

TRAILER ESTATES PARK & RECREATION DISTRICT

1903 69TH Avenue West, P.O. Box 6298, Bradenton, Florida 34281-6298

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March 22, 2011

Dear Trailer Estates Property Owners:

Enclosed please find the materials as required by the Trailer Estates Charter, Florida Chapter 2002-361. First is the District Financial Statements for year ending September 30, 2010 (p.13) that summarizes the 2009-2010 activities. A copy of the full audit report is available for your review in the District Office or on the Trailer Estates Website, www.trailerestatesfl.org.

Second is the 2011-2012 Budget that was approved on March 21, 2011 by the Board of Trustees. The annual assessment for next year will be \$1125 or \$93.75 per month. This will be a decrease of \$175 from the current yearly assessment and will appear on the property tax bill from Manatee County.

In reviewing the 2009-2010 Financial Statements, we were fortunate to obtain \$897,500 from our residents through our promissory note program. These notes, averaging 4.1% interest, assisted the District in meeting its obligations. Our income increased due to the monies from the \$915 assessment and from an insurance premium rebate in miscellaneous income. For some expenses there was a slight increase: employee benefits and repair/maintenance. Utility rates decreased due to the conservation efforts of our residents. With ongoing litigation, there was an increase in legal costs. The trial concluded in October 2010 with a ruling in favor of the District.

As one reviews the 2011-2012 Budget we begin the year with over \$660,000 in our Fund Balance, reflecting the funds we received from the \$1300 assessment and the money that we borrowed from our residents. We began to pay back the loans during our current fiscal year, and have set aside monies to do this so that the impact is spread evenly over a three-year period (note the beginning fund balance of \$530,000 does not show the \$130,000 that is set aside). In this budget, we are in the second year of the payback of the loans, spending approximately \$140,000. An additional \$160,000 is being set aside to prepare us for the third year payback.

Unfortunately, there continues to be legal expense related to the litigation mentioned earlier. The plaintiffs have filed an appeal and we anticipate additional costs of approximately \$250,000. On the other hand, other expense categories are decreasing through cost-saving measures: (1) utilities at a lower cost by conserving energy, and (2) waste disposal costs decreasing due to a contract with a new company and due to all our efforts to "recycle". Other expenses will serve to improve the District facilities. Capital outlay of \$65,000 will allow us to repair the marina docks, refinish the flooring in the large hall, replace the activity center flooring, and replace air conditioners. We are also setting aside monies for future dredging of the marina.

The Board considered many options throughout the year to decrease costs and increase income. We changed employee health plans, set fees for classes, and made revisions to the marina lease which gave greater flexibility for slip rental (www.trailerestatesmarina.org), to name a few. This is an ongoing focus as we strive to offer great recreational activities and amenities at a reasonable cost. We appreciate the efforts of all of you who help make this possible.

As always,

Martha Brauer

Martha Brauer, Chairman
Board of Trustees