

COMMENTS ON FINANCIAL RESULTS AS OF THE END OF APRIL 2011 (6th month)

We have now completed half of Waterside's fiscal year. Following last month's reallocation of funds within the budget, we have made a very limited number of modifications this month to the forecast compared to last month's forecast. Very limited changes to the revenue side were made, with the exception of a \$1,000.00 reduction in the screening revenue forecast.

In this report we will concentrate on the explanations of the various expense components.

WATER AND SEWAGE

Normally price increase goes effective on April 1st, and so far we have not received any notice of cost increase under this budget item. The consumption is up from the previous year and previous month that forced us to increase our forecast for the year. The number of snowbirds that were still at Waterside in April compared to previous years was greater this year. *Owners need to stress the point with their short-term occupants that there is a cost to pay for water consumption in Florida, and the cost of sewer use.* Northern snowbirds are not accustomed to paying for drinkable water consumption or for sewage costs.

On average the water consumption last year for the month of April was 2,150 gallons per unit; this year for same period the consumption on average was over 2,579. Here are some examples of very heavy consumption:

Building 1, unit 132 to 138, a total of 8 units, a total consumption of 66,000 gallons for an average of 8,250 gallons.
Building 19A, unit 400 to 403, a total of 4 units, total consumption of 86,000 gallons, average of 21,500 gallons.
Building 33, unit 616 to 622, a total of 8 units, total consumption of 36,000 gallons, average of 4,500 gallons.

SATELLITE T.V.

No change from previous month forecast except for the relocation of dishes, which is now completed. We will conduct one more review and determine if there are more that can be relocated.

ADMINISTRATIVE PAYROLL.

We have lowered our forecast by \$3,000.00 as we now have determined the salary review for the next twelve months.

COLLECTION COST

We have increased our legal costs related to our collection efforts further by \$1,000.00. We have initiated a procedure that we hope will force the banks to act and accelerate their foreclosure procedure. In some other cases we are pressuring owners with reminders that they need to pay the Association for their dues, because if owners do not pay their dues, the paying owners bear a burden which is not acceptable. There is a legal cost related to these various actions.

We will review next month our bad debt reserve requirements for the current year with hopes to stop the growth of our bad debt reserve.

TREE-TRIMMING

After a review of our forecast and taking into consideration current weather prediction we have increased our forecast for tree-trimming. We will over the next two weeks reduce the size of our larger trees, so wind can either go through or have less wind retention due to its overall size. It is a preventive measure that may or may not be required, and we cannot take chance.

NEW TREES AND BUSHES

We have reduced our forecast for new trees and bushes; most of the 2010/2011 planting is now completed. We will still do some regular maintenance and replacement till we produce the 2011/2012 program that will be part of the coming year budget.

BUILDING MAINTENANCE

We made a survey of all buildings and we will do some repairs to many service or storage doors, either painting them or replacing the routed frames and at same time redo the cement floor in those storage space. We will also replace the wood base on some of the patio door shutters with aluminum and add an aluminum base to some of the patio door shutters. This part of the work will be done over a two-year period.

CONCLUSION

The work continues at Waterside and we are gaining ground in a lot of areas. We use quality materials and with first-class workmanship. Thanks to our maintenance staff for their hard work, I can mainly attest to when we did the digging for the new cameras and the cutting of the asphalt. Working in 95 degree weather combined with very high humidity levels and burning sun can be brutal.

Andre Mongrain, President

Gaétan Cardinal, Treasurer

May 16, 2011

WATERSIDE FINANCIAL RESULT
AS OF APRIL 30, 2011

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2010/2011</u>	
<u>DESCRIPTION</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
<u>REVENUE</u>				290	
NSF FEE	330	0	0	0	0
100 ASSESSMENTS **	668,940	668,940	1,337,880	1,337,880	0
102 LATE FEE INCOME	3,475	2,500	6,000	5,000	1000
103 INTEREST INCOME	167	250	500	500	0
104 ESTOPPEL FEE	1,050	1,500	2,100	3,000	-900
106 ACCESS/GATE CARDS	30	250	150	500	-350
107 TRANSFER/SCREENING FEE	21,449	16,000	32,000	32,000	0
108 MISCELLANEOUS INCOME	300	1,750	1,500	3,500	-2000
TOTAL REVENUE	695,741	691,190	1,380,130	1,382,380	-2250

EXPENSES
UTILITIES

200 ELECTRIC	22,384	23,500	45,500	47,000	-1,500
201 WATER & SEWER	113,331	112,500	215,000	225,000	-10,000
202 GARBAGE & RECYCLING	17,759	18,000	36,000	36,000	0
203 PROPANE GAS	47	250	500	500	0
204 CABLE T.V.	35,087	35,000	66,000	70,000	-4,000
205 TELEPHONE	4,267	3,850	7,300	7,700	-400
205.1 WIFI	805	1,000	2,000	2,000	0
	193,680	194,100	372,300	388,200	-15,900

<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>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	53,648	58,275	112,550	116,550	-4,000
	301 PAYROLL-MAINTENANCE	34,104	34,500	70,000	69,000	1,000
	302 PAYROLL TAXES	7,092	9,500	16,500	19,000	-2,500
	302.1 EMPLOYEE BENEFITS	7,258	7,500	15,000	15,000	0
	304 SECURITY GUARDS	27,864	26,750	53,500	53,500	0
	305 ACCOUNTING	12,288	12,500	24,500	25,000	-500
	305.1 BANK FEES	323	300	600	600	0
	305.2 BAD DEBT	19,652	16,000	35,000	32,000	3,000
	305.3 COLLECTION COST	6,384	3,500	9,000	7,000	2,000
	306 AUDITING	4,400	2,250	4,500	4,500	0
	307 LEGAL	1,763	4,000	5,000	8,000	-3,000
	308 PROPERTY TAX	2,274	1,150	2,274	2,300	-26
	309 INCOME TAX	0	250	0	500	-500
	310 INSURANCE	85,274	99,000	180,000	198,000	-18,000
	311 OFFICE SUPPLIES	2,069	1,750	3,000	3,500	-500
	312 POSTAGE & SHIPPING	1,064	1,000	1,800	2,000	-200
	313 LICENSES	1,689	1,250	2,500	2,500	0
	314 TRAVEL & MILEAGE	232	400	800	800	0
	315 MEETINGS & EDUCATION	300	125	300	250	50
	316 SCREENING	7,042	4,750	9,500	9,500	0
	317 ALARM SYSTEM	79	350	500	700	-200
	318 COMPUTER REPAIR/SERVICE	0	1,000	2,000	2,000	0
	319 COPIER	1,668	2,000	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	5,312	2,500	6,000	5,000	1,000
	320.1 WEBSITE IMPROVEMENT	0	1,000	2,000	2,000	0
		281,779	291,600	560,824	583,200	-22,376

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE					
400 GASOLINE	434	375	800	750	50
401 SPRINKLERS	1,455	3,750	5,500	7,500	-2,000
402 PEST CONTROL	3,992	10,500	12,000	21,000	-9,000
402.6 MISC. MAINT.EXP.	384	1,000	1,750	2,000	-250
403 LANDSCAPING	56,907	58,000	116,000	116,000	0
403.1 FERTILIZATION-WEED CONT.	5,034	4,000	8,000	8,000	0
404 TREE TRIMING	14,180	8,500	20,900	17,000	3,900
404.1 NEW TREES & BUSHES	11,815	11,000	14,500	22,000	-7,500
405 BUILDING MAINTENANCE	11,314	12,000	22,000	24,000	-2,000
406 GROUNDS MAINTENANCE	19,002	9,000	31,000	18,000	13,000
407 SECURITY GATE EXPENSE	5,964	2,500	8,000	5,000	3,000
408 CAMERA & VIDEO EXP.	7,700	5,000	14,500	10,000	4,500
409 PLUMBING EXP.	2,655	750	3,000	1,500	1,500
410 ELECTRICAL EXP.	2,923	2,000	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	3,735	5,000	7,500	10,000	-2,500
412 STREET MAINTENANCE	0	1,500	9,000	3,000	6,000
413 UNIFORMS	0	125	250	250	0
414 GOLF CARTS	6,627	4,000	8,000	8,000	0
415 LOCKSMITH	7	250	300	500	-200
416 FIRE SAFETY	3,088	2,500	6,000	5,000	1,000
417 JANITORIAL SUPPLIES	1,326	1,000	2,000	2,000	0
418 AWNINGS REPAIRS	19,360	12,500	21,000	25,000	-4,000
420 PAINTING PROGRAM	1	26,500	53,000	53,000	0
421 STREET LIGHT	0	500	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	750	1,500	1,500	0
426 ENTRANCE SIGNS/FOUNTAIN	1,750	1,000	3,000	2,000	1,000
429 BENCHES REPLACEMENT	5,612	1,750	5,612	7,500	-1,888
432 MAIN OFFICE/GUARD HOUSE	4,096	3,750	4,500	7,000	-2,500
433 LIBRARY	8,849	3,500	8,849	3,500	5,349
PERGOLA	3,515	0	8,000	0	8,000
GAZEBO	10,101	0	20,500	0	20,500
	211,826	193,000	421,961	386,000	35,961

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	1,393	12,490	24,980	24,980	0
476 INTEREST EXPENSE	0	0	0	0	0
	1,393	12,490	24,980	24,980	0
GRAND TOTAL EXPENSES	688,678	691,190	1,380,065	1,382,380	-2,315
REVENU OVER EXPENSES	7,063	0	65	0	65

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
RESERVES					
2510 ROOFS	12,500	12,500	25,000	25,000	0
2515 PAINTING	1,200	1,200	2,400	2,400	0
2530 ASPHALT	7,500	7,500	15,000	15,000	0
2542 POOLS	5,000	5,000	10,000	10,000	0
2543 AWNINGS	5,000	5,000	10,000	10,000	0
2546 SPRINKLERS	2,500	2,500	5,000	5,000	0
2545 WORKING CAPITAL	12,500	12,500	25,000	25,000	0
2544 INTEREST REV. RESERVE	2,943	3,000	6,000	5,000	1,000
	49,143	49,200	98,400	97,400	1,000

Gaetan Cardinal, Treasurer