

Finance Committee Minutes  
July 13, 2023  
SROA Board Room

**Members Present:** In person: Michael Applegate, Gerhard Beenen, Clark Pederson, Corey Wright; Via zoom: Brad Banta, Don Costa, Luis Bayol, Veronica Jacknow, Keith Mobley

**Others Present:** JC Murray, William Fitzgerald, Linda Pancheri, Betsey Nelson, Steve Murray

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

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

**First Interstate Wealth**

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

**Approve Minutes from June 15, 2023**

The Committee unanimously approved the Finance Committee minutes of June 15, 2023, with corrections.

**Review of June 17, 2023 SROA Board Actions**

There were no comments on the June 17, 2023 Board Action Items.

**Approve June 30, 2023 Unaudited Financial Statements**

For the month ended June 30, 2023, there was a net operating surplus of \$72,317 which was \$121,614 better than the budget. Operating revenues were over budget by \$1,366. Positive variances in RPP and MPP pass sales along with higher than plan interest income was partially offset by shortfalls in recreation special program and event revenues. Salaries and burden were under budget by a combined \$48,896 mainly due to open p/t positions in the recreation department. Materials & services were under budget by \$80,056 due to the early timing of the month-end closing and savings in the ticketed concert event costs.

Through the first six months of 2023, there was a net operating surplus of \$107,162 which was \$351,194 better than budgeted. Operating revenues were over budget by \$93,423 mainly due to a Caldera expansion payment, interest income, and positive variances in design review and park reservations. Year-to-date MPP and RPP revenues are at 81.1% and 99.3% of their respective annual goal. Salaries & burden were under budget by a combined \$161,462 through the first half of the year, this positive variance is expected to continue throughout the year. \$340,370 has been earned in interest income year-to-date in the operating and reserve accounts. There was \$413,108 spent on the new tunnel in June. As of June 30, 2023, there was a combined operating and non-operating surplus of \$1,050,652 which was \$526,179 better than budget.

Total assets as of June 30, 2023, were \$38,422,541. Cash and investments totaled \$16,766,707, a decrease of \$655,898 from May. As of the end of June there was \$15,804,279 invested in US Treasuries with durations between 90-day and 2-year and average yield of 4.58%. Receivables for owner's fees (maintenance fund, storage space, fines) and RPP payment plans were \$171,653 and \$162,698 respectively with \$90,000 in reserve for uncollectible against owners' receivables. The annual storage space fees were billed in June and the second installment payment for RPP passes was received at the

beginning of June. Fixed assets placed into service the 2<sup>nd</sup> quarter of 2023 included: plastering of the SHARC indoor pool, conduit to Owner's Pool, SHARC UV system, VFD starters and return grating. In the second quarter there was \$532,320 spent on the tunnel project, ladder fuel reduction work and road/pathway asphalt. We are awaiting the next reimbursement payment for the ladder fuel grant of \$173,000.

#### **Cash Flow Update**

As of June 30, 2023, there was \$16,766,707 in total cash and investments of which \$4,119,187 was in the operating fund.

#### **2<sup>nd</sup> Quarter Reserve Transfer**

The Committee unanimously approved the second quarter reserve transfer of \$276,912.03 from the SHARC Reserves to Operations.

The Committee unanimously approved the first quarter reserve transfer of \$524,113.56 from Operations to the Regular Reserves.

#### **2022 Operating Fund Surplus to Reserves**

The Committee unanimously approved the recommendation to the Board of Directors to transfer the 2022 operating surplus of \$582,992 to the Reserve Fund.

The meeting adjourned at 10:30AM

The next Finance Committee meeting is set for August 17, 2023 at 9AM

Submitted by Joe Healy