

# **Imperial Golf Estates Homeowners Association**

## **Treasurer's Report**

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

#### **November 10, 2022**

#### **September Preliminary Operating Results:**

In September our monthly income was below budget by \$950.79 (0.9%) and our expenses were below budget by \$2,305.18 (2.1%) with the net result a surplus of \$1,354.39. The income shortfall was almost solely due to Operating Assessment income being under budget by \$994.38. On the expense side the results were a mixed series of accounts over and under budget. The two most significant positives were Legal Expense and Grounds Maintenance/Repairs. Offsetting those savings were the most significant items over budget, Entrada Gate Maintenance, Miscellaneous Expense and Electric costs

Year-to-date at the nine month point of our fiscal year, we continue to be above budget for income (0.4%) and below budget for expenses (0.4%), resulting in a surplus of \$10,010.88.

#### **Homeowner Association Proposed 2023 Budget:**

The Calendar Year 2023 Proposed Operating Budget is driven by an overall increase of \$57,858 (4.4%) in expenses with reserve contributions remaining the same as in 2022. An important perspective on our expenses is that we have thirty line items with budgeted amounts of which seven items (each of which exceed an annual cost of \$40,000) account for 91% of our expense budget. In the aggregate they amount to an increase of \$71,258 (6.2%) over 2022. It should be noted that we have reduced our budget by \$13,400 for the other twenty-three line items.

The primary/sole vendors for the seven expense items are Florida Power & Light (FPL)\*, the Greater Imperial Board (GIB)\*, Insurance coverages\*, Jose Pineda Landscaping, Vesta Property Management, Xfinity Cable/Internet\* and our own maintenance costs. The four vendors asterisked above are entities that we essentially have no control over in this budget cycle and account for 74% of our costs. Other than FPL and our own maintenance, the foregoing vendors services are under fixed pricing contracts.

The budgeted Homeowner Assessment is solely the result of the expense budget minus non-assessment income divided by the number of buildable lots in Imperial

Golf Estates. The only change in the non-assessment income items is a reduction in the expected sales/transfer fees to reflect an expectation that with rising interest/mortgage rates there will be a decline in activity from 2022. The resulting change in the annual Homeowner assessment is an increase of 5.2%. On a quarterly payment basis, the increase is \$30.20 (\$605.97 versus \$575.77 in 2022).

**Homeowner Association Finances Assessment:**

The Homeowners Association has adequate cash flow to cover operating expenses and maintain necessary reserve contributions. Estimating the year end results are difficult in the current inflationary environment. My best estimate is that we will be near break-even for our operating results with a worst case scenario of a deficit of less than one-half percent of budget.

Signed:

Conrad Peacock, Treasurer