

Finance Committee Minutes

April 13, 2023

SROA Board Room

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

Staff Present: Joe Healy, James Lewis

FIW Staff Present: William Fitzgerald, JC Murray, Linda Pancheri

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

First Interstate Wealth Update

Representatives from First Interstate Wealth presented an update of the overall financial markets and on SROA investments.

Approve Minutes from March 16, 2023

The Committee unanimously approved the Finance Committee minutes of March 16, 2023, with no corrections.

Review of March 18, 2023 SROA Board Actions

There were no comments on the March 18, 2023 Board Action Items.

Approve March 31, 2023 Unaudited Financial Statements

For the month ended March 31, 2023, there was a net operating deficit of \$37,187 which was \$51,351 worse than budget. Operating revenues were less budget by \$14,287 mainly due to monthly Recreation Plus Program (RPP) sales. YTD there are the same number of homes in the Recreation Plus Program as the same point in 2022. Many of the properties enrolled earlier this year to take advantage of the prepayment discount. The operating revenue deficit to budget was partially offset by interest income and a settlement with the engineering firm that conducted work on the Owners Pool Salaries and burden were under budget by a combined \$20,098 due to open f/t and p/t positions in the recreation department along with a workers' compensation rebate from SAIF. Material & services were over budget by \$27,685 due to sander cinders/deicer, fuel, vehicle parts and costs associated with the special ballot measure. All legal invoices through March have been included in the following reports.

For the first quarter of 2023, there was a net operating deficit of \$5,945 which was \$97,895 better than budget. Operating revenues were over budget by \$95,752 mainly due to the Caldera expansion payment, interest income and above referenced settlement. Salaries & burden were under budget by a combined \$32,532. Year-to-date material and services were higher than budget by \$19,226 due to sanding cinders/deicer, fuel, ballot measure costs, credit card fees and special election costs. \$173,496 was received in March as part of the Ladder Fuel Grant. The grant is in effect through June and all ladder fuel expenditure up to \$350,000 will be reimbursed. As of March 31, 2023, there was a combined operating and non-operating surplus of \$880,434.

Total assets as of March 31, 2023, were \$40,041,508. Cash and investments totaled \$18,063,582, an increase of \$26,673 from February. As March 31, 2023, there was \$16,948,613 invested in US Treasuries with durations between 90-day and 2-year. Maintenance fund receivables decreased by \$15,299 because of collection efforts. There is a total of \$314,054 due in RPP's agreements. Fixed asset items placed into service in the first quarter included two vehicles, an auto lift, and boilers at SHARC.

Cash Flow Update

As of March 31, 2023, there was \$18,063,052 in total cash and investments of which \$6,540,915 was in the operating fund.

Quarterly Reserve Transfer

The Committee unanimously approved the first quarter reserve transfer of \$85,186.98 from the SHARC Reserves to Operations.

The Committee unanimously approved the first quarter reserve transfer of \$70,733.59 from Operations to the Regular Reserves.

Delinquency Policy

The Committee reviewed a red-lined version of the current delinquency policy to include fines and other charges imposed by the magistrate. The Committee unanimously approved the policy with one change from the draft presented moving the location of the phrase “to the owner’s address on file”.

The meeting adjourned at 10:13AM

The next Finance Committee meeting is set for May 18th at 9AM

Submitted by Joe Healy