

# **Imperial Golf Estates Homeowners Association**

## **Treasurer's Report**

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

#### **July 14, 2022**

#### **May Preliminary Operating Results:**

In this fifth month of our fiscal year our income was below budget by \$1,077.07 (1.0%) and our expenses were above budget by \$5,300.66 (4.9%) with the net result a deficit of \$6,377.63. The net deficit was driven almost solely by two expense items – audit and legal. While budgeted evenly over the entire year, the audit fees actually occur only once a year. Thus, when the audit invoice for \$4,900.00 was received in May, we were significantly over budget for the month. Legal expenses added approximately \$1,600 to the overage. Without those two expenses we would have been under budget for expenses.

On a year-to-date view we continue to be above budget for income (2.5%) and below budget for expenses (3.1%), resulting in a surplus of almost \$30,000. We can expect our above budget income experience to abate as interest rates rise and other negative economic forces come into play to impact the housing market. Similarly, on the expense side we are starting to see the effects of the inflationary pressures on the economy. We expect it will be more difficult to maintain our below budget expense position in each of the coming months. While the future doesn't look to be as rosy as the past few months, we expect to end the year closer to budget for both income and expenses.

#### **Calendar Year 2021 Overall Results:**

Discussions with the auditors on their draft report were done in June and the audit has been completed and just received as of this writing. Once the audit adjustments have been made, the adjusted results for FY2021 will be published and final comments made.

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

Overall, the Imperial Golf Estates Homeowners Association's fiscal status continues to be healthy with adequate cash flow to fund operations and grow reserves.

Signed:

Conrad Peacock, Treasurer