Posting Approved by Chair Crothers, March 10, 2020

Fiscal Affairs Committee (FAC) February 2020 Highlights

At the February 18, 2020 meeting, the FAC got its first chance to review the preliminary 2019 numbers. This is only preliminary and could change with the audit, but it looks like we ended the year in great shape. We increased our fixed assets by $2.1M and ended with over $16M in operations and reserves.

We were 1.8% under our revenue target but 2% higher than 2018. The shortfall in capital revenue from home turnover and program revenue was almost covered by a significant increase in investment revenue.

Total operating expenses were 1.7% under budget and 0.6% over 2018 or 5.4% over 2018 if you subtract out depreciation and the substantial 2018 IT write-off. We were about 500K under in MR&R, under in non-reserve capital and about $20K over in club capital.

We upgraded our pickleball courts at East adding a court and lights for all 8 courts. We made some enhancements at Woodworking, finished the electrical work for Metal Working, found space for glass arts, upgraded beach volleyball and added a post tension surface at the Madera tennis court. We also made substantial progress on the new Pickleball Center.

We are off to a good start in January 2020. We are well under budget and Jan 2019 in expenses and a bit over in revenue. The best news is that our cash requirements report is showing about $3.5M in float even at our low point in the year at the end of November. That means there is money available in operations that could be directed towards member programs beyond those identified in the 2020 budget.

On other topics covered in the meeting, our CEO reported on the search for lower credit card and bank charges. It looks like we may be able to save a considerable amount on this expense item.

We received a report on our investment in the Facilities Maintenance building. We have spent about $1M on this facility. We requested an update on what had been spent so far on the new pickleball center and what we were still expecting to pay, but our CEO said that information was not available and wouldn't be until after the construction was finished and all bills paid.

Marge Garneau reported on the findings of the MR&R subcommittee. We may be in much better shape than we thought as our reserve consultant was not using actual account balances and expenses to calculate our percent funded. The committee recommends that we use actuals for our calculations, get a thorough explanation when total funding requirements go up so much ($2M in two years), and we continue to have the 85-100% funding target.

The next FAC meeting will be 3/17 at 1:30 in the East Center Lounge