

October 3, 2006  
PACIFIC TERRACE OPERATING BUDGET  
FISCAL YEAR 2006-07

DESCRIPTION	NOV 05-OCT 06 BUDGET	05-06 EST. ACTUAL	NOV 06-OCT 07 BUDGET	
<b>REVENUE</b>				
MONTHLY ASSESS (\$330/Unit/Month)	160,080	160,080	182,160	*
CABLE CHARGE	8,290	8,290	8,290	
INTEREST INCOME	400	2,000	400	
<b>TOTAL INCOME</b>	<b>168,770</b>	<b>170,370</b>	<b>190,850</b>	
<b>EXPENSES</b>				
MANAGEMENT	27,600	25,300	27,600	
INSURANCE	35,000	36,711	37,000	
MAINTENANCE	13,800	23,000	13,800	**
SWIMMING POOL EXPENSE	8,290	8,280	8,290	
WATER	11,000	13,000	11,000	
OFFICE-LEGAL	10,000	8,500	5,000	
REPLACEMENT RESERVE STUDY	-	-	10,000	***
WEBSITE	-	-	2,000	****
BOARD & ANNUAL MEETING EXPENSE	1,500	2,200	1,500	
GARDENING	17,000	23,035	22,000	
CABLE TV	8,290	8,280	8,290	
TAXES & LICENSES	100	120	100	
SECURITY	4,000	4,000	4,000	
INTEREST	-	-	-	
CONTINGENCY @ 2.5%	4,002	-	4,002	
<b>TOTAL EXPENSES</b>	<b>140,582</b>	<b>152,426</b>	<b>154,582</b>	
 CAPITAL REPLACEMENT RESERVE	 27,600	 27,600	 27,600	 **
 <b>NET INCOME (LOSS)</b>	 <b>588</b>	 <b>(9,656)</b>	 <b>8,668</b>	

\* INCREASE IN ASSESSMENT OF \$40/MONTH TO REPLACE THE 2005-06  
OPERATING DEFICIT CAUSED PRIMARILY BY THE COSTS ASSOCIATED WITH THE WELL.  
ALTERNATIVELY, COULD ASSESS ONE-TIME \$480 PAID IN DECEMBER AND LEAVE DUES ALONE.

\*\* PROJECTED REDUCTION IN MAINTENANCE COSTS DUE  
TO THE MAJOR RENOVATION PROJECT ARE PROPOSED  
TO HELP CONTINUE THE CAPITAL REPLACEMENT RESERVE  
WITHOUT INCREASING THE MONTHLY ASSESSMENT.

\*\*\* REPLACEMENT RESERVE STUDY TO QUANTIFY THE AMOUNT OF MONEY WE NEED TO  
SET ASIDE FOR MAJOR CAPITAL REPLACEMENTS (I.E. SEPTIC SYSTEM, PAVING, ROOFS, ETC.)

\*\*\*\* WEBSITE SETUP TO FACILITATE BETTER COMMUNICATION BETWEEN THE BOARD AND  
OWNERS.