

COMMENTS ON THE MARCH 2012 FINANCIAL RESULT

GENERAL COMMENTS

Five months of the 2011/2012 of your Association's financial year are completed, and we are still projecting results very close to budget expectation. Very minor changes were made from last month's forecast and we are very concerned about the insurance mitigation report end- result. Depending on the end result we may have to delay some projects planned over the summer months. We will explain the modifications to the expected results for the full year when compared to the budget and previous forecast.

Also in early May we will move a further \$100,000.00 from the reserve's regular bank account to a term deposit. We now have over half a million dollars in reserve and all reserve accounts are funded on a monthly basis. If you look at the last section of the report you will see that we now forecast interest revenue to reach \$11,000.00 for the year, which is exceeding the budget by \$5,000.00 and we expect to move this figure up by the end of the May report.

Coming back to the insurance mitigation report, as mentioned at the last Board meeting held on March 28, the current mitigation report is a lot more exhaustive than the last two that were produced since 2004. There are two situations that create a problem: first the underlay for the roof shingles and the second issue is the round windows with a plastic glass- cover (on unit C, D and DD types.) The first one we will resolve. It may be more difficult to deal with the round- window situation. If not resolved it will have a severe impact on our Association insurance cost for many years to come. It would also have a negative impact on insurance cost for owners of unit C, D and DD types. (Round windows do not exist in models A and B.) We may need to come up with alternative solutions to correct this problem for the long term. Our Vice-President Mr. Claude Comtois is on top of this situation.

Your Board is now in the process of getting bids for hurricane preparedness regarding the larger trees. We will cut back trees, and the Australian pines that are on the railroad property at the corner of US1 and Miner road. We will cut back those 10 to 12 feet from our fence, and this will allow our trees and hedges to grow faster. The main situation in tree- cutting is the nine large Bischofia on the south side of the property. Last year we removed 3 of those and this year 9 more of them will be removed. We will be left with 3 for the 2013 program. They will be replaced by Japanese ferns which is the top-recommended tree for hurricane resistance. This will happen over the summer months. We are forced to cut down those large trees due to the risk to property and their badly routed situation.

FINANCIAL RESULTS

On the revenue side we have improved our forecast by \$1,000.00 under transfer/screening fees when compared to the last forecast. We also would like to bring to our owners' attention that some modifications were made to the various forms used for specific situations; please use them when required.

Under the Utilities expenses group we have lowered our expenses forecast by close to \$1,500.00. Now we estimate that we will be lower than budget by \$ 4,250.00. Remember that we have some seasonal impact mainly under Water and Sewage, as there is a lot less consumption during the summer months.

Limited changes were introduced to the Administrative cost; we only reduced the employee benefits cost by a further \$500.00. We have not made changes to last month's forecast under the Insurance heading; we may need to do so next month, and if we do increase our forecasted cost, something will be cut back to offset that.

For the Maintenance section we made some changes in our forecast. We have reduced our pest control by \$1,000.00; reduced tree- trimming by \$2,000.00, following the original quotation received so far. (This market is very competitive.)

We have increased our forecast for new trees and bushes to cover the new trees that will be planted on the south side of the property. Owners, who visited Waterside in late March and in April so far, can appreciate the work done at the entrance cascade and at the front of the office.

We have increased Grounds Maintenance by a further \$2,000.00. We will now exceed budget by \$8,000.00 and this is may be even on the low side; all will depend on next season's mulch cost.

We have reduced our estimated cost for the main office and the guard house. The library shelving is finally all in; we are left with the installation of proper lighting.

CONCLUSION

Your Board is concerned about the evolution of the insurance filing. As mentioned at the last Board meeting the Association is now the owner of a unit due to our initiation of a foreclosure procedure. Your Association spent more than \$5,000.00 so far just on legal costs on this unit and it is not over yet. We still have to place pressure on the mortgage company, as there is not that much we can do with the unit. We own it but the bank still has a lien on it. Unit 121 was finally foreclosed by the bank in early April. (The whole foreclosure process is a very long process where the Association is the only loser.) At least we will get back 6 months of maintenance dues and they will start to pay the monthly fee till they release the unit.

Andre Mongrain President/Treasurer

WATERSIDE FINANCIAL RESULT
AS OF MARCH 31, 2012

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2011/2012</u> <u>BUDGET</u>	<u>VARIANCE</u>
					290	
	NSF FEE	245	0	245	0	245
	100 ASSESSMENTS **	557,160	557,450	1,337,880	1,337,880	0
	102 LATE FEE INCOME	2,025	1,667	4,700	4,000	700
	103 INTEREST INCOME	26	208	200	500	-300
	104 ESTOPPEL FEE	1,350	1,250	1,800	3,000	-1200
	106 ACCESS/GATE CARDS	15	83	100	200	-100
	107 TRANSFER/SCREENING FEE	19,045	13,334	32,000	32,000	0
	108 MISCELLANEOUS INCOME	707	833	1,700	2,000	-300
	TOTAL REVENUE	580,573	574,825	1,378,625	1,379,580	-955

EXPENSES
UTILITIES

	200 ELECTRIC	17,835	19,583	44,000	47,000	-3,000
	201 WATER & SEWER	96,281	93,750	225,000	225,000	0
	202 GARBAGE & RECYCLING	17,929	15,417	39,000	37,000	2,000
	203 PROPANE GAS	39	208	500	500	0
	204 CABLE T.V.	26,166	29,167	67,000	70,000	-3,000
	205 TELEPHONE	2,987	3,000	7,200	7,200	0
	205.1 WIFI	534	833	1,750	2,000	-250
		161,771	161,958	384,450	388,700	-4,250

<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>2011/2012</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	44,999	47,313	110,550	113,550	-3,000
	301 PAYROLL-MAINTENANCE	29,743	30,000	72,000	72,000	0
	302 PAYROLL TAXES	5,769	7,292	15,000	17,500	-2,500
	302.1 EMPLOYEE BENEFITS	5,639	7,083	15,500	17,000	-1,500
	304 SECURITY GUARDS	23,344	22,917	55,500	55,000	500
	305 ACCOUNTING	10,339	10,625	25,500	25,500	0
	305.1 BANK FEES	507	250	650	600	50
	305.2 BAD DEBT	13,949	10,000	21,500	24,000	-2,500
	305.3 COLLECTION COST	5,053	3,750	9,000	9,000	0
	306 AUDITING	4,400	1,958	4,400	4,700	-300
	307 LEGAL	-465	1,667	2,500	4,000	-1,500
	308 PROPERTY TAX	2,860	1,125	2,860	2,700	160
	309 INCOME TAX	0	208	500	500	0
	310 INSURANCE	78,127	77,083	205,000	185,000	20,000
	311 OFFICE SUPPLIES	1,407	1,354	2,500	3,250	-750
	312 POSTAGE & SHIPPING	534	750	1,500	1,800	-300
	313 LICENSES	1,709	1,042	2,500	2,500	0
	314 TRAVEL & MILEAGE	471	333	800	800	0
	315 MEETINGS & EDUCATION	0	125	300	300	0
	316 SCREENING	5,621	3,958	9,000	9,500	-500
	317 ALARM SYSTEM	159	292	700	700	0
	318 COMPUTER REPAIR/SERVICE	1,798	833	2,500	2,000	500
	319 COPIER	1,853	1,667	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	2,789	1,667	4,000	4,000	0
	320.1 WEBSITE IMPROVEMENT	0	833	1,500	2,000	-500
	323 SOCIAL FACILITIES	7,196	2,083	7,500	5,000	2,500
		247,801	236,208	577,260	566,900	10,360

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2011/2012</u> <u>BUDGET</u>	<u>VARIANCE</u>
400 GASOLINE	327	417	1,000	1,000	0
401 SPRINKLERS	3,560	2,083	6,000	5,000	1,000
402 PEST CONTROL	9,127	5,417	14,000	13,000	1,000
402.6 MISC. MAINT.EXP.	125	833	1,000	2,000	-1,000
403 LANDSCAPING	48,655	47,500	114,000	114,000	0
403.1 FERTILIZATION-WEED CONT.	3,224	3,333	8,000	8,000	0
404 TREE TRIMING	185	6,250	8,000	15,000	-7,000
404.1 NEW TREES & BUSHES	9,940	7,500	13,000	18,000	-5,000
405 BUILDING MAINTENANCE	11,961	10,000	24,000	24,000	0
406 GROUNDS MAINTENANCE	24,942	10,000	32,000	24,000	8,000
407 SECURITY GATE EXPENSE	152	3,333	8,000	8,000	0
408 CAMERA & VIDEO EXP.	875	2,083	2,000	5,000	-3,000
409 PLUMBING EXP.	962	1,667	4,000	4,000	0
410 ELECTRICAL EXP.	2,821	1,667	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	7,676	3,750	12,000	9,000	3,000
412 STREET MAINTENANCE	527	1,250	3,000	3,000	0
413 UNIFORMS	0	104	250	250	0
414 GOLF CARTS	506	4,583	7,000	11,000	-4,000
415 LOCKSMITH	19	208	300	500	-200
416 FIRE SAFETY	3,068	2,083	6,000	5,000	1,000
417 JANITORIAL SUPPLIES	1,025	833	2,500	2,000	500
418 AWNINGS REPAIRS	-4,005	12,500	26,000	30,000	-4,000
420 PAINTING PROGRAM	3,645	17,917	43,000	43,000	0
421 STREET LIGHT	0	417	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	834	2,000	2,000	0
426 ENTRANCE SIGNS/FOUNTAIN	14,645	2,083	15,000	5,000	10,000
429 BENCHES REPLACEMENT	2,034	1,250	3,000	3,000	0
432 MAIN OFFICE/GUARD HOUSE	0	1,459	1,500	3,500	-2,000
433 LIBRARY	3,282	2,083	3,282	5,000	-1,718
478 GAZEBO	1,800	7,500	15,000	18,000	-3,000
LIGHT RETENTION POUND	0	4,167	10,000	10,000	0
	151,078	165,104	389,832	396,250	-6,418

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2011/2012</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	6	11,555	26,500	27,730	-1,230
476 INTEREST EXPENSE	0	0	0	0	0
	6	11,555	26,500	27,730	-1,230
<u>GRAND TOTAL EXPENSES</u>	560,656	574,825	1,378,042	1,379,580	-1,538
<u>REVENUE OVER EXPENSES</u>	19,917	0	583	0	583

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2011/2012</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>RESERVES</u>					
2510 ROOFS	10,417	10,417	25,000	25,000	0
2515 PAINTING	1,000	1,000	2,400	2,400	0
2530 ASPHALT	6,250	6,250	15,000	15,000	0
2542 POOLS	4,167	4,167	10,000	10,000	0
2543 AWNINGS	4,167	4,167	10,000	10,000	0
2546 SPRINKLERS	2,083	2,083	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	5,208	5,208	12,500	12,500	0
2545 WORKING CAPITAL	5,208	5,208	12,500	12,500	0
2544 INTEREST REV. RESERVE	4,172	4,167	11,000	6,000	5,000
	42,672	42,667	103,400	98,400	5,000

ANDRE MONGRAIN, President/Treasurer