

Finance Committee Minutes
July 18, 2024
SROA Board Room

Members Present: In person: Michael Applegate, Brad Banta, Gerhard Beenen, Mark Murray via zoom: Don Costa, Veronica Jacknow, Keith Mobley, Corey Wright

Alternate Members Present: Steve Murray, via zoom: Betsey Nelson

Staff Present: Joe Healy, James Lewis

Mark Murray 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 SROA investments.

Approve Minutes from June 13, 2024

The Committee unanimously approved the Finance Committee minutes of June 13, 2024.

Review of June 15, 2024 SROA Board Actions

There were no comments on the June 15, 2024 SROA Board Actions Items.

Approve June 30, 2024 Unaudited Financial Statements

For the month ended June 30, 2024, there was a net operating surplus of \$26,855 which was \$40,992 better than the budget. Operating revenues were over budget by \$40,635 due to SHARC event revenue, gate admissions and design review fees. Salaries and burden were under budget by a combined \$57,392 due to four open f/t positions in recreation and public works and p/t summer labor. Materials and services were over budget by \$63,898. We received all the back invoices from the Sunriver Nature Center (Jan – Jun). Other expense variances included pool chemicals for SHARC and Member Pool, dust abatement for the canoe takeout road and collection attorney fees.

For the first half of 2024, there was a net deficit of \$37,812 which was \$113,660 better than the budget. Operating revenues were over budget by \$18,059 due to SHARC admissions, event revenue, Scene advertising and ladder fuel compliance fines. There have been thirty-nine less RPP passes sold in 2024 compared to the same time frame as 2023. Legal fees were over budget by \$57,896 through the first six months of 2024. Salaries and burden were under budget by a combined \$181,630 through the first six months of 2024 mainly due to open f/t positions. Materials and services were over budget by \$42,482 due to sanding cinder/deicer, pool chemicals fuel and building supplies.

There was a discussion on FIW overall fees associated with management of SROA's investments. After discussion, Joe Healy was going to research alternatives.

As of this report date 134 homes have been converted to bulk fiber and transitioned to SROA's master billing account.

As of June 30, 2024, there was a combined operating and non-operating surplus of \$1,180,985 which was \$167,837 better than budget.

Total assets as of June 30, 2024, were \$40,010,697. Cash and investments totaled \$17,761,434, a decrease of \$330,506 from May. As of June 30, 2024, there was \$17,685,480 invested in Federated Hermes Government Obligations Fund and US Treasuries with durations between 90-day and 5-years with an annual yield of 5.08%. Construction in progress items included public works building, SHARC/Admin office design, carwash equipment, and circle 2 & 3 pathway study.

Cash Flow Update

As of June 30, 2024 there was \$17,761,434 in total cash and investments of which \$3,947,944 was in the operating fund.

December 31, 2023 Surplus to Reserves

The Committee unanimously approved the transfer of the 2023 operating surplus of \$70,936 from the operating fund to the reserve fund.

2nd Quarter Reserve Transfer

The Committee unanimously approved the 2nd quarter reserve transfer of \$514,587.93 from the reserve fund to the operating fund.

Annual Appointment of Auditors

Per the Finance Committee Charter, the Finance Committee reviewed and approved the annual appointment of Price Fronk LLP as the auditors.

Additional Revenue Sources

James Lewis and Joe Healy reviewed two potential new revenue sources, a property transfer fee that would fund reserves and rental impact fee. These potential sources will be reviewed through the Admission Model Workgroup.

The meeting adjourned at 10:40AM

The next Finance Committee meeting is set for August 15, 2024 at 9AM

Submitted by Joe Healy