

FINANCE COMMITTEE REPORT  
 U.O.C. MEETING  
 SEPTEMBER, 2008

FUND INVESTMENT BALANCES AS OF JULY 31, 2008

	Cost Basis	Market Value
Operating Fund	\$1,926,245	
Reserve Fund	2,738,826	2,741,886
Capital Fund	1,114,311	1,063,257
PIC Fund	<u>226,697</u>	
TOTAL	\$6,006,079	

In a continuing effort to keep the community apprised of our financial condition, we are going to present on a monthly basis, a comparison of actual to budgeted numbers for income and expense items year to date.

Listed below are figures for the first 7 months of this year:

INCOME:	Budgeted	Actual
From Assessments	\$4,870,721	\$4,920,164
From Interest, Fees and Activities	73,925	137,042*
OPERATING EXPENSES:	\$3,544,405	\$3,411,605*
RESERVE FUND CONTRIBUTIONS	\$539,256	\$551,296

The Reserve Fund spent \$189,366 so far this year.

\*Includes Community Center activities that are paid for by residents and expensed out. Because they are off-setting, no budget is established for them,

2009 BUDGET

Operating:

This portion of the 2009 budget will be presented by the Finance Committee at the September U.O.C. meeting after all the representatives have had the opportunity to present their suggested changes, if any. It is our belief that any increases over the 2008 budget can be limited to 2%.

Reserve:

It is anticipated that approximately \$596,000 will be added to the Reserve Fund in the 2009 budget, which on this date amounts to \$2.7+ million. This would leave us with approximately \$3.2 million on hand plus interest earned, less expenditures during the balance of 2008 and all of 2009.

Capital:

If sales of real estate in Pelican Landing continue at the 2008 rate we should accumulate another \$800,000 in transfer fees and interest earned in the Capital Investment account. Because expenses for PIC no longer come out of this fund, it should have about \$1,860,000 on hand on Dec. 2009, less any capital expenses recommended by the U.O.C. and approved by the Board through 2009.

All of the funds in the Reserve and Capital Investment Funds are in AA and AAA commercial and tax free municipals as well as U.S. guaranteed paper. Because they are laddered in maturity dates, many having been procured when interest rates were higher, we expect reasonably good returns along with the best security.

BEACH REPLENISHMENT

It is our hope that any large expense to replenish the sand would be shared by the state\county and most likely by The Hyatt and that our share could be paid out of borrowings from our own Capital Fund.

REQUEST FOR FUNDS

The Finance Committee recommends approval of request for \$87,000 to repair/replace Fences on Tennis Courts and request for \$18,500 for scheduled maintenance on three courts. Funds are available in the Reserve Account and these repairs are on target time wise.

Respectfully submitted,  
Emory Geller, Chairperson