

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2013



**Gerstle, Rosen & Goldenberg, P.A.**  
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners  
Boca Bayou Condominium Association, Inc.

Dear Members:

**Report on the Financial Statements**

We have audited the accompanying balance sheet for Boca Bayou Condominium Association, Inc., as of December 31, 2013, and the related statements of revenues, expenses and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boca Bayou Condominium Association, Inc., as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Generally Accepted Accounting Principles requires the supplementary information on future major repairs and replacement be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Gerstle, Rosen & Goldenberg, P.A.*

GERSTLE, ROSEN & GOLDENBERG, P.A.  
Certified Public Accountants  
Boca Raton, Florida

July 8, 2014

**BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.**

**BALANCE SHEET**

December 31, 2013

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 331,987	\$ 37,634	\$ 369,621
Unit Owner Receivable	474,664		474,664
Dock Rent Receivable	2,626		2,626
Special Assessment Receivable	12,822		12,822
Other Receivable	2,358		2,358
Allowance for Uncollectible	(349,978)		(349,978)
Prepaid Expenses	2,884		2,884
Prepaid Insurance	227,006		227,006
Deferred Hurricane Expenses	4,963,590		4,963,590
Utility Deposits	37,150		37,150
	<u>\$ 5,705,109</u>	<u>\$ 37,634</u>	<u>\$ 5,742,743</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 221,620	\$	\$ 221,620
Insurance Payable	89,595		89,595
Line of Credit Payable	68,673		68,673
Dock Deposits	756		756
Prepaid Maintenance Fees	86,373		86,373
Prepaid Special Assessments	672		672
Deferred Hurricane Proceeds	5,193,235		5,193,235
Deferred Special Assessment Income	55,632		55,632
Deferred Income - Comcast	52,873		52,873
	<u>5,769,429</u>	<u></u>	<u>5,769,429</u>
<b>MEMBERS' EQUITY</b>			
Fund Balance	(64,320)	37,634	(26,686)
	<u>(64,320)</u>	<u>37,634</u>	<u>(26,686)</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u>\$ 5,705,109</u>	<u>\$ 37,634</u>	<u>\$ 5,742,743</u>

The accompanying notes are an integral part of this financial statement.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCES

Year Ended December 31, 2013

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Maintenance Fees	\$ 3,261,369	\$	\$ 3,261,369
Dockage	33,331		33,331
Legal Fee Recovery	3,240		3,240
Bad Debt Recovery	7,142		7,142
Clubhouse Rental Income	250		250
Interest Income	18	193	211
Screening Fees	19,620		19,620
Late Fees	25,789		25,789
Cable Income	19,828		19,828
Laundry Income	28,302		28,302
Transponder Income	2,585		2,585
Miscellaneous Income	9,570		9,570
<b>TOTAL REVENUES</b>	<u>3,411,044</u>	<u>193</u>	<u>3,411,237</u>
<b>EXPENSES</b>			
<b>(See Supplementary Information)</b>			
Common Expenses	1,955,336		1,955,336
Phase Expenses	1,587,800		1,587,800
<b>TOTAL EXPENSES</b>	<u>3,543,136</u>		<u>3,543,136</u>
<b>EXCESS REVENUES (EXPENSES)</b>	(132,092)	193	(131,899)
<b>FUND BALANCE - BEGINNING</b>	<u>67,772</u>	<u>37,441</u>	<u>105,213</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (64,320)</u>	<u>\$ 37,634</u>	<u>\$ (26,686)</u>

The accompanying notes are an integral part of this financial statement.

**BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2013**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
EXCESS REVENUES (EXPENSES)	\$ (132,092)	\$ 193	\$ (131,899)
<b>ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>DECREASE (INCREASE) IN ASSETS:</b>			
Unit Owner Receivable	32,876		32,876
Prepaid Insurance	(17,341)		(17,341)
Deferred Hurricane Expenses	(406,490)		(406,490)
<b>INCREASE (DECREASE) IN LIABILITIES:</b>			
Accounts Payable	138,163		138,163
Insurance Payable	3,631		3,631
Dock Deposits	206		206
Prepaid Maintenance Fees	(40,261)		(40,261)
Prepaid Special Assessments	(647)		(647)
Deferred Hurricane Proceeds	(1,431)		(1,431)
Deferred Special Assessment Income	334		334
Deferred Income - Comcast	(19,829)		(19,829)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(442,881)</b>	<b>193</b>	<b>(442,688)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
PROCEEDS FROM (PAYMENTS ON) LOAN	(87,507)		(87,507)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(87,507)</b>		<b>(87,507)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(530,388)</b>	<b>193</b>	<b>(530,195)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>862,375</b>	<b>37,441</b>	<b>899,816</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 331,987</b>	<b>\$ 37,634</b>	<b>\$ 369,621</b>

**SUPPLEMENTARY DISCLOSURES**

Operating activities reflect interest paid of \$6,048.

The accompanying notes are an integral part of this financial statement.

**BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013**

**I. ORGANIZATION**

Boca Bayou Condominium Association, Inc. is a not-for-profit; non Stock Corporation organized pursuant to Chapter 718 of the Florida Statutes. The Association was formed to maintain and protect the common areas owned by the individual unit owners in common, and consists of 721 units.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

Fund Accounting. The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For presentation purposes, the Association consolidates checking, money market and certificates of deposit. Generally accepted accounting principles differentiate investments (maturities of ninety (90) days or more) from cash and cash equivalents. However, these financial statements combine cash, cash equivalents and investments for presentation purposes.

Subsequent Events

The subsequent events have been evaluated through July 8, 2014 the date the financial statements were available to be issued.

Capitalization and Depreciation Policy

Real property and common area acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2013; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2013.

3. MAINTENANCE ASSESSMENTS

The Association Declaration provides that each owner is chargeable for their proportionate share of common expenses based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings. The Association provides an allowance for losses on receivables based on a review of the current status of existing receivables, where applicable.

4. DEFERRED SPECIAL ASSESSMENT INCOME

PHASE I

On September 22, 2005, the Board of Directors approved a special assessment of \$60,000 to fund the roof replacement on building #1 of phase I. The assessment was due in three equal consecutive monthly installments commencing October 1, 2005. As of December 31, 2013, \$5,730 has been expended and the remaining \$54,270 and the cumulative earned interest of \$1,362 totaling \$55,632 have been reflected on the balance sheet as Deferred Special Assessment Income.

**BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2013**

**5. REPLACEMENT FUNDS**

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

At a duly constituted meeting, the Association elected to waive reserve funding for the current fiscal year. Actual expenditures may vary from the estimated future expenditures for repairs and replacements of common property components as disclosed in the supplementary information, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The balance at December 31, 2013, consists of the following:

**Common and Phases 1 - 7**

COMPONENTS	BALANCE 12/31/2012	INTEREST/ ASSESSMENTS	TRANSFERS	EXPENDITURES	BALANCE 12/31/2013
Roofing	\$0	\$0	\$0	\$0	\$0
Paving	0				0
Painting	0				0
Interest	0				0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Harbour Homes - Phase 8**

COMPONENTS	BALANCE 12/31/2012	INTEREST/ ASSESSMENTS	TRANSFERS	EXPENDITURES	BALANCE 12/31/2013
Roofing	\$25,369	\$0	\$0	\$0	\$25,369
Paving	700				700
Painting	10,667				10,667
Interest	705	193			898
<b>TOTAL</b>	<b>\$37,441</b>	<b>\$193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,634</b>

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2013

6. COMMITMENTS

The Association has various contract services to maintain the common property including payroll for management and maintenance services, cable television service, common area landscaping, pool service, fire alarm monitoring, bookkeeping service and elevator service. These contracts have different expiration dates and renewal terms.

7. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments. The other method enables the Association to elect to exclude from taxation "exempt function income," which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association will file its 2013 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2010.

8. LINE OF CREDIT PAYABLE / TERM LOAN CONVERSION

In February 2006, the Association established a line of credit for \$1,000,000 to finance Hurricane Wilma clean up and repairs. The line of credit required monthly interest payments at the prime interest rate plus .25% on the principal balance outstanding for 24 months. The line of credit was due to mature during 2008; however, the Association negotiated an extension with the financial institution. The extension period commenced on September 1, 2008 at an interest rate based upon the "Base LIBOR Rate" plus two hundred fifty (250) basis points. The line of credit extension requires monthly payments of interest on the outstanding principal balance beginning September 1, 2008.

Funds could be drawn on this note by multiple advances with a minimum draw amount of \$10,000 through August 30, 2009 (line of credit maturity date). As of September 1, 2009 (term loan conversion date) repayment of this loan converted the outstanding principal balance to a self-amortizing term loan with a fixed interest rate to be determined by adding 225 basis points over a 5 year US SWAP Rate.

Beginning September 1, 2009, through and including the Term Loan Period Maturity Date (September 1, 2014), interest shall accrue upon the unpaid balance of this promissory note. As of October 1, 2009, the Association began making monthly payments of principal and interest until maturity.

As of December 31, 2013 the outstanding line of credit balance is \$68,673. (Maturity Date is September 1, 2014)

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2013

8. LINE OF CREDIT PAYABLE / TERM LOAN CONVERSION (Continued)

For the current year ended, the Association had \$93,555 of loan payments, consisting of \$87,507 of principal and \$6,048 of interest.

9. DEFERRED HURRICANE PROCEEDS / DEFERRED HURRICANE EXPENSES

The Association's insurance carrier paid \$5,099,714 for claims related to damages from Hurricane Wilma; however, the insurance carrier did not allocate the payments to specific buildings and /or Condominium phases (See Note 10). Consequently, the Association has deferred the insurance claim proceeds plus cumulative interest earned of \$96,383 (\$1,431 current year) totaling \$5,193,235 and the associated deferred hurricane expenses paid through December 31, 2013 of \$4,963,590.

10. CONTINGENCY

HURRICANE WILMA INSURANCE CLAIM

On June 2, 2008, the Association filed a lawsuit against its insurance carrier in regard to adjusting and paying the Association's Hurricane Wilma damage claim (See Note 9). The Association is requesting additional funds for the claims the carrier failed to completely adjust. The Association received \$5,099,714 of proceeds as of December 31, 2012. The Association cannot predict any monetary gain or loss as a result of a favorable or unfavorable outcome in the matter.

11. PRIOR PERIOD ADJUSTMENT

Prior period adjustments are transactions and corrections relating to prior accounting periods, and are made in order to reflect the current year without distortion. This prior period adjustment is for prior year accounts payable items.

**BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2013**

**12. CABLE INCOME / DEFERRED INCOME - COMCAST**

In 2008, the Board of Governors entered into a new 5 year contract (A) with Comcast Cable which began on July 1, 2008. Comcast Cable paid the Association \$54,075 (\$75 per unit) as a signing incentive for the contract. The Association recognized this income over the 5 year life of the Comcast Cable contract.

During 2012, the Board of Governors entered into a new 5 year contract (B) with Comcast Cable which began on September 1, 2012. Comcast Cable paid the Association \$72,100 (\$100 per unit) as a signing incentive for the contract. The Association will recognize this income over the 5 year life of the Comcast Cable contract.

During 2013, Cable Income of \$19,828 is being recognized, \$5,408 from contract (A) and \$14,420 from contract (B).

The remaining income to be recognized each year is as follows:

YEAR	CONTRACT A ANNUAL INCOME	CONTRACT B ANNUAL INCOME	TOTAL ANNUAL INCOME
2014	\$0	\$14,420	\$14,420
2015	0	14,420	14,420
2016	0	14,420	14,420
2017	0	9,613	9,613
<b>TOTAL</b>	<b>\$0</b>	<b>\$52,873</b>	<b>\$52,873</b>

As of December 31, 2013 the remaining income to be recognized is \$52,873 and is being reflected on the Balance Sheet as Deferred Income – Comcast.

## **SUPPLEMENTARY INFORMATION**

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS

December 31, 2013  
(Unaudited)

The Association has **not** conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following presents significant information about the components of common property:

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES</u>	<u>ESTIMATED CURRENT REPLACEMENT COSTS</u>	<u>2014 FUNDING REQUIREMENT</u>
<u>Phase I</u>			
Roofing	12 Years	\$840,000	\$70,000
Painting	1 Year	78,558	78,558
Elevators	2 Years	75,000	37,500
Asphalt	9 Years	51,500	5,722
		1,045,058	191,780
<u>Phase II</u>			
Roofing	12 Years	840,000	70,000
Painting	1 Year	128,168	128,168
Elevators	2 Years	100,000	50,000
Asphalt	9 Years	98,000	10,889
		1,166,168	259,057
<u>Phase III</u>			
Roofing	12 Years	1,680,000	140,000
Painting	1 Year	173,845	173,845
Elevators	2 Years	150,000	75,000
Asphalt	9 Years	128,500	14,278
		2,132,345	403,123
<u>Phase IV</u>			
Roofing	12 Years	840,000	70,000
Painting	1 Year	102,686	102,686
Elevators	2 Years	75,000	37,500
Asphalt	9 Years	69,000	7,667
		1,086,686	217,853
<u>Phase V</u>			
Roofing	12 Years	1,400,000	116,667
Painting	1 Year	173,173	173,173
Elevators	2 Years	125,000	62,500
Asphalt	9 Years	126,000	14,000
		1,824,173	366,340
<u>Phase VI - Caribbean</u>			
Roofing	12 Years	560,000	46,667
Painting	1 Year	50,000	50,000
Asphalt	2 Years	29,000	14,500
		639,000	111,167
<u>Phase VII</u>			
Roofing	12 Years	280,000	23,333
Painting	1 Year	37,537	37,537
Elevators	2 Years	25,000	12,500
Asphalt	9 Years	27,000	3,000
		369,537	76,370
<u>Harbour Homes</u>			
Roofing	9 Years	400,000	19,075
Painting	1 Year	32,000	32,000
Asphalt	9 Years	10,000	1,033
		442,000	52,108
TOTAL		\$8,704,967	\$1,677,798

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON

Year Ended December 31, 2013

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>REVENUES:</u>			
Maintenance Assessments	\$3,261,369	\$3,261,357	\$12
Dockage	33,331	30,000	3,331
Legal Fee Recovery	3,240	0	3,240
Bad Debt Recovery	7,142	0	7,142
Clubhouse Rental	250	0	250
Interest Income	18	2,006	(1,988)
Screening	19,620	9,999	9,621
Late Charges	25,789	5,000	20,789
Cable Income	19,828	0	19,828
Laundry Income	28,302	28,830	(528)
Transponder Income	2,585	0	2,585
Miscellaneous Income	9,570	500	9,070
Total Revenues	<u>3,411,044</u>	<u>3,337,692</u>	<u>73,352</u>

EXPENSES:

COMMON EXPENSES

Electricity	32,244	38,000	5,756
Water and Sewer	82,339	85,000	2,661
Trash Removal	2,867	3,000	133
Gas	35,188	42,000	6,812
Common Maintenance & Repair	94,306	75,000	(19,306)
Access Control	269,419	235,000	(34,419)
Telephone	36,082	40,000	3,918
Sprinkler Supplies	910	0	(910)
Tree Trim/Shrub/Sod	33,750	80,000	46,250
Landscape Extras	43,051	20,000	(23,051)
Fertilization	26,200	27,000	800
Sea Wall Maintenance	24,817	18,900	(5,917)
Golf Cart Maintenance	1,945	2,000	55
Exterminator / White Flies	31,219	25,000	(6,219)

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON

Year Ended December 31, 2013

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>EXPENSES (Continued):</u>			
<u>COMMON EXPENSES (Continued)</u>			
Holiday Decorations	8,562	10,000	1,438
Dock Repairs	20,026	50,000	29,974
Pool and Recreation	16,278	10,000	(6,278)
Tennis & Bocci Court/Putt Green	0	3,000	3,000
Clubhouse Maintenance	1,759	15,000	13,241
Recreation Area Repairs	8,937	2,000	(6,937)
Gate Repairs	6,596	4,000	(2,596)
Dues and Fees	1,311	2,000	689
Social Supplies	54	500	446
Office Supplies and Printing	26,018	25,000	(1,018)
Transponders	2,423	0	(2,423)
Land Sales Fees	2,884	2,884	0
Back Flow Inspection	0	5,000	5,000
Contingency	0	25,000	25,000
Common Insurance	200,126	205,000	4,874
Legal Fees	19,091	10,000	(9,091)
Audit Fees	8,700	8,000	(700)
Uniforms	4,399	5,000	601
Bookkeeping	31,827	31,827	0
Landscape Maintenance	128,783	121,500	(7,283)
Payroll	334,992	346,500	11,508
Pool Maintenance	20,700	20,700	0
Fire and Monitoring	0	5,400	5,400
Fire Pump Inspection and Repair / Fire Extinguishers	0	2,500	2,500
Building Repairs & Maintenance	385	0	(385)
Cable Service	342,654	333,000	(9,654)
Rodent Control	6,145	2,500	(3,645)
Cleaning	38,393	37,508	(885)
Cleaning Supplies	7,890	2,500	(5,390)
Sales Tax	2,066	4,000	1,934
<b>TOTAL COMMON EXPENSES</b>	<u>1,955,336</u>	<u>1,981,219</u>	<u>25,883</u>

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON

Year Ended December 31, 2013

	ACTUAL	BUDGET (Unaudited)	VARIANCE
<u>EXPENSES (Continued):</u>			
<u>PHASE EXPENSES</u>			
Trash	16,940	30,000	13,060
Telephone	16,919	15,201	(1,718)
Electricity	56,689	70,001	13,312
Water and Sewer	352,934	348,000	(4,934)
Gas	90,221	87,000	(3,221)
Elevators / Elevator Repairs	45,379	60,000	14,621
Building Repairs & Maintenance	121,056	100,001	(21,055)
Concrete Repairs	125,802	60,001	(65,801)
Roof Repairs	24,198	0	(24,198)
Fire and Monitoring	39,559	42,001	2,442
Fire Pumps - Inspection & Repair	10,989	15,000	4,011
Screening	15,772	14,999	(773)
Trash Chutes	1,257	14,999	13,742
Termites	1,485	0	(1,485)
Rodent Control	37,800	0	(37,800)
Exterminator	21,142	0	(21,142)
Landscape - Limited Common	7,161	3,000	(4,161)
Cleaning	115,193	117,540	2,347
Cleaning Supplies	0	7,500	7,500
Alarm	0	1,700	1,700
Insurance - Package & Flood	366,565	319,527	(47,038)
Legal Fees	27,281	0	(27,281)
Bad Debts	93,458	50,003	(43,455)
<b>TOTAL PHASE EXPENSES</b>	<b>1,587,800</b>	<b>1,356,473</b>	<b>(231,327)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,543,136</b>	<b>3,337,692</b>	<b>(205,444)</b>
<b>EXCESS OPERATING REVENUES (EXPENSES)</b>	<b>(\$132,092)</b>	<b>\$0</b>	<b>(\$132,092)</b>

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

STATEMENT OF OPERATING REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCE - BY COMMON AREA AND PHASES

Year Ended December 31, 2013

	COMMON AREA	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	PHASE 8	TOTAL
<b>REVENUES:</b>										
Maintenance Assessments		\$290,326	\$562,926	\$733,863	\$410,351	\$723,145	\$290,455	\$154,863	\$95,440	\$3,261,369
Dockage	\$33,331									33,331
Legal Fee Recovery							3,240			3,240
Bad Debt Recovery				4,518					2,624	7,142
Clubhouse Rental	250									250
Interest Income	18									18
Screening		2,100	2,100	3,320	3,400	5,300	2,200	1,100	100	19,620
Late Charges		5,617	4,845	6,335	5,425		2,492	1,015	60	25,789
Cable Income	19,828									19,828
Laundry Income		2,915	5,547	7,274	3,906	7,132		1,528		28,302
Transponder Income	2,585									2,585
Miscellaneous Income	7,235	25	50	325	50	360	25		1,500	9,570
<b>TOTAL REVENUES</b>	<b>63,247</b>	<b>300,983</b>	<b>575,468</b>	<b>755,635</b>	<b>423,132</b>	<b>735,937</b>	<b>298,412</b>	<b>158,506</b>	<b>99,724</b>	<b>3,411,044</b>
<b>EXPENSES:</b>										
<b>COMMON EXPENSES</b>										
Electricity	32,244									32,244
Water and Sewer	82,339									82,339
Trash Removal	2,867									2,867
Gas	35,188									35,188
Common Maintenance & Repair	94,306									94,306
Access Control	269,419									269,419
Telephone	36,082									36,082
Sprinkler Supplies	910									910
Tree Trim/Shrub/Sod	33,750									33,750
Landscape Extras	43,051									43,051
Fertilization	26,200									26,200
Sea Wall Maintenance	24,817									24,817
Golf Cart Maintenance	1,945									1,945
Exterminator / White Flies	31,219									31,219

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

STATEMENT OF OPERATING REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCE - BY COMMON AREA AND PHASES

Year Ended December 31, 2013

COMMON AREA	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	PHASE 8	TOTAL
<i>EXPENSES (Continued):</i>									
<i>COMMON EXPENSES (Continued)</i>									
Holiday Decorations	8,562								8,562
Dock Repairs	20,026								20,026
Pool and Recreation	16,278								16,278
Tennis & Bocci Court/Putt Green									0
Clubhouse Maintenance	1,759								1,759
Recreation Area Repairs	8,937								8,937
Gate Repairs	6,596								6,596
Dues and Fees	1,311								1,311
Social Supplies	54								54
Office Supplies and Printing	26,018								26,018
Transponders	2,423								2,423
Land Sales Fees	2,884								2,884
Back Flow Inspection									0
Contingency									0
Common Insurance	200,126								200,126
Legal Fees	19,091								19,091
Audit Fees	8,700								8,700
Uniforms	4,399								4,399
Bookkeeping	31,827								31,827
Landscape Maintenance	128,783								128,783
Payroll	334,992								334,992
Pool Maintenance	20,700								20,700
Fire and Monitoring									0
Fire Pump Inspection and Repair / Fire Extinguishers									0
Building Repairs & Maintenance	385								385
Cable Service	342,654								342,654
Rodent Control	6,145								6,145
Cleaning	38,393								38,393
Cleaning Supplies	7,890								7,890
Sales Tax	2,066								2,066
<b>TOTAL COMMON EXPENSES</b>	<b>1,955,336</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,955,336</b>

See independent auditors' report.

BOCA BAYOU CONDOMINIUM  
ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

STATEMENT OF OPERATING REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCE - BY COMMON AREA AND PHASES

Year Ended December 31, 2013

COMMON AREA	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	PHASE 8	TOTAL	
<u>EXPENSES (Continued):</u>										
<u>PHASE EXPENSES</u>										
Trash	1,589	3,033	3,972	2,142	3,940	1,455	809		16,940	
Telephone	1,262	4,383	2,219	840	2,855	2,567	427	2,366	16,919	
Electricity	6,031	9,917	14,395	4,933	6,887	11,038	1,826	1,662	56,689	
Water and Sewer	24,847	59,302	74,294	52,942	80,088	45,549	15,743	169	352,934	
Gas	12,368	19,326	20,515	12,809	20,693		4,510		90,221	
Elevators / Elevator Repairs	3,316	7,071	15,805	4,366	7,937	5,258	1,626		45,379	
Building Repairs & Maintenance	4,564	32,253	15,713	15,646	32,647	13,174	4,565	2,494	121,056	
Concrete Repairs	2,975	12,215	33,568	69,094	7,950				125,802	
Roof Repairs	2,611	7,695	5,482	1,843	4,025	230	2,047	265	24,198	
Fire and Monitoring	3,524	6,074	7,883	4,980	7,677	4,008	2,045	3,368	39,559	
Fire Pumps - Inspection & Repair	1,060	1,669	1,675	903	2,675	2,094	355	558	10,989	
Screening	1,830	1,956	3,564	1,773	4,359	1,215	999	76	15,772	
Trash Chutes	10	169	875	14	175	9	5		1,257	
Termites	225	575	460	150	75				1,485	
Rodent Control	5,972	4,958	8,730	4,360	6,675	2,556	1,197	3,352	37,800	
Exterminator	1,858	3,046	3,550	3,009	3,371	1,945	4,363		21,142	
Landscape - Limited Common								7,161	7,161	
Cleaning	10,818	20,646	27,036	14,583	26,544	9,831	5,735		115,193	
Cleaning Supplies									0	
Alarm									0	
Insurance - Package & Flood	33,033	61,086	85,796	41,470	74,781	33,396	13,559	23,444	366,565	
Legal Fees	333	7,855	2,983	7,947	2,554	3,402	2,140	67	27,281	
Bad Debts	13,347	16,891		27,057	14,913	12,539	8,711		93,458	
<b>TOTAL PHASE EXPENSES</b>	<b>0</b>	<b>131,573</b>	<b>280,120</b>	<b>328,515</b>	<b>270,861</b>	<b>310,821</b>	<b>150,266</b>	<b>70,662</b>	<b>44,982</b>	<b>1,587,800</b>
<b>TOTAL EXPENSES</b>	<b>1,955,336</b>	<b>131,573</b>	<b>280,120</b>	<b>328,515</b>	<b>270,861</b>	<b>310,821</b>	<b>150,266</b>	<b>70,662</b>	<b>44,982</b>	<b>3,543,136</b>
EXCESS OPERATING REVENUES (EXPENSES)	(1,892,089)	169,410	295,348	427,120	152,271	425,116	148,146	87,844	54,742	(132,092)
ALLOCATION OF COMMON AREA DEFICIT	1,882,490	(172,323)	(328,977)	(430,806)	(232,375)	(422,972)	(156,747)	(91,381)	(46,909)	0
OPERATING FUND BALANCE - BEGINNING	0	(102,814)	(39,954)	69,814	10,452	218,685	(53,321)	35,635	(70,725)	67,772
PRIOR PERIOD ADJUSTMENT	9,599	(878)	(1,678)	(2,196)	(1,184)	(2,157)	(799)	(466)	(241)	0
<b>OPERATING FUND BALANCE - ENDING</b>	<b>\$0</b>	<b>(\$106,605)</b>	<b>(\$75,261)</b>	<b>\$63,932</b>	<b>(\$70,836)</b>	<b>\$218,672</b>	<b>(\$62,721)</b>	<b>\$31,632</b>	<b>(\$63,133)</b>	<b>(\$64,320)</b>

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