

Ventana Lakes Property Owners Association  
Treasurer's Report  
May 10, 2008

**Colby Financial Statements**

The financial statements will be posted on the website as soon as they are available. The Financial statements for 3/31/08 were corrected to reflect correct reserve expenses and correct Master and Garden legal fees. The only remaining amounts in reserves are the mold remediation expenses of \$32,793 and painting of management office for \$3,825.

**CD's:**

We have a AM Trust CD in the amount of \$45,000 due on 5/23/08 and another CD from Sky Bank in the amount of \$50,000 with First Federal Savings Bank due on 5/27/08. I recommend moving the \$50,000 CD to a money market account to cover future reserve expenses and reinvesting the other.

Looking ahead we have 2 CD's due in August for \$82,000 and \$79,200 for renewal.

**New Information:**

In the past months I noted that \$77,476 of accumulated surpluses from prior years and this was identified in the equity section as belonging to the Gardens. Colby always computed interest on that balance and increased the Gardens reserve by the same interest amount. Late April or Early May this amount was transferred to a Gardens reserve investment account. The Master association has no need to make up for this transfer because these funds always belonged to the Gardens.

I have recently noted that there was an accumulation of funds that belongs to the Master POA in the form of a Advanta CD in the amount of \$100,312 and \$94,683 (\$172,129 - \$77,476) in the compass operating account as of 12/31/07. These balances became the 2008 beginning operating cash balances.

We spent more money than the income received for the first 3 months of 2008 in the amount of \$25,856. The Master POA did not borrow any funds to pay for these extra expenses because of the beginning balances of our cash operating accounts. Current spending trends indicate that we may be overspending in future months.

**Reserve Balance Trends:**

The Master reserve budgeted contributions for 2008 are \$60,000 and reserve interest of \$30,000 for a total of \$90,000. The recommended reserve contribution for 2008 is \$14,000 per month for a total \$168,000. Our reserve contribution as budgeted is short by \$78,000.

We are making some capital expenditures from our reserves. We have already spent \$36,618 and will be paying for the repaving in excess of \$63,000, kitchen remodeling, shores irrigation work, and other unknown projects. If the Gardens resolution is passed we will have a further reduction to the Master reserves of \$40,000. I estimate that by year end the Master reserves will be funded at 60-65%.

The Gardens is already on tract to realize a surplus by year end. If the Gardens resolution were to pass the Gardens surplus will increase even more and they will receive an additional \$40,000 reserve contribution. I estimate that by year end their reserves will be 100% funded.

Submitted and signed by Maurice Frenette this 10<sup>th</sup> day of May, 2008.

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Maurice Frenette