

COMMENTS ON THE JUNE 2012 FINANCIAL RESULT

Now we are catching up with a more normal publication time schedule of our financial result. By June we completed 2/3 of our financial year. This month we performed a more detailed analysis of some cost centers in order to come up with the updated forecast for the year. Budget season is right around the corner, and the only issue not resolved yet is the insurance. Stacey obtained verbal confirmation from Waste Management that they made an error, and in either August or September we should be credited for their over-charge. We have maintained our forecast on this item, so the increase for the year is 3.66%. This is on the high side considering the actual economic situation.

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. So far we have, but it is a given that it will be part of next year's budget. (See the previous month's reports for more information on this subject.) 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 to cover the Association share to fix the situation.

GENERAL COMMENTS

We are making some progress on the gazebos. We now have the Town's approval and work is proceeding. More of the planned summer work projects are also ongoing, like the removal of some of the speed bumps.

Within the next week we will forward to you the approved general planning for the development of the land at Miner Road South. We have to remember that what was presented is really the work done by Yves Laplante's group in March of this year. It is also subject to modification depending on final terrain conditions. It will include a general sketch of the planned use, a copy of the report submitted by the architect/planning firm, the Town and Waterside signed PUD, and also general exchange with the Town attorney and the Town inspector. This land is now part of Waterside's Common Elements, and it will be included in the Association documents. This action eliminates Town tax on this property. We will now call for contract proposals to do the leveling, sidewalks, sprinklers, bushes, trees, sod, and other works required, all before the end of 2012

We have modified many of our forms on our website, so please make sure you use those when required. We are currently working on an update of the Rules and Regulations, which your Board hopes to introduce at a Board meeting in October. We also expect to refresh the photos that are included in some sections of our website. Much has been done by Scott Perron, and he is working on more changes.

FINANCIAL RESULT

The **Revenue** report shows that we have lowered our revenue for "screening fee." This is a very roller-coaster type of revenue. There have been no other changes from previous forecasts under the Revenue heading.

Utilities expenses we lowered our satellite TV cost to \$63,500.00 compared to a budget of \$70,000.00. As mentioned, we have resolved the issue with Waste Management. Cost of water and sewage may also be lower depending on owners' and short-term occupants' attention to consumption. Current forecasts indicate that we can spend \$222,000.00 compared to a budget of \$225,000. With individuals practicing water conservation it can go as low as \$219,000.00, so please keep this in mind.

As far as the **Administrative expenses** are concerned we have lowered our total forecast from a previous one of \$583,510.00 to \$575,610.00. The main reason for this improvement is the administrative salary lowered back to a previous forecast and also the cost related to tax and employee benefits. Last month we lowered our forecast for the bad debt by \$4,000.00 and removed a further \$5,000.00 from the current forecast. Even if the process is still slow, we have seen some improvement from banks. One more review was done and we hope to finish the year with a net cost of \$12,500.00 compared to a budget of \$24,000.00. There are still some situations that need to be resolved, and we increased our legal cost on collections to \$10,000.00 for the year.

On the **Maintenance expenses** front, we are still below total budget for that group by \$2,566.00. We have increased our forecast for pest control by \$5,000.00, despite difficulties with the supplier always being late with their billing procedure. We have made minor modifications to a group of expenses under this heading, like increasing new trees and bushes, grounds maintenance and pool supplies.

The result shows a surplus of revenue over expenses of \$7,996.00. This is necessary to cover the cost of capitalized items in relation to the Miner Road land.

Conclusion: Your Association is on track to achieve budget expectation, even with the negative impact of the insurance cost overrun. Please expect via email the latest on the Miner Road project approved by the Town before July 27, 2012. Our website was also modified to include the storm tracking web site mentioned in last month's report.

Andre Mongrain President/Treasurer

WATERSIDE FINANCIAL RESULT
AS OF JUNE 30, 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>	
					290	
	NSF FEE	220	0	220	0	220
	100 ASSESSMENTS **	891,605	891,920	1,337,880	1,337,880	0
	102 LATE FEE INCOME	3,150	2,667	4,700	4,000	700
	103 INTEREST INCOME	26	333	100	500	-400
	104 TRANSFER FEE	2,700	2,000	3,300	3,000	300
	106 ACCESS/GATE CARDS	30	133	50	200	-150
	107 SCREENING FEE	22,945	21,333	31,000	32,000	-1000
	108 MISCELLANEOUS INCOME	1,247	1,334	1,500	2,000	-500
	TOTAL REVENUE	921,923	919,720	1,378,750	1,379,580	-830

EXPENSES
UTILITIES

	200 ELECTRIC	27,553	31,333	43,000	47,000	-4,000
	201 WATER & SEWER	151,078	150,000	222,000	225,000	-3,000
	202 GARBAGE & RECYCLING	29,771	24,667	39,500	37,000	2,500
	203 PROPANE GAS	64	333	500	500	0
	204 CABLE T.V.	40,735	46,667	63,500	70,000	-6,500
	205 TELEPHONE	4,876	4,800	7,200	7,200	0
	205.1 WIFI	965	1,333	1,750	2,000	-250
		255,042	259,133	377,450	388,700	-11,250

<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	71,675	75,700	111,550	113,550	-2,000
	301 PAYROLL-MAINTENANCE	47,625	48,000	72,000	72,000	0
	302 PAYROLL TAXES	11,303	11,667	16,000	17,500	-1,500
	302.1 EMPLOYEE BENEFITS	8,838	11,333	13,000	17,000	-4,000
	304 SECURITY GUARDS	35,047	36,667	55,000	55,000	0
	305 ACCOUNTING	16,364	17,000	25,000	25,500	-500
	305.1 BANK FEES	661	400	800	600	200
	305.2 BAD DEBT	13,949	16,000	12,500	24,000	-11,500
	305.3 COLLECTION COST	7,011	6,000	10,000	9,000	1,000
	306 AUDITING	4,400	3,133	4,400	4,700	-300
	307 LEGAL	-10	2,667	2,000	4,000	-2,000
	308 PROPERTY TAX	2,860	1,800	2,860	2,700	160
	309 INCOME TAX	0	333	500	500	0
	310 INSURANCE	133,379	123,333	212,000	185,000	27,000
	311 OFFICE SUPPLIES	1,638	2,167	2,500	3,250	-750
	312 POSTAGE & SHIPPING	756	1,200	1,500	1,800	-300
	313 LICENSES	2,334	1,667	2,500	2,500	0
	314 TRAVEL & MILEAGE	854	533	1,000	800	200
	315 MEETINGS & EDUCATION	0	200	300	300	0
	316 SCREENING	6,972	6,333	9,500	9,500	0
	317 ALARM SYSTEM	238	467	700	700	0
	318 COMPUTER REPAIR/SERVICE	2,212	1,333	3,000	2,000	1,000
	319 COPIER	2,830	2,667	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	3,628	2,667	4,000	4,000	0
	320.1 WEBSITE IMPROVEMENT	30	1,333	1,500	2,000	-500
	323 SOCIAL FACILITIES	7,239	3,333	7,500	5,000	2,500
		381,833	377,933	575,610	566,900	8,710

<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	1,017	667	1,300	1,000	300
401 SPRINKLERS	4,270	3,333	6,000	5,000	1,000
402 PEST CONTROL	13,935	8,665	21,000	13,000	8,000
402.6 MISC. MAINT.EXP.	655	1,333	1,000	2,000	-1,000
403 LANDSCAPING	77,108	76,000	114,000	114,000	0
403.1 FERTILIZATION-WEED CONT.	5,532	5,333	8,000	8,000	0
404 TREE TRIMING	7,491	10,000	7,491	15,000	-7,509
404.1 NEW TREES & BUSHES	18,530	12,000	21,000	18,000	3,000
405 BUILDING MAINTENANCE	14,873	16,000	24,000	24,000	0
406 GROUNDS MAINTENANCE	27,731	16,000	37,000	24,000	13,000
407 SECURITY GATE EXPENSE	3,435	5,333	6,000	8,000	-2,000
408 CAMERA & VIDEO EXP.	1,338	3,333	2,000	5,000	-3,000
409 PLUMBING EXP.	962	2,667	3,000	4,000	-1,000
410 ELECTRICAL EXP.	2,989	2,667	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	10,652	6,000	13,000	9,000	4,000
412 STREET MAINTENANCE	527	2,000	3,000	3,000	0
413 UNIFORMS	0	167	250	250	0
414 GOLF CARTS	1,403	7,333	4,000	11,000	-7,000
415 LOCKSMITH	28	333	300	500	-200
416 FIRE SAFETY	3,068	3,333	6,000	5,000	1,000
417 JANITORIAL SUPPLIES	1,025	1,333	2,000	2,000	0
418 AWNINGS REPAIRS	0	20,000	24,000	30,000	-6,000
420 PAINTING PROGRAM	-360	28,667	43,000	43,000	0
421 STREET LIGHT	0	667	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,334	2,000	2,000	0
426 ENTRANCE SIGNS/FOUNTAIN	16,071	3,334	16,071	5,000	11,071
429 BENCHES REPLACEMENT	2,034	2,000	5,000	3,000	2,000
432 MAIN OFFICE/GUARD HOUSE	0	2,334	0	3,500	-3,500
433 LIBRARY	3,282	3,334	3,282	5,000	-1,718
478 GAZEBO	2,600	12,000	15,000	18,000	-3,000
LIGHT RETENTION POUND	0	6,667	0	10,000	-10,000
	220,196	264,167	393,694	396,250	-2,556

<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	18,487	24,000	27,730	-3,730
476 INTEREST EXPENSE	0	0	0	0	0
	6	18,487	24,000	27,730	-3,730
GRAND TOTAL EXPENSES	857,077	919,720	1,370,754	1,379,580	-8,826
REVENUE OVER EXPENSES	64,846	0	7,996	0	7,996

<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>
RESERVES					
2510 ROOFS	16,667	16,667	25,000	25,000	0
2515 PAINTING	1,600	1,600	2,400	2,400	0
2530 ASPHALT	10,000	10,000	15,000	15,000	0
2542 POOLS	6,667	6,667	10,000	10,000	0
2543 AWNINGS	6,667	6,667	10,000	10,000	0
2546 SPRINKLERS	3,333	3,333	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	8,333	8,333	12,500	12,500	0
2545 WORKING CAPITAL	8,333	8,333	12,500	12,500	0
2544 INTEREST REV. RESERVE	5,478	4,000	10,000	6,000	4,000
	67,078	65,600	102,400	98,400	4,000

ANDRE MONGRAIN, President/Treasurer

17-Jul-12