

## **COMMENTS ON THE MAY 2012 FINANCIAL RESULT**

### **UPDATE ON THE INSURANCE COVERAGE AND A NEW SITUATION**

Sorry for the delay in publishing the May 2012 result; this is due to two situations -- the first one is what was mentioned last month about the insurance, and the second one is about garbage and recycling costs.

Please consider that the forecast is subject to substantial changes over the coming months if we cannot delay the negative impact of the insurance policies; if not this year, it will be part of next year's budget.

On the insurance side, we have no real development to report, except that the insurance company still maintains their position on the garden windows and on the small round windows. Now they have added the fact that A and B second floor units have a wood structure, a known fact for the past 23 years. Just to be precise the dividing wall between units are all cement block, the outside walls are made of wood covered with stucco. It appears that the State Governor prefers to get out of the insurance business that is handled by Citizens. This creates market turmoil as there is a very limited group of companies that provide coverage, so they use everything to increase rates. You as an owner will be faced with the same situation when your own renewal date is due.

Your Board is simply trying to gain time in order to allow the units with a garden window to have them replaced. Next year's budget will include a new item of \$40,000.00 which will be budgeted to cover the cost of shutters for the garden window replacements and also for the installation of an appropriate protective device on the circular window. Last month an owner asked if there was a possibility of more negative news on this subject and I said yes, referring to the entrance doors of C, D and DD units. So far the insurance companies have not made any reference to these, and the second floor situation is known by the insurance company and to me it was already a factor in the policy cost.

The other element that we are discussing with the Town and with Waste Management is the garbage and recycling cost which went up by \$800.00 a month in February. We are now debating with the company, and as I write this memo we have no decision yet. We were faced with the same situation two years ago and we won the battle. Let's hope we can achieve the same this time around.

### **GENERAL COMMENTS**

Please refer to our website to see some photos of the ongoing work at Waterside. A special thanks to Michel Dyotte, Gaby Belanger and the undersigned who spent a lot of time in June doing the site cleanup of the Miner Road property and by planting over 360 new trees and bushes all over the property, particularly the trees planted on the south side and the small Areca palms planted alongside the reservoir. This compact variety grows quickly and will assist as a sound and dust barrier near the tracks.

From comments received we are in control of the white-fly invasion so far. We do have a lot of rainy days which enriches the general appearance of the site. So far no major storms are on the horizon. If you want to track storms for a good indication of what is going on in terms of weather, please refer to website [www.unkebe.com](http://www.unkebe.com)

The architect/planner report for the acquired property on Miner Road was submitted to the Town and was approved at the Town meeting held on June 20, 2012.

Please refer to the next summer projects report that will be published by mid- August.

## **FINANCIAL RESULT**

The revenue report shows that we have increased our revenue for “estoppel fees” resulting from good performance on unit sales. We are now forecasting 22 units to change hands and may reach 25 when the financial year is over.

Utilities expenses have lowered our electricity cost by a further \$1,000.00, and reduced the water and sewer cost by \$3,000.00. We maintain our estimate for the garbage and recycling with the assertion that we will win the battle with Waste Management. If not then we will have to increase our forecast by about \$7,000.00 and next year’s budget by close to \$12,000.00. We have also lowered our forecast for cable TV by \$1,000.00.

As far as the administrative expenses are concerned we have lowered our forecast for the bad debt by \$4,000.00 and hope to finish the year with a net cost of \$17,500.00 compared to a budget of \$24,000.00. A series of expenses forecast were increased in that group for a net negative impact of \$1,400.00.

In order to pay for the increase in pest control (\$2,000.), ground maintenance (\$3,000.), new trees and bushes (\$4,000) and bench replacement (\$2,000.), we have eliminated the project of the lighting alongside the retention pond for an amount of \$10,000. We will review this last item with the next budget preparation.

The result shows a surplus of revenue over expenses of \$7,687.00. This is necessary to cover the cost of capitalized items in relation to the Miner Road land.

**Andre Mongrain    President/Treasurer**

**WATERSIDE FINANCIAL RESULT**  
**AS OF MAY 31, 2012**

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2011/2012</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					<b>290</b>	
	NSF FEE	220	0	220	0	220
	100 ASSESSMENTS **	780,115	780,430	1,337,880	1,337,880	0
	102 LATE FEE INCOME	2,800	2,333	4,700	4,000	700
	103 INTEREST INCOME	26	292	100	500	-400
	104 ESTOPPEL FEE	2,550	1,750	3,300	3,000	300
	106 ACCESS/GATE CARDS	15	117	50	200	-150
	107 TRANSFER/SCREENING FEE	21,745	18,666	33,000	32,000	1000
	108 MISCELLANEOUS INCOME	807	1,167	1,500	2,000	-500
	<b>TOTAL REVENUE</b>	<b>808,278</b>	<b>804,755</b>	<b>1,380,750</b>	<b>1,379,580</b>	<b>1170</b>

**EXPENSES**  
**UTILITIES**

	200 ELECTRIC	24,486	27,417	43,000	47,000	-4,000
	201 WATER & SEWER	134,571	131,250	222,000	225,000	-3,000
	202 GARBAGE & RECYCLING	25,040	21,583	39,500	37,000	2,500
	203 PROPANE GAS	56	292	500	500	0
	204 CABLE T.V.	36,216	40,833	65,500	70,000	-4,500
	205 TELEPHONE	4,166	4,200	7,200	7,200	0
	205.1 WIFI	965	1,167	1,750	2,000	-250
		<b>225,500</b>	<b>226,742</b>	<b>379,450</b>	<b>388,700</b>	<b>-9,250</b>

<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	63,215	66,238	113,550	113,550	0
	301 PAYROLL-MAINTENANCE	42,049	42,000	72,000	72,000	0
	302 PAYROLL TAXES	10,229	10,209	16,500	17,500	-1,000
	302.1 EMPLOYEE BENEFITS	8,007	9,917	14,000	17,000	-3,000
	304 SECURITY GUARDS	31,103	32,084	55,500	55,000	500
	305 ACCOUNTING	14,349	14,875	25,000	25,500	-500
	305.1 BANK FEES	614	350	800	600	200
	305.2 BAD DEBT	13,949	14,000	17,500	24,000	-6,500
	305.3 COLLECTION COST	6,448	5,250	9,000	9,000	0
	306 AUDITING	4,400	2,742	4,400	4,700	-300
	307 LEGAL	-465	2,334	2,000	4,000	-2,000
	308 PROPERTY TAX	2,860	1,575	2,860	2,700	160
	309 INCOME TAX	0	292	500	500	0
	310 INSURANCE	113,566	107,917	212,000	185,000	27,000
	311 OFFICE SUPPLIES	1,423	1,896	2,500	3,250	-750
	312 POSTAGE & SHIPPING	628	1,050	1,500	1,800	-300
	313 LICENSES	2,334	1,458	2,500	2,500	0
	314 TRAVEL & MILEAGE	742	467	900	800	100
	315 MEETINGS & EDUCATION	0	175	300	300	0
	316 SCREENING	6,736	5,542	9,500	9,500	0
	317 ALARM SYSTEM	238	408	700	700	0
	318 COMPUTER REPAIR/SERVICE	2,212	1,167	3,000	2,000	1,000
	319 COPIER	2,510	2,331	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	3,225	2,331	4,000	4,000	0
	320.1 WEBSITE IMPROVEMENT	0	1,167	1,500	2,000	-500
	323 SOCIAL FACILITIES	7,239	2,917	7,500	5,000	2,500
		<b>337,611</b>	<b>330,692</b>	<b>583,510</b>	<b>566,900</b>	<b>16,610</b>

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2011/2012 BUDGET</u>	<u>VARIANCE</u>
<b>MAINTENANCE</b>					
400 GASOLINE	1,017	583	1,200	1,000	200
401 SPRINKLERS	3,911	2,917	6,000	5,000	1,000
402 PEST CONTROL	13,387	7,583	16,000	13,000	3,000
402.6 MISC. MAINT.EXP.	655	1,167	1,000	2,000	-1,000
403 LANDSCAPING	67,624	66,500	114,000	114,000	0
403.1 FERTILIZATION-WEED CONT.	4,709	4,667	8,000	8,000	0
404 TREE TRIMING	6,696	8,750	8,000	15,000	-7,000
404.1 NEW TREES & BUSHES	11,103	10,500	20,000	18,000	2,000
405 BUILDING MAINTENANCE	12,981	14,000	24,000	24,000	0
406 GROUNDS MAINTENANCE	26,638	14,000	36,000	24,000	12,000
407 SECURITY GATE EXPENSE	3,436	4,667	6,000	8,000	-2,000
408 CAMERA & VIDEO EXP.	874	2,917	2,000	5,000	-3,000
409 PLUMBING EXP.	962	2,331	3,000	4,000	-1,000
410 ELECTRICAL EXP.	2,954	2,331	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	9,269	5,250	12,000	9,000	3,000
412 STREET MAINTENANCE	527	1,750	3,000	3,000	0
413 UNIFORMS	0	146	250	250	0
414 GOLF CARTS	540	6,417	4,000	11,000	-7,000
415 LOCKSMITH	28	292	300	500	-200
416 FIRE SAFETY	3,068	2,917	6,000	5,000	1,000
417 JANITORIAL SUPPLIES	1,025	1,167	2,000	2,000	0
418 AWNINGS REPAIRS	0	17,500	24,000	30,000	-6,000
420 PAINTING PROGRAM	-360	25,083	43,000	43,000	0
421 STREET LIGHT	0	584	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,167	2,000	2,000	0
426 ENTRANCE SIGNS/FOUNTAIN	16,071	2,917	16,071	5,000	11,071
429 BENCHES REPLACEMENT	2,034	1,750	5,000	3,000	2,000
432 MAIN OFFICE/GUARD HOUSE	0	2,042	0	3,500	-3,500
433 LIBRARY	3,282	2,917	3,282	5,000	-1,718
478 GAZEBO	1,800	10,500	15,000	18,000	-3,000
LIGHT RETENTION POUND	0	5,834	0	10,000	-10,000
	<b>194,231</b>	<b>231,146</b>	<b>386,103</b>	<b>396,250</b>	<b>-10,147</b>

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2011/2012 BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	6	16,176	24,000	27,730	-3,730
476 INTEREST EXPENSE	0	0	0	0	0
	<b>6</b>	<b>16,176</b>	<b>24,000</b>	<b>27,730</b>	<b>-3,730</b>
<b>GRAND TOTAL EXPENSES</b>	<b>757,348</b>	<b>804,756</b>	<b>1,373,063</b>	<b>1,379,580</b>	<b>-6,517</b>
<b>REVENU OVER EXPENSES</b>	<b>50,930</b>	<b>-1</b>	<b>7,687</b>	<b>0</b>	<b>7,687</b>

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2011/2012 BUDGET</u>	<u>VARIANCE</u>
<b>RESERVES</b>					
2510 ROOFS	14,583	14,583	25,000	25,000	0
2515 PAINTING	1,400	1,400	2,400	2,400	0
2530 ASPHALT	8,750	8,750	15,000	15,000	0
2542 POOLS	5,833	5,833	10,000	10,000	0
2543 AWNINGS	5,833	5,833	10,000	10,000	0
2546 SPRINKLERS	2,917	2,917	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	7,292	7,292	12,500	12,500	0
2545 WORKING CAPITAL	7,292	7,292	12,500	12,500	0
2544 INTEREST REV. RESERVE	5,175	5,833	10,000	6,000	4,000
	<b>59,075</b>	<b>59,733</b>	<b>102,400</b>	<b>98,400</b>	<b>4,000</b>

**ANDRE MONGRAIN, President/Treasurer**

**18-Jun-12**