

## **COMMENTS ON THE 2012/2013 OPERATING BUDGET AND RESERVES**

After four years without an increase, we have to increase our monthly fee by \$10.00 from \$290.00 to \$300.00 a month. Over a 60- month period, this is equivalent to less than 6/10 of one percent a year, and if it was not for the insurance requirement to fix the garden and circular windows on units type C, D and DD, there would be no increase.

As we have mentioned in our previous presentations and reports to our owners, you have invested a lot over the last 6 years into Waterside Village. Part of the budget presentation includes a schedule that shows the budget evolution since October, 2006. The schedule speaks for itself and will be further explained. Also included in this package is the evolution of the various reserves. At the end of October, 2012, the reserves will stand at \$566,066, up from \$95,310.00 at the beginning of 2007. We will have accumulated \$664,566 by the end of 2013.

The regular budget presentation form includes a projection for 2013/2014, which we hope will maintain the fees at same level, then go up to \$310.00 for the year 2014/2015, mainly caused by the impact from increased insurance premium costs.

## **THE PAST SIX YEARS**

Please refer to the form titled ***Waterside financial result from November 2006 to 2013 budget.*** In 2007 the monthly fees were \$250.00, and then it was increased to \$275.00. Next, for 4 years they were raised to \$290.00. The form allows you to see the fluctuation in the various operating budget costs. For example, under ***Water and Sewage*** we can see that the cost for the year 2007 was \$144,576 and for the year 2009 it jumped to \$207,583.00, equivalent to a monthly increase of \$8.00, which was more than half of the fee increase from 2008 to 2009. You can also notice that from 2008 to 2009 ***propane gas*** went down from \$32,194.00 to \$381.00, the result of the conversion from propane gas pools heaters to electrical heat exchanger. This was an investment that produced substantial savings that are continuing still.

For the year 2006/2007 ***various Salaries costs components*** were \$260,119 and 2012/2013 comparable budget cost will be \$215,000.00. We do not believe that we will reach the 2006/2007 level of expense for at least another 5 years, if not more. The ***Security budget*** is also an area where costs are down, since fortunately, we are not having the same level of difficulties that we were having with the entrance gates in the past. One major component of the administrative cost is ***Insurance***. You can see that for the year 2006/2007 we spent \$280,421.00, and then it went down and will be close to that level in the budget year 2014/2015. Your Board, besides disciplined negotiations, has limited control over insurance market- place increases.

Since 2009 we have been spending money on ***Website*** improvement and will continue to do so; we are very close to a new release, thanks to owner Scott Perron. Last year we also created a new budget cost center called ***Social Facilities***, which consolidated all expenses related to the support of our facilities and also, contributions to various community activities. These activities are important for Watersides development and recognition, and we thank all volunteers involved and the leader over that time period owners Bruno Allary and Roch Massicotte.

Now, here is the surprise section, the ***Maintenance group*** of expenses. The first cost to look at is ***New Trees and Bushes***, from no expenses in 2006/2007 to \$796.00 in 2007/2008. At that point we started to materially invest in landscaping with peak expenditure in the current fiscal year of \$23,000.00. This will be reduced in the future but we should maintain a \$5,000.00 to \$10,000.00 budget per year in order not only to maintain, but also continue to replace our aging plants. You will also notice the increase in investment in ***Building Maintenance***, including the repair of type A storage units, repair of cracks, leak prevention, recessed area slope correction and unit repairs due

to water damage. We still have to do some work on the A and B storage spaces (floor level), but this will be done over a period of time. Regarding **Ground Maintenance**, I am sure the owners of units in building 7 remember the land fill in front of their building at the corner of US 1 and Miner Road. I know some of us remember the physical effort required to complete this project.

Regarding the **Camera and Video** expenses, we now have 10 different cameras covering the site and we have also installed a complete video system in the guard house, consisting of 3 different TV screens which allow guard personnel to see 10 different views of our development at all times. In addition, we have added recording equipment which stores videos for later investigation and police use. Our Manager has access to all 10 screens either on his cell phone or home computer. This proved very useful during the recent storm, Isaac. From no **Street Maintenance** in 2006/2007, we spent \$48,836.00 in 2008/2009 in either sidewalk and asphalt repairs or the full blackening of our asphalt. Since then we do a section a year and hope to be able to do so in the future. We still have to do some work on our sidewalk to correct some slopes before the end of the current year.

One of the more demanding recent projects was the building of a **new postal kiosk** in 2007/2008 which cost \$42,040.00. The complexity of the permit added additional cost to this project which has become an attractive focal point for Waterside residents. At same time, we replaced our old wood bulletin boards with new aluminum ones, using the same model throughout our development. There is still one left that needs to be changed, and that will be done in the future.

Under **Golf Cart Equipment**, we have added new trailers, a golf cart and spraying equipment, with one golf cart left to replace. Since our policy change in 2009, these items are no longer capitalized, everything being charged as an expense to the operating budget in order to have full expense visibility. On **Fire Safety**, we have replaced all the containers and created a computer data base to monitor the status of our extinguisher inventory, helping to maintain properly functioning fire extinguishers, and also allowing management to monitor the actions of outside fire extinguisher contractors. We are probably the only association that has such a data system.

On **Awning Repairs**, we are now building a reserve and since 2009/2010, in addition to the reserve funding, we are charging all expenses to the operating budget as well as coordinating the replacement of the awning with the painting program. We are now very close to reaching the maximum for our **Awning Reserve** requirement, so if we have major damage from a storm, we will be in a position to replace them without requiring a special assessment.

The budgeting of **Painting Program** expenses was modified in 2008/2009. Prior to that period the association was funding a reserve account and then using the money out of that account to pay for the expense, leading to very poor visibility of the cost to the owners. Now it is charged to an expense account so we have full visibility of our cost, while a very small amount is building up in the reserve account as required by law. This reserve will only be used for either common element expenses or a sudden painting cost increase in a particular year. In addition to excellent quality paint and top craftsmanship, we have also added to the painting program the application of new decorative elements and selective trim which improves the overall look of our buildings. We used an architect for the selection of building colors, the objective being to use three different colors with a complementary accent color without having the same colors on adjacent buildings, when possible.

In 2008/2009, we installed a new **canopy** over the shuffle board courts and the following year **resurfaced** them, adding a **canopy** at one end of the "petanque" court. The **three flag posts** at the entrance were replaced with new foundations, in accordance with international flag placement protocol. We also did a very complex **resurfacing of our tennis courts**, which had not been done since its original installation. The intention now is to do a full new covering every 4 to 5 years, so we have a good quality playing surface. That same year we initiated the **repair or replacement of our pool chairs** and have incurred those expenses every year thereafter. We have addressed the

situation of our **entrance and the Miner and US 1 signs**, and after 3 years of permit negotiations with Hypoluxo, we have finally completed the **entrance cascade**, improving greatly the entrance appearance. That budget year we set up **internet access** at the club house and added a large, more sophisticated printer that eliminated the use of costly small personal printers, thereby reducing expenses. We invested heavily in our **sprinkler system** changing 23 electric controlled master valves.

Since 2009/2010, each year we have either replaced or added new high quality **steel benches and new chairs and tables** at the club house. We still have additional ones to replace and will continue to do so. During that year, we also made improvements to the **club house** and during past winter with added new kitchen equipment. During same time period we also made major repairs to our clubhouse pool and hot tub. It was completely resurfaced from the bottom up and all leaks were repaired. This has resulted in water consumption savings and reduced maintenance costs. Funding came from the reserve account set up for that purpose.

In 2010/2011 we improved our **office and guard house**. One of the most visible and appreciated investments was new **shelving and furniture at the library**. It simply looks great. We are still left with some electrical fixtures to do and it will be done. We installed a brand new **pergola**, to replace one that was damaged from one of the hurricanes in 2004/2005. We are planning to replace one more during the next fiscal year and one more in 2013/2014. During the same year, we also replaced 3 **gazebos** with a new vinyl type, and in 2011/2012 we completed the replacement of the **gazebos** with 2 more, one of which meets Hypoluxo's requirement for handicapped accessibility. These improvements required three months of negotiations to obtain a building permit. We also changed close to 100% of the entrance door lamps. We also set up proper storage area for the gas tanks and more is needed which will be done.

One of the main investments done over the last 3 years was the acquisition of the south **Miner Road land**, which will become a common park for the benefit of all owners. This was a substantial investment and was paid out of our monthly assessments. We are left with the leveling, the installation of an irrigation system, the planting of new trees and bushes and other improvements, as agreed with the Town PUD modification. This transaction added substantial owners' equity value to our balance sheet, as well as removing a troublesome neighborhood eyesore.

The above comments are for the benefit of all owners and including our new ones. We have 135 new owners since October 2007, providing quite a change in our demography. A third of our current owners were not at Waterside at the beginning of 2007.

**A special thanks to all our volunteers for their contributions; without them all of the above would not have been possible and their leader Pierre Dumont, Gaetan Cardinal and Michel Dyotte.**

### **THE OPERATING BUDGET FOR 2012/2013**

The monthly fee will move from \$290.00 to \$300.00 a month. Why only \$10.00 a month? You will remember that we have mentioned in previous communications that we were investing substantial amounts in site improvement and this will continue. As explained above a lot was done in the past 5 years and it will be hard to maintain the same pace. We have to recognize that a lot of the projects that were done over the past 5 years were one-time expenses, like the land on Miner Road, the postal kiosk, the entrance cascade fountain, the flag posts, the signs, the heat exchange pumps and others. Some of the expenses were also needed to catch up from a backlog, like new trees and bushes, the pergola and gazebos, building and grounds maintenance, the tennis court and shuffle court resurfacing and a series of other expenses. We can now maintain a level of investment and maintenance activities at a lower cost, making sure that we do not fail to maintain our development causing future backlogs.

**Major cost increases** in 2012/2013 when compared to the 2011/2012 non- audited forecast for the year come from:

Water and sewage:	\$10,000.00
Bad debt:	\$22,000.00
Insurance:	\$31,000.00
Fertilization weed control:	\$7,500.00
Tennis court resurfacing:	\$6,000.00
Pergola:	\$7,000.00
Light Retention pound:	\$5,500.00
Shutter GW/circular:	\$40,000.00

For a total cost increase of \$128,500.00, the net cost went up by \$56,285.00 and something needed to come down.

**Major cost decreases** in 2012/2013 when compared to the 2011/2012 non- audited forecast for the year come from:

New Trees and bushes:	\$ 10,500.00
Building maintenance:	\$4,000.00
Grounds maintenance:	\$ 18,000.00
Fire safety:	\$4,700.00
Entrance cascade:	\$16,071.00
Library:	\$3,282.00
Gazebos:	\$13,850.00

For a total decrease of \$70,403.00

There were a series of smaller differences, increases or decreases. There is not that much we can do about the insurance and shutter requirements to fix the garden and circular windows. It is the same with Water and Sewage, the bad debt estimate and fertilization and weed control. So we are left with discretionary expenses like the pergola (\$7,000.00), the tennis court resurfacing (\$6,000.00) and the retention pond lighting (\$5,500.00). On the pergola it is for the replacement of an awning that was set up many years ago between building 11, 12, 16 and 20. That awning was later used as a temporary postal kiosk cover. We have asked an expert about the tennis court resurfacing and his recommendation is that it can wait till next fall. The retention pond lighting system is a project that had been postponed for a couple of years and we hope to do it over a 2- year fiscal period. The first stage will be the post base and the electrical wiring just before the end of the 2012/2013 fiscal year, and then at the beginning of year 2013/2014, the light post will be installed and connected.

Many budget categories have moved up with inflation, like the utilities and the salary group of expenses. We managed to lower the cost for office supplies and postage with the cooperation of owners who elected to receive communication from the Association by email.

The insurance alone represents a monthly cost of \$49.27 out of the \$300.00 budget. The water and sewage is equivalent to a monthly cost of \$46.63, the landscaping is equivalent to \$23.72 a month per owner.

### **THE RESERVE FOR 2012/2013**

A reconciliation sheet of the various reserve components is attached and called **2012/2013 budget evolution of the various reserve accounts**. We included data since October 2005, up to the end of 2015, 2014 and 2015 being forecasts. This year we have modified our reserve allocation, reducing contributions to the painting, pool and awning reserves. We have already explained the painting reserve above. In summary, we charged everything to the operating budget and maintained a small contribution to the reserve as required by law. We did major repairs the last 3 years to the club house pool and we will continue to build up the reserve at a reduced pace in case our heat exchanger need to be replaced at one point. The awning reserve is getting very close to the maximum amount required, and here again, the awning replacements and repairs are charged to the operating budget.

This year we will have an independent evaluation of our asphalt and also an estimate if we have to replace it. From the Boards evaluation, it is an area that we need to continue to build up the reserve, just as with the roof, so we have increased the contribution to those 2 reserves. We have maintained our contribution to the working capital; you will remember that the purpose is to fund our insurance premium payment when required. Our insurance policy runs from May to April so it is over 2 budget years; payment is due in May and the period from November to April will be part of the following year's budget.

### **CONCLUSION**

The main task is to fix the insurance inspection requirement; 11 owners still have Garden Windows and there are 156 circular windows that need to have new hurricane- proof circular protection over them. If it was not for this situation we could have managed one more year with no increase in our monthly fee.

Your Association is in great financial shape. We are building our reserves, we have sufficient reserves to cover possible bad debts, and a lot was done over the past 5 years when we benefited from substantial cost reduction in insurance, salary components costs and other costs that allowed the Association to invest in an extensive beautification program.

If you have any questions on this presentation, please do not hesitate to send an email to the management office and the undersigned will be very pleased to answer them. Special thanks to all Board members who do accept to serve the community; it is an important responsibility and we all benefit from their various expertise.

Thanks

Andre C. Mongrain, President and Treasurer.

September 18, 2012

**WATERSIDE FINANCIAL RESULT**  
**FROM NOVEMBER 2006 TO 2013 BUDGET**

<b><u>REVENUE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>Oct-07</u></b>	<b><u>Oct-08</u></b>	<b><u>Oct-09</u></b>	<b><u>Oct-10</u></b>	<b><u>Oct-11</u></b>	<b><u>Oct-12</u></b>	<b><u>BUDGET</u></b> <b><u>2013</u></b>
			275	290	290	290	290	300
	NSF FEE	0	255	100	125	350	270	0
	100 ASSESSMENTS **	1,178,428	1,254,350	1,302,960	1,279,975	1,337,880	1,337,880	1,387,100
	102 LATE FEE INCOME	4,920	5,530	9,940	7,300	3,800	4,700	3,500
	103 INTEREST INCOME	5,263	390	903	111	401	50	100
	104 TRANSFER FEE	0	6,550	3,000	3,900	3,150	3,450	3,000
	105 PARKING	0	5,500	0	0	0	0	0
	106 ACCESS/GATE CARDS	0	470	15	100	110	50	100
	107 SCREENING FEE	19,535	22,575	30,000	33,000	30,699	29,500	31,000
	108 MISCELLANEOUS INCOME	11,846	4,971	4,182	1,500	1,421	1,400	1,500
	<b>TOTAL REVENUE</b>	<b>1,219,992</b>	<b>1,300,591</b>	<b>1,351,100</b>	<b>1,326,011</b>	<b>1,377,811</b>	<b>1,377,300</b>	<b>1,426,300</b>

**EXPENSES**  
**UTILITIES**

	200 ELECTRIC	35,493	44,173	44,603	40,173	38,675	41,000	44,200
	201 WATER & SEWER	144,576	148,158	187,519	207,583	214,618	220,000	230,000
	202 GARBAGE & RECYCLING	26,462	26,018	32,235	35,311	35,453	40,700	43,000
	203 PROPANE GAS	26,880	32,194	381	113	98	100	500
	204 CABLE T.V.	55,927	60,204	64,570	67,712	72,670	59,750	60,000
	205 TELEPHONE	10,732	9,616	9,068	8,211	7,981	7,200	7,200
	205.1 WIFI	0	0	1,821	1,411	1,633	1,900	1,750
		<b>300,070</b>	<b>320,363</b>	<b>340,197</b>	<b>360,514</b>	<b>371,128</b>	<b>370,650</b>	<b>386,650</b>

<u>ADMINISTRATIVE</u>	<u>DESCRIPTION</u>	<u>Oct-07</u>	<u>Oct-08</u>	<u>Oct-09</u>	<u>Oct-10</u>	<u>Oct-11</u>	<u>Oct-12</u>	<u>BUDGET 2013</u>
	300 PAYROLL-ADMINISTRATIVE	126,401	127,293	109,240	109,921	109,195	109,800	111,500
	301 PAYROLL-MAINTENANCE	96,673	68,541	61,752	66,517	69,268	72,800	74,500
	302 PAYROLL TAXES	20,055	17,441	14,698	15,816	15,907	16,500	17,000
	303 PAYROLL SERVICES	3,486	3,262	3,571	1,081	0	0	0
	302.1 EMPLOYEE BENEFITS	23,504	11,585	10,212	10,043	14,318	11,750	12,000
	304 SECURITY GUARDS	66,997	48,920	50,979	52,602	54,046	55,500	56,500
	305 ACCOUNTING	25,657	24,525	24,541	24,105	24,303	24,700	25,000
	305.1 BANK FEES	2,435	566	1,540	740	476	900	900
	305.2 BAD DEBT	5,425	27,615	35,744	65,874	21,167	-5,880	18,000
	305.3 COLLECTION COST	0	0	0	6,308	18,145	5,800	8,000
	306 AUDITING	6,875	4,200	4,500	4,325	4,400	4,400	4,400
	307 LEGAL	17,915	19,607	9,273	7,705	2,288	2,000	2,000
	308 PROPERTY TAX	4,160	382	4,098	2,274	2,860	2,860	2,300
	309 INCOME TAX	-1,833	361	-61	0	0	0	500
	310 INSURANCE	280,421	283,936	232,187	181,203	179,027	212,600	243,000
	311 OFFICE SUPPLIES	6,351	4,673	3,519	3,300	2,776	2,500	2,250
	312 POSTAGE & SHIPPING	3,248	3,515	2,630	1,937	1,651	1,250	1,500
	313 LICENSES	1,711	2,484	2,334	1,884	2,764	2,334	2,500
	314 TRAVEL & MILEAGE	316	534	607	839	708	1,400	1,000
	315 MEETINGS & EDUCATION	0	275	300	269	300	300	300
	316 SCREENING	2,542	6,646	7,105	10,063	9,188	8,500	9,500
	317 ALARM SYSTEM	319	319	319	425	238	400	500
	318 COMPUTER REPAIR/SERVICE	3,374	1,344	0	414	0	3,000	3,500
	319 COPIER	4,611	3,854	3,657	3,718	3,687	4,000	4,000
	320 MISCELLANEOUS ADMIN.EXP.	9,933	4,120	5,589	5,895	6,909	4,800	4,000
	320.1 WEBSITE IMPROVEMENT	0	0	6,154	2,350	1,220	2,500	1,500
	323 SOCIAL FACILITIES	0	0	0	0	0	9,500	7,000
		<b>710,576</b>	<b>665,998</b>	<b>594,488</b>	<b>579,608</b>	<b>544,841</b>	<b>554,214</b>	<b>613,150</b>

<u>DESCRIPTION</u>	<u>Oct-07</u>	<u>Oct-08</u>	<u>Oct-09</u>	<u>Oct-10</u>	<u>Oct-11</u>	<u>Oct-12</u>	<u>BUDGET 2013</u>
<b><u>MAINTENANCE</u></b>							
400 GASOLINE	1,427	1,140	613	803	1,202	1,300	1,300
401 SPRINKLERS	13,983	8,708	14,502	7,893	3,676	6,000	6,000
402 PEST CONTROL	22,799	21,547	24,802	23,307	14,948	21,000	21,000
402.6 MISC. MAINT.EXP.	287	475	971	2,225	963	900	1,000
403 LANDSCAPING	121,960	125,759	116,227	111,575	113,813	114,000	117,000
403.1 FERTILIZATION-WEED CONT.	0	0	15,226	9,169	6,693	19,500	25,000
404 TREE TRIMING	2,047	10,991	8,725	11,083	22,000	7,491	7,500
404.1 NEW TREES & BUSHES	0	796	13,461	19,150	12,070	23,000	12,500
405 BUILDING MAINTENANCE	18,540	22,447	21,968	38,137	30,017	21,500	20,000
406 GROUNDS MAINTENANCE	3,189	2,888	9,976	14,090	31,242	39,000	20,000
407 SECURITY GATE EXPENSE	10,909	11,697	4,522	4,596	6,937	6,000	6,000
408 CAMERA & VIDEO EXP.	117	1,682	0	0	14,299	2,000	2,000
409 PLUMBING EXP.	1,781	624	2,443	1,634	4,255	1,750	3,000
410 ELECTRICAL EXP.	2,230	9,186	6,186	5,160	3,324	4,000	3,000
411 POOL SUPPLIES & REPAIR	16,665	13,322	13,658	8,254	13,614	14,000	14,000
412 STREET MAINTENANCE	0	9,781	48,836	3,512	5,952	7,000	4,000
413 UNIFORMS	0	257	0	257	196	250	300
414 GOLF CARTS	877	2,307	31	2,689	7,494	4,000	5,000
415 LOCKSMITH	572	170	511	85	43	100	300
416 FIRE SAFETY	3,280	5,301	5,755	8,260	5,545	10,509	5,000
417 JANITORIAL SUPPLIES	1,163	2,540	2,328	1,849	2,654	2,000	2,000
418 AWNINGS REPAIRS	0	0	0	28,660	44,755	20,500	21,000
420 PAINTING PROGRAM	0	0	15,000	52,271	38,331	38,000	36,000
421 STREET LIGHT	0	0	1,103	1,175	0	4,000	3,000
422 SHUFFLE BOARD CANOPY	0	0	10,130	0	0	0	0
430 SHUFFLE BOARD RESURFACIN	0	0	0	2,990	0	0	0
423 FLAG POST	0	0	3,663	0	0	0	0
424 TENNIS COURT	0	0	16,071	0	0	0	6,000
425 POOL CHAIRS/TABLES	0	0	5,787	1,765	0	3,000	2,000
426 ENTRANCE SIGNS/FOUNTAIN	0	0	11,902	3,000	95	16,071	0
429 BENCHES REPLACEMENT	0	0	0	3,602	5,612	5,000	3,000
431 CLUB HOUSE IMPROVEMENT	0	0	0	7,984	0	0	0
432 MAIN OFFICE/GUARD HOUSE	0	0	0	0	4,096	0	0
433 LIBRARY	0	0	0	0	12,861	3,282	0
477 PERGOLA	0	0	0	0	7,029	0	7,000
478 GAZEBO	0	0	0	0	21,103	13,850	0
419 POSTAL STATION	0	41,517	523	0	0	0	0
LIGHT RETENTION POUND	0	0	0	0	0	0	5,500
	<b>221,826</b>	<b>293,135</b>	<b>374,920</b>	<b>375,175</b>	<b>434,819</b>	<b>409,003</b>	<b>359,400</b>

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450 CONTINGENCY	0	4,852	7,206	9,066	1,443	5,000	27,100
SHUTTER GW/CIRCULAR	0	0	0	0	0	0	40,000
476 INTEREST EXPENSE	46,549	19,037	4,834	13	0	0	0
LAND RESERVE	0	0	25,000	0	0	0	0
	<b>46,549</b>	<b>23,889</b>	<b>37,040</b>	<b>9,079</b>	<b>1,443</b>	<b>5,000</b>	<b>27,100</b>
<b>GRAND TOTAL EXPENSES</b>	<b>1,279,021</b>	<b>1,303,385</b>	<b>1,346,645</b>	<b>1,324,376</b>	<b>1,352,231</b>	<b>1,338,867</b>	<b>1,426,300</b>
<b>REVENU OVER EXPENSES</b>	<b>-59,029</b>	<b>-2,794</b>	<b>4,455</b>	<b>1,635</b>	<b>25,580</b>	<b>38,433</b>	<b>0</b>

<u>RESERVES</u>	<u>DESCRIPTION</u>	<u>Oct-07</u>	<u>Oct-08</u>	<u>Oct-09</u>	<u>Oct-10</u>	<u>Oct-11</u>	<u>Oct-12</u>	<u>BUDGET 2013</u>
	2510 ROOFS	25,000	25,000	25,000	25,000	25,000	25,000	28,000
	2515 PAINTING	10,000	5,000	2,400	2,400	2,400	2,400	1,500
	2530 ASPHALT	1,000	7,000	25,000	35,000	15,000	15,000	20,000
	2542 POOLS	4,000	28,000	12,600	12,600	10,000	10,000	8,000
	2543 AWNINGS	5,000	5,000	20,000	20,000	10,000	10,000	5,000
	2546 SPRINKLERS	0	30,000	10,000	5,000	5,000	5,000	5,000
	2547 TV CABLE INFRASTRUCTURE	0	0	0	0	0	12,500	12,500
	2545 WORKING CAPITAL	0	0	30,000	25,000	25,000	12,500	12,500
	LAND RESERVE	0	0	0	25,000	0	0	0
	2544 INTEREST REV. RESERVE	0	0	0	6,000	9,119	10,400	6,000
		<b>45,000</b>	<b>100,000</b>	<b>125,000</b>	<b>156,000</b>	<b>101,519</b>	<b>102,800</b>	<b>98,500</b>

**EVOLUTION OF RESERVES**

**WATERSIDE BUDGET FOR 2012/2013 FINANCIAL YEAR**  
**AS OF OCTOBER 18, 2012**

<u>DESCRIPTION</u>	<u>Y 11/12</u> <u>BUDGET</u>	<u>2011/2012</u> <u>NON-AUD</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 12/13</u> <u>BUDGET</u>	<u>Y 13/14</u> <u>FORECAST</u>	<u>Y 14/15</u> <u>FORECAST</u>
<b><u>REVENUE</u></b>	<b>290</b>	<b>290</b>		<b>300</b>	<b>300</b>	<b>310</b>
NSF FEE	0	270		0	0	0
100 ASSESSMENTS **	1,430,280	1,430,280	<b>300.00</b>	1,479,600	1,479,600	1,528,920
102 LATE FEE INCOME	4,000	4,700		3,500	3,500	3,000
103 INTEREST INCOME	6,500	10,450		6,100	7,000	7,500
104 ESTOPPEL FEE	3,000	3,450		3,000	3,000	3,000
106 ACCESS/GATE CARDS	200	50		100	200	200
107 TRANSFER/SCREENING FEE	32,000	29,500		31,000	32,000	33,000
108 MISCELLANEOUS INCOME	2,000	1,400		1,500	2,000	2,000
RESERVE ACCOUNT	-92,400	-92,400		-92,500	-92,500	-92,500
2544 INTEREST TO RESERVE	-6,000	-10,400		-6,000	-6,500	-7,000
<b>TOTAL REVENUE</b>	<b>1,379,580</b>	<b>1,377,300</b>		<b>1,426,300</b>	<b>1,428,300</b>	<b>1,478,120</b>

**EXPENSES**  
**UTILITIES**

200 ELECTRIC	47,000	41,000		44,200	46,000	48,000
201 WATER & SEWER	225,000	220,000	<b>46.63</b>	230,000	235,000	240,000
202 GARBAGE & RECYCLING	37,000	40,700		43,000	45,000	47,000
203 PROPANE GAS	500	100		500	500	500
204 CABLE T.V.	70,000	59,750	<b>12.11</b>	60,000	61,000	62,000
205 TELEPHONE	7,200	7,200		7,200	7,200	7,200
205.1 WIFI	2,000	1,900		1,750	2,000	2,000
	<b>388,700</b>	<b>370,650</b>	<b>78.40</b>	<b>386,650</b>	<b>396,700</b>	<b>406,700</b>

<u>DESCRIPTION</u>	<u>Y 11/12</u> <u>BUDGET</u>	<u>2011/2012</u> <u>NON-AUD</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 12/13</u> <u>BUDGET</u>	<u>Y 13/14</u> <u>FORECAST</u>	<u>Y 14/15</u> <u>FORECAST</u>
<b>ADMINISTRATIVE</b>						
300 PAYROLL-ADMINISTRATIVE	113,550	109,800		111,500	113,050	115,500
301 PAYROLL-MAINTENANCE	72,000	72,800		74,500	76,000	78,000
302 PAYROLL TAXES	17,500	16,500		17,000	18,500	19,500
302.1 EMPLOYEE BENEFITS	17,000	11,750		12,000	14,000	15,000
304 SECURITY GUARDS	55,000	55,500		56,500	57,500	58,500
305 ACCOUNTING	25,500	24,700		25,000	25,500	26,500
305.1 BANK FEES	600	900		900	900	900
305.2 BAD DEBT	24,000	-5,880		18,000	18,000	18,000
305.3 COLLECTIONS COST	9,000	5,800		8,000	8,000	7,000
306 AUDITING	4,700	4,400		4,400	4,600	4,800
307 LEGAL	4,000	2,000		2,000	3,000	4,000
308 PROPERTY TAX	2,700	2,860		2,300	2,400	2,500
309 INCOME TAX	500	0		500	500	500
310 INSURANCE	185,000	212,600	49.27	243,000	265,000	290,000
311 OFFICE SUPPLIES	3,250	2,500		2,250	2,500	2,500
312 POSTAGE & SHIPPING	1,800	1,250		1,500	1,500	1,500
313 LICENSES	2,500	2,334		2,500	2,500	2,500
314 TRAVEL & MILEAGE	800	1,400		1,000	1,000	1,000
315 MEETINGS & EDUCATION	300	300		300	300	300
316 SCREENING	9,500	8,500		9,500	10,000	10,500
317 ALARM SYSTEM	700	400		500	700	800
318 COMPUTER REPAIR/SERVICE	2,000	3,000		3,500	2,000	2,000
319 COPIER	4,000	4,000		4,000	4,000	4,000
320 JANITOR, WATER, MISC.	4,000	4,800		4,000	4,000	4,000
320.1 WEBSITE IMPROVEMENT	2,000	2,500		1,500	2,000	2,000
323 SOCIAL FACILITIES	5,000	9,500		7,000	7,000	7,000
	<b>566,900</b>	<b>554,214</b>	<b>123.92</b>	<b>613,150</b>	<b>644,450</b>	<b>678,800</b>

<u>DESCRIPTION</u>	<u>Y 11/12</u> <u>BUDGET</u>	<u>2011/2012</u> <u>NON-AUD</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 12/13</u> <u>BUDGET</u>	<u>Y 13/14</u> <u>FORECAST</u>	<u>Y 14/15</u> <u>FORECAST</u>
<b>MAINTENANCE</b>						
400 GASOLINE	1,000	1,300		1,300	1,300	1,300
401 SPRINKLERS	5,000	6,000		6,000	6,000	7,000
402 PEST CONTROL	13,000	21,000		21,000	21,000	21,000
402.6 MISC. MAINT.EXP.	2,000	900		1,000	2,000	2,000
403 LANDSCAPING	114,000	114,000	23.72	117,000	119,000	121,000
403.1 FERTILIZATION-WEED CONT.	8,000	19,500		25,000	25,000	25,000
404 TREE TRIMING	15,000	7,491		7,500	7,500	7,500
404.1 NEW TREES & BUSHES	18,000	23,000		12,500	12,500	12,500
405 BUILDING MAINTENANCE	24,000	21,500		20,000	20,000	20,000
406 GROUNDS MAINTENANCE	24,000	39,000		20,000	22,000	22,000
407 SECURITY GATE EXPENSE	8,000	6,000		6,000	6,000	6,000
408 CAMERA & VIDEO EXP.	5,000	2,000		2,000	2,000	1,000
409 PLUMBING EXP.	4,000	1,750		3,000	4,000	4,000
410 ELECTRICAL EXP.	4,000	4,000		3,000	3,000	3,000
411 POOL SUPPLIES & REPAIR	9,000	14,000		14,000	14,000	14,000
412 STREET MAINTENANCE	3,000	7,000		4,000	5,000	5,000
413 UNIFORMS	250	250		300	300	350
414 GOLF CARTS/GROUND EQUIP.	11,000	4,000		5,000	2,000	2,000
415 LOCKSMITH	500	100		300	500	500
416 FIRE SAFETY	5,000	10,509		5,000	4,000	4,500
417 JANITORIAL SUPPLIES	2,000	2,000		2,000	2,000	2,500
418 AWNINGS REPAIRS	30,000	20,500		21,000	23,000	24,000
420 PAINTING PROGRAM	43,000	38,000		36,000	40,000	42,000
421 STREET LIGHT	1,000	4,000		3,000	7,000	7,000
424 TENNIS COURT RESURFACING	0	0		6,000	0	0
425 POOL CHAIRS/TABLES	2,000	3,000		2,000	2,000	2,000
426 ENTRANCE SIGNS/FOUNTAIN	5,000	16,071		0	0	0
429 BENCHES REPLACEMENT	3,000	5,000		3,000	1,000	1,000
432 MAIN OFFICE/GUARD HOUSE	3,500	0		0	0	0
433 LIBRARY	5,000	3,282		0	0	0
477 PERGOLA	0	0		7,000	8,000	0
478 GAZEBO	18,000	13,850		0	0	0
479 LIGHTS RETENTION POUND	10,000	0		5,500	8,500	0
	<b>396,250</b>	<b>409,003</b>	<b>72.87</b>	<b>359,400</b>	<b>368,600</b>	<b>358,150</b>

<u>DESCRIPTION</u>	<u>Y 11/12</u> <u>BUDGET</u>	<u>2011/2012</u> <u>NON-AUD</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 12/13</u> <u>BUDGET</u>	<u>Y 13/14</u> <u>FORECAST</u>	<u>Y 14/15</u> <u>FORECAST</u>
450 CONTINGENCY	27,730	5,000		27,100	18,550	34,470
476 INTEREST EXPENSE	0	0		0	0	0
SHUTTER GW/CIRCULAR	0	0	8.11	40,000	0	0
	<b>27,730</b>	<b>5,000</b>	<b>13.61</b>	<b>67,100</b>	<b>18,550</b>	<b>34,470</b>
<b>GRAND TOTAL EXPENSES</b>	<b>1,379,580</b>	<b>1,338,867</b>	<b>289.33</b>	<b>1,426,300</b>	<b>1,428,300</b>	<b>1,478,120</b>
<b>SURPLUS REVENU OVER EXPEMSES</b>	<b>0</b>	<b>38,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>DESCRIPTION</u>	<u>Y 11/12</u> <u>BUDGET</u>	<u>2011/2012</u> <u>NON-AUD</u>	<u>MONTHLY</u> <u>COST</u>	<u>Y 12/13</u> <u>BUDGET</u>	<u>Y 13/14</u> <u>FORECAST</u>	<u>Y 14/15</u> <u>FORECAST</u>
<b>RESERVES</b>						
2510 ROOFS	25,000	25,000		28,000	28,000	28,000
2515 PAINTING	2,400	2,400		1,500	1,500	1,500
2530 ASPHALT	15,000	15,000		20,000	20,000	20,000
2542 POOLS	10,000	10,000		8,000	8,000	8,000
2543 AWNINGS	10,000	10,000		5,000	5,000	5,000
2546 SPRINKLERS	5,000	5,000		5,000	5,000	5,000
2547 TV CABLE INFRASTRUCTURE	12,500	12,500		12,500	12,500	12,500
2545 WORKING CAPITAL	12,500	12,500		12,500	12,500	12,500
2544 INTEREST REV. RESERVE	6,000	10,400		6,000	6,500	7,000
	<b>98,400</b>	<b>102,800</b>	<b>19.98</b>	<b>98,500</b>	<b>99,000</b>	<b>99,500</b>

18-Oct-12

2012/2013 BUDGET

EVOLUTION OF THE VARIOUS RESERVE ACCOUNTS

	ROOFS	PAINTING	STREETS	POOL	AWNING	SPRINKLER	INTEREST	WORKING CAPITAL	LAND PURCHASE	TV NETWORK	TOTAL
ENDING FUND BALANCE 10/31/05	23,782	85,848	14,246	19,333	10,225	0	0				153,434
ENDING FUND BALANCE 10/31/06	18,716	68,883	11,505	5,731	-9,673	0	148				95,310
ENDING FUND BALANCE 10/31/07	70,416	47,206	17,705	12,481	10,850	0	3,107				161,765
ENDING FUND BALANCE 10/31/08	94,866	22,238	21,005	40,482	15,850	9,394	3,107	0	0		206,942
2009 OWNER'S ADDITION	25,000	2,400	25,000	12,600	20,000	10,000	865	30,000			125,865
2009 LAND PURCHASE									25,000		25,000
2009 EXPENSES	0	-22,768	-10,000	-29,986	-9,775	-6,173	4,634	0			-74,068
ENDING FUND BALANCE 10/31/09	119,866	1,870	36,005	23,096	26,075	13,221	8,606	30,000	25,000		283,739
2010 OWNER'S ADDITION	25,000	2,400	35,000	12,600	20,000	5,000	0	25,000			125,000
2010 LAND PURCHASE									25,000		25,000
2010 PROJECTED EXPENSES	0	0	0	-29,156	0	-1	7,098	0	0		-22,059
ENDING FUND BALANCE 10/31/10	144,866	4,270	71,005	6,540	46,075	18,220	15,704	55,000	50,000		411,680
2011 OWNER'S ADDITION	25,000	2,400	15,000	10,000	10,000	5,000	0	25,000	0		92,400
2011 LAND PURCHASE									-50,000		-50,000
2011 PROJECTED EXPENSES	0	0	0	0	0	0	9,186	0			9,186
ENDING FUND BALANCE 10/31/11	169,866	6,670	86,005	16,540	56,075	23,220	24,890	80,000	0		463,266
2012 OWNER'S ADDITION	25,000	2,400	15,000	10,000	10,000	5,000	0	12,500		12,500	92,400
2012 PROJECTED EXPENSES	0	0	0	0	0	0	10,400	0			10,400
ENDING FUND BALANCE 10/31/12	194,866	9,070	101,005	26,540	66,075	28,220	35,290	92,500	0	12,500	566,066
2013 OWNER'S ADDITION	28,000	1,500	20,000	8,000	5,000	5,000	0	12,500		12,500	92,500
2013 PROJECTED EXPENSES							6,000				6,000
ENDING FUND BALANCE 10/31/13	222,866	10,570	121,005	34,540	71,075	33,220	41,290	105,000	0	25,000	664,566
2014 OWNER'S ADDITION	28,000	1,500	20,000	8,000	5,000	5,000	0	12,500		12,500	92,500
2014 PROJECTED EXPENSES							6,500				6,500
ENDING FUND BALANCE 10/31/14	250,866	12,070	141,005	42,540	76,075	38,220	47,790	117,500	0	37,500	763,566
2015 OWNER'S ADDITION	28,000	1,500	20,000	8,000	5,000	5,000	0	12,500		12,500	92,500
2015 PROJECTED EXPENSES							6,500				6,500
ENDING FUND BALANCE 10/31/15	278,866	13,570	161,005	50,540	81,075	43,220	54,290	130,000	0	50,000	862,566

Oct-18-2012