



2022 AAR AUDIT DASHBOARD

The Executive Committee has reviewed the 2022 audit conducted by the accounting firm of Walker & Armstrong.

Financial Highlights:

The total assets for all funds (General Operating, Fixed Assets, Operating Reserve, Capital Reserve, Strategic Initiative Reserve, Issues Mobilization and Homeownership Alliance) are \$42,574,921 with total net assets of \$38,354,659. This represents an increase of \$1,886,735 in total net assets from 2021 audited figures due mainly to operating revenues and support being greater than operating expenses net of an overall loss in investment earnings.

2022 activity closed with \$1,886,735 in revenue in excess of expenses. Depreciation for the year, 2022 was \$180,362. As a reminder, our Bylaws require that we recognize an amount annually in the Operating Budget for depreciation payable to the Capital Reserve. The Board of Directors set depreciation funding in the Capital Reserve at \$233,591 for 2022.

Net Assets and Accumulated Operating Surplus:

At the end of 2022, there is an accumulated operating surplus of \$3,280,071. The surplus is comprised of (a) current assets *[after excluding cash equivalents and investments that are committed as designated or restricted funds]* (b) less current liabilities.

As of December 31, 2022, reserve balances are as follows:

Capital Purchases Reserve is \$6,789,864.

Special Operating Reserve is \$11,234,247.

Strategic Initiative Reserve is \$3,665,453.

Arizona Homeownership Alliance is \$402,492.

Issues Mobilization Fund's balance, as of December 31, 2022, is \$11,608,143 of which \$858,388 is restricted for local association local issues requests.

Auditor Recommendations:

The audit firm of Walker and Armstrong had no reported material weaknesses or significant deficiencies with respect to the Association's financial internal controls.

There are no irregularities reported. Copies of the 2022 AAR Audit are available at the check-in desk.