

## Expense Trend 2003 through 2006

Expenses (K\$)	2003 Actual	2004 Actual	2005 Actual	2006 Actual	Difference 2006 - 2003	% Change 2003 - 2006
Transfers to Reserves	\$275.2	\$275.2	\$275.2	\$275.2	\$0.0	0.0%
Administration	\$196.4	\$182.3	\$199.3	\$195.3	-\$1.1	-0.6%
Repair & Maint	\$357.5	\$308.5	\$268.2	\$360.8	\$3.3	0.9%
Equipment Maint	\$76.9	\$98.0	\$62.2	\$63.7	-\$13.2	-17.2%
Landscaping	\$75.9	\$65.8	\$65.0	\$57.5	-\$18.4	-24.2%
Security	\$218.1	\$234.8	\$231.7	\$225.6	\$7.5	3.4%
Recreation Area	\$2.1	\$3.3	\$1.0	\$10.0	\$7.9	376.2%
Utilities	\$596.1	\$624.2	\$676.4	\$760.0	\$163.9	27.5%
<b>Total</b>	<b>\$1,798.2</b>	<b>\$1,792.1</b>	<b>\$1,779.0</b>	<b>\$1,948.1</b>	<b>\$149.9</b>	<b>8.3%</b>
Yearly Assessment	\$1,690.7	\$1,690.7	\$1,764.4	\$1,952.8		
Other Income	\$52.6	\$49.8	\$50.9	\$56.2		
<b>Total Income</b>	<b>\$1,743.3</b>	<b>\$1,740.5</b>	<b>\$1,815.3</b>	<b>\$2,009.0</b>	<b>\$265.7</b>	<b>15.2%</b>
<b>Net Income</b>	<b>-\$54.9</b>	<b>-\$51.6</b>	<b>\$36.3</b>	<b>\$60.9</b>	<b>\$115.8</b>	

## 2006 Actual vs. Budget / 2007 Budget vs. 2006 Actual

Expenses (K\$)	2006 Budget	2006 Actual	Variance	2006 Actual	2007 Budget	Difference 07 - '06	Percent Change
Transfers to Reserves	\$275.0	\$275.2	\$0.2	\$275.2	\$350.0	\$74.8	27.2%
Administration	\$187.2	\$195.3	\$8.1	\$195.3	\$217.1	\$21.8	11.2%
Repair & Maint	\$338.3	\$360.8	\$22.5	\$360.8	\$325.0	-\$35.8	-9.9%
Equipment Maint	\$97.8	\$63.7	-\$34.1	\$63.7	\$75.9	\$12.2	19.2%
Ground Maintenance	\$80.1	\$57.5	-\$22.6	\$57.5	\$60.7	\$3.2	5.6%
Security	\$234.0	\$225.6	-\$8.4	\$225.6	\$232.6	\$7.0	3.1%
Recreation Area	\$1.2	\$10.0	\$8.8	\$10.0	\$1.9	-\$8.1	
Utilities	\$767.6	\$760.0	-\$7.6	\$760.0	\$789.9	\$29.9	3.9%
<b>Total</b>	<b>\$1,981.2</b>	<b>\$1,948.1</b>	<b>-\$33.1</b>	<b>\$1,948.1</b>	<b>\$2,053.1</b>	<b>\$105.0</b>	<b>5.4%</b>
Yearly Assessment	\$1,952.8	\$1,952.8		\$1,952.8	2,027.8		
Other Income	\$28.4	\$56.2		\$56.2	25.5		
<b>Total Income</b>	<b>\$1,981.2</b>	<b>\$2,009.0</b>	<b>\$27.8</b>	<b>\$2,009.0</b>	<b>\$2,053.3</b>	<b>\$44.3</b>	
<b>Net Income</b>	<b>\$0.0</b>	<b>\$60.9</b>	<b>\$60.9</b>	<b>\$60.9</b>	<b>\$0.2</b>	<b>-\$60.7</b>	

## Reserve Cash Flow - estimation

Cash Flow (K\$)	2005	2006	2007	2008	2009	2010	2011	2012	2013
Balance Jan 01	\$2,389	\$1,405	\$1,051	\$1,083	\$1,901	\$2,558	\$3,056	\$4,005	\$2,778
Total Income	\$751	\$2,340	\$1,282	\$1,300	\$1,320	\$1,335	\$1,340	\$400	\$380
Total Expenses	\$1,735	\$2,694	\$1,250	\$482	\$663	\$837	\$391	\$1,627	\$819
Balance Dec 31	\$1,405	\$1,051	\$1,083	\$1,901	\$2,558	\$3,056	\$4,005	\$2,778	\$2,339

Numbers in blue squares are estimations based on updated 2005 Reserve Study

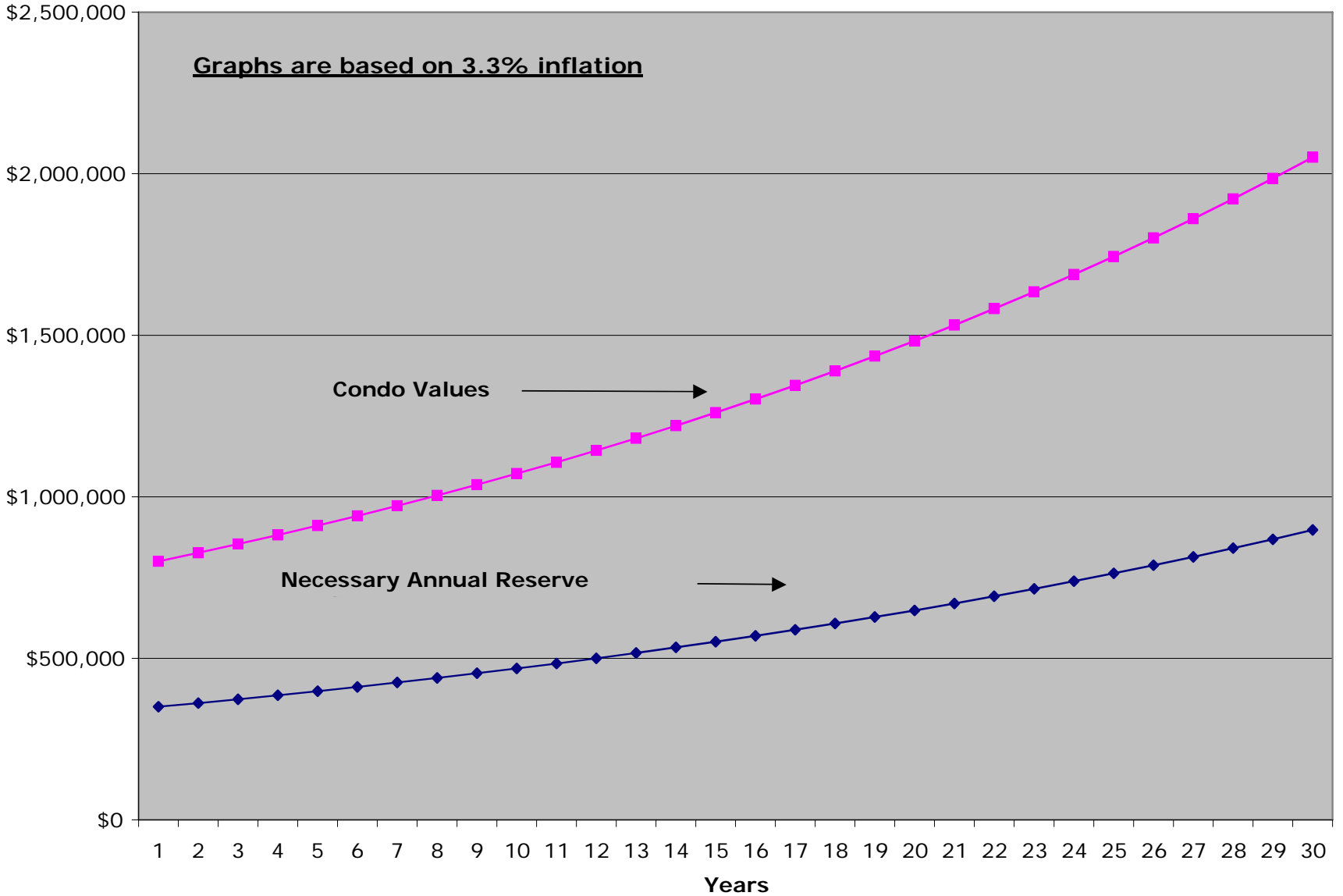
2006 year end balance includes \$310K in accrued expenses. Actual cash on hand balance was \$1360K

Balances after 2006 presume payment in year services are rendered

The dip in reserves in 2006 and 2007 was carefully thought through by the Finance Committee

Reserves will dwindle in future years without increases that keep up with inflation

# Reserve Funding & Condo Values over Time



# Summary

- Yearly expenses remained flat 2003 to 2006 except
  - Utilities increased \$164K
  - Net income up from -\$55K to \$61K
- 2007 Budget increased \$105K
  - Transfers to reserves up \$75K
  - Admin and utilities up \$22K and \$30K respectively
  - Net income back to \$0
- Reserve cash flow follows plan
  - Make it through 2007 without overly penalizing new homeowners
  - Rebuilds reserves in following years
- Future TL Boards will need to increase transfer to reserves by the inflation rate to avoid new special assessments