

MEMORANDUM

To: Ben Wickham
Diane Quast
Caren Cox

From: Darcy Vincent

Subject: New Columbia's Owner Association
Financial Overview for Fourth Quarter 2009
Year End 2009 Analysis

December was a good month for collections. An adjusting entry was made for adding back accounts payable in the month of November. Year to date our total income exceeded budget expectations by \$6,020.

There were notable variances in the following expense in the fourth quarter:

Water and Sewer

Irrigation water was previously not billed to the OA was corrected in November. We remained under budget at year end.

General Administration

The quarterly bill back for the split for postage and forms was paid in December.

Extermination Contract

We treated the hill on Fiske and Woolsey for moles in November.

Our Year End NOI exceeded budget expectations by \$43,986 in 2009. While the OA was budgeted to operate at a deficit, we realized positive cash flow of \$9,744.

We exceeded budgeted income by \$6,020 and were able to control expenses in water costs and payroll. Our expenses exceeded our budget in landscaping by \$4,245, and security by \$5,769. In 2010, we will need to make some adjustments to our current programs to control these expense items. It will also be important to make a decision about the current accounts receivable balance of \$41,072 to determine what should be written off to "bad debt" and what is collectable.