

JULY 21, 2010 TREASURER'S REPORT FOR FIRST SIX MONTHS

1. The Colby Financial Statement

The June financial statements were received July 13, 2010, and were accepted as presented with minor corrections to bring them current as of 4 p.m. July 17.

2. Delinquent Homeowners

The total amount in arrears is \$26,638 compared with \$31,934 the previous month. Residents owing more than \$227.40 total 28 compared with 26 in each of the previous two months. The number owing more than \$1,000 is 8 compared to 10 the previous month. Three owe more than \$2,000 and 1 owes \$3,028.40. The rest owe less than \$227.40. Five delinquent properties are in bank ownership. The total number of properties in collection, either diversion or active collection, is 42, representing a potential owed of \$22,861.47. The remaining arrearage is too new to be in collection.

3. Expenditure status – Master

We are currently ahead of the game in operating revenue, and behind the projected pace in spending.

According to one unofficial projection, based on six months of data, we could have slightly more in total income than anticipated from established accounts at year's end. Another projection expects almost twice as much income from real estate transfer fees as initially projected, meaning our funding of the reserve account for this year will exceed initial projections.

Total operation expenditures for the first six months were \$582,081 compared to the \$1,326,043 budgeted for all of 2010. The unofficial estimate projects \$70,783, less in expenditures at year's end than initially anticipated. That means that unless we encounter significant unforeseen expenditures it appears possible the association could end 2010 in the black.

4. Expenditure status – Gardens

The operating expenditures for the first six months were \$67,469 compared with \$53,559 after five months. The annual budget calls for expenditures of \$94,695. Gardens revenue for the first six months stands at \$67,469 compared with \$43,256 after five months and an initial projection for 2010 of \$103,680. The unofficial analysis projects \$13,433 more in expenditures at year's end than initially projected.

5. Master reserve and cash balance:

Brokerage account:

WF CDs \$595,197.88

WF cash \$433.93

Bank account:

WF Money Market \$90,600.77

7 Additional CDs \$443,600.86

MOB Money Market \$90,604.26

M&I Money Market \$200,195.43

Operating cash \$200,407.31

Total Master Reserve \$1,420,663.13 (Plus \$7,582 due from operating)

6. Gardens reserve and cash balance

Brokerage account:

WF CDs \$178,345.64

WF Money Market \$0.00

Bank account:

WF Money Market \$99,615.66

Total Gardens reserves \$277,961.30 (Less \$4,714 due to master)

7. Investments

Several association CDs will mature soon. Since the federal government now insures cash in interest-bearing bank money market accounts only up to a total of \$250,000 the association will need up to three new accounts soon in major banks, with local offices (to facilitate auditing). The accounts are liquid, and presently provide the same or greater return on investment than short or medium term certificates of deposit. Until Reserve Study maintenance, repair and restoration work is completed in 2011 it makes no sense to invest association assets in long term CDs or US Treasury Bonds because of the danger of inflation.