

COMMENTS ON FINANCIAL RESULTS AS OF THE END OF JUNE 2010 (8 MONTHS)

Please find attached the financial results as of June 30, 2010. Now that 8 months of the fiscal year is completed, it is the Association management's opinion that we will be meeting our projection for the year as per the budget approved at the end of October 2009.

We have committed a lot of funds to the buildings maintenance, to our ground maintenance and to new trees and bushes. This high level of activities in these sectors will be scaled down during the next 4 months. Our investment in these cost centers support the high level of investment made by our owners in their own units.

As usual, we have revised the revenue and expenses forecasted for the year and the following items were adjusted accordingly.

1. REVISION TO THE VARIOUS REVENUE ACCOUNTS:

On good news, bad news scenarios we have increased our revenue from late fee charges.

We have also increased our Estoppels fee. The budget was built on 20 units sold during the fiscal year. Then we increased our forecast to 25 units and we are now forecasting 27 to be sold this year. On this subject there is one «B» model unit on the market that is currently offered by the bank and one «A» model. If you are interested or know someone interested please contact the Manager to obtain the details and contact person.

We have also increased our revenue from transfer/screening fees. The summer period has shown a higher level of activities, and this revenue may be revised upward before year-end.

2. REVISION TO THE VARIOUS EXPENSE ACCOUNTS:

2.1 DECREASE OF INSURANCE:

We have decreased our forecast for insurance by \$11,000 (from \$191,500 to \$ 180,500) as we received a net cost reduction from Citizens. This reduction, which is from May 1, 2010, will also have an impact on our 2010/2011 budget. Even with all the comments on this subject your Association did manage to stabilize its insurance cost for the current year, and this for the second year in a row. We cannot assume that this can be maintained for many more years.

2.2 NO CHANGE FOR UTILITIES EXPENSES:

This month again, we have not modified our forecast for the utilities expenses. A quick analysis of the electricity bills demonstrated that the electricity cost is coming down for the accounts related to the pool heater, and the fact that over the winter months we have completed the installation of the photo cells for practically 90% of our electricity source. Before making any adjustments to these important items we have to wait a little longer and see if the trend keeps moving down, and then we will adjust the forecast.

The only item under utilities that we have increased the forecast is the telephone cost. We will have to conduct an extensive review of this expense and its components in order to find solution for a reduction.

2.3 EMPLOYEE BENEFITS:

This item was reduced due to a government decision on over charges that did happen back in 2007, and the court did force a refund to every employer.

2.4 ACCOUNTING

We have reduced our forecast on this item, as we have a very streamlined process and continuously improve our working method with Barry and Company.

2.5 BAD DEBT

This cost center forecast was reduced last month and this month is back to a forecast of \$44,000, all due to a situation that dates back to the shutter era. We will conduct with Barry and Company a full review of the shutter receivable balance. This balance need to be built from our own record, as Barry does not produce separate records for these receivables. If we have something to write off on this, it is better to do it this year after careful reconciliation.

2.6 PEST CONTROL, MISC. MAINTENANCE EXPENSES

Those two centers have seen their forecast increase. In the case of the miscellaneous maintenance, it relates to a major break down of our pressure cleaner; that will require a new one at an estimated cost of \$2,000. This pressure washer is used for sidewalk clean-up.

2.7 BUILDINGS AND GROUNDS MAINTENANCE

These two cost centers have seen their forecast move up. We all know that we are concentrating substantial time and money to various repairs on buildings due to inclusion of water infiltration damage, repairs to model A unit storage areas and the repair to 144 recessed area of units C, D and DD.

On ground maintenance we have made repairs of over 11,000 sq feet in our grass areas, and finally we will have the mulch applied for the first year before the fiscal year end, contrary to previous practice.

2.8 INCREASE FOR FIRE SAFETY:

Last month we reduced the fire safety forecast by \$2750 (from \$5750 to \$3,000) as we received a quotation that was lower than the previous year. However, the quotation was based on about 30 buildings and assuming that all of the other buildings were in the same situation. Because of this and also that we had to replace a lot of canisters because they were rusted and older than 10 years of age, we had to increase back our forecast for Fire-Safety by \$4,655 (from \$3,000 to \$7,655) . We have to remember that this work is always reviewed by the Fire Department of Boynton.

CONCLUSION

Even with the summer months a lot of activities are going on. Your Board is finalizing a contract for the repair of the Club House pool and also working on the painting program. Both of these activities represent very substantial amounts.

We are within the budget objective for the year and we have done a lot more at very good price than what was originally planned.

Gaétan Cardinal, Treasurer

July 28, 2010

WATERSIDE FINANCIAL RESULT
AS OF JUNE 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 **	853,520	853,520	1,280,280	1,280,280	0
102 LATE FEE INCOME	5,530	4,000	7,000	6,000	1000
103 INTEREST INCOME	111	333	111	500	-389
104 ESTOPPEL FEE	3,450	2,000	4,050	3,000	1050
106 ACCESS/GATE CARDS	75	333	100	500	-400
107 TRANSFER/SCREENING FEE	26,040	18,667	32,000	28,000	4000
108 MISCELLANEOUS INCOME	1,279	2,333	2,000	3,500	-1500
TOTAL REVENUE	890,055	881,186	1,325,591	1,321,780	3,811

EXPENSES

UTILITIES

200 ELECTRIC	28,143	34,667	47,000	52,000	-5,000
201 WATER & SEWER	141,709	160,000	210,000	240,000	-30,000
202 GARBAGE & RECYCLING	23,012	23,067	34,600	34,600	0
203 PROPANE GAS	69	666	1,000	1,000	0
204 CABLE T.V.	46,919	44,000	71,000	66,000	5,000
205 TELEPHONE	5,622	5,000	8,200	7,500	700
205.1 WIFI	1,238	1,333	2,000	2,000	0
	246,712	268,733	373,800	403,100	-29,300

<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>
ADMINISTRATIVE					
300 PAYROLL-ADMINISTRATIVE	71,440	75,240	112,860	112,860	0
301 PAYROLL-MAINTENANCE	43,269	44,000	67,000	66,000	1,000
302 PAYROLL TAXES	10,974	10,000	17,000	15,000	2,000
302.1 EMPLOYEE BENEFITS	8,217	8,333	12,500	12,500	0
303 PAYROLL SERVICE FEES	1,081	2,467	1,081	3,700	-2,619
304 SECURITY GUARDS	34,646	35,000	52,500	52,500	0
305 ACCOUNTING	16,328	17,333	25,000	26,000	-1,000
305.1 BANK FEES	542	667	700	1,000	-300
305.2 BAD DEBT	4,874	23,333	44,000	35,000	9,000
306 AUDITING	4,325	3,200	4,325	4,800	-475
307 LEGAL	9,822	9,500	14,250	14,250	0
308 PROPERTY TAX	2,157	1,467	2,157	2,200	-43
309 INCOME TAX	0	533	800	800	0
310 INSURANCE	123,993	127,667	180,500	191,500	-11,000
311 OFFICE SUPPLIES	3,315	3,000	4,500	4,500	0
312 POSTAGE & SHIPPING	1,500	2,333	2,500	3,500	-1,000
313 LICENSES	2,334	1,667	2,334	2,500	-166
314 TRAVEL & MILEAGE	671	267	800	400	400
315 MEETINGS & EDUCATION	0	167	250	250	0
316 SCREENING	8,313	5,333	10,000	8,000	2,000
317 ALARM SYSTEM	159	400	600	600	0
318 COMPUTER REPAIR/SERVICE	414	1,600	1,500	2,400	-900
319 COPIER	2,521	2,400	3,600	3,600	0
320 MISCELLANEOUS ADMIN.EXP.	4,787	3,333	5,500	5,000	500
320.1 WEBSITE IMPROVEMENT	140	1,667	2,500	2,500	0
	355,822	380,907	568,757	571,360	-2,603

<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>
MAINTENANCE					
400 GASOLINE	605	500	750	750	0
401 SPRINKLERS	4,889	8,000	8,000	12,000	-4,000
402 PEST CONTROL	12,556	14,667	25,000	22,000	3,000
402.6 MISC. MAINT.EXP.	1,350	333	3,300	500	2,800
403 LANDSCAPING	73,666	74,667	112,000	112,000	0
403.1 FERTILIZATION-WEED CONT.	8,024	5,333	10,000	8,000	2,000
404 TREE TRIMING	9,283	7,333	11,000	11,000	0
404.1 NEW TREES & BUSHES	16,527	12,000	21,000	18,000	3,000
405 BUILDING MAINTENANCE	28,143	14,000	32,000	21,000	11,000
406 GROUNDS MAINTENANCE	10,041	4,667	14,000	7,000	7,000
407 SECURITY GATE EXPENSE	5,050	2,667	6,000	4,000	2,000
408 CAMERA & VIDEO EXP.	0	667	1,000	1,000	0
409 PLUMBING EXP.	1,535	1,000	2,000	1,500	500
410 ELECTRICAL EXP.	4,695	3,333	6,000	5,000	1,000
411 POOL SUPPLIES & REPAIR	5,427	9,333	10,000	14,000	-4,000
412 STREET MAINTENANCE	2,717	2,667	4,000	4,000	0
413 UNIFORMS	256	167	257	250	7
414 GOLF CARTS	2,087	1,333	2,500	2,000	500
415 LOCKSMITH	69	333	300	500	-200
416 FIRE SAFETY	450	3,833	7,655	5,750	1,905
417 JANITORIAL SUPPLIES	1,020	2,200	2,000	3,300	-1,300
420 PAINTING PROGRAM	1,435	33,333	52,000	50,000	2,000
421 STREET LIGHT	1,175	1,333	1,175	2,000	-825
425 POOL CHAIRS/TABLES	1,764	1,333	1,765	2,000	-235
426 ENTRANCE SIGNS/FOUNTAIN	0	2,000	3,000	3,000	0
429 BENCHES REPLACEMENT	3,602	4,000	3,602	6,000	-2,398
430 SHUFFLE BOARD SURFACING	2,990	2,000	2,990	3,000	-10
431 CLUB HOUSE IMPROVEMENT	7,984	4,668	7,984	7,000	984
	207,340	217,700	351,278	326,550	24,728

<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	7,531	13,180	10,000	19,770	-9,770
476 INTEREST EXPENSE	13	667	50	1,000	-950
	7,544	13,847	10,050	20,770	-10,720
GRAND TOTAL EXPENSES	817,418	881,187	1,303,885	1,321,780	-17,895
SURPLUS REVENU OVER EXPENSES	72,637	-1	21,706	0	21,706

<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>
RESERVES					
2510 ROOFS	16,667	16,667	25,000	25,000	0
2515 PAINTING	1,600	1,600	2,400	2,400	0
2530 ASPHALT	23,333	23,333	35,000	35,000	0
2542 POOLS	8,400	8,400	12,600	12,600	0
2543 AWNINGS	13,333	13,333	20,000	20,000	0
2546 SPRINKLERS	3,333	3,333	5,000	5,000	0
2545 WORKING CAPITAL	16,667	16,667	25,000	25,000	0
2544 INTEREST REV. RESERVE	4,157	3,333	6,000	5,000	1,000
2548 LAND PURCHASE	16,667	16,667	25,000	25,000	0
	104,157	103,333	156,000	155,000	1,000

July 21, 2010
Gaetan Cardinal, Treasurer