

Walden Shores Property Owner's Association, Inc.
C/O Ability Management, Inc.
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October 23, 2012

To all Owners at Walden Shores:

You will find attached with this mailing the Notice for the next Board Meeting (November 13, 2012). This meeting's main purpose is for the Board to Adopt (approve) the Budget for 2013. The Proposed Budget is also attached for your information.

We hope that the following comments may help you to better understand the Board's thinking and rationale in proposing this for approval. Please note that the Association's Annual Budget is approved by your Board of Directors. You annually elect your Board to operate your Association and one of their important tasks is to work-out and approve the Budget (and thus assessments) for the year ahead.

The proposed Budget for 2013, if approved, will result in maintaining your assessments at \$650 per quarter per Owner, unchanged from 2012.

It is worthwhile to note that if we had no delinquency problems at Walden Shores, our fees could easily be cut by \$25 per Owner per quarter.

The Proposed Budget foresees a surplus of \$14,341 for 2012. Please note this is our current best estimate based on our actual

expenses for the first 9 months of the year and projected expenses from September 30 till December 31, 2012. The Board is proposing to use \$12,611 as "Prior Year Surplus" to keep assessments down. The Board is also planning on power washing the driveways and side-walks, and possibly considering a CPA firm "Review" our books, in the next month (November). A provision in the Budget has been made for these expenses and other costs. We also like to point out that contributions to Reserves in 2013 are proposed to stay approximately the same (\$16,151 vs. \$16,056), to make sure we will have future funds to continue with the upkeep of clean roofs, build funding for plant replacement, and replenish our painting Reserves.

The financial health of the Association is very sound. Much of the positive result, both with respect the Budget and Balance Sheet position, is due to good cost management by your Property Management Company and outstanding over-sight by your Board of Directors and your Treasurer in particular.

On a separate note, the Board welcomes back many of our Seasonal residents and wishes everyone a healthy and happy fall/winter.

On behalf of the Board (Allen, James, Jim, John, and Ken),



Tom Krieser, Property Manager
October 23rd 2012

Walden Shores Property Owner's Association, Inc

Meeting Notice and Agenda

Board of Directors Meeting

Date: Tuesday, November 13, 2012
Time: 7:00 p.m.
Location: Walden Oaks Clubhouse, Naples Florida

Agenda

The purpose of this meeting is to conduct such business as may properly come before the Board. The agenda for this meeting is incorporated into this meeting notice and listed below:

1. Call to order.
2. Certifying Quorum for Directors and attesting the posting of the Meeting.
3. Waive or read Minutes from previous Meeting (May 9, 2012) and approve them.
4. Report of Officers.
5. 2013 Budget Adoption.
6. Landscaping Committee report/discussion.
7. Any other business that may properly come before the Board.
8. Motion to Adjourn.

For, and on behalf of the Board of Directors,
Tom Krieser, Property Manager
October 23rd, 2012

All Owners are encouraged to attend and may address the Board on items on the Agenda. This meetings main purpose is to adopt the 2013 Budget. This Meeting Notice and Agenda, together with the proposed Budget is being mailed to all Owners on October 24, 2012.

Walden Shores Budget - 2013 - DRAFT #5 - by tk 10-20-12				86 UNITS		
Acct. #		ESTIMATED Total 2012	Adopted Budget 2012	DRAFT 2013 Budget	% Chg	Comments
Income						
6010	Monthly Assmt Revenue	207,544	207,544	207,449		DEDUCT QRTLTY
6015	Bad Debt - Loss of Revenue	4,080	(5,000)	(6,000)		
6020	Special Assmt Revenue	0	0			
6030	Reserves Assmt Revenue	16,056	16,056	16,151		
6050	Interest & Late Fees Assessed	140	0	100		
6060	Collection Costs Recovered	473	0			
6130	App Fees/Other Revenue	500	400	400		
6135	Prior Year Surplus Funding	10,611	10,611	12,611		
6910	Operating Interest Earned	117	150	100		
	Total Income:	239,520	229,761	230,811		
Operating Expenses						
Utilities						
7010	Electric Expense	725	800	780	(2.5)	
	Total Utilities:	725	800	780	(2.5)	
Maintenance						
7200	Common Area Maintenance	5,255	3,000	2,800	(6.7)	
7201	P/W Roofs and eaves	6,450	7,000	6,800	(2.9)	
7205	Mailbox Maintenance	1,250	0	1,250		
7510	Grounds Maint - Mthly	68,580	70,620	70,640	0.0	
7515	Tree Trimming Expense	2,289	3,000	2,500	(16.7)	
7600	Landscape-Special Projects	2,000	5,000	5,000	0.0	
7605	Plants/Trees Install	420	1,500	1,500	0.0	
7610	Mulch/Sod	496	500	500	0.0	
7710	Irrigation Maint/Repairs	1,893	3,000	2,500	(16.7)	
	Total Maintenance:	88,633	93,620	93,490	(0.1)	
Rec & Master Assoc Fees						
8020	Walden Oaks Assoc Fees	98,040	98,040	98,040	0.0	
	Total Rec/Master Fees:	98,040	98,040	98,040	0.0	
Insurance						
8500	Property Insurance	0	N/A	0		WS has no pro

Walden Shores Budget - 2013 - DRAFT #5 - by tk 10-20-12				86 UNITS		
Acct. #		ESTIMATED Total 2012	Adopted Budget 2012	DRAFT 2013 Budget	% Chg	Comments
8510	Liability/D & O Ins	1,578	1,855	1,700		Exp 7/06/13
8510	Directors & Officers	0	Incl in Liab	Incl in Laib		Exp 7/06/13
8510	Crime	644	645	700		Exp 7/06/13
8510	Umbrella Liability	0	N/A			None
8515	Worker's Comp	590	600	700		Exp 7/22/13
	Total Insurance:	2,812	3,100	3,100	0.0	
Administrative						
8610	Management Fees	10,080	10,080	10,380	3.0	
8620	Bank Charges Exp	0	0			
8630	Office Expense	2,091	2,100	2,200	4.8	
8650	Licenses/Permits/Fees	0	0			
8675	FL DBPR Annual Fees	0	0			
8680	Corp Annual Renewal	61	65	65	0.0	
8685	Taxes	0	0			
8710	Legal Fees Expense	1,480	1,200	1,200	0.0	
8711	Delinquencies Collection Expense	1,521	3,500	3,500		
8720	Accounting & Audit Exp	2,395	200	200	0.0	
9320	Contingency/Unbudgeted Exps	1,285	1,000	1,705	70.5	
	Total Administrative:	18,913	18,145	19,250	6.1	
	Total Operational Expenses:	209,123	213,705	214,660	0.4	
Reserve Contributions						
9520	Reserves: Painting	7,635	7,635	7,815	2.4	
9540	Reserves: Resurfacing	0	0			
9550	Reserves: Plant Replacement	1,600	1,600	1,600	0.0	
9570	Reserves: Document Revision	821	821	736	(10.4)	
9580	Reserves: Roof P/Wash	6,000	6,000	6,000	0.0	
	Total Reserve Contributions:	16,056	16,056	16,151	0.6	
	Total All Expenses:	225,179	229,761	230,811	0.5	
	Net Income:	14,341	0	0		

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Acct. #		ESTIMATED Total 2012	Adopted Budget 2012	DRAFT 2013 Budget	% Chg	Comments
				2013 Annual Fee		2013 Quarterly Fee
				\$2,600		\$650
	Master			Master	portion	\$285
	Walden Sh.			Walden Sh.	portion	\$365
	Total per quarter:			Total per quarter:		\$650

2013 Walden Shores Budget Reserve Calculation						
<u>Account</u>	<u>Est. Replace- ment Cost</u>	<u>Balance as of Dec 31 2011</u>	<u>Remaining Balance to Fund</u>	<u>Est. Life (Years)</u>	<u>Remaining Years as of 12/31/11</u>	<u>2012 Contribution</u>
Roof P/W	\$30,000	\$6,000	\$24,000	5	4	\$6,000
Painting	\$65,921	\$12,474	\$53,447	8	7	\$7,635.29
Resurfacing	\$0	\$0	\$0	0	0	\$0
Plant replacement	\$10,000	\$2,000	\$8,000	6	5	\$1,600
General Reserve		\$18,225				
Interest		\$12,740				
Doc revision	\$5,000	\$1,971	\$3,284	5	4	\$821
Total		\$53,410				\$16,056
<u>Account</u>	<u>Est. Replace- ment Cost</u>	<u>Estimated Balance as of Dec 31 2012</u>	<u>Remaining Balance to Fund</u>	<u>Est. Life (Years)</u>	<u>Remaining Years as of 12/31/12</u>	<u>2013 Contribution</u>
Roof Cleaning	\$30,000	\$12,000	\$18,000	5	3	\$6,000
Painting	\$67,000	\$20,109	\$46,891	8	6	\$7,815
Resurfacing		\$0				
Plant replace	\$10,000	\$3,600	\$6,400	6	4	\$1,600
Doc revision	\$5,000	\$2,792	\$2,208	5	3	\$736
General Reserve		\$18,225				
Interest		\$13,250				
Total		\$69,976				\$16,151