PBV Treasurer's Report Part B&C—September Financials

November 4. 2021

1. Part B—Mike Gallagher reviewed the September Property Report
2. Part C.—Steve Croft added additional points.
    - September Results: September expenses were $29,930 versus the monthly budget of $26,957, which results in a negative net income of $2,973 the month. September is the month when we see our annual tree trimming expenses. This is a once-a-year expense budgeted at $7,000, and this year they were somewhat higher ($8,484) due to extra trimming needed for the new security cameras and to prepare for repainting the complex in 2022. In September, all other expense categories were below budget; however, with the September's negative net income our cash deficit increased from $14,194 to $15,381.

    - 2021 Financial Position: YTD income is on target at $247,192, with YTD expense of $243,094 for a YTD net income of $4,098.

    - Estimated 2021 Year End Financials:
        - Estimated Total Income and Expense: We are estimating 2021's total income to be about $329,300, with estimated year end expenses of $324,000 (or less), for a 2021 YTD net income of $5,300 vs. a budgeted net income of $4,000.
        - Yearend Cash Position: Elliott Merrill has long advocated that condo associations maintain available operating balances equal to 3 months of operating expenses, and our new By-Laws formalize this. For PBV, in 2021, 3 months of operating costs is about $81,000. Starting in March 2021, Elliott Merrill (at our request) has been reporting PBV's available cash position in our monthly property reports—which are posted on the PBV website. Throughout all 2021 we have been deficit in cash compared to the new cash standard. By design and accounting rules, our cash position will naturally vary throughout the year with changes in operating income and the normal monthly reductions in our pre-paid insurance (which is part of our monthly balance sheets). Since the available cash position varies monthly, we need a defined point in the regular available cash cycle by which to measure our position. The Board will be adopting our yearend cash position as the benchmark for meeting our new cash standard. Our best estimate is that we will end 2021 with an available cash deficit of about $25,000. We are currently discussing ways by which we will cure this deficit and will have motions for doing this at our first 2022 board meeting. Curing this deficit will take additional funds since it is not built into our current draft 2022 operating budget. We will discuss this further in item D, in the last agenda item.