

## **HOAMCO – *Best Practices***



### **Financial Statements**

Financial reports have two primary purposes:

- 1) To provide their internal and external users with economic information needed to make *appropriate decisions* on behalf of the community association; and,
- 2) To enable the community associations board and manager to *control* the community's financial operations.

HOAMCO's financial reports consist of:

- Balance sheet
- Income/Expenses Report
- Cash Disbursements
- Delinquencies

Monthly financial reports are to be formally approved by the association board of directors. This formal approval allows the boards to exercise their fiduciary responsibility. Be helpful by providing explanation of major variances and noting cash disbursements for unusual items.