

COMMENTS ON THE SEPTEMBER 2013 FINANCIAL RESULTS

FINANCIAL SITUATION

For the owners that do not recollect, September is month eleven of our fiscal year. Your Board will approve on October 29, 2013 a new budget for the fiscal year 2013/2014. All owners are welcome to attend that important session. The month of September maintains the same trend since the end of May, with a significant exception on the revenue side. Revenue from screening is down significantly from previous years' experience, which creates pressure on our total result, so we have lowered our forecast. We have completed the painting program and the installation of the decorative elements. The circular windows protective devices are being installed and should be completed before year end. We are left with 3 owners who have not changed their garden window; we will enter discussions with those owners. Coming back to the screening revenue we had reported previously a change in our owner demographic, many of our recent new owners are not renting when they are not occupying the unit. We also suspect that some may delay in sending the rental information to the office, so we may have a postponement in recording revenue.

We did cut back on some planned investments due to the revenue situation, like the road maintenance, lowered our screening costs and lowered our contingency reserve. For the first time, we have also awarded a contract for the laying of mulch; you may remember that we mentioned that possibility last year after laying down 40 pallets of new sod in order to reduce the mulch area and cost. The contract will cost about the same as last year's materials when the spreading was done by volunteers since we have reduced the areas that need to be mulched.

RESERVE ACCOUNTS

The reserve accounts continue to be funded on a monthly basis and we increased our forecast for the interest revenue to \$14,800.00 from last month's forecast of \$13,000.00. This amount of interest revenue, which is not part of the operating budget, is equivalent to an annual rate of 2.75% on the total of our term deposits. This is excellent considering your Board's restriction in investment alternatives, because of the Association documents or the Florida Statute. We will invest in a further term deposit of \$50,000.00 before year end and may have to use a new bank for this.

CONCLUSION

We are on track to achieve the current year's budget objective. Your Board has also issued an update on the railroad developments prepared by Board member Michael Shane. On a personal note, I was at Waterside for close to 3 weeks in September and will be returning by October 15; the reaction from various owners is that the site is in good shape.

Andre C. Mongrain

President and Treasurer September 10, 2013

WATERSIDE FINANCIAL RESULT
AS OF SEPTEMBER 30, 2013

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2012/2013</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					300	
	NSF FEE	191	0	191	0	191
	100 ASSESSMENTS **	1,272,088	1,271,508	1,387,100	1,387,100	0
	102 LATE FEE INCOME	5,050	3,208	5,500	3,500	2000
	103 INTEREST INCOME	137	92	137	100	37
	104 TRANSFER FEE	3,000	2,750	3,300	3,000	300
	106 ACCESS/GATE CARDS	15	92	50	100	-50
	107 SCREENING FEE	21,698	28,417	25,000	31,000	-6000
	108 MISCELLANEOUS INCOME	1,870	1,375	2,000	1,500	500
	TOTAL REVENUE	1,304,049	1,307,442	1,423,278	1,426,300	-3022

EXPENSES
UTILITIES

	200 ELECTRIC	40,906	40,517	45,200	44,200	1,000
	201 WATER & SEWER	202,798	210,833	227,000	230,000	-3,000
	202 GARBAGE & RECYCLING	36,013	39,417	42,000	43,000	-1,000
	203 PROPANE GAS	112	458	150	500	-350
	204 CABLE T.V.	63,222	55,000	69,000	60,000	9,000
	205 TELEPHONE	6,558	6,600	7,200	7,200	0
	205.1 WIFI	1,287	1,604	1,750	1,750	0
		350,896	354,429	392,300	386,650	5,650

<u>ADMINISTRATIVE</u>	<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2012/2013</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	100,313	102,208	111,500	111,500	0
	301 PAYROLL-MAINTENANCE	65,572	68,292	73,000	74,500	-1,500
	302 PAYROLL TAXES	13,690	15,583	15,000	17,000	-2,000
	302.1 EMPLOYEE BENEFITS	9,234	11,000	10,000	12,000	-2,000
	304 SECURITY GUARDS	48,955	51,792	58,500	56,500	2,000
	305 ACCOUNTING	22,362	22,917	24,500	25,000	-500
	305.1 BANK FEES	714	825	900	900	0
	305.2 BAD DEBT	8,540	16,500	11,000	18,000	-7,000
	305.3 COLLECTION COST	10,222	7,333	11,500	8,000	3,500
	306 AUDITING	4,400	4,033	4,400	4,400	0
	307 LEGAL	1,529	1,833	2,000	2,000	0
	308 PROPERTY TAX	2,659	2,108	2,659	2,300	359
	309 INCOME TAX	0	458	0	500	-500
	310 INSURANCE	224,478	222,750	245,600	243,000	2,600
	311 OFFICE SUPPLIES	2,664	2,063	2,800	2,250	550
	312 POSTAGE & SHIPPING	781	1,375	900	1,500	-600
	313 LICENSES	2,334	2,292	2,334	2,500	-166
	314 TRAVEL & MILEAGE	708	917	1,000	1,000	0
	315 MEETINGS & EDUCATION	197	275	300	300	0
	316 SCREENING	7,604	8,708	8,250	9,500	-1,250
	317 ALARM SYSTEM	238	458	500	500	0
	318 COMPUTER REPAIR/SERVICE	1,594	3,208	2,000	3,500	-1,500
	319 COPIER	3,488	3,667	3,700	4,000	-300
	320 MISCELLANEOUS ADMIN.EXP.	5,149	3,667	5,400	4,000	1,400
	320.1 WEBSITE IMPROVEMENT	0	1,375	1,000	1,500	-500
	323 SOCIAL FACILITIES	13,177	6,417	13,953	7,000	6,953
		550,602	562,054	612,696	613,150	-454

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2012/2013</u> <u>BUDGET</u>	<u>VARIANCE</u>
400 GASOLINE	1,204	1,192	1,400	1,300	100
401 SPRINKLERS	5,778	5,500	6,200	6,000	200
402 PEST CONTROL	23,109	19,250	25,000	21,000	4,000
402.6 MISC. MAINT.EXP.	567	917	1,000	1,000	0
403 LANDSCAPING	104,329	107,250	117,000	117,000	0
403.1 FERTILIZATION-WEED CONT.	18,397	22,917	22,000	25,000	-3,000
404 TREE TRIMING	3,349	6,875	8,500	7,500	1,000
404.2 NEW TREES & BUSHES	9,716	11,458	11,500	12,500	-1,000
405 BUILDING MAINTENANCE	29,221	18,333	34,000	20,000	14,000
406 GROUNDS MAINTENANCE	11,746	18,333	22,000	20,000	2,000
407 SECURITY GATE EXPENSE	6,254	5,500	7,500	6,000	1,500
408 CAMERA & VIDEO EXP.	3,284	1,833	3,500	2,000	1,500
409 PLUMBING EXP.	2,691	2,750	3,000	3,000	0
410 ELECTRICAL EXP.	2,656	2,750	3,000	3,000	0
411 POOL SUPPLIES & REPAIR	21,141	12,833	22,000	14,000	8,000
412 STREET MAINTENANCE	1,024	3,667	2,000	4,000	-2,000
413 UNIFORMS	0	275	300	300	0
414 GOLF CARTS	1,919	4,583	3,000	5,000	-2,000
415 LOCKSMITH	175	275	250	300	-50
416 FIRE SAFETY	2,626	4,583	2,625	5,000	-2,375
417 JANITORIAL SUPPLIES	1,140	1,833	1,800	2,000	-200
418 AWNINGS REPAIRS	19,015	19,250	21,000	21,000	0
420 PAINTING PROGRAM	35,782	33,000	41,000	36,000	5,000
421 STREET LIGHT	4,125	2,750	4,125	3,000	1,125
424 TENNIS COURT RESURFCING	6,632	5,500	6,632	6,000	632
425 POOL CHAIRS/TABLES	0	1,834	1,000	2,000	-1,000
429 BENCHES REPLACEMENT	3,372	2,750	3,372	3,000	372
477 PERGOLA	6,340	6,417	6,340	7,000	-660
479 LIGHT RETENTION POUND	0	5,042	0	5,500	-5,500
	325,592	329,450	381,044	359,400	21,644

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2012/2013</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	1,738	24,842	1,238	27,100	-25,862
476 SHUTTER GW/CIRCULAR	11,604	36,667	36,000	40,000	-4,000
	13,342	61,509	37,238	67,100	-29,862
GRAND TOTAL EXPENSES	1,240,432	1,307,442	1,423,278	1,426,300	-3,022
REVENU OVER EXPENSES	63,617	0	0	0	0

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2012/2013</u> <u>BUDGET</u>	<u>VARIANCE</u>
RESERVES					
2510 ROOFS	25,667	25,667	28,000	28,000	0
2515 PAINTING	1,375	1,375	1,500	1,500	0
2530 ASPHALT	18,333	18,333	20,000	20,000	0
2542 POOLS	7,333	7,333	8,000	8,000	0
2543 AWNINGS	4,583	4,583	5,000	5,000	0
2546 SPRINKLERS	4,583	4,583	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	11,458	11,458	12,500	12,500	0
2545 WORKING CAPITAL	11,458	11,458	12,500	12,500	0
2544 INTEREST REV. RESERVE	12,253	5,000	14,800	6,000	8,800
	97,043	89,790	107,300	98,500	8,800

ANDRE MONGRAIN, President/Treasurer

8-Oct-13