

Clearlake Keys POA
Treasurer's Report
General Board Meeting, September 20, 2011

1. It is always important to start a meeting of this sort by mentioning our volunteers. While it's true that I say this to the point of being boring, please prepare to be bored again. We are an organization with annual assessment revenues that are less than the monthly revenues of most associations of our size. If we had to pay for the labor that the POA volunteers put in, we would cease to exist as an organization. In the past, we've identified something around 8,000 hours of volunteer time each year. That number is sure to be exceeded this year due to ongoing algae control issues. It's also important to note the time spent dealing with government agencies this year. What success we have had in dealing with the algae influx is due in no small part to our interaction with Lake County officials. While this process has been beneficial, people like Dennis Locke and Don Hubbard have spent a huge amount of time coordinating our efforts with other efforts in the county.

We expect normal annual expenditures to exceed our assessment revenues again this year. We will have a small surplus at the end of the year because of a combination of volunteer labor and donations from the general membership. The level of donations that we've experienced this year makes my job somewhat easier. While we would prefer to have an organization where expenses are equal to or less than assessment revenues, reality is something else entirely. That reality is simple – our annual per-property assessment is very low and ongoing algae issues have resulted in very heavy equipment usage. We are grateful to those who donate.

2. Summary of current lien status. As of 9-1-11 we have a total of 50 properties that have POA liens attached. I've worked that down from about 80 properties earlier this year. Total amounts due on liened properties are just over \$15,000. We continue to collect on liens as banks bring properties to market. What remains to be seen is what will happen after the December invoicing process. That is a big unknown at this point.
3. One of the issues that every financial executive in any organization is concerned about is succession at the board level. Jack has summarized his concerns about the lack of participation by the general membership at the board level, and I concur. This is not an issue that is peculiar to our organization. Many other community associations state-wide suffer from similar problems in terms of a lack of owner participation. I'd like to schedule a discussion item at the next board meeting to get ideas about how we might go about implementing a recruitment campaign to bring in some new people either on to the board or for board-level tasks such as channel improvement.
4. We will be starting the 2012 budget planning process in October. The key issues, as always, will revolve around the fleet. By next meeting, I'd like to have a solid estimate about how much we

will be spending during the fourth quarter of this year on fleet repairs and spares. This should give us a better picture of what remains for necessary expenditures in 2012.

5. Current financials are as follows.

- a. Total cash on hand is \$141,288
- b. Total amount in the Reserve Fund is \$55,565. Total amount in the Channel Improvement Fund is \$29,135. This leaves us with \$56,500 for current expenses. As we note at every meeting, while this looks like a big number, we have some very substantial expenses ahead of us in terms of insurance, fleet issues, printing and billing. However, given the continuing flow of donations and a relatively successful lien collection program, it's clear that we will finish the year in better shape than forecasted a few months ago.
- c. Year to date revenues total \$65,388. This is broken down as follows.
 - i. Assessment revenues - \$43,863
 - ii. Donations - \$19,680
 - iii. Fees, Late and Legal - \$ 2,186
 - iv. Interest - \$ 1,156
- d. Year to date expenses total \$13,100. That is net of a \$2,900 insurance credit for our old OneBeacon policy, so actual out of pocket expenses year to date are just over \$16,000. We have now utilized the full \$1,500 fuel credit from Jonas, and will therefore be showing actual out of pocket fuel expenses beginning in September.