

COMMENTS ON FINANCIAL RESULTS AS OF END OF JULY 2011 (9TH MONTH)

We have completed 9 months of our 2010/2011 financial exercise. Changes were made to our previously produced forecast; there are still indications of an improvement of the expected results compared to last month. Same as last month we will not assign the positive result (\$ 10,531.00) to various possible improvements for the time being.

Fourteen units have been sold so far, and we have now increased our forecast to 18 units to change hands this year. We see some improvement in the foreclosing process. Unit 616 is listed for foreclosure court procedure on September 6, 2011. If you are or know someone that will be interested in participating in the court proceeding, you do need to record yourself with the court office and provide personal and financial information inclusive of a deposit. Unit 121 was also sold in a foreclosing procedure and the final court decision is to be made on September 1; remember that when a unit is taken over by the mortgage company, we do not record such as a sale. Unit 167 is now owned by the mortgage company and it is listed for sale, it is a B type, if you need information please contact our Manager Daniel Harvey.

As mentioned last month, for the second time in its history, the Association has initiated a foreclosure process against one of its owners and the process is ongoing.

This month's report will cover items from the balance sheet, in addition to the normal expenses review. Your Board has initiated the budget process for the upcoming new year. The budget needs to be sent to owners, inclusive of the reserve section, before the end of September.

1) BALANCE SHEET COMMENTS

As mentioned in previous reports, the various reserve accounts are fully funded, the sum of the reserves now stands at \$438,641 and the balance in banks accounts or CD to support this is also \$438,641. We did record an increase in the interest reserve account of \$3,227.53 on a \$100,000.00 CD with Iberia Bank, equivalent to a 6.5% annual interest rate. Depending on stock market performance or lack of it, like it is currently, we may not see revenue on this for some time. We have to remember that the capital is FDIC insure, not the revenue side.

We have improved our shareholders equity by a further \$50,000.00 and now stand at \$150,924, not too many condo associations can say so, this will be useful if your Association needs to borrow, and our credit rating is excellent. This improvement comes from the capitalization of the Miner Road land purchase; by the way the land is now clear, the old house is gone.

We are also on the safe side for bad debt; we make a monthly evaluation of bad debt reserve requirements and we have lowered our forecast, and we remain fully reserved and intend to continue with all legal matters at the disposition of the Board, even if there is legal cost attached to. One more time, your Board will not have to use a special assessment for our bad debts.

Cash on hand is currently \$97,969. As we are building cash for the next insurance season in April 2012 and we will also require \$53,000 for the current years painting program.

2) UTILITIES EXPENSES

We increased the TV cost by \$1,000.00 to cover some cable breaks that we are currently experiencing. Under this general heading we are still forecasting to be below budget by \$15,200 mainly due to the non increase in the fee structure for the water and sewage.

3) ADMINISTRATIVE COST

In total minor changes to our forecast, we have increased, one more time, our collection costs and reduced our general legal costs. Just for collection services we are now spending over \$2.00 a month out of the \$290.00 in legal costs alone.

Remember that the intention of your Board is to invest any savings achieved under the Administration back into the maintenance and improvement of the site. Please refer to the Summer Project update that was published last week.

We also posted a series of photos on our web site inclusive of a series of photos on the Miner Road house demolition from start to completion.

4) MAINTENANCE COST

We have added about \$2,000 to our forecasted level of expenditures compared to last months forecast; this is spread over a multitude of budget accounts. Most of the contractor work is completed with the exception of the painting program. We are currently in discussion with painting contractors and the work will be going on in mid September and will last for about 6 weeks. We will then come up with a recommendation on the awnings for the newly painted buildings.

The annual fire safety review is now completed and we have spent in total \$5,545. This is \$3,000 less than the previous year. The break down of this cost center is as follows: \$450.00 to the City of Boynton fire department, \$3,088 for the new extinguisher enclosures and \$2,007 to the service supplier. We now have a full record of when the extinguisher was changed or filled and our own visual inspection, we will now maintain this report and we file it with the contractor and the fire department, this is one way to control cost. This coming fall we will continue to replace broken and badly located extinguisher enclosures, in the long run this will lead to savings.

We still have to complete the surrounding areas of the new gazebos and pergola. Bushes and flowers should be completed by the end of October, and our forecast is covered for these expenses.

5) MINER ROAD SOUTH PROPERTY

Demolition completed for a cost of \$11,400.00, which is close to \$7,000 more than expected due to the asbestos situation. Demolition was done in accordance with a state of the art procedure and all permits for demolition and disposal were obtained. We are now left with the installation of the fence and hedge; on the positive side we did get an additional source of well water and 5 mango trees.

Your Board got the opinion from our Auditor as far as the applicable accounting rule for the expenses related to the land purchase: we can either process this as an expense or capitalize the cost to the land cost. As land is a non-depreciable element, then it is a good value to show on our balance sheet. It is now up to your Board to make a decision, which needs to be made before end of September.

CONCLUSION

In total your Association is performing in accordance with the budget and making a lot of progress on special maintenance and improvements projects.

Thanks for reading,

André Mongrain, President

Gaétan Cardinal. Treasurer

WATERSIDE FINANCIAL RESULT
AS OF JULY 31, 2011

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2010/2011</u>	
<u>REVENUE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
				290	
NSF FEE	340	0	340	0	340
100 ASSESSMENTS **	1,003,410	1,003,410	1,337,880	1,337,880	0
102 LATE FEE INCOME	3,500	3,750	5,000	5,000	0
103 INTEREST INCOME	341	375	500	500	0
104 ESTOPPEL FEE	2,100	2,250	2,700	3,000	-300
106 ACCESS/GATE CARDS	60	375	150	500	-350
107 TRANSFER/SCREENING FEE	25,099	24,000	32,000	32,000	0
108 MISCELLANEOUS INCOME	1,071	2,625	1,500	3,500	-2000
TOTAL REVENUE	1,035,921	1,036,785	1,380,070	1,382,380	-2310

EXPENSES
UTILITIES

200 ELECTRIC	32,211	35,250	45,000	47,000	-2,000
201 WATER & SEWER	165,061	168,750	215,000	225,000	-10,000
202 GARBAGE & RECYCLING	26,811	27,000	36,000	36,000	0
203 PROPANE GAS	72	375	300	500	-200
204 CABLE T.V.	51,914	52,500	67,000	70,000	-3,000
205 TELEPHONE	5,943	5,775	7,700	7,700	0
205.1 WIFI	1,342	1,500	2,000	2,000	0
	283,354	291,150	373,000	388,200	-15,200

<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	81,094	87,412	111,550	116,550	-5,000
	301 PAYROLL-MAINTENANCE	51,666	51,750	70,000	69,000	1,000
	302 PAYROLL TAXES	12,411	14,250	16,500	19,000	-2,500
	302.1 EMPLOYEE BENEFITS	10,781	11,250	15,500	15,000	500
	304 SECURITY GUARDS	39,633	40,125	54,000	53,500	500
	305 ACCOUNTING	18,318	18,750	24,500	25,000	-500
	305.1 BANK FEES	563	450	700	600	100
	305.2 BAD DEBT	27,689	24,000	24,000	32,000	-8,000
	305.3 COLLECTION COST	10,625	5,250	12,500	7,000	5,500
	306 AUDITING	4,400	3,375	4,500	4,500	0
	307 LEGAL	1,763	6,000	3,500	8,000	-4,500
	308 PROPERTY TAX	2,274	1,725	2,274	2,300	-26
	309 INCOME TAX	0	375	0	500	-500
	310 INSURANCE	132,151	148,500	179,025	198,000	-18,975
	311 OFFICE SUPPLIES	2,479	2,625	3,000	3,500	-500
	312 POSTAGE & SHIPPING	1,492	1,500	1,800	2,000	-200
	313 LICENSES	2,314	1,875	2,500	2,500	0
	314 TRAVEL & MILEAGE	528	600	600	800	-200
	315 MEETINGS & EDUCATION	300	188	300	250	50
	316 SCREENING	8,132	7,125	10,000	9,500	500
	317 ALARM SYSTEM	238	525	500	700	-200
	318 COMPUTER REPAIR/SERVICE	0	1,500	1,500	2,000	-500
	319 COPIER	2,624	3,000	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	6,364	3,750	7,000	5,000	2,000
	320.1 WEBSITE IMPROVEMENT	0	1,500	2,000	2,000	0
		417,839	437,400	551,749	583,200	-31,451

<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	875	563	1,000	750	250
401 SPRINKLERS	2,775	5,625	4,000	7,500	-3,500
402 PEST CONTROL	8,999	15,750	12,000	21,000	-9,000
402.6 MISC. MAINT.EXP.	384	1,500	1,250	2,000	-750
403 LANDSCAPING	85,360	87,000	116,000	116,000	0
403.1 FERTILIZATION-WEED CONT.	5,177	6,000	8,000	8,000	0
404 TREE TRIMING	17,025	12,750	17,025	17,000	25
404.1 NEW TREES & BUSHES	11,815	16,500	14,500	22,000	-7,500
405 BUILDING MAINTENANCE	18,507	18,000	22,000	24,000	-2,000
406 GROUNDS MAINTENANCE	19,674	13,500	31,000	18,000	13,000
407 SECURITY GATE EXPENSE	6,274	3,750	8,000	5,000	3,000
408 CAMERA & VIDEO EXP.	14,299	7,500	15,000	10,000	5,000
409 PLUMBING EXP.	3,625	1,125	4,500	1,500	3,000
410 ELECTRICAL EXP.	3,241	3,000	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	7,356	7,500	8,250	10,000	-1,750
412 STREET MAINTENANCE	542	2,250	9,000	3,000	6,000
413 UNIFORMS	0	187	250	250	0
414 GOLF CARTS	7,127	6,000	8,000	8,000	0
415 LOCKSMITH	43	375	300	500	-200
416 FIRE SAFETY	5,545	3,750	5,545	5,000	545
417 JANITORIAL SUPPLIES	1,824	1,500	2,200	2,000	200
418 AWNINGS REPAIRS	19,360	18,750	21,000	25,000	-4,000
420 PAINTING PROGRAM	1	39,750	53,000	53,000	0
421 STREET LIGHT	0	750	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,125	1,500	1,500	0
426 ENTRANCE SIGNS/FOUNTAIN	3,095	1,500	5,000	2,000	3,000
429 BENCHES REPLACEMENT	5,612	2,625	5,612	7,500	-1,888
432 MAIN OFFICE/GUARD HOUSE	4,096	5,625	4,500	7,000	-2,500
433 LIBRARY	8,849	5,250	8,849	3,500	5,349
PERGOLA	7,029	0	7,029	0	7,029
GAZEBO	20,202	0	20,500	0	20,500
	288,711	289,500	419,810	386,000	33,810

<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	1,443	18,735	24,980	24,980	0
476 INTEREST EXPENSE	0	0	0	0	0
	1,443	18,735	24,980	24,980	0
GRAND TOTAL EXPENSES	991,347	1,036,785	1,369,539	1,382,380	-12,841
REVENU OVER EXPENSES	44,574	0	10,531	0	10,531

<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	18,750	18,750	25,000	25,000	0
2515 PAINTING	1,800	1,800	2,400	2,400	0
2530 ASPHALT	11,250	11,250	15,000	15,000	0
2542 POOLS	7,500	7,500	10,000	10,000	0
2543 AWNINGS	7,500	7,500	10,000	10,000	0
2546 SPRINKLERS	3,750	3,750	5,000	5,000	0
2545 WORKING CAPITAL	18,750	18,750	25,000	25,000	0
2544 INTEREST REV. RESERVE	7,594	3,750	9,000	5,000	4,000
	76,894	73,050	101,400	97,400	4,000

Gaetan Cardinal, Treasurer

Andre Mongrain, President