

DATE HERE
YOUR NAME HERE

RE: YOUR PROJECT
BUDGET REPORT -

THIS IS A COVER LETTER for the enclosed spreadsheet which tracks the money expended for construction and direct construction overhead according to CSI division. This report is done on a cash basis; it includes only those costs already paid and those costs included in the current draw request. This report is only a summary, additional budget detail is available in the construction estimate. Each of the successive budget reports will follow this same format.

CONSTRUCTION PROGRESS - The existing building demolition and interior rough carpentry are substantially complete. Also, the new building addition foundation and steel structure are in place. Rough carpentry in the new addition is approximately a third complete. The hvac sub has completed rough-in on the existing building mechanical systems, which have been inspected and approved. Existing building plumbing / gas rough-in is complete and inspected. Existing building electrical rough-in is approximately half complete and his switch gear is in town and stored at his shop. The new addition framing will be complete in three to four weeks. The existing fire protection and electrical trades should be complete by then and we can begin to drywall the existing building while the new building is roughed-in.

BUDGET STATUS - As the project proceeds, the over / under numbers will be itemized in column (AK). This column compares the adjusted budget, after contingency and reallocation changes, to the cost expended. As you can see, a few items are over budget totaling a net over run of 1097. I will continue to keep track.

INTERNAL REALLOCATION - This column (K) is a means to adjust the budget for under budget expenses. In this way, reallocation applies savings from one category to over runs in another. It can also be used to shift a subcontract expense to/from a labor expense. The total of this column is always zero. In this report, I have shifted the savings from the drywall bid and the hand digging to the hand demolition, which is significantly over budget. In addition, we are doing the wood framing with our labor instead of subcontracting, so this expense has been reallocated.

CONTINGENCY - This column (M) is used to adjust the budget for over budget expenses. It subtracts money from a fixed budget category, which is always 10% of the total, and applies it to troubled categories. As you can see, I have used the contingency for the tank removal, hand demo, the steel erection bid, and concrete labor. I think we will have future contingency draws for garage doors, the concrete floor slab, and possibly some lumber. Right now, we have 54,130 available. Considering that 33% of the contingency is used and the project is 37% complete, this is not bad; especially since we are through the discovery phase of the project.

BUYER UPGRADES - This column (O), tracks money added to the project for special improvements requested by the condo buyers. To the budget, these are cost over runs. From a business perspective, we should collect before the expense occurs.

CURRENT DRAW REQUEST - The adjusted construction budget is 1,008,929; the project is 37% complete; and no money is requested since this is only the tracking of construction funds expended up to and including draw 3.

Steve Culbertson