

# **Imperial Golf Estates Homeowners Association**

## **Treasurer's Report**

### **To The Board of Directors**

#### **October 13, 2022**

#### **August Operating Results:**

In August our monthly income was below budget by \$3,707.48 (3.5%) and our expenses were above budget by \$8,953.31 (8.3%) with the net result a deficit of \$12,660.79. The income shortfall was driven primarily by home Sales and Transfer Fees under budget by \$2,667.00. On the expense side two over budget items, legal (\$1,624.50) and grounds maintenance (\$6,681.59) were the major reasons for the expense overage. The latter was actually an improvement with the planting of Calusas along the Entrada roadway to mask the drainage ditch.

At this point of our fiscal year, year-to-date we continue to be above budget for income (0.6%) and below budget for expenses (0.4%), resulting in a surplus of \$8,648.49.

#### **Homeowner Association Finances Assessment:**

Looking forward to the remainder of the year, in the face of likely rises in interest rates and inflation, and a probable recession, we expect deficits to continue in the remaining months of the year. The estimate at this time is at year-end the deficit will be in the range of \$25,000 to \$50,000, which will have to be covered by reserve funds. We will be looking at all our options to avoid or defer expenses as much as possible.

We have begun our 2023 budget development activities initially by contacting vendors who provide contract services to get their renewal proposals and, to the extent possible, get rate increase estimates for services. Known increases at this point are in our insurance coverages (which actually begin in 2022) and maintenance of the common areas. We can expect our utility costs, such as electric and trash collection to increase since their costs are significantly impacted by rising fuel costs. Last January electric costs were increased by FPL by 13%. A similar (or possibly greater) increase is likely in store for 2023.

Signed:

Conrad Peacock, Treasurer