



TREASURER'S REPORT

May 21, 2008 - AGENDA

1. Our Cash Position at End of April
2. The Bottom Line(s) Revisited
3. April and Year to Date Income
4. April and Year to Date Expenses
5. Some Things to Note
6. End of Year Outlook

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May 21, 2008 – AGENDA (cont.)

7. Outlook for Next Year's Budget
8. Cash Payments Strongly Discouraged
9. Consolidation of Accounts (Status)
10. Finance/Budget Committee
11. Acknowledgements

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- **Our Cash Position at end of April**

Banco Popular Operating	\$495,751.00
Banco Popular Payroll	\$42,300.69
Banco Popular Money Market	\$18,518.78
Banco Popular Small Expense Account	\$00.00
Total Banco Popular (operating accounts above)	\$556,570.47
Banco Popular Money Market Escrow (Rentals)	\$77,166.47

Suntrust Special Assessment (Windows and Doors)	\$0
Suntrust Wilma	\$0
Suntrust Operating	\$0
Suntrust Signature Advantage (Money Market)(Rainy Day Fund)	\$627,651.22

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- **The Bottom Line Revisited**
- **Are we going to run out of money and
Need a # \$ % ! & ***
 - Expenses exceed income and there is no cushion
 - No., we are not going to run out of money, and it is extremely unlikely we will need a # % & * % ! *
 - See next few pages

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- **What is going to Happen Next Year**
 - Are maintenance fees going to go through the Roof?
 - It is still a bit early to tell, but we are fairly confident that maintenance fees will be approximately the same as this year. Stay tuned and we will be reporting on this topic every month. See next few pages

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April and Year-to-Date Income

(See Budget Report for more details)

Monthly Actual Billed	\$390,086
Monthly Budget	\$391,735
Monthly Difference	\$-1,649 (To the Bad – see note 1 below)
Year To Date Actual Billed	\$2,787,613
Year To Date Budget	\$2,742,150
Year to Date Difference	\$45,462 (To the Good)
Current Year unpaid Maintenance Fees	\$92,089 (Last month was \$35K - We continue to chase this money – see note 2 below)
Net, Income - YTD vs Budget	$\$45,462 - \$92,089 = \$-46,627$ (- is Bad)

1. Some additional points: As mentioned last month, the second half of the year is not expected to be as good as the first half because some miscellaneous income has gone away (valet, parking space rentals, storage room rentals only once a year)
2. Unpaid maintenance fees will remain the same or decrease in the next 2 months (quarterly effect) – Expected year end unpaid fees to be around \$120,000

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April and Year-to-Date Expenses (Looking So So)

(See Budget Report for more details)

Monthly Actual Expenses	\$426,881
Monthly Expense Budget	\$391,736
Monthly Difference	\$35,145 (To the Bad)* - Last month 67,855 (To the Bad)
Year to Date Actual Expenses	\$2,893,282
Year To Date Expense Budget	\$2,742,150
Year to Date Difference	\$151,132 (To the Bad) - Last month \$115,874 (To the Bad)

* This looks worse than it is – see next few pages

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Some Things Worth Noting this Month

1. Water Heaters

- \$18K over budget this month, \$73K over budget year to date
- Still have about \$45K to go before we are done (already in EOY outlook)
- Will end up about \$150K over budget when all done
- Lots of unexpected concrete, plumbing, and electrical work required.
- Using money from Storm Well budget line (\$165K for year)

2. Labor Contractors

- \$9K over budget (\$10.2K roof repair)

3. Pool Maintenance

- \$5K over Budget –emergency pump replacement \$5.6K

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Some Things Worth Noting this Month

4. Legal/Professional

- \$9 K over budget (startup expenses, contract reviews, miscellaneous questions – should not be recurring)

5. Maintenance

- \$9.7 K Over Budget – extra payroll – last extra payroll for the year

6. Security

- \$7.7 K Over Budget – This will continue, but much better than before contract

7. Valet

- \$3.3K over Budget – This will continue, but much better than before contract

8. Insurance – Reduction of \$\$ per month for rest of year and next year (See next page)

Some Things Worth Noting

- Insurance

Policy	June 07-May 08		June 08 - May 09	
	Company	Cost	Company	Cost
Property	Great American	\$ 79,103		
Wind and Hail	Citizens	\$ 321,322		
Property Including Wind			QBE	\$ 398,245
General Liability	Scottsdale	\$ 71,244	Max Specialty	\$ 37,199
Crime	Old Republic	\$ 734	Old Republic	\$ 734
Directors and Officers	CAN Casualty	\$ 4,052	Continental	\$ 4,052
Umbrella	Federal	\$ 20,550	Chub	\$ 21,068
Boiler and Machinery	Traveler's Ins.	\$ 8,459	Traveler's Ins.	\$ 8,736
Flood	Fidelity Natl.	\$ 276,883	American Bankers	\$ 122,074
Total Cost		\$ 782,348		\$ 592,108
Bottom Line:				
For 1/3 of this fiscal year, plus 2/3 of next fiscal year we will be		\$	190,240	better

End of Year Outlook

- Net Revenue - About \$75K Under Budget
- Expenses –Over Budget by Around \$55K
- **Year End Bottom Line** – We'll be OK. But we may have to postpone some improvements that were not budgeted for this year, and/or use between \$125K and \$150K from rainy day fund.

Outlook for Next Year's Budget

- 1. A couple of items being carefully looked at – Humidity and Mold problem, Storm Wells, and some possible additional roof repairs, others. Will keep you posted.
- 2. Need to decide if and when to use any of the rainy day cushion in Suntrust Bank (I would like to protect and leave alone for a true emergency)
- Our Present Estimates – Within 5% of this years budget

Cash Payments

- A reminder – we do not want to have cash laying around – please use checks, money orders, etc.

Consolidation of accounts (Status Update)

- Suntrust Accounts Have Been Consolidated into the Existing Suntrust Signature Advantage Account (Last Month's Motion)
- Monies in Excess of \$500K Not Yet Moved to the Banco Popular Money Market Account (Last Month's Motion).
 - Not an urgent issue but should do soon
 - No Insurance over \$500K and convenience if/when we need to tap into the rainy day fund (\$125-150K)
 - Owner's inputs - lets discuss offline

Finance Committee

- Boris Moroz (Chairman), Albert Mizrahi, Bob Ortiz, Julie Fisher, Rosamunde Finkelstein, Emma Sardina, Angela Di Giovanni.
- Preparation of Budget for Next Year Will Start in late June-July

Acknowledgements

- **Jenny the Bookkeeper**
 - Enters data weekly, reconciles bank accounts and prepares budget report every month, answers questions as needed.
- **Julio**
 - Julio and I study all the numbers
 - We decide on any needed corrective measures.
 - We also generate the year end outlook by looking at all the trends and other available information
- **Inessa**
 - Starting to Learn Yardi