

# Trends in Expenses and Revenue

2014 -2018

Carol Crothers, September FAC meeting 9/19/2019

## Revenue Growth Highlights 2014 through 2018

Revenue Growth (less investment income) up \$2,142K or 25%

Dues up \$811K or 14%

Fees up \$494K or 195%

NMCF/Initial Fees up \$739K or 46%

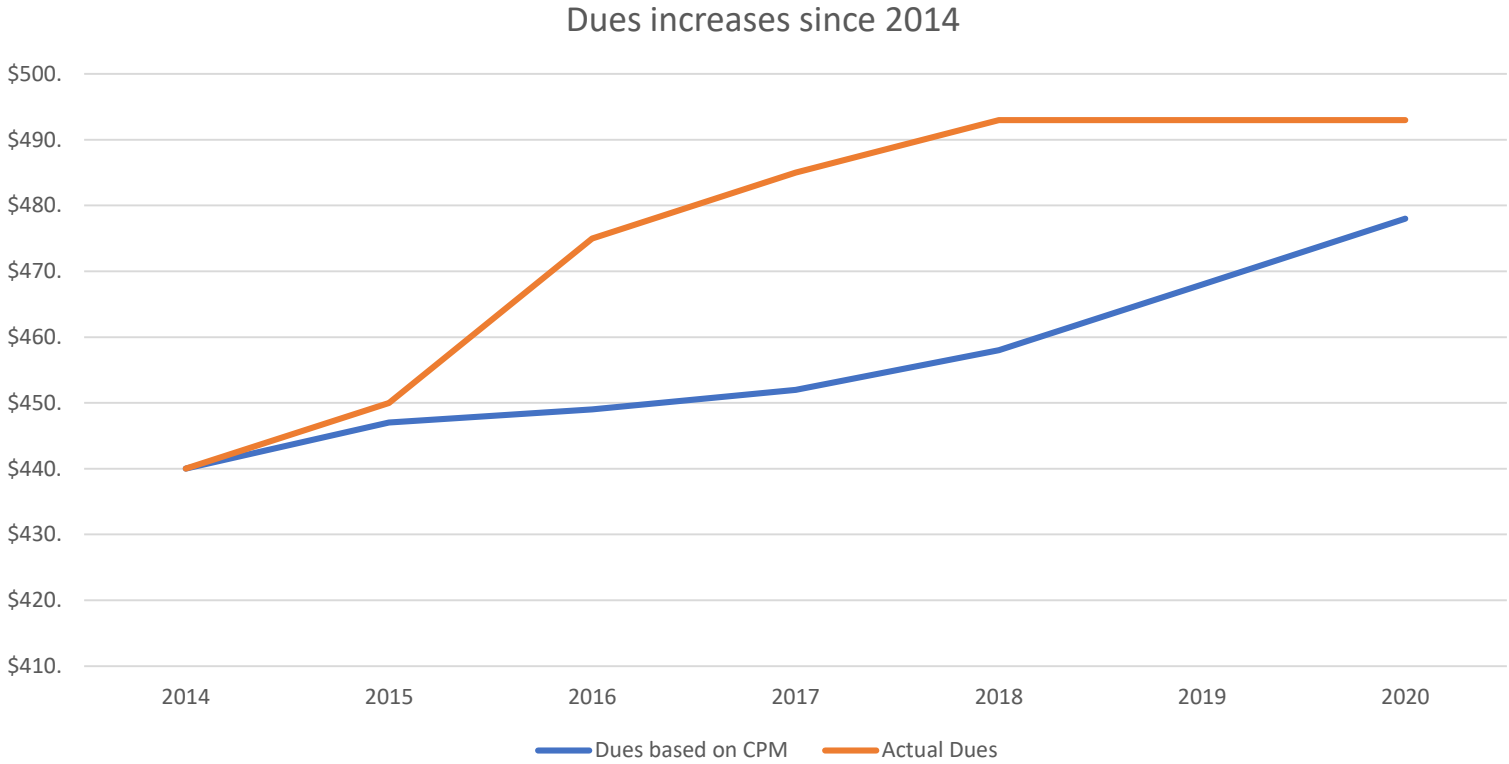
Programs and Classes up \$60K or 9%

Communications and Other up \$209K or 129%

Inflation up 7% vs Dues plus Fees up 21%

**Growth in member costs significantly greater than inflation.**

# Dues are approaching Policy Guidelines

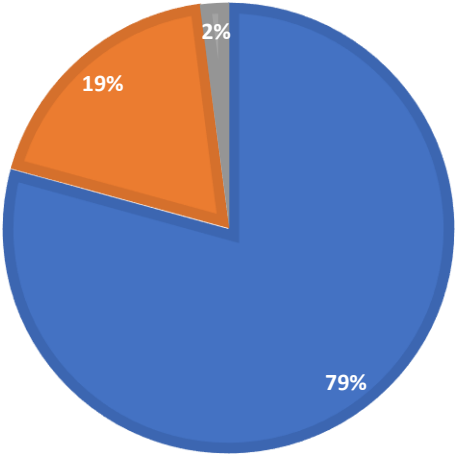


2020 is an estimate based on CPI-w through July

# Revenue Sources over Time

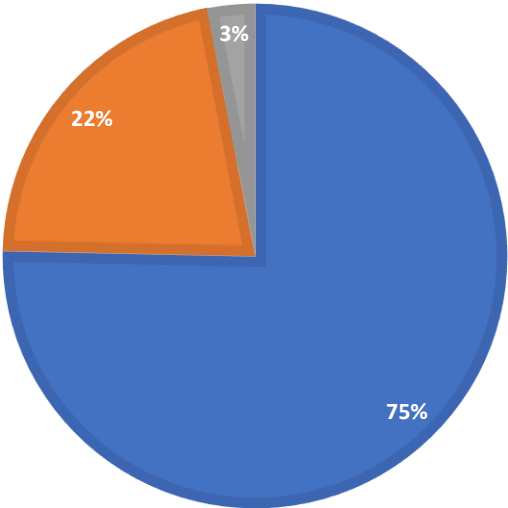
### 2014 REVENUE SOURCES

■ Dues, Fees, Rec inc ■ Capital Rev ■ Other



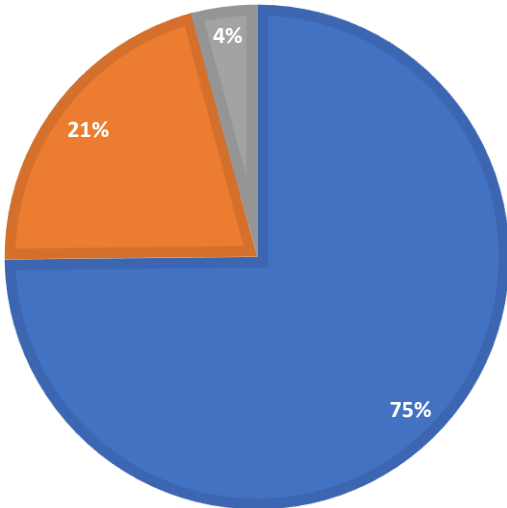
### 2018 REVENUE SOURCES

■ Dues, fees, rec inc ■ Capital rev ■ Other



### PROJECTED 2020 REVENUE

■ Dues/fees/rec ■ Capital Rev ■ Other



## Expense Growth 2014 - 2018

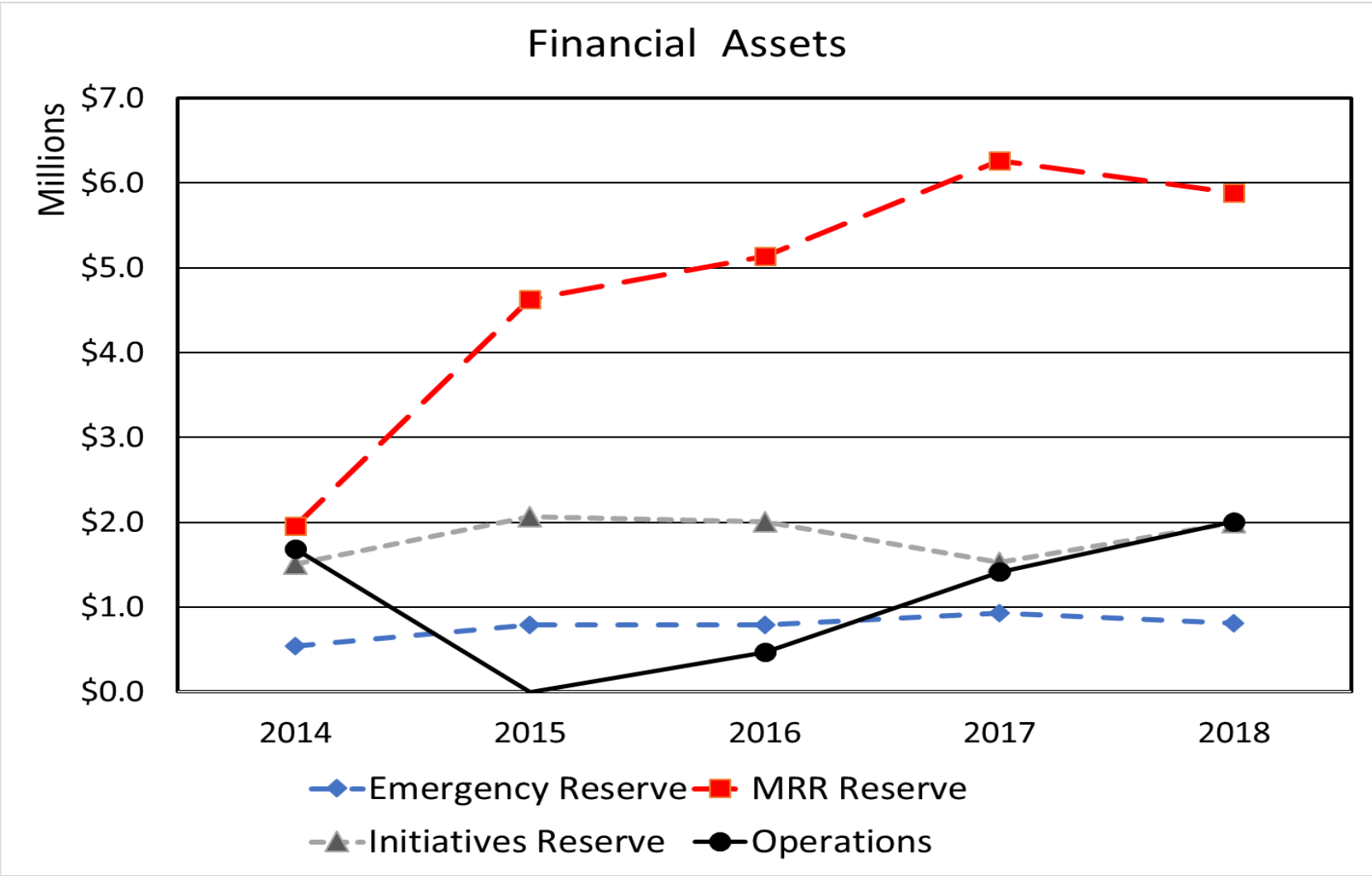
- Total operating expense less depreciation up \$2,341K or 36%
- Personnel up \$1,259K or 37%
- Utilities up \$59K or 7% (right on inflation)
- Recreation contracts up \$61 or 15%

Since 2015 (comparable 2014 numbers not available)

- Facilities less depreciation and utilities up \$468K or 77%
- Communications up \$60 or 46%
- Operations plus Corporate expense up \$503 or 63%

If you subtract out the \$155K write-off for IT the increase is \$348K or 44%

# Our Financial Assets have Grown Substantially



From Charlie's Annual Meeting Presentation

# The Good News

- Reserves are in relatively good shape
- Additional property capital fees should make up for decreased housing turn over
- Year end 2018 we had over \$2M in excess operational funds and that should grow in 2019
- New investment advisors should substantially increase investment returns

# Areas of Focus

- Must gain control of expense areas that are growing far beyond inflation
- MR&R Reserve has fallen under the target 85% funded level
- Resources have not kept up with number of new members and changing interests
- Member services funding has fallen behind overhead funding, for example:
  - Classes and recreational programs have only grown 15% and are projected to stay flat in 2020
  - Operations and Corporate Expenses have grown 63% and are projected to go up 7% in 2020
- Need better ways to track member service expenses vs overhead (direct vs indirect)
- Need a clearer way to track and prioritize new capital projects – member service vs overhead