

**LULU CITY**  
**Approved 2008 Budget**

	2007 Budget	Actual thru 10/31/07	Estimated Nov-Dec 2007	Estimated Total 2007 Actual	2008 Budget	% Budget Variance	Comments
<b>OPERATING FUND</b>							
Beginning Balance	-	13,352	1,266,779	13,352	625		
<b>INCOME</b>							
Operating Assessments	180,484	150,370	30,114	180,484	180,484	0%	Combining Operating Assessments and Monthly Special Assessments
Monthly Special Assessments	27,500	22,940	4,560	27,500	27,500	0%	
Reserve Fund Assessment	39,001	39,001	-	39,001	40,000	3%	In 2007, lump sum in March; in 2008 assessed monthly
Building # 6 Assessments	8,605	6,454	2,151	8,605	21,180	146%	Assessment based on prior year actuals + current year's budget; in 2008 covers garage downspout repair
Monthly Storage	2,150	1,419	230	1,649	1,700	-21%	
Dog Fees	480	-	-	-	-	n/a	Changed regulations to delete dog fees
Finance Charges	1,500	4,102	-	-	-	-100%	
Interest Income	-	57	20	77	-	0%	
Remodel Special Assessmen	-	2,499,997	-	2,499,997	-	n/a	
Remodel Loan Interest Income	-	2,433	4,866	7,299	29,196	n/a	
Window Replacement Income	-	85,112	-	85,112	-	n/a	
<b>TOTAL INCOME</b>	<b>259,720</b>	<b>2,811,886</b>	<b>41,941</b>	<b>2,849,725</b>	<b>300,060</b>	<b>16%</b>	
<b>EXPENSES</b>							
<b>Administration Expenses</b>							
Accounting & Administration Management	(11,520)	(10,215)	(2,055)	(12,270)	(14,520)	26%	\$1,060/mo per contract + remodel amendment adds \$150/mo permanently from August 2007
Facilities Management	(12,600)	(10,500)	(2,100)	(12,600)	(14,400)	14%	\$1,200/mo per contract
Supplemental Services Incl. Enforcement	(400)	(3,449)	(800)	(4,249)	(2,500)	525%	
Copies/Postage/Etc.	-	(50)	-	(50)	-		Combined into Supplemental Services in 2008
Corporate Filing	(25)	(10)	-	(10)	-	-100%	Included in Administration in 2008
Conference Calls and Meetings	(500)	(228)	(250)	(478)	(500)	0%	
Bank Charges	(100)	21	-	21	-	-100%	
Contributions to Home Safety	(250)	(250)	-	(250)	(250)	0%	
Total Administrative Expense:	<b>(25,395)</b>	<b>(24,681)</b>	<b>(5,205)</b>	<b>(29,886)</b>	<b>(32,170)</b>	<b>27%</b>	
<b>Professional Fees and Taxes</b>							
Legal Fees	(5,000)	(2,297)	-	(2,297)	(3,000)	-40%	2008 lot line repla
Tax Preparator	(500)	-	(500)	(500)	(550)	10%	Expecting bill in Nov.
Pacific Street Planter Surveying	-	(956)	-	(956)	-	n/a	unbudgeted one-time expense
Architect Fees Pacific Street Planters	-	(2,160)	(2,160)	(4,320)	-	n/a	unbudgeted one-time expense
Surveying/Fees Lot Line Replat	-	-	-	-	(2,250)	n/a	unbudgeted one-time expense
Total Professional Fee Expense:	<b>(5,500)</b>	<b>(5,413)</b>	<b>(2,660)</b>	<b>(8,073)</b>	<b>(5,800)</b>	<b>5%</b>	
<b>Maintenance Expenses</b>							
General Maintenance & Repairs	(18,000)	(11,715)	(5,700)	(17,415)	(18,000)	0%	2007 includes common area window repairs
Maintenance Parts and Supplies	(2,000)	(2,221)	(1,000)	(3,221)	(3,000)	50%	2008 - Add funds from light bulb account.
Carpet Cleaning	(1,000)	(350)	(350)	(700)	(1,000)	0%	
Fire Alarm Monitoring	(504)	(1,764)	(504)	(2,268)	(2,016)	300%	Masters = \$504/quarter
Fire Alarm Phone Line	(1,440)	(707)	(205)	(912)	(1,224)	-15%	Using 3 lines = \$102/month, we only need 2 of the 3 lines

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Fire Alarm Resp. & Troubleshooting	-	(1,068)	(200)	(1,268)	(700)	n/a	
Hot Tub Daily Maintenance	(5,293)	(5,001)	(1,200)	(6,201)	(7,000)	32%	2007 avg. = \$556/month
Hot Tub Repair	(2,200)	(2,146)	(250)	(2,396)	(2,200)	0%	
Window Washing (1x per year)	(5,000)	-	-	-	(5,000)	0%	None in 2007 due to remodel
Janitorial	(15,600)	(13,000)	(2,600)	(15,600)	(18,200)	17%	\$35/hr x10 hrs/wk x 52 weeks (increased from \$30/hr which was same rate since 2004)
Janitorial Supplies	(1,000)	(1,236)	(200)	(1,436)	(1,500)	50%	
Lanscaping & Irrigation	(4,500)	(3,555)	(1,000)	(4,555)	(4,500)	0%	2007 includes \$1,000 landscaping design of Pacific Street planters
Light Bulbs	(1,000)	-	-	-	-	-100%	Included in Maintenance Parts & Supplies
Snow Removal - Ground	(15,000)	(7,324)	-	(7,324)	(15,000)	0%	Covers Nov-April season
Snow Removal - Roof	(2,000)	(6,133)	-	(6,133)	(2,000)	0%	Covers Nov-April season
Snow Hauling	(1,000)	-	-	-	(1,000)	0%	Covers Nov-April season
Fire Code Compliance	-	(1,502)	-	(1,502)	-		
<b>Total Maintenance Expenses:</b>	<b>(75,537)</b>	<b>(57,722)</b>	<b>(13,209)</b>	<b>(70,931)</b>	<b>(82,340)</b>	<b>9%</b>	
<b>Pool Expenses</b>							
Pool Daily Maintenance	(1,613)	(2,604)	(578)	(3,182)	(3,472)	115%	Based on 2007 avg of \$289/month
Pool Repair	(3,500)	(2,323)	(500)	(2,823)	(3,500)	0%	
Water & Sewer Pool	(5,785)	-	-	-	-	-100%	2007 - Included in Water/Sewer Utility
Natural Gas - Pool	(8,000)	(4,265)	(2,000)	(6,265)	(6,300)	-21%	5% over 2007 actual
<b>Total Pool Expenses:</b>	<b>(18,898)</b>	<b>(9,191)</b>	<b>(3,078)</b>	<b>(12,269)</b>	<b>(13,272)</b>	<b>-30%</b>	
<b>Building #6 Expenses</b>							
Natural Gas	(6,605)	(3,202)	(1,200)	(4,402)	(4,622)	-30%	5% over 2007 actual
Boiler Annual Maintenance	(1,000)	(35)	(1,000)	(1,035)	(1,000)	0%	
Boiler Repairs	(1,000)	(2,046)	-	(2,046)	(1,000)	0%	
Garage Downspouts	-	-	-	-	(15,680)	n/a	LCE downspouts to be heated by HOA; project approved at 9/07 board meeting, allocation approved 11/07 board meeting; electrician (\$10,000) + Drywall (\$4,000) + FM Fee FC (\$1,680)
<b>Total Boiler #6 Expenses:</b>	<b>(8,605)</b>	<b>(5,283)</b>	<b>(2,200)</b>	<b>(7,483)</b>	<b>(22,302)</b>	<b>159%</b>	
<b>Utility Expenses</b>							
Electricity	(22,766)	(14,396)	(7,500)	(21,896)	(33,738)	48%	2008 - will start using electricity for roof snowmelt (4 new meters) + Bldg #6 garage heat tape
Trash Removal	(6,500)	(7,215)	(1,408)	(8,623)	(8,500)	31%	\$704/month in 2007
Water, Sewer	(7,750)	(9,336)	(4,140)	(13,476)	(14,150)	83%	5% over 2007 actual; includes Pool
<b>Total Utility Expenses:</b>	<b>(37,016)</b>	<b>(30,947)</b>	<b>(13,048)</b>	<b>(43,995)</b>	<b>(56,388)</b>	<b>52%</b>	
<b>Tax/Insurance Expenses</b>							
Tax	(50)	-	-	-	-	-100%	
Insurance	(18,850)	-	-	-	-	-100%	
D & O	-	(1,065)	-	(1,065)	(1,118)	n/a	renews 08/01/08
Umbrella	-	(1,109)	-	(1,109)	(1,164)	n/a	renews 08/01/08
Package	-	(16,128)	-	(16,128)	(16,934)	n/a	renews 08/01/08
<b>Total Tax/Insurance Expense:</b>	<b>(18,900)</b>	<b>(18,302)</b>	<b>-</b>	<b>(18,302)</b>	<b>(19,217)</b>	<b>2%</b>	
<b>Special Expenses</b>							
WestStar Loan Principa	-	-	-	-	-	n/a	
WestStar Loan Interest	(8,966)	(6,068)	-	(6,068)	-	n/a	
Contingency	(5,000)	-	-	-	-		
<b>Total Special Expenses:</b>	<b>(13,966)</b>	<b>(6,068)</b>	<b>-</b>	<b>(6,068)</b>	<b>-</b>	<b>-100%</b>	

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<b>Contingency Expenses</b>							
Total Contingency Expenses	(5,000)	(3,364)	-	(3,364)	-	n/a	Elinoff Settlement
<b>Remodel Expenses</b>							
Total Remodel Expenses	-	(1,270,942)	(1,131,251)	(2,402,193)	-	n/a	\$2.5 million less \$97,807 WestStar Loan payoff
<b>Window Replacement Expenses</b>							
Total Window Replacement Expenses	-	(85,111)	-	(85,111)	-	n/a	
<b>Remodel Loan Interest Expense</b>							
Total Remodel Loan Interest Expense	-	(2,433)	(4,866)	(7,299)	(29,196)	n/a	
<b>Reserve Funding</b>							
Total Reserve Funding Expenses	(39,000)	(39,001)	(30,670)	(69,671)	(40,000)	n/a	Additional funding from income in 2007
<b>TOTAL EXPENSES</b>	(252,817)	(1,558,459)	(1,206,187)	(2,764,645)	(300,685)	19%	This line was inflated in the 2007 budget by \$5,000 due to Contingency expense being double counted
<b>OPERATING OVERAGE/SHORTFALL</b>	6,903	1,253,427	(1,164,246)	85,080	(625)	-109%	
<b>Ending Balance</b>	1,300	1,266,779	102,533	98,431	(0)	-100%	
<b>Repay WestStar Loan Principal</b>	(1,300)	(97,807)	-	(97,807)	-	n/a	
<b>Total Cash and Deposits</b>	-	1,168,972	102,533	625	(0)	n/a	

<b>Starting Retained Earnings</b>	(93,216)			(84,455)	625	n/a	
<b>OPERATING OVERAGE/SHORTFALL</b>	6,903			85,080	(625)	n/a	
<b>ENDING RETAINED EARNINGS</b>	(86,313)			625	0	n/a	Difference is because collected funds to pay off \$97,807 US Bank Loan in 2007

<b>RESERVE FUND (major repairs and replacements)</b>							
<b>Beginning Balance</b>	40,139	27,820	67,070	27,820	97,940	144%	2007 starting balance less than budgeted due to unexpected bookkeeping entries by ASAP
<b>DEPOSITS</b>							
Assessment Funding	39,000	39,001	-	39,001	40,000	3%	
Funding from Income	-	-	30,670	30,670	-		Additional funding in 2007
Interest Earned	1,606	249	200	449	-	-100%	
<b>Total Deposits</b>	40,606	39,250	30,870	70,120	40,000	-1%	
<b>WITHDRAWALS</b>							
Loan to Operating	-	-	-	-	-	n/a	
Pool Room Reconfiguration & Sand Filter	-	-	-	-	(6,720)	n/a	Pool mechanical room reconfiguration & new sand filter + FM fee
Pacific Street Planter Construction	-	-	-	-	(30,000)		Will be trying to seek reimbursement for portion of this expense from Town of Telluride
<b>Total Withdrawals</b>	-	-	-	-	(36,720)	n/a	
<b>OVERAGE/SHORTFALL</b>	40,606	39,250	30,870	70,120	3,280	-92%	
<b>Ending Balance</b>	80,745	67,070	128,810	97,940	101,220	25%	