

Ocean Pines Budget and Finance Annual Report October 2023

Section I. COMMITTEE MEMBERS AND STATUS OF TERMS

Doug Parks (Chairman 10/23)	First Term expires September 2026
Donald Nederostek	First Term expires November 2023
Donald Bonafede	First Term expires February 2024
Yvette Tanious	First Term expires March 2024
Dick Keiling	Extended Term expires July 2024
Brian Reynolds	Second Term expires September 2024
George Solyak	Second Term expires September 2024
John Wherrity	First Term expires January 2026
Colette Horn	First Term expires September 2026

Section II. SUMMARY OF MAJOR ACTIVITIES DURING REPORTING PERIOD

- The committee conducted monthly detailed reviews of operating results, the controller's report, and other associated topics.
- During the year the committee reviewed numerous capital projects and proposals as presented by the GM and staff.
- Met with OPVFD in October 2022 for a review of YTD financials and a preliminary look at the upcoming budget. This was very helpful in facilitating the budget process as B&F does not see the OPVFD financials monthly.
- Last year B&F reviewed the OPA/OPFVD MOU and made recommendations to the Board on several issues, including a new agreement going forward. Throughout the year B&F has followed this open item, fully understanding the OPA/OPVFD Work Group was focusing on the South Station replacement as a top priority.
- Conducted a 2-day in-depth review of the proposed 2023/2024 budget by department in January 2023 and submitted a 12-page report with Executive Summary to the Board of Directors and GM. B&F's review and report facilitated a smooth follow-on Board review of the proposed budget. B&F has consistently encouraged Board participation in our annual review.
- Advocated for an increase in the Road Reserve and pleased that OPA increased this reserve to \$1M in the new budget.
- Advocated for repair and cleanup of Ocean Pines mailboxes and continued to follow this initiative during the year.
- The committee conducted a monthly OPA Bank Reconciliation review.
- Reviewed a draft of the Financial Policy manual and made suggested edits. In addition, we have reviewed Financial Procedure Manual sectional drafts as submitted by the Director of Finance.
- Per Resolution F-01, B&F reviewed the financial condition of OPA's banks and reported favorably to the Board of Directors.
- Per Resolution C-01, B&F met with the Director of Finance and the Accounting Manager to review investments and investment procedures.

- We advocated for and received additions to the monthly financial reports. We are pleased the GM has in October 2023 published these supplemental reports available to the community at large.
- B&F has monitored amenity membership changes from one year to the next, which is important when membership fee changes are proposed during the annual budget cycle.
- The team reviewed the draft external financial statements prior to their release and encourages this in future years.
- As part of the financial statement review the team looked at the Allowance for Doubtful Accounts reserve seeking a deeper look at our policy. Currently our policy remains unchanged.
- 24/25 Budget Guidance and Recommendations were submitted to the Board and GM in September 2023
- B&F requested and reviewed a draft of the OPVFD apparatus replacement schedule as prepared by OPVFD in our October 2023 meeting. The team agreed to schedule a meeting with the OPVFD to review the schedule and address the significant shortfall driven by escalated replacement values.
- B&F appreciates the support from the Administration Team and the Board in conducting our responsibilities throughout the year.

Section III. PROBLEMS ENCOUNTERED AND ASSISTANCE REQUIRED

- None

Section IV. REQUEST FOR ITEMS TO BE CONSIDERED FOR INCLUSION IN THE NEXT OPA BUDGET. CHAIRPERSONS SHOULD CONSIDER IMPACTS ON THEIR COMMITTEES RELATING TO THE OPA COMPREHNSIVE PLAN

- See B&F Advisory committee Budget Guidance provided to the Board on 9/23.

Section V. RECOMMENDATIONS FOR BOARD ACTION

- See B&F Advisory Committee Budget Guidance Recommendations presented to the Board on 9/23.
- See our OPVFD/OPA report to the Board on the MOU/Contract replacement with our numerous recommendations, which we believe remain valid.
- Publish the completed Financial Policy Manual.