

COMMENTS ON DECEMBER 2012 FINANCIAL RESULT

Two months are now completed of the 2012/2013 fiscal year; we can see a very limited change in our budget figure. The same as last month we have no development to report on the insurance front, besides the remaining garden windows. Some owners who still have remaining garden windows are moving ahead with replacing them with regular windows and shutters. We encourage owners with the remaining ones to do the same. We are still debating with our broker on the circular window situation and hope to be able to report at the upcoming annual owners meeting on January 26. You are invited to attend. We should be publishing the annual 2011/2012 audited financial statement within the next seven days.

We are making headway on a series of small projects and we wish to thank our volunteers that are currently working on new swings and also the planting of new bushes. We will have installed or replaced 10 of our existing lamp posts, just before the annual meeting. We now have the defibrillator and first aid kit set up at the entrance of the club house from the pool area. Benches should also be installed before the end of January; there are 10 new benches in total.

Contracts were awarded for the building of a motorcycle parking area and also the remodeling of the back area of the shop, we should see those two projects completed in about five weeks. We are also planning for the coming summer trees and bushes planting. The pergola is now completed in the court yard between buildings 11, 12, 16 and 20; we still have to do the benches and the bushes around it.

We did minor modifications to our forecast, reducing the water and sewage, the garbage and recycling costs and the computer cost, we managed to replace the main one at a lot less money than expected. We increased the cost for grounds maintenance and may have to do so again in the future. Your Board wants to thank all owners for their very positive comments received, it is our paycheck.

Again please attend the annual meeting, if not please return the proxy form; this is a must to achieve quorum. Registration to the various social activities and attendance at the welcome party was quite a success.

Andre C. Mongrain, President and Treasurer

January 15, 2013

WATERSIDE FINANCIAL RESULT
AS OF DECEMBER 31, 2012

| | <u>YTD</u> | <u>YTD</u> | <u>TOTAL YEAR</u> | <u>2012/2013</u> | |
|--------------------------|----------------|----------------|-------------------|------------------|-----------------|
| <u>REVENUE</u> | <u>ACTUAL</u> | <u>BUDGET</u> | <u>FORECAST</u> | <u>BUDGET</u> | <u>VARIANCE</u> |
| | | | | 300 | |
| NSF FEE | 75 | 0 | 75 | 0 | 75 |
| 100 ASSESSMENTS ** | 231,763 | 231,183 | 1,387,100 | 1,387,100 | 0 |
| 102 LATE FEE INCOME | 975 | 583 | 3,500 | 3,500 | 0 |
| 103 INTEREST INCOME | 0 | 17 | 100 | 100 | 0 |
| 104 TRANSFER FEE | 300 | 500 | 3,000 | 3,000 | 0 |
| 106 ACCESS/GATE CARDS | 0 | 17 | 100 | 100 | 0 |
| 107 SCREENING FEE | 6,998 | 5,167 | 31,000 | 31,000 | 0 |
| 108 MISCELLANEOUS INCOME | 0 | 250 | 1,500 | 1,500 | 0 |
| TOTAL REVENUE | 240,111 | 237,717 | 1,426,375 | 1,426,300 | 75 |
| <u>EXPENSES</u> | | | | | |
| <u>UTILITIES</u> | | | | | |
| 200 ELECTRIC | 7,505 | 7,367 | 44,200 | 44,200 | 0 |
| 201 WATER & SEWER | 36,521 | 38,333 | 228,000 | 230,000 | -2,000 |
| 202 GARBAGE & RECYCLING | 6,405 | 7,167 | 42,000 | 43,000 | -1,000 |
| 203 PROPANE GAS | 17 | 83 | 500 | 500 | 0 |
| 204 CABLE T.V. | 10,386 | 10,000 | 60,000 | 60,000 | 0 |
| 205 TELEPHONE | 1,302 | 1,200 | 7,200 | 7,200 | 0 |
| 205.1 WIFI | 234 | 292 | 1,750 | 1,750 | 0 |
| | 62,370 | 64,442 | 383,650 | 386,650 | -3,000 |

| <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>2012/2013</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|-----------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| | 300 PAYROLL-ADMINISTRATIVE | 17,343 | 18,583 | 111,500 | 111,500 | 0 |
| | 301 PAYROLL-MAINTENANCE | 11,431 | 12,417 | 74,500 | 74,500 | 0 |
| | 302 PAYROLL TAXES | 2,153 | 2,833 | 17,000 | 17,000 | 0 |
| | 302.1 EMPLOYEE BENEFITS | 1,106 | 2,000 | 12,000 | 12,000 | 0 |
| | 304 SECURITY GUARDS | 7,824 | 9,417 | 56,500 | 56,500 | 0 |
| | 305 ACCOUNTING | 4,276 | 4,167 | 25,000 | 25,000 | 0 |
| | 305.1 BANK FEES | 122 | 150 | 900 | 900 | 0 |
| | 305.2 BAD DEBT | 0 | 3,000 | 18,000 | 18,000 | 0 |
| | 305.3 COLLECTION COST | 696 | 1,333 | 8,000 | 8,000 | 0 |
| | 306 AUDITING | 0 | 733 | 4,400 | 4,400 | 0 |
| | 307 LEGAL | 1,069 | 333 | 2,500 | 2,000 | 500 |
| | 308 PROPERTY TAX | 2,659 | 383 | 2,700 | 2,300 | 400 |
| | 309 INCOME TAX | 0 | 83 | 500 | 500 | 0 |
| | 310 INSURANCE | 39,626 | 40,500 | 243,000 | 243,000 | 0 |
| | 311 OFFICE SUPPLIES | 115 | 375 | 2,000 | 2,250 | -250 |
| | 312 POSTAGE & SHIPPING | 43 | 250 | 1,500 | 1,500 | 0 |
| | 313 LICENSES | 1,648 | 417 | 2,500 | 2,500 | 0 |
| | 314 TRAVEL & MILEAGE | 0 | 167 | 1,000 | 1,000 | 0 |
| | 315 MEETINGS & EDUCATION | 0 | 50 | 300 | 300 | 0 |
| | 316 SCREENING | 2,689 | 1,583 | 9,500 | 9,500 | 0 |
| | 317 ALARM SYSTEM | 0 | 83 | 500 | 500 | 0 |
| | 318 COMPUTER REPAIR/SERVICE | 1,000 | 584 | 2,500 | 3,500 | -1,000 |
| | 319 COPIER | 432 | 667 | 4,000 | 4,000 | 0 |
| | 320 MISCELLANEOUS ADMIN.EXP. | 1,420 | 667 | 4,000 | 4,000 | 0 |
| | 320.1 WEBSITE IMPROVEMENT | 0 | 250 | 1,500 | 1,500 | 0 |
| | 323 SOCIAL FACILITIES | 3,239 | 1,167 | 7,000 | 7,000 | 0 |
| | | 98,891 | 102,192 | 612,800 | 613,150 | -350 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2012/2013</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|--------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| 400 GASOLINE | 350 | 217 | 1,300 | 1,300 | 0 |
| 401 SPRINKLERS | 390 | 1,000 | 6,000 | 6,000 | 0 |
| 402 PEST CONTROL | 5,183 | 3,500 | 23,000 | 21,000 | 2,000 |
| 402.6 MISC. MAINT.EXP. | 5 | 167 | 1,000 | 1,000 | 0 |
| 403 LANDSCAPING | 18,969 | 19,500 | 117,000 | 117,000 | 0 |
| 403.1 FERTILIZATION-WEED CONT. | 1,471 | 4,167 | 25,000 | 25,000 | 0 |
| 404 TREE TRIMING | 359 | 1,250 | 7,500 | 7,500 | 0 |
| 404.1 NEW TREES & BUSHES | 483 | 2,083 | 12,500 | 12,500 | 0 |
| 405 BUILDING MAINTENANCE | 5,131 | 3,333 | 20,000 | 20,000 | 0 |
| 406 GROUNDS MAINTENANCE | 5,264 | 3,333 | 22,000 | 20,000 | 2,000 |
| 407 SECURITY GATE EXPENSE | 0 | 1,000 | 6,000 | 6,000 | 0 |
| 408 CAMERA & VIDEO EXP. | 85 | 333 | 2,000 | 2,000 | 0 |
| 409 PLUMBING EXP. | 848 | 500 | 3,000 | 3,000 | 0 |
| 410 ELECTRICAL EXP. | 2,209 | 500 | 4,000 | 3,000 | 1,000 |
| 411 POOL SUPPLIES & REPAIR | 1,182 | 2,334 | 14,000 | 14,000 | 0 |
| 412 STREET MAINTENANCE | 0 | 667 | 5,500 | 4,000 | 1,500 |
| 413 UNIFORMS | 0 | 50 | 300 | 300 | 0 |
| 414 GOLF CARTS | 0 | 833 | 5,000 | 5,000 | 0 |
| 415 LOCKSMITH | 0 | 50 | 300 | 300 | 0 |
| 416 FIRE SAFETY | 0 | 833 | 5,000 | 5,000 | 0 |
| 417 JANITORIAL SUPPLIES | 127 | 333 | 2,000 | 2,000 | 0 |
| 418 AWNINGS REPAIRS | 0 | 3,500 | 21,000 | 21,000 | 0 |
| 420 PAINTING PROGRAM | 0 | 6,000 | 36,000 | 36,000 | 0 |
| 421 STREET LIGHT | 0 | 500 | 3,000 | 3,000 | 0 |
| 424 TENNIS COURT RESURFCING | 0 | 1,000 | 6,000 | 6,000 | 0 |
| 425 POOL CHAIRS/TABLES | 0 | 333 | 2,000 | 2,000 | 0 |
| 429 BENCHES REPLACEMENT | 3,371 | 500 | 3,371 | 3,000 | 371 |
| 432 MAIN OFFICE/GUARD HOUSE | 0 | 0 | 0 | 0 | 0 |
| 477 PERGOLA | 3,170 | 1,167 | 6,500 | 7,000 | -500 |
| 479 LIGHT RETENTION POUND | 0 | 917 | 5,500 | 5,500 | 0 |
| | 48,597 | 59,900 | 365,771 | 359,400 | 6,371 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2012/2013</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|-----------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| 450 CONTINGENCY | 0 | 4,517 | 24,154 | 27,100 | -2,946 |
| 476 SHUTTER GW/CIRCULAR | 500 | 6,666 | 40,000 | 40,000 | 0 |
| | 500 | 11,183 | 64,154 | 67,100 | -2,946 |
| GRAND TOTAL EXPENSES | 210,358 | 237,717 | 1,426,375 | 1,426,300 | 75 |
| REVENU OVER EXPENSES | 29,753 | 0 | 0 | 0 | 0 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2012/2013</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| RESERVES | | | | | |
| 2510 ROOFS | 4,667 | 4,667 | 28,000 | 28,000 | 0 |
| 2515 PAINTING | 250 | 250 | 1,500 | 1,500 | 0 |
| 2530 ASPHALT | 3,333 | 3,333 | 20,000 | 20,000 | 0 |
| 2542 POOLS | 1,333 | 1,333 | 8,000 | 8,000 | 0 |
| 2543 AWNINGS | 833 | 833 | 5,000 | 5,000 | 0 |
| 2546 SPRINKLERS | 833 | 833 | 5,000 | 5,000 | 0 |
| 2547 TV CABLE INFRASTRUCTURE | 2,083 | 2,083 | 12,500 | 12,500 | 0 |
| 2545 WORKING CAPITAL | 2,083 | 2,083 | 12,500 | 12,500 | 0 |
| 2544 INTEREST REV. RESERVE | 740 | 1,000 | 6,000 | 6,000 | 0 |
| | 16,155 | 16,415 | 98,500 | 98,500 | 0 |

ANDRE MONGRAIN, President/Treasurer

10-Jan-13