

COMMENTS ON FINANCIAL RESULTS AS OF THE END OF APRIL 2010 (6 MONTHS)

Please find attached the financial results as of April 30, 2010. Now that half of the financial year has been 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. Please find below a summary of the items that might have an impact on our budget and also a few news items concerning Waterside Village.

If you compare the March forecast for the total year to the current forecast you will see a lot of changes, mainly in the building maintenance with new bushes and trees and under ground maintenance. We have also reduced the forecast under some budget items. Please refer also to the summer projects report to find more information on the ongoing projects.

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

1. THE CLUB HOUSE POOL REPAIR

We are now getting bids to repair the pool. This will include the resurfacing of the bottom of the pool (full sand blasting) and the replacement of the green tiles. We do expect bids in the \$17,000 to \$ 22,000 dollar-range and these funds will come from the reserve account.

2. FORECLOSURE

It appears that the law has been modified and that banks would have to pay 12 months or 1% of the mortgage value, whichever is the lesser, so this law modification is not doing us any good. The good news is that there was no new foreclosure at Waterside during the month of April 2010 and also that our foreclosure listing was down by four. During the month, two owners got out of their mortgage difficulty with their bank and we now have two units repossessed by the bank, unit 556 and 158 that should go for sale during the summer. If you are interested in those units please contact our Manager Daniel Harvey.

3. INSURANCE CLAIM - THUNDERSTORM

We finally received a check in the amount of \$ 11,334 from our insurance company for the claim we filed for lightning damages.

4. WATER AND SEWAGE

We have no development to report on this subject, so it is a no news is good news scenario. We are still forecasting that we will be below our budget for the current year.

5. INSURANCE

We have not revised our forecast for the insurance cost, but we should be able to reduce the forecast by close to \$1,000 when all reports are received for the evaluation. We want to mention that the premiums were paid on a cash basis, except for the one coverage (\$21,647) that the firm provided us with payment terms at no extra cost.

6. SATELLITE TV

The forecast overrun is the result of our current on going work with the verification of the cabling inside of our units and the planning of the localisation of antennas.

7. FICUS EDGE

The spreading of the chemical for the white flies has been done by our maintenance staff (Larry and Jeffrey) and it took 2 men about 2 days. For the next application, they will use better equipment and it will take only one man one day. We will be in a position to do three preventive applications a year for less than \$3,000. Remember that the proposal from the professional was \$ 6,500 for one application.

8. PLANTING OF TREES

We have signed an agreement in the amount of \$9,500 for planting new trees and the relocation of a few others. The main commitment is for the front of the entrance to building 20, which is the main focus point when entering Waterside. With this, we will have planted over 1,000 bushes and trees during the current fiscal year. This is definitely the highest level since the creation of Waterside; then it will be just maintenance and no more catch up.

9. GROUNDS MAINTENANCE

We have initiated a project to repair some grass area, over 6,000sq.ft. We did make a treatment for weeds, then removed existing top soil and put in new top quality top soil and sod. This is the reason why we did increase our forecasted expenses for the year. This should complete the current fiscal year program. We are now determining other areas that need to be improved and it will be part of the 2010/2011 budget if not sooner.

10. BUILDINGS MAINTENANCE

We did increase our forecast under this budget to cover the cost of the repairs to 7 storage spaces for type "A" units for an amount of \$4,200; the C and D recessed section repairs. We will do 135 of those at a cost of \$55.00 each.

For the painting program we have received appreciative comments from Mr. Gagnon (owner of unit 214 who is an architect). The color scheme is from the firm Atmospheres, and we received a very elaborate report from the architect and planning firm Slattery and Associates. Tests will be performed in May and work is scheduled to take place in September to include buildings 10, 21 and 22.

11. RESURFACING THE SHUFFLEBOARD

We did sign a contract with the same firm that improved the tennis courts to resurface the shuffleboard court for an amount of \$2,990. This should be done during June 2010.

12. THE VARIOUS RESERVE ACCOUNTS

Please note that for the first time we accounted for \$3,323 dollars under interest revenue reserve. This is the interest earned on our term deposit with RBC and it does accumulate under the reserve accounts, not under the interest revenue.

Please note that our reserves are fully funded and the transfer from the operating budget bank account to the reserve bank account is done on a monthly basis.

Waterside Village Association News

1. WATER WALL – MAIN ENTRANCE FOUNTAIN

Hopefully the last details of the main entrance fountain have been finalized with Gaby Bélanger and our manager Daniel Harvey. They will meet with the Town inspector during May in order to finalize the design details and get an approval.

2. UNITS SOLD

The demand for condos at Waterside is very strong and one more condo was sold during the month of April 2010, bringing the total to 16 units sold since October 2009. We should reach 25 units sold during the fiscal year.

3. SATELLITES STATUS

Michael Shane met with the consultant for the TV satellite dishes and they have located the antenna. We are also facing technical and legal issues which are being addressed.

4. SUMMER PROJECTS

Our first Summer Project report indicates that things are progressing nicely concerning the work planned to be done during the summer months at Waterside by our maintenance staff and/or exterior contractors. There are 51 projects listed for the summer and for your information, you can find this schedule on our website under «Bulletins». An e-mail has been forwarded to all owners on May 14 with the listing as an attachment.

This report will be updated on a monthly basis and we will send some pictures of the ongoing work via email attachment.

Gaétan Cardinal, Treasurer

May 17, 2010

WATERSIDE FINANCIAL RESULT
AS OF APRIL 30, 2010

<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>
<u>REVENUE</u>				290	
NSF FEE	50	0	50	0	50
100 ASSESSMENTS **	640,140	640,140	1,280,280	1,280,280	0
102 LATE FEE INCOME	4,280	3,000	7,000	6,000	1,000
103 INTEREST INCOME	111	250	300	500	-200
104 ESTOPPEL FEE	2,350	1,500	3,750	3,000	750
106 ACCESS/GATE CARDS	15	250	100	500	-400
107 TRANSFER/SCREENING FEE	23,200	14,000	31,000	28,000	3,000
108 MISCELLANEOUS INCOME	914	1,750	2,000	3,500	-1,500
TOTAL REVENUE	671,060	660,890	1,324,480	1,321,780	2,700

EXPENSES

UTILITIES

200 ELECTRIC	21,958	26,000	47,000	52,000	-5,000
201 WATER & SEWER	109,192	120,000	210,000	240,000	-30,000
202 GARBAGE & RECYCLING	17,278	17,300	34,600	34,600	0
203 PROPANE GAS	52	500	1,000	1,000	0
204 CABLE T.V.	35,672	33,000	71,000	66,000	5,000
205 TELEPHONE	4,262	3,750	7,500	7,500	0
205.1 WIFI	969	1,000	2,000	2,000	0
	189,383	201,550	373,100	403,100	-30,000

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ADMINISTRATIVE					
300 PAYROLL-ADMINISTRATIVE	54,538	56,430	112,860	112,860	0
301 PAYROLL-MAINTENANCE	32,957	33,000	67,000	66,000	1,000
302 PAYROLL TAXES	8,892	7,500	18,000	15,000	3,000
302.1 EMPLOYEE BENEFITS	6,051	6,250	12,500	12,500	0
303 PAYROLL SERVICE FEES	1,081	1,850	1,081	3,700	-2,619
304 SECURITY GUARDS	26,785	26,250	52,500	52,500	0
305 ACCOUNTING	12,322	13,000	26,000	26,000	0
305.1 BANK FEES	451	500	600	1,000	-400
305.2 BAD DEBT	4,874	17,500	44,000	35,000	9,000
306 AUDITING	4,325	2,400	4,325	4,800	-475
307 LEGAL	7,583	7,125	13,250	14,250	-1,000
308 PROPERTY TAX	2,157	1,100	2,157	2,200	-43
309 INCOME TAX	0	400	800	800	0
310 INSURANCE	91,847	95,750	191,500	191,500	0
311 OFFICE SUPPLIES	2,938	2,250	4,000	4,500	-500
312 POSTAGE & SHIPPING	1,341	1,750	2,500	3,500	-1,000
313 LICENSES	1,709	1,250	2,500	2,500	0
314 TRAVEL & MILEAGE	310	200	500	400	100
315 MEETINGS & EDUCATION	0	125	500	250	250
316 SCREENING	7,729	4,000	9,000	8,000	1,000
317 ALARM SYSTEM	160	300	600	600	0
318 COMPUTER REPAIR/SERVICE	414	1,200	2,400	2,400	0
319 COPIER	1,811	1,800	3,600	3,600	0
320 MISCELLANEOUS ADMIN.EXP.	4,257	2,500	5,000	5,000	0
320.1 WEBSITE IMPROVEMENT	140	1,250	2,500	2,500	0
	274,672	285,680	579,673	571,360	8,313

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<u>MAINTENANCE</u>					
400 GASOLINE	302	375	750	750	0
401 SPRINKLERS	1,628	6,000	8,000	12,000	-4,000
402 PEST CONTROL	12,032	11,000	24,000	22,000	2,000
402.6 MISC. MAINT.EXP.	832	250	1,200	500	700
403 LANDSCAPING	50,645	56,000	112,000	112,000	0
403.1 FERTILIZATION-WEED CONT.	6,074	4,000	9,000	8,000	1,000
404 TREE TRIMING	9,283	5,500	11,000	11,000	0
404.1 NEW TREES & BUSHES	9,689	9,000	21,000	18,000	3,000
405 BUILDING MAINTENANCE	11,872	10,500	24,000	21,000	3,000
406 GROUNDS MAINTENANCE	4,931	3,500	10,000	7,000	3,000
407 SECURITY GATE EXPENSE	3,971	2,000	4,500	4,000	500
408 CAMERA & VIDEO EXP.	0	500	1,000	1,000	0
409 PLUMBING EXP.	555	750	1,500	1,500	0
410 ELECTRICAL EXP.	4,568	2,500	6,000	5,000	1,000
411 POOL SUPPLIES & REPAIR	4,497	7,000	10,000	14,000	-4,000
412 STREET MAINTENANCE	2,390	2,000	4,000	4,000	0
413 UNIFORMS	257	125	257	250	7
414 GOLF CARTS	2,088	1,000	2,300	2,000	300
415 LOCKSMITH	54	250	500	500	0
416 FIRE SAFETY	0	2,875	5,750	5,750	0
417 JANITORIAL SUPPLIES	1,020	1,650	2,500	3,300	-800
420 PAINTING PROGRAM	75	25,000	50,000	50,000	0
421 STREET LIGHT	1,175	1,000	1,175	2,000	-825
425 POOL CHAIRS/TABLES	1,765	1,000	1,765	2,000	-235
426 ENTRANCE SIGNS/FOUNTAIN	0	1,500	3,000	3,000	0
429 BENCHES REPLACEMENT	3,602	3,000	3,602	6,000	-2,398
430 SHUFFLE BOARD SURFACING	0	1,500	3,000	3,000	0
431 CLUB HOUSE IMPROVEMENT	7,983	3,500	7,983	7,000	983
	141,288	163,275	329,782	326,550	3,232

<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	4,030	9,885	10,000	19,770	-9,770
476 INTEREST EXPENSE	13	500	50	1,000	-950
	4,043	10,385	10,050	20,770	-10,720
GRAND TOTAL EXPENSES	609,385	660,890	1,292,065	1,321,780	-29,715
SURPLUS REVENU OVER EXPENSES	61,675	0	32,415	0	-32,415

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RESERVES					
2510 ROOFS	12,500	12,500	25,000	25,000	0
2515 PAINTING	1,200	1,200	2,400	2,400	0
2530 ASPHALT	17,500	17,500	35,000	35,000	0
2542 POOLS	6,300	6,300	12,600	12,600	0
2543 AWNINGS	10,000	10,000	20,000	20,000	0
2546 SPRINKLERS	2,500	2,500	5,000	5,000	0
2545 WORKING CAPITAL	12,500	12,500	25,000	25,000	0
2544 INTEREST REV. RESERVE	3,323	2,500	5,000	5,000	0
2548 LAND PURCHASE	12,500	12,500	25,000	25,000	0
	78,323	77,500	155,000	155,000	0

May 18, 2010

Gaetan Cardinal, Treasurer