

To: Blue Pacific Board of Directors:

6/2/23

RE: 2023-2024 Budget Review by the Finance Committee

The Finance Committee met on Wednesday, May 17th and reviewed the proposed 2023-2024 Budget. In attendance were Brendan Coad, Buff McCharen, Desiree Sanchez and Dave O'Connor. Not in Attendance were Beth Braun, Victoria McCharen and Wendi Strong. Some items were identified as needing to be revised and were sent back to EMS on 5/17/23.

The 2023-2024 Budget" was updated with additional revenue items and returned 5/25/23, the new budget numbers are reflected below.

Identified Points for Consideration:

The 2022-2023 Budget as of April 2023 Operational Statement shows our "Net Income" as (\$44,453), with two months reporting remaining in the fiscal year's budget and a current variance (Over Budget) of (\$129,484) from our 2022-2023 Budget. The main Items of the over-budget were identified as the loss of revenue from Water revenue, the Management fee increase -\$45k, Street Repairs \$20k, Club House Roof \$25k and Landscaping \$24k. Revenue is about even for 22-23 & 23-24
Expenses are up ~\$40k (~\$30k operating & ~\$10k maintenance): Payroll ~+\$16k budgeted, Landscaping ~+\$5k, Insurance MIP ~+\$20k, Insurance Escrow ~+10k, Property tax - secured <\$30K>

Finance Committee Notes:

- EMS Main Operational Account is low at \$35k.
- Suggest we utilize our Red Reserve Replacement account for bigger projects.
- Our biggest expenses are Payroll and our Management fee.

Recommendations:

- Due to time constraints it is suggested a further budget study be done in the months following.
- Suggest a study to consider ways to lower our expenses and utilize our Reserve Accounts.
- Suggest a study of the Regular and Reserve Property Tax Accounts.