

## **COMMENTS ON FINANCIAL RESULTS AS OF THE END OF MARCH 2010 (5 MONTHS)**

*Please find attached the financial results as of March 31, 2010. After almost half of the financial year completed, it is the Association's management opinion that our projection for the year remains in line with the budget expectation that was approved at the end of October 2009. We still continue to monitor closely the revenue and expenses and still remain cautious about spending. We have modified some total year forecast as we see some firming in the trend and the main one being the Water and Sewage. Please find below a summary of the items that might have an impact on our budget in the months to come as well as a few news concerning Waterside Village.*

### **Major items that might have positive and/or negative impact on our budget:**

1. As far as the insurances are concerned, we now have a firm quotation on all of our policies that are subject to renewal in May. The increase will be 5.5% and because we are back with Citizen we do need to update our valuation report. In total, we will be within our budget objective for the year. The handicap with Citizen is that the deductible is applicable for each event that may happen during the year. For our owners who have loss assessment coverage under their own policy it become a lesser risk.
2. For the Water and Sewage item, we have reduced our forecast by \$30,000 as our consumption is lower than expected and from indication received from the Boynton department we may not face any increase this year. This item will be reviewed by the end of June and a formal recommendation will be made.
3. At the end of March 2010, there were 12 units in foreclosure at Waterside as two units have been repossessed by the banks. We would like to thank the four owners that are still making their monthly payment to the Association although they are in foreclosure. The projected cost for the total year which is \$44,000 will remain the same if no additional foreclosures are added.
4. As you have probably notice, our ficus hedges are infested with White Flies. Whiteflies can seriously injure host plants by sucking juices from them causing wilting, yellowing, stunting, leaf drop or even death. Because whiteflies are very difficult to control, it is going to be expensive to get rid of them. It is expected that it is going to cost us around \$3,000 for two applications

### **Waterside Village Association News**

1. Since the beginning of the fiscal year, (October 2009), 13 condos have been sold (3 Units A, 3 Units B, 4 units C and 3 units D). Also, 3 sales are pending and will be closed during the months to come as we are waiting for some document for two of them and for the third one, the closing date is scheduled for November 2010.
2. On March 2010, an independent contractor, ADAPTAV Solutions has completed a study and the results indicate that a Direct TV or SHAW direct satellite dish signal should maintain a good operating level through the existing in-building wiring. Accordingly, the TV signal in the existing in-buildings cabling at Waterside could provide the High Definition Satellite services without mounting dishes on each unit.

A plan is being developed to make some modification to come up with the best location of the dishes and also the technical requirements. Our forecast was modified to take in consideration this work which will be done by the Association. Please refer to your Board minutes to learn more on this subject and we will issue update as the work progress.

3. A schedule of summer work was developed to determine what will be done over the summer months by our maintenance staff. It is a very long list and you will be able to review the progress of these items on our website.
4. The website committee, Jean-Claude Demers, Jean-Pierre Nadeau, Agnes Jaouich, Scott Perron and Michael Shane have made huge progress over the winter months and work will continue over the summer.

Gaétan Cardinal, Treasurer

April 12, 2010







|                                     |                       |                |                |                   |                  |                 |
|-------------------------------------|-----------------------|----------------|----------------|-------------------|------------------|-----------------|
|                                     |                       |                |                |                   |                  |                 |
| <b>GRAND TOTAL EXPENSES</b>         |                       | <b>509,996</b> | <b>550,741</b> | <b>1,292,935</b>  | <b>1,321,780</b> | <b>-28,845</b>  |
| <b>SURPLUS REVENU OVER EXPENSES</b> |                       | <b>54,530</b>  | <b>0</b>       | <b>32,095</b>     | <b>0</b>         | <b>32,095</b>   |
|                                     |                       |                |                |                   |                  |                 |
|                                     |                       |                |                |                   |                  |                 |
|                                     |                       | <u>YTD</u>     | <u>YTD</u>     | <u>TOTAL YEAR</u> | <u>2009/2010</u> |                 |
| <u>DESCRIPTION</u>                  |                       | <u>ACTUAL</u>  | <u>BUDGET</u>  | <u>FORECAST</u>   | <u>BUDGET</u>    | <u>VARIANCE</u> |
| <b>RESERVES</b>                     |                       |                |                |                   |                  |                 |
| 2510                                | ROOFS                 | 10,500         | 10,500         | 25,000            | 25,000           | 0               |
| 2515                                | PAINTING              | 1,000          | 1,000          | 2,400             | 2,400            | 0               |
| 2530                                | ASPHALT               | 14,500         | 14,500         | 35,000            | 35,000           | 0               |
| 2542                                | POOLS                 | 5,250          | 5,250          | 12,600            | 12,600           | 0               |
| 2543                                | AWNINGS               | 8,500          | 8,500          | 20,000            | 20,000           | 0               |
| 2546                                | SPRINKLERS            | 2,000          | 2,000          | 5,000             | 5,000            | 0               |
| 2545                                | WORKING CAPITAL       | 10,500         | 10,500         | 25,000            | 25,000           | 0               |
| 2544                                | INTEREST REV. RESERVE | 0              | 2,000          | 5,000             | 5,000            | 0               |
| 2548                                | LAND PURCHASE         | 10,500         | 10,500         | 25,000            | 25,000           | 0               |
|                                     |                       | <b>62,750</b>  | <b>64,750</b>  | <b>155,000</b>    | <b>155,000</b>   | <b>0</b>        |
|                                     |                       |                |                |                   |                  |                 |
|                                     |                       |                |                |                   |                  |                 |
|                                     |                       |                |                |                   |                  |                 |
| Monday, April 12, 2010              |                       |                |                |                   |                  |                 |
| .                                   |                       |                |                |                   |                  |                 |
| Gaétan Cardinal Treasurer           |                       |                |                |                   |                  |                 |

| Waterside Village Balance Sheet                    |                   |               | For the Period Ending October 31, 2008               |                   |               |
|--|-------------------|---------------|--|-------------------|---------------|
| Current ratio [A/B]                                | 1.22              |               | Working capital [A-B]                                | \$                | 64,469        |
| Quick ratio [(A-C)/B]                              | 1.22              |               | Debt-to-Fund Balances ratio [(G+H)/F]                | 0.21              |               |
| Cash ratio [D/B]                                   | 0.20              |               | Debt ratio [(G+H)/E]                                 | 0.12              |               |
| Stated in 000s                                     |                   |               |  |                   |               |
| ASSETS   |                   | % of ASSETS   | LIABILITIES & FUND BALANCES                          |                   | % of ASSETS   |
| <b>Current assets</b>                              |                   |               | <b>Current liabilities</b>                           |                   |               |
| Cash in Bank [D]                                   | 57,744            | 8.6%          | Loans payable and current portion long-term debt [H] | 78,637            | 11.7%         |
| Shutters Special Assessments Receivable            | 128,610           | 19.2%         | Accounts payable and accrued liabilities             | 75,735            | 11.3%         |
| Assessments receivable(Less Bad Dept \$29,590) [I] | 28,075            | 4.2%          | Prepaid Maintenance Assessments                      | 35,366            | 5.3%          |
| Inventories [C]                                    |                   | 0.0%          | Bank Line of Credit                                  | 97,292            | 14.5%         |
| Deposit  | 2,235             | 0.3%          |  |                   |               |
| Due To/From Fund                                   | (4,972)           | -0.7%         |  |                   |               |
| Prepaid expenses and other current assets          | 139,807           | 20.9%         |  |                   |               |
| <b>Total current assets [A]</b>                    | <b>\$ 351,499</b> | <b>52.4%</b>  | <b>Total current liabilities [B]</b>                 | <b>\$ 287,030</b> | <b>42.8%</b>  |
| <b>Fixed assets</b>                                |                   |               | <b>Other liabilities</b>                             |                   |               |
| Property, plant and equipment at cost              | 378,364           | 56.5%         | Long-term debt [G]                                   |                   | 0.0%          |
| Less accumulated depreciation                      | (266,573)         | -39.8%        | Accrued retirement costs                             |                   | 0.0%          |
| <b>Total fixed assets</b>                          | <b>\$ 111,791</b> | <b>16.7%</b>  | Deferred income taxes                                |                   | 0.0%          |
|  |                   |               | Deferred credits and other liabilities               |                   | 0.0%          |
| <b>Other assets</b>                                |                   |               |  |                   |               |
| Cash in Bank - Restricted Fund                     | 51,900            | 7.7%          |  |                   |               |
| Certificate - Maturity Restricted Fund             | 150,000           | 22.4%         |  |                   |               |
|  |                   | 0.0%          |  |                   |               |
|  |                   | 0.0%          |  |                   |               |
| Due To/From Fund - Restricted Fund                 | 4,972             | 0.7%          |  |                   |               |
| <b>Total other assets</b>                          | <b>\$ 206,872</b> | <b>30.9%</b>  | <b>Total other liabilities</b>                       | <b>\$ -</b>       | <b>0.0%</b>   |
| <b>TOTAL ASSETS [E]</b>                            | <b>\$ 670,162</b> | <b>100.0%</b> | <b>Total liabilities</b>                             | <b>\$ 287,030</b> | <b>42.8%</b>  |
|  |                   |               | <b>Fund Balances [F]</b>                             | <b>\$ 383,132</b> | <b>57.2%</b>  |
|  |                   |               | <b>TOTAL LIABILITIES AND FUND BALANCES</b>           | <b>\$ 670,162</b> | <b>100.0%</b> |

| Waterside Village Balance Sheet                    |                   |               | For the Period Ending October 31, 2009               |                   |               |
|--|-------------------|---------------|--|-------------------|---------------|
| Current ratio [A/B]                                | 1.84              |               | Working capital [A-B]                                | \$                | 68,924        |
| Quick ratio [(A-C)/B]                              | 1.84              |               | Debt-to-Fund Balances ratio [(G+H)/F]                | 0.00              |               |
| Cash ratio [D/B]                                   | 0.01              |               | Debt ratio [(G+H)/E]                                 | 0.00              |               |
| Stated in 000s                                     |                   |               |  |                   |               |
| ASSETS   |                   | % of ASSETS   | LIABILITIES & FUND BALANCES                          |                   | % of ASSETS   |
| <b>Current assets</b>                              |                   |               | <b>Current liabilities</b>                           |                   |               |
| Cash in Bank [D]                                   | 700               | 0.1%          | Loans payable and current portion long-term debt [H] |                   | 0.0%          |
| Shutters Special Assessments Receivable            | 24,130            | 4.6%          | Accounts payable and accrued liabilities             | 43,630            | 8.2%          |
| Assessments receivable(Less Bad Dept \$66,840) [I] | 31,733            | 6.0%          | Prepaid Maintenance Assessments                      | 35,920            | 6.8%          |
| Inventories [C]                                    |                   | 0.0%          | Bank Overdraft                                       | 2,748             | 0.5%          |
| Deposit  | 3,235             | 0.6%          |  |                   |               |
| Due To/From Fund                                   | 1,184             | 0.2%          |  |                   |               |
| Prepaid expenses and other current assets          | 90,240            | 17.0%         |  |                   |               |
| <b>Total current assets [A]</b>                    | <b>\$ 151,222</b> | <b>28.5%</b>  | <b>Total current liabilities [B]</b>                 | <b>\$ 82,298</b>  | <b>15.5%</b>  |
| <b>Fixed assets</b>                                |                   |               | <b>Other liabilities</b>                             |                   |               |
| Property, plant and equipment at cost              | 378,364           | 71.4%         | Long-term debt [G]                                   |                   | 0.0%          |
| Less accumulated depreciation                      | (283,269)         | -53.4%        | Accrued retirement costs                             |                   | 0.0%          |
| <b>Total fixed assets</b>                          | <b>\$ 95,095</b>  | <b>17.9%</b>  | Deferred income taxes                                |                   | 0.0%          |
|  |                   |               | Deferred credits and other liabilities               |                   | 0.0%          |
| <b>Other assets</b>                                |                   |               |  |                   |               |
| Cash in Bank - Restricted Fund                     | 29,354            | 5.5%          |  |                   |               |
| Certificate - Maturity 10/03/10 Restricted Fund    | 51,813            | 9.8%          |  |                   |               |
| Certificate - Maturity 10/03/10 Restricted Fund    | 103,687           | 19.6%         |  |                   |               |
| Certificate - Maturity 10/03/10 Restricted Fund    | 100,000           | 18.9%         |  |                   |               |
| Due To/From Fund - Restricted Fund                 | (1,184)           | -0.2%         |  |                   |               |
| <b>Total other assets</b>                          | <b>\$ 283,670</b> | <b>53.5%</b>  | <b>Total other liabilities</b>                       | <b>\$ -</b>       | <b>0.0%</b>   |
| <b>TOTAL ASSETS [E]</b>                            | <b>\$ 529,987</b> | <b>100.0%</b> | <b>Total liabilities</b>                             | <b>\$ 82,298</b>  | <b>15.5%</b>  |
|  |                   |               | <b>FUND BALANCES [F]</b>                             | <b>\$ 447,689</b> | <b>84.5%</b>  |
|  |                   |               | <b>TOTAL LIABILITIES AND FUND BALANCES</b>           | <b>\$ 529,987</b> | <b>100.0%</b> |