

TRAILER ESTATES PARK & RECREATION DISTRICT

1903 69th Avenue West

Bradenton, Florida 34207

MEMO

TO: Trustees
FROM: Pam Cole, Treasurer
DATE: March 4, 2010
RE: Budget

I am enclosing three accrual methods for paying off the loans we have incurred, along with tentative budgets for the next three years using both \$500,000 and \$100,000 for litigation expense in the years 2011-2012 and 2012-2013. The tentative assessment is at the bottom of each page. Note that this assessment shows only variations in assessment and litigation expense. Other categories will change as each year progresses.

The accrual methods are shown on the top paper titled "How They Work" on each group of budget drafts.

Draft #1 takes the total amount owed and divides it by 3. Each year we will have to accrue \$246,167 for principal and \$29,504 for interest. The breakdown of the payments and how they are applied is shown on the paper titled "How They Work".

Draft #2 pays the first year's principal and interest and starts the accrual for the remaining 2 years by dividing it by 3. The remaining two years, the principal and interest are paid from the accrual account. You will see that each of the budgets will need to increase the assessment in order to be able to operate during the months of October and November and part of December. By

lowering the litigation amount to \$100,000 instead of \$500,000 the assessment lowers.

Draft #3 pays the first year principal and interest and divides the remaining two years equally. However, the assessment will be higher. Years 2 & 3 will have to be raised from the amount stated on the draft in order operate in the first few months of the next fiscal year.

These are for your information for Monday's meeting so that you can formulate questions prior to voting for a budget for the year 2011-2012.

Also the Budget Draft that was passed out on Wednesday had an incorrect amount in the interest accrual. I missed the \$23,900 in the second year.

The new drafts have all amounts included from the spread sheet that was passed out by the Chair on Monday.