

APRIL TREASURER'S REPORT: May 19, 2010

- 1. The Colby Financial Statement** The April financial statements were received May 12, 2010, and were accepted as presented with minor corrections.
- 2. Delinquent Homeowners Account** The number of homeowners in arrears has increased just as suddenly as it dropped in the previous month. Last month it rose from 45 households in arrears to 100, which is about 5.8% of our total number of residences. The amount owed likewise increased from \$26,628 to \$43,886. The number of residents owing more than \$227 has increased from 12 to 26, and the number owing more than \$1,000 is 11, including one owing more than \$3,000. The rest owe less than \$227.
- 3. Bad debt** In addition to delinquencies, we are beginning to have to formally write off bad debt as uncollectible as the result of losing our liens on foreclosed properties. This includes \$2,820 in lost revenue in April
- 4. Expenditure status – master**

Some unusual variations in our reported utility expenses for April are being investigated for possible error as they show a tenfold increase month to month in telephone expenses and no expenses in March for natural gas, both apparent mistakes. Also, revenue in April from bank account interest was shown as just \$625, prompting a discussion of the low rate of return on money market accounts versus our need for liquidity because of possible 2010 expenses to maintain our aging facilities. This maintenance is likely to be recommended next month in our new reserve study.

Overall maintenance expenditures show a four-month level of \$19,387 under budget, a good sign considering there were some unexpected repairs for which money was not appropriated in our initial budget. These unplanned expenses included \$8,873 in irrigation repairs, \$3,464 in kitchen repairs, \$2,308 in welding and \$1,111 in mold remediation. Taking into consideration a \$5,970 shortfall in April in anticipated reserve account revenue; the aforementioned higher-than-anticipated expenditures and the delinquency and bad debt problems we must take care to limit expenditures for the remaining eight months to avoid ending 2010 in the red.

The good news is that we currently have a year-to-date surplus in our operating budget of \$91,124 compared with \$71,101 last month.

- 5. Expenditure status – gardens**

Operating expenses for the first four months totaled \$41,708, which is \$10,148 over the projected level for that time of year. Meanwhile, March's cash on hand of \$740, which had caused some cash flow concern, increased in April to \$4,951, a welcome development. However, the amount of the Garden's Reserve Account actually decreased during April to \$264,662 from last month's comparable number of \$268,539. This resulted in part from the expenditure of \$7,535 in reserve funds for river rock and a meager \$5.76 in earned interest during April. Yet, with a year-to-date budget for expenditures of \$11,264 there remained at April's end an amount of \$7,529 ahead of projections for that point in the year.

- 6. Master reserve and cash balance:**

CD Brokerage initial value Wells Fargo	\$427,000
Current Value of WF CDs	\$444,652
WF money market	\$421,688
7 Additional CDs	\$443,598
Cash Balance	\$256,309
MOB Money Market	\$90,498
Colby Total Master Reserve	\$1,384,183 (plus interest to be added)

5. Gardens reserve and cash balance

CD Brokerage initial value Wells Fargo	\$272,157
Current Value of WF CDs	\$178,650
WF Money Market	\$95,157
Colby total Gardens reserves	\$264,622

6. Insurance

Our master property insurance policy is in hand and under review. A meeting is to be scheduled without our agent to discuss several potential drafting defects which could require clarification. We have a binder and should be fully covered while any problems are resolved.