

**Treasurer's Report
Harbour Towne Executive Board Meeting
September 5, 2009**

1. Balance Sheet (As of August 28, 2009):

Checking (Bank Star One)	\$ -14,475.85*
Golden Passbook (Bank Star One)	\$ 36,240.70
Money Market @ CBOLO (Breakwater)	\$ 26,401.24
CD #4623 (Great Southern)	\$ 44,984.73**
CDARS Account (Great Southern)	\$ 45,701.78
Money Manager (Great Southern)	<u>\$ 0.00</u>
Total Funds	\$138,852.60

* Does not reflect the \$15,000.00 that was transferred to the Checking account from the Golden Passbook account on August 31, 2009.

** CD matured on September 3, 2009. However, there appears to be a mix up on our account numbering. The notice from Great Southern references CD #4631, but our chart of accounts lists CD #4623. Nichols Management staff are aware of the discrepancy and are working with Great Southern bank to correct the problem.

BOARD ACTION REQUIRED:

Need to decide what to do with the funds from CD that matured on 9/3/09:

Recommendation – Transfer funds to the Great Southern Money Manager account until the October 1st assessments start arriving. We only have \$21,764.85 in the Checking and Golden Passbook accounts, which may not be enough to cover our cash needs until late September. Once assessments start arriving, check on interest rates for CD's and CDARS and deposit some or all of the money back into whichever provides the best earnings.

Accounts Receivable:

As of August 28, 2009, our Accounts Receivable total is \$41,258.38. Of this amount, \$16,693.94 is associated with the Breakwater assessments.

Fixed Assets:

Per previous discussions, the Board opted to treat the Breakwater like the docks and not include them as an asset of the Association. Nichols Management staff will be making adjustments to reflect this once they receive our 2008 Audit report and adjusting entries from Evers & Co.

Long-Term Liabilities:

There is an outstanding balance on the breakwater loan of \$280,307.38 and there is a balance of \$26,405.27 in the Breakwater Money Market account. There's also an additional \$8,775.71 that needs to be transferred from the checking account to the Breakwater Money Market account due to owners paying their assessments with one check instead of two. The balance in the Breakwater Money Market account on July 31, 2009 was \$23,096.78. Since there's no pre-payment penalties on the Breakwater loan, why is over \$23,000.00 being allowed to sit in an account for over a month earning 0.20%, while the loan is accruing 3.25% interest? This has been discussed at previous Board meetings. Nichols needs to apply these funds to the Breakwater loan rather than allowing them to sit in the Breakwater Money Market account.

2. Profit & Loss Budget vs. Actual (As of August 31, 2009):

Repairs & Maintenance – Maint. Reserve Acct. #8151: The \$8,669.57 spent YTD is for the new backflow devices on the main water lines.

Repairs & Maintenance – Other Acct. #815: See Account Detail report for listing of invoices billed to this account. Summary of major items:

• Seal & Stripe Parking Lots	\$14,434.50
• Refinish Tennis Court	\$ 6,750.00
• CINTAS – Inspect & Recharge Fire Extinguishers	\$ 1,513.54
• Replace Pool Heater	\$ 2,633.14
• Install Gutters & Downspouts	\$ 6,653.00
• Clubhouse Water Damage	\$ 1,654.77
• Dryer Vent Cleaning	<u>\$ 5,115.00</u>
Major Items Total	<u>\$38,753.95</u>

Landscaping Acct. #816: We've spent \$15,718.59 YTD, which is \$718.59 over budget. We probably need to spend another \$1,200 to \$1,500 this fall for crown reductions on some trees. See list of tree trimming requests currently being evaluated by the Landscape Committee.

Insurance Claims & Expenses Acct. #820: We've spent \$6,262.26 YTD on two insurance claims.

Boat Dock Repairs & Maintenance Acct. #846: Breakout of the \$35,237.64 spent YTD (also, see Account Detail Report):

• Dock D Modifications	\$ 2,181.13
• Dock F Underwater Bracing, Etc.	\$15,252.61

• Anchor Cable Replacement	\$12,200.00
• M&S – Misc. Repairs, Etc.	\$ 4,246.62
• Nichols Mgmt. – Misc. Repairs, Etc.	\$ 934.74
• Miscellaneous	<u>\$ 422.54</u>
Total	\$35,237.64

Net Income: The Profit & Loss Budget vs. Actual Report reflects a Net Income on \$53,899.47, which is misleading due to the Breakwater accounts.

Year-end Net Income Projection:

Net Income (As of 8/28/09)	\$ 53,899.47
Less Breakwater Assessment Income	-\$ 73,268.74
Plus Breakwater Interest Expense	<u>\$ 10,268.74</u>
Adjusted Net Income	-\$ 8,532.89
Projected 4 th Quarter Income	\$131,944.91
Projected Expenses (Sept – Dec.)	<u>-\$146,000.00</u>
Projected Net Loss	-\$ 22,587.98

3. Open Invoices (Accounts Receivable) Report (As of August 28, 2009):

As of August 28, 2009, there are twelve (12) units that are one or more quarters in arrears on their assessments. They breakout as follows:

- 1-Quarter: 5 Units
- 2-Quarters: 3 Units
- 3-Quarters: 2 Unit
- 4-Quarters: 1 Unit (Unit is in Bankruptcy)
- 5-Quarters: 1 Unit (Need to proceed with terminating leases?)

Liens have been filed against the seven (7) units that are two (2) or more quarters in arrears.

4. 2008 Audit:

Evers & Co. plans on completing the 2008 audit report prior to the Annual meeting in October.

Respectfully submitted,

Darrell A. Barber, Treasurer
Harbour Towne Executive Board