

## **COMMENTS ON THE MAY 2013 FINANCIAL RESULTS**

### **FINANCIAL SITUATION**

The month of May results does indicate a substantial change in our forecast for the year; we are left with a minimal contingency value of \$4,459.00, which is a very low level considering the hurricane season risk. Current trend indicate a move toward higher pricing. We received notice from the guard company that they will increase our rates by 5% starting July 1<sup>st</sup>, which is their first increase since 2010. We also had difficulty with the negotiation for the painting program, we were up to five bidding firms and they were all in same range, they say that the paint component is up substantially, which does reflect other statistics published for different building materials.

In total, we did not make modification to our revenue component. We have increased our utilities expenses by \$2,000.00 to cover the cost, the installation only of new decoders for our Direct TV portion, this was mandatory, the equipment was supplied by Direct TV, but the set up was ours. We have lowered our bad debt forecast by \$6,000.00 after a detailed review of our receivable. One owner made a specific commitment to pay his past due and one more unit will go to court in early July. We have lowered our administrative payroll cost forecast following the yearly salary review. We have increased our security guards by \$1,000.00 following the notice received. On the collection cost we also have increased our forecast by \$1,000.00 in order to pursue very aggressively 2 specific situations.

The maintenance group of expenses was the main increases, an increase of \$18,000.00 over previous forecast. The paint program was increased by \$8,000.00 following difficult negotiation; the paint supplier does increase his warranty period from 7 to 8 years, so we will see the benefit only in 8 years from now. We will update our paint program schedule to take in to consideration this extended warranty period. The other component is the east pool required repairs due to major leaks. The cost to make all the repairs is \$8,500.00; we could have used the reserve account to do so, but decided to charge it to the operating budget and your Board may reverse this decision before year end closing.

The negative impact of all these situations ends up in the reduction of the contingency account.

We are currently negotiating and finalizing the permit requirements for the circular windows and work should start by mid-July.

### **RESERVE ACCOUNTS**

The reserve accounts continue to be funded on a monthly basis and we did increase our forecast for the interest revenue. We also invested \$70,000.00 in a new CD with GE Capital for a

term of one year, carrying an interest rate of 1.05%. Total reserve is now over \$626,000.00 and our total assets are just over \$1,038,000.00.

### **RECEIVABLE SPECIAL SITUATION**

For close to 3 years we have not seen any action in reference to unit 200, and now suddenly it will go to court for a foreclosure/auction procedure on July 9, 2013. Many of our owners and relatives have indicated an interest for that specific unit. The Board cannot favor one person over another, so this is a general notice, if you have an interest please contact the office in order to obtain detailed information on this court process.

### **CONCLUSION**

There are a lot of activities as you can appreciate and it is the same for the railroad situation, many meetings took place so far and Board Director Mr. Michael Shane did attend all of those meetings, we will with the publication of the next report provide more information on this subject.

Andre C. Mongrain President and Treasurer

June 20, 2013

**WATERSIDE FINANCIAL RESULT**  
**AS OF MAY 31, 2013**

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2012/2013</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					<b>300</b>	
	NSF FEE	190	0	190	0	190
	100 ASSESSMENTS **	809,722	809,142	1,387,100	1,387,100	0
	102 LATE FEE INCOME	3,300	2,042	4,500	3,500	1000
	103 INTEREST INCOME	0	58	100	100	0
	104 TRANSFER FEE	2,100	1,750	3,000	3,000	0
	106 ACCESS/GATE CARDS	15	58	100	100	0
	107 SCREENING FEE	17,698	18,083	31,000	31,000	0
	108 MISCELLANEOUS INCOME	1,320	875	2,000	1,500	500
	<b>TOTAL REVENUE</b>	<b>834,345</b>	<b>832,008</b>	<b>1,427,990</b>	<b>1,426,300</b>	<b>1690</b>

**EXPENSES**  
**UTILITIES**

	200 ELECTRIC	27,626	25,783	45,200	44,200	1,000
	201 WATER & SEWER	134,637	134,167	227,000	230,000	-3,000
	202 GARBAGE & RECYCLING	22,701	25,083	41,600	43,000	-1,400
	203 PROPANE GAS	64	292	500	500	0
	204 CABLE T.V.	39,786	35,000	62,000	60,000	2,000
	205 TELEPHONE	4,092	4,200	7,600	7,200	400
	205.1 WIFI	798	1,021	1,750	1,750	0
		<b>229,704</b>	<b>225,546</b>	<b>385,650</b>	<b>386,650</b>	<b>-1,000</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>2012/2013</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	63,886	65,042	110,500	111,500	-1,000
	301 PAYROLL-MAINTENANCE	41,810	43,458	74,500	74,500	0
	302 PAYROLL TAXES	9,013	9,917	15,000	17,000	-2,000
	302.1 EMPLOYEE BENEFITS	5,689	7,000	9,500	12,000	-2,500
	304 SECURITY GUARDS	30,988	32,958	58,500	56,500	2,000
	305 ACCOUNTING	14,354	14,583	24,500	25,000	-500
	305.1 BANK FEES	531	525	900	900	0
	305.2 BAD DEBT	0	10,500	12,000	18,000	-6,000
	305.3 COLLECTION COST	6,094	4,667	9,000	8,000	1,000
	306 AUDITING	4,400	2,567	4,400	4,400	0
	307 LEGAL	1,429	1,167	2,500	2,000	500
	308 PROPERTY TAX	2,659	1,342	2,659	2,300	359
	309 INCOME TAX	0	292	500	500	0
	310 INSURANCE	139,998	141,750	245,600	243,000	2,600
	311 OFFICE SUPPLIES	2,101	1,312	2,700	2,250	450
	312 POSTAGE & SHIPPING	336	875	1,000	1,500	-500
	313 LICENSES	2,334	1,458	2,500	2,500	0
	314 TRAVEL & MILEAGE	481	583	1,000	1,000	0
	315 MEETINGS & EDUCATION	197	175	300	300	0
	316 SCREENING	6,472	5,542	9,500	9,500	0
	317 ALARM SYSTEM	159	292	500	500	0
	318 COMPUTER REPAIR/SERVICE	1,594	2,042	2,000	3,500	-1,500
	319 COPIER	2,199	2,333	3,700	4,000	-300
	320 MISCELLANEOUS ADMIN.EXP.	3,897	2,333	5,000	4,000	1,000
	320.1 WEBSITE IMPROVEMENT	0	875	1,500	1,500	0
	323 SOCIAL FACILITIES	13,177	4,083	14,000	7,000	7,000
		<b>353,798</b>	<b>357,671</b>	<b>613,759</b>	<b>613,150</b>	<b>609</b>

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2012/2013 BUDGET</u>	<u>VARIANCE</u>
400 GASOLINE	854	758	1,300	1,300	0
401 SPRINKLERS	4,132	3,500	6,000	6,000	0
402 PEST CONTROL	15,026	12,250	24,000	21,000	3,000
402.6 MISC. MAINT.EXP.	457	583	1,000	1,000	0
403 LANDSCAPING	66,391	68,250	117,000	117,000	0
403.1 FERTILIZATION-WEED CONT.	10,847	14,583	23,000	25,000	-2,000
404 TREE TRIMMING	694	4,375	7,500	7,500	0
404.2 NEW TREES & BUSHES	8,039	7,292	12,500	12,500	0
405 BUILDING MAINTENANCE	14,699	11,667	28,000	20,000	8,000
406 GROUNDS MAINTENANCE	10,940	11,667	24,000	20,000	4,000
407 SECURITY GATE EXPENSE	3,960	3,500	6,000	6,000	0
408 CAMERA & VIDEO EXP.	212	1,167	1,500	2,000	-500
409 PLUMBING EXP.	2,353	1,750	3,000	3,000	0
410 ELECTRICAL EXP.	4,098	1,750	5,000	3,000	2,000
411 POOL SUPPLIES & REPAIR	5,668	8,166	19,500	14,000	5,500
412 STREET MAINTENANCE	1,023	2,333	5,500	4,000	1,500
413 UNIFORMS	0	175	300	300	0
414 GOLF CARTS	1,570	2,917	4,000	5,000	-1,000
415 LOCKSMITH	0	175	300	300	0
416 FIRE SAFETY	0	2,917	5,000	5,000	0
417 JANITORIAL SUPPLIES	1,140	1,167	2,000	2,000	0
418 AWNINGS REPAIRS	1,700	12,250	20,000	21,000	-1,000
420 PAINTING PROGRAM	183	21,000	41,000	36,000	5,000
421 STREET LIGHT	0	1,750	3,000	3,000	0
424 TENNIS COURT RESURFCING	122	3,500	6,510	6,000	510
425 POOL CHAIRS/TABLES	0	1,167	2,000	2,000	0
429 BENCHES REPLACEMENT	3,372	1,750	3,372	3,000	372
477 PERGOLA	6,340	4,083	6,340	7,000	-660
479 LIGHT RETENTION POUND	0	3,208	5,500	5,500	0
	<b>163,820</b>	<b>209,650</b>	<b>384,122</b>	<b>359,400</b>	<b>24,722</b>

<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	1,238	15,808	4,459	27,100	-22,641
476 SHUTTER GW/CIRCULAR	2,804	23,333	40,000	40,000	0
	<b>4,042</b>	<b>39,141</b>	<b>44,459</b>	<b>67,100</b>	<b>-22,641</b>
<b>GRAND TOTAL EXPENSES</b>	<b>751,364</b>	<b>832,008</b>	<b>1,427,990</b>	<b>1,426,300</b>	<b>1,690</b>
<b>REVENU OVER EXPENSES</b>	<b>82,981</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<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>
<b>RESERVES</b>					
2510 ROOFS	16,333	16,333	28,000	28,000	0
2515 PAINTING	875	875	1,500	1,500	0
2530 ASPHALT	11,667	11,667	20,000	20,000	0
2542 POOLS	4,667	4,667	8,000	8,000	0
2543 AWNINGS	2,917	2,917	5,000	5,000	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	6,572	3,500	9,575	6,000	3,575
	<b>60,532</b>	<b>57,460</b>	<b>102,075</b>	<b>98,500</b>	<b>3,575</b>

**ANDRE MONGRAIN, President/Treasurer**

**19-06-2013**