

**Dearborn Towers Fund
Proposed FY2011 Budget**

This fund accounts for the operating revenue and expenses for Dearborn Towers Apartments.

General Comments:

- The property value continues to dropped for Dearborn Towers due to the real-estate conditions in Florida.
- The building is requiring more maintenance items, both in parts replacement and contractual repairs and improvements.

Revenue:

- This year the rent was not increased at Dearborn Towers and revenue projections are down with a 23% vacancy for the building. The building rent structure is still below market for the area. The carports are \$40 and boat slips at \$80 per month.

Expenditures:

- A management contract was signed in June on 2007 for three years with two extension for a total of five years. The management fee is based on this contract .
- from water seepage under the concrete.
- Building insurance is still difficult to contract in Florida with one carrier issuing most policies. The budget amount seems to have stabilized but still is much higher than before the Florida hurricanes.
- The cook tops and ovens continue to be a replacement priority with the corroded wiring problems due to age. The kitchens need updating and is part of a much large issue of all the items needing repair at Dearborn Towers.
- The budget expenditures line items have decreased a small amount reflecting the decline in occupancy. Other expenditures remained the same because they are not driven by the number on tenants such as taxes, utilities and insurance. The building maintenance did not go down because of delayed maintenance, age of the building and increased vendor costs.

Fund Balance/Equity:

- Current balance is sufficient to cover 2011 operating expenses.