

Finance Committee Minutes
November 16, 2023
SROA Board Room

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

Alternate Members Present: Steve Murray

Staff Present: Kellie Allen, Joe Healy, Keith Kessar, James Lewis, Mark Smith

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

Approve Minutes from October 19, 2023

The Committee unanimously approved the Finance Committee minutes of October 19, 2023, with corrections.

Approve Minutes from October 31, 2023

The Committee unanimously approved the Finance Committee minutes of October 31, 2023, with corrections.

Review of October 21, 2023 SROA Board Actions

There were no comments on the October 21, 2023 SROA Board Actions items

Approve October 31, 2023 Unaudited Financial Statements

For the month ended October 31, 2023, there was a net operating surplus of \$17,845 which was \$56,217 better than the budget. Total operating revenue was over budget by \$33,214. Design review fees, ladder fuel fines and interest income were all over their respective budgets for the month. Total operating expenses were under budget by \$23,003 due to savings in material and services and legal fees. The only legal costs for October were the \$2,500 general services for the month which included Board of Directors training.

Through the first ten months of 2023, there was a net operating surplus of \$273,159 which was \$337,143 better than budgeted. Operating revenues were over budget by \$128,141 mainly due to a Caldera expansion payment, interest income, and positive variances in design review fees, park reservations and ladder fuel reduction fines. These positive variances were partially offset by shortfalls in special program, gate admissions and event space rental. Year-to-date MPP and RPP revenues are at 101.1% and 100.1% of their respective annual goal. Salaries & burden were under budget by a combined \$140,354 due to open f/t and p/t positions in the first half of the year. Material and services expenditures were under budget by \$57,397 through the first ten months. It is anticipated that the majority of this positive variance will continue through year-end. \$577,670 has been earned in interest income year-to-date in the operating and reserve accounts. As of October 31, 2023, there was a combined operating and non-operating surplus of \$1,869,515 which was \$742,569 better than budget.

Total assets as of October 31, 2023, were \$36,417,845. Cash and investments totaled \$15,073,383, a decrease of \$467,340 from September. As of the end of October, there was \$14,668,364 invested in FIW money market fund and US Treasuries with durations between 90-day and 2-year and a yield of 5.26%. Receivables for owner's fees (maintenance fund, storage space, fines) and RPP payment plans

were \$128,246, of which \$86,302 is over 90-days past due. There is \$90,000 in reserve for uncollectible accounts against owners' receivables.

Cash Flow Update

As of October 31, 2023, there was \$15,073,383 in total cash and investments of which \$2,135,018 was in the operating fund.

Investment Proposal

Joe Healy presented a proposal for allowable investments of longer than two years and up to five years. After discussion, it was unanimously approved to recommend to the Board of Directors the authorization of up to three million dollars of investments of longer than two years and up to five years.

2024 Operating and Reserves Budgets

James Lewis and Joe Healy presented a draft of the 2023 Operating and Reserve budgets. A balanced budget was presented which included a 3.75% increase to the monthly maintenance assessment (\$153.74 to \$159.51) and a 3.5% wage pool. Proposed fee increases included a 5% increase in the Recreation Plus Plan, increasing extended household passes from \$160 to \$190 per card and court fees from \$25 to \$40 for ninety minutes. The reserve budget presented includes total expenditures of \$4,226,119 of which \$482,590 were new capital expenditures. After discussion, it was unanimously approved to recommend to the Board of Directors the 2024 operating and reserve budgets.

Employee Benefit Review

Human Resource Director Kellie Allen reviewed the SROA employee benefit package which includes employer paid medical/vision/dental insurance for employee and portion of dependents, 401(k) retirement plan and vacation/sick/holiday pay.

The meeting adjourned at 10:45AM

The next Finance Committee meeting is set for December 14, 2023 at 9AM

Submitted by Joe Healy