

## **COMMENTS ON FINANCIAL RESULTS AS OF THE END OF DECEMBER 2009 (2 MONTHS)**

Owners, please find attached the financial results as of December 31, 2009. Your Board did not publish the result as of the end of November 2009, being the first month of our new fiscal year. As it is early in the year we have to remain cautious about spending and cash management control. Our projection for the year remains in line with the budget expectation that was approved at the end of October.

Our forecast does take into consideration your Board's concerns:

- 1) **Current evolution or lack of action on the foreclosure front: We now have 15 foreclosures. Some of those are very recent, some are very old. The whole foreclosure process does take a lot of time. Some of our owners that are in foreclosure are paying their Association due as they are trying to renegotiate their mortgage. Only one unit (unit 168 B) is now in the hand of the mortgage company. We have potential buyers for that unit, but the mortgage company is really not moving fast on any referrals we have given them. They also have not paid their dues in accordance with the law and they have not started to make their monthly payment of dues after the foreclosure. This whole foreclosure situation now costs each owner \$8.92 a month, or a projected cost of \$44,000.00 for the total year. Let's hope that this situation will improve over the next six months.**
- 2) **We are also conservative on the estimate for revenue from short-term occupants, as this is very seasonal. On the interest income some of these belong to the reserve accounts and they will be transferred to the reserve account after three months.**
- 3) **We are maintaining our forecast for the insurance cost for the total year to the total yearly budget. From broker indications, our cost should not go up by more than 10%, and this is what was budgeted.**
- 4) **We have no current indication about the possible increase to the water and sewage cost, so we are maintaining our forecast to the budget level. This should be known by the end of April. Current run rate is close to budget figure, but we have to take into consideration that there is seasonal fluctuation.**
- 5) **We have not yet settled with the insurance for our claim following the thunderstorm damage. The cost may reach \$13,000.00 and we have a deductible of \$5,000.00, but we have recorded all cost against the monthly result so far.**
- 6) **Projects that are completed include the pool chairs for \$1,765.00 compared to a budget of \$2,000.00. January will mark the completion of the benches that will cost \$3,600.00 compared to a budget of \$6,000.00; even if the clubhouse renovations are completed we are still expecting some costs to come in. The repairs or replacement of awnings is completed with the last payment that was made in January; this item is part of the reserve money.**

**7) We are making headway on the new trees and bushes, and we did receive a lot of requests from various groups of owners. No further requests from owners would be approved till we have an idea on how much the general plan will cost. If there is room we may approve some owner's additional projects by mid-February. The tree-trimming for the winter season was completed in January.**

**Our volunteers have started to produce tangible results again this year. Thanks to all that are involved, their contribution is greatly appreciated.**

**Current ongoing work includes the car stops, the light fixture replacement, some service doors to be repaired and painted, the fence repaired on the vacant land, the entrance fountain and the trees and bushes. Pierre Dumont, Gaetan Cardinal and Michel Dyotte are involved with the coordination of all those projects**

**For the Board of Directors**

**By Andre Mongrain President**

**January 26, 2010**

**WATERSIDE FINANCIAL RESULT**  
**AS OF DECEMBER 31, 2009**

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2009/2010</u> <u>BUDGET</u>	<u>VARIANCE</u>
<b><u>REVENUE</u></b>				<b>290</b>	
NSF FEE	50	0	50	0	50
100 ASSESSMENTS **	212,840	213,380	1,280,030	1,280,280	-250
102 LATE FEE INCOME	2,920	1,000	6,000	6,000	0
103 INTEREST INCOME	956	83	500	500	0
104 ESTOPPEL FEE	450	500	3,000	3,000	0
106 ACCESS/GATE CARDS	0	83	200	500	-300
107 TRANSFER/SCREENING FEE	13,880	4,667	28,000	28,000	0
108 MISCELLANEOUS INCOME	706	584	2,500	3,500	-1,000
<b>TOTAL REVENUE</b>	<b>231,802</b>	<b>220,297</b>	<b>1,320,280</b>	<b>1,321,780</b>	<b>-1,500</b>

**EXPENSES**

**UTILITIES**

200 ELECTRIC	6,855	8,666	50,000	52,000	-2,000
201 WATER & SEWER	33,602	40,000	240,000	240,000	0
202 GARBAGE & RECYCLING	5,848	5,767	34,600	34,600	0
203 PROPANE GAS	17	167	1,000	1,000	0
204 CABLE T.V.	16,289	11,000	66,000	66,000	0
205 TELEPHONE	1,424	1,250	7,500	7,500	0
205.1 WIFI	286	333	2,000	2,000	0
	<b>64,321</b>	<b>67,183</b>	<b>401,100</b>	<b>403,100</b>	<b>-2,000</b>

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2009/2010</u> <u>BUDGET</u>	<u>VARIANCE</u>
<b>ADMINISTRATIVE</b>					
300 PAYROLL-ADMINISTRATIVE	19,053	18,810	112,860	112,860	0
301 PAYROLL-MAINTENANCE	11,286	11,000	66,000	66,000	0
302 PAYROLL TAXES	2,321	2,500	15,000	15,000	0
302.1 EMPLOYEE BENEFITS	1,474	2,083	12,500	12,500	0
303 PAYROLL SERVICE FEES	530	617	800	3,700	-2,900
304 SECURITY GUARDS	6,853	8,750	52,500	52,500	0
305 ACCOUNTING	4,423	4,333	26,000	26,000	0
305.1 BANK FEES	175	167	600	1,000	-400
305.2 BAD DEBT	0	5,833	44,000	35,000	9,000
306 AUDITING	0	800	4,500	4,800	-300
307 LEGAL	864	2,375	13,250	14,250	-1,000
308 PROPERTY TAX	2,157	367	2,157	2,200	-43
309 INCOME TAX	0	133	800	800	0
310 INSURANCE	24,109	31,917	191,500	191,500	0
311 OFFICE SUPPLIES	1,290	750	4,000	4,500	-500
312 POSTAGE & SHIPPING	442	583	2,500	3,500	-1,000
313 LICENSES	1,648	417	2,500	2,500	0
314 TRAVEL & MILEAGE	187	67	400	400	0
315 MEETINGS & EDUCATION	0	42	250	250	0
316 SCREENING	2,585	1,333	8,000	8,000	0
317 ALARM SYSTEM	0	100	600	600	0
318 COMPUTER REPAIR/SERVICE	414	400	2,400	2,400	0
319 COPIER	297	600	3,600	3,600	0
320 MISCELLANEOUS ADMIN.EXP.	1,066	833	5,000	5,000	0
320.1 WEBSITE IMPROVEMENT	0	417	2,500	2,500	0
	<b>81,174</b>	<b>95,227</b>	<b>574,217</b>	<b>571,360</b>	<b>2,857</b>

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2009/2010</u> <u>BUDGET</u>	<u>VARIANCE</u>
<b><u>MAINTENANCE</u></b>					
400 GASOLINE	0	62	750	750	0
401 SPRINKLERS	205	1,000	11,000	12,000	-1,000
402 PEST CONTROL	3,874	1,833	23,000	22,000	1,000
402.6 MISC. MAINT.EXP.	617	42	1,000	500	500
403 LANDSCAPING	13,812	9,333	112,000	112,000	0
403.1 FERTILIZATION-WEED CONT.	0	667	8,000	8,000	0
404 TREE TRIMMING	0	917	11,000	11,000	0
404.1 NEW TREES & BUSHES	2,400	1,500	18,000	18,000	0
405 BUILDING MAINTENANCE	5,204	1,750	21,000	21,000	0
406 GROUNDS MAINTENANCE	127	583	6,000	7,000	-1,000
407 SECURITY GATE EXPENSE	3,136	333	4,000	4,000	0
408 CAMERA & VIDEO EXP.	0	83	1,000	1,000	0
409 PLUMBING EXP.	185	125	1,500	1,500	0
410 ELECTRICAL EXP.	650	417	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	785	1,167	14,000	14,000	0
412 STREET MAINTENANCE	2,279	333	4,000	4,000	0
413 UNIFORMS	0	21	250	250	0
414 GOLF CARTS	77	167	2,000	2,000	0
415 LOCKSMITH	0	42	500	500	0
416 FIRE SAFETY	0	479	5,750	5,750	0
417 JANITORIAL SUPPLIES	0	275	3,300	3,300	0
420 PAINTING PROGRAM	0	4,167	50,000	50,000	0
421 STREET LIGHT	0	167	2,000	2,000	0
425 POOL CHAIRS/TABLES	1,765	166	1,765	2,000	-235
426 ENTRANCE SIGNS/FOUNTAIN	0	250	3,000	3,000	0
429 BENCHES REPLACEMENT	0	500	3,600	6,000	-2,400
430 SHUFFLE BOARD SURFACING	0	250	3,000	3,000	0
431 CLUB HOUSE IMPROVEMENT	6,248	583	8,000	7,000	1,000
	<b>41,364</b>	<b>27,212</b>	<b>324,415</b>	<b>326,550</b>	<b>-2,135</b>

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2009/2010</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	9,182	3,295	19,770	19,770	0
476 INTEREST EXPENSE	13	167	500	1,000	0
	<b>0</b>	<b>3,462</b>	<b>20,270</b>	<b>20,770</b>	<b>0</b>
<b>GRAND TOTAL EXPENSES</b>	<b>196,054</b>	<b>220,297</b>	<b>1,320,002</b>	<b>1,321,780</b>	<b>-1,778</b>
<b>SURPLUS REVENU OVER EXPEMSES</b>	<b>35,748</b>	<b>0</b>	<b>278</b>	<b>0</b>	<b>278</b>

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2009/2010</u> <u>BUDGET</u>	<u>VARIANCE</u>
<b>RESERVES</b>					
2510 ROOFS	4,167	4,167	25,000	25,000	0
2515 PAINTING	400	400	2,400	2,400	0
2530 ASPHALT	5,833	5,833	35,000	35,000	0
2542 POOLS	2,100	2,100	12,600	12,600	0
2543 AWNINGS	3,333	3,333	20,000	20,000	0
2546 SPRINKLERS	833	833	5,000	5,000	0
2545 WORKING CAPITAL	4,167	4,167	25,000	25,000	0
2544 INTEREST REV. RESERVE	0	833	5,000	5,000	0
2548 LAND PURCHASE	4,167	4,167	25,000	25,000	0
	<b>25,000</b>	<b>25,833</b>	<b>155,000</b>	<b>155,000</b>	<b>0</b>

26-Jan-10