

June 30, 2010 Shearwater Treasurer's Report

Please refer to the attached Excel Spreadsheet for details, which is posted on our web site every month.

The bottom line is that, for FY2010, we spent \$42,140 more than we took in.

The budget categories that were the biggest contributors to the deficit are Snow Removal and Buildings and General Maintenance.

Brodie has re-categorized some expenses from the "General Maintenance" category, and in doing so, may be able to shed some light as to why our expenses are so high in that category (More later).

The Reserve Fund balance is \$256,751. This is \$34,249 below where we should be (\$291,000) in order to maintain our existing infrastructure in accordance with the Reserve Fund Analysis recently done By Miller-Dodson Associates (MD). A copy of the report can be viewed on our web site.

We have taken steps to trim expenses, and have increase fees for FY2011 by 5%. This will improve our operating fund picture, as well as increase our Reserve Fund contribution from \$175,000 to \$194, 703. However, the FY 2011 reserve fund contribution is still \$12,446 less than the \$207, 149 recommended by MD. The MD recommendation also excludes many inventory items, so the contribution should really be greater than what they recommend.

We continue to take steps to reduce expenditures, such as changing insurance companies to save \$7300 per year, in order to get the reserve budget up to where it should be. We will continue to do that throughout the year, in an effort to get the Reserve Fund balance up to where we can confidently repair and replace necessary Shearwater inventory.