

MARCH TREASURER'S REPORT

April 21, 2010

1. **The Colby Financial Statement** The February financial statements were received April 15, 2010, and were accepted as presented.

2. **Expenditure status – master**

Our expenses in these difficult economic times remain at an acceptable level overall consistent with the effort to stick to the bare bones budget prepared for this year. However, some expenses can't be predicted.

Budgets reflecting expenses for maintenance of our aging facilities and lakes are over budget in two categories; computer repairs have been extensive, already exceeding the annual budget of \$1,980 by \$1,778 without expected costs for a possible conversion to a less expensive method of printing the Ventana Views; our utility and natural gas costs are currently under budget by a total of more than \$14,000. Finally, lower returns on association investments because of the global financial situation have put us \$3,929 below budget projections, but transfer fee collections on property sales are \$5,600 over budget.

3. **Expenditure status – gardens**

Irrigation repairs of \$3,055 have put expenses over the annual budget of \$1,644; granite replenishment costs of \$3,088 are closing in on the annual budget of \$4,860; and expenses on insurance year to date total \$13,840, in excess of the annual budget of \$9,380. Also, the cash on hand of \$740 is unusually sparse and an indication that it was wise that the board did not transfer unexpended 2009 garden operating funds into the reserve as it has in some previous years or a cash flow shortage would have undoubtedly resulted.

4. **Master reserve and cash balance:**

CD Brokerage initial value Wells Fargo	\$427,000
Current Value of WF CDs	\$444,773
WF money market	\$413,004
7 Additional CDs	\$443,601
Cash Balance	\$181,190
MOB Money Market	\$90,441
Colby Total Master Reserve	\$1,344,261 (plus interest to be added)

5. **Gardens reserve and cash balance**

CD Brokerage initial value Wells Fargo	\$268,383
Current Value of WF CDs	\$178,768
WF Money Market	\$92,338
Colby total Gardens reserves	\$271,107

7. **Delinquent Homeowners Accounts**

The number of homeowners in arrears has dropped from 71 to 45, and the amount owed has decreased from \$33,842 to \$26,628. The number of residents owing under \$227 has decreased 41 to 12. However, the association is beginning to lose income from homeowners whose residences are sold at foreclosure negating our liens on the property, often as much as \$2,500 or more each. Also, bankruptcy cases are beginning to appear, one just today. Court cases resulting from the economic depression are beginning to reach conclusion, and an effort is being made by our financial management office's lawyers to collect what is owed when possible.

8. Training seminar

The board president, treasurer and manger attended a training seminar recently on contracts. Ekmark & Ekmark's contract specialist, cautioned against using outdated business methods, such as obtaining goods and services without using contracts, to be certain associations have rights and recourse in the event of unsatisfactory performance. She provided examples useful to our payment processes, and I have already discussed with Jack developing electronic contract templates for future use in purchases. These templates could be reviewed by legal counsel in advance and modified to individual circumstances thereby avoiding the cost of having each individual purchase vetted.

Another presentation involved a big change in how associations write both contracts and requests for proposals. Instead of detailed specifications on how the work must be done, the contract language is results-oriented, putting the burden for good performance on the service or goods provider. The technique even uses digital photographs of satisfactory lawns, bush trimming, etc., in contracts. I am anticipating presenting a proposal on investigating the benefit to our association of these presentations at any future board workshop session.

9. Vada Bowers program

The total of charitable contributions has reached \$915.

10. Audit/income tax

Our auditor is doing our 2009 income taxes and has obtained an extension. We can expect that she will complete our 2009 financial audit in July.

11. Insurance

Jack has been making repeated calls in an effort to get insurance underwriters to finish and provide to us our master property insurance policy. We have a binder, and should be covered for the pools, common areas and office, but I am considering filing a complaint with the Arizona insurance commissioner if this situation persists.

12. Reserve study

It is under way, and should provide excellent results as for the first time our experienced association manager has been able to provide information and assistance directly to the workers on site. However, contrary to what you may have read in a local newspaper, it is not completed and thus not available for you to see today.

13. Appreciation

I would like to thank former Treasurer Judy Mabie and Manager Jack Donovan for their patience and assistance as I come up to speed on the many aspects of this complicated task.