 due to annual maintenance dues payment, RPP & MPP sales.

Cash Flow Update

As of January 31, 2023, there was \$18,031,112 in total cash and investments of which \$6,685,611 was in the operating fund.

Investment Discussion

The investment discussion was deferred to a later meeting.

By unanimous approval, the meeting was adjourned at 10:05 a.m.

The next Finance Committee meeting is set for March 16, 2023 at 9 a.m.

Submitted by Joe Healy