

COMMENTS ON FINANCIAL RESULTS AS OF THE END OF JULY 2010 (9 MONTHS)

Please find attached the financial results as of July 31, 2010. You will also find below a summary of the revised expense items forecast for the year. We have revised these items in order to meet our projection for the year as per the budget approved at the end of October 2009.

We have increased our forecast for janitorial supplies, fire safety, golf carts, building maintenance, grounds maintenance, tree trimming, and meetings and education. We have reduced our forecast for electricity, propane gas, security, legal, income tax, computer repairs, sprinklers, camera & video, pool supplies and repairs.

We have also split our legal cost into two components. One relates to our collection of past due assessments and the required action when a unit is in a foreclosure. This portion of our legal cost is hard to control as there are necessary steps that need a legal implication and is costly. The remaining legal costs are for the regular Association affairs.

1. WE HAVE DECREASED THE FOLLOWING MAINTENANCE EXPENSE ACCOUNTS:

1.1 ELECTRICITY:

We have decreased our forecast for electricity by \$1,000 (from \$47,000 to \$ 46,000). The electricity cost is lower than anticipated due to lower cost of the oil component of FPL cost.

1.2 ELECTRICAL EXPENSE:

We have decreased the electrical expense by \$500 (from \$6,000 to \$5,500). Most of the work planned for the year is now completed, other than minor items.

1.3 CAMERA & VIDEO:

We have also decreased this expense by \$500 (from \$1,000 to \$500). We are coming to year end and so far we do not see the need for repair.

1.4 SPRINKLERS:

We have reduced our forecast on this item by \$500 (from \$8,000 to \$7,500), as we are benefiting from substantial investment in improvements made last year, and our staff checks sprinklers daily.

1.5 COMPUTER REPAIRS:

This cost center forecast was reduced by \$500 (from \$1,500 to \$1,000) as now we have brand new equipment, so maintenance costs are smaller.

1.6 POOL SUPPLIES & REPAIRS:

We have reduced our forecast for this cost center by \$500 (from \$10,000 to \$9,500). The Club-house pool will be out of service during major repairs and we will save on chemicals and water use during that period.

2. WE HAVE INCREASED THE FOLLOWING MAINTENANCE EXPENSE ACCOUNTS:

2.1 GOLF CARTS:

This cost center has been increased by \$500 (from \$2,500 to \$3,000). We will have to consider some investment in the coming year's budget.

2.2 BUILDINGS AND GROUNDS MAINTENANCE

These two cost centers have seen their forecast move up again this month due to various repairs on buildings. For grounds maintenance, our forecast was increased by \$1,000 (from 14,000 to \$15,000) and we increased our building maintenance forecast by \$1,000 as well (from \$32,000 to \$33,000).

2.3 INCREASE FOR FIRE SAFETY:

As mentioned last month we do not have any choice with this item and we have increased the fire safety forecast by \$605 (from \$7,655 to \$8,260). Your Board will review this situation in order to find a solution for a better control on this type of expense. It is needed but there may be other ways of doing this.

2.4 JANITORIAL SUPPLIES:

This item was increased by \$300 (from \$1,700 to \$2,000).

3. WE HAVE DECREASED THE FOLLOWING ADMINISTRATIVE EXPENSES:

3.1 LEGAL:

We have decreased the forecast for legal by \$7,000 (from \$14,250 to \$7,250) and created a new cost center for the legal cost related to collection of assessments by the same amount

3.2 SECURITY GUARDS:

This cost item centre was reduced by \$500 (from \$52,500 to \$52,000).

3.3 INCOME TAX:

We have reduced this item by \$300 (from \$800 to \$500) and it could be reduced to nil by year end, depending on interest revenue.

4.0 WE HAVE REDUCED ONE UTILITY EXPENSE:

4.1 PROPANE GAS:

This cost center item was reduced by \$500 (from \$1,000 to \$500). We still have propane to cover the running of our large generator that is used to feed the office and guard house/gate operation during power failure.

CONCLUSION:

As mentioned last month, even with the summer months a lot of activity is going on at Waterside. During the months to come we will have the Clubhouse pool repaired and we will also be working on the painting program. Both of these projects represent very substantial amounts. Please read the summer project reports to know more on what is going on at Waterside by consulting our web site **www.watersidevillage.com**.

Note: There are two units that the banks have put up for sale and prospective buyers have made offers on each.

Gaétan Cardinal, Treasurer

August 24, 2010

WATERSIDE FINANCIAL RESULT
AS OF JULY 31, 2010

<u>REVENUE</u>	<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>
					290	
	NSF FEE	50	0	50	0	50
	100 ASSESSMENTS **	960,210	960,210	1,280,280	1,280,280	0
	102 LATE FEE INCOME	5,815	4,500	7,000	6,000	1000
	103 INTEREST INCOME	111	375	111	500	-389
	104 ESTOPPEL FEE	3,600	2,250	4,050	3,000	1050
	106 ACCESS/GATE CARDS	90	375	100	500	-400
	107 TRANSFER/SCREENING FEE	27,200	21,000	32,000	28,000	4000
	108 MISCELLANEOUS INCOME	1,279	2,625	2,000	3,500	-1500
	TOTAL REVENUE	998,355	991,335	1,325,591	1,321,780	3,811

EXPENSES
UTILITIES

	200 ELECTRIC	31,124	39,000	46,000	52,000	-6,000
	201 WATER & SEWER	157,821	180,000	210,000	240,000	-30,000
	202 GARBAGE & RECYCLING	25,925	25,950	34,600	34,600	0
	203 PROPANE GAS	78	750	500	1,000	-500
	204 CABLE T.V.	51,437	49,500	71,000	66,000	5,000
	205 TELEPHONE	6,310	5,625	8,200	7,500	700
	205.1 WIFI	1,238	1,500	2,000	2,000	0
		273,933	302,325	372,300	403,100	-30,800

<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	81,915	84,645	112,860	112,860	0
301 PAYROLL-MAINTENANCE	49,739	49,500	67,000	66,000	1,000
302 PAYROLL TAXES	12,446	11,250	17,000	15,000	2,000
302.1 EMPLOYEE BENEFITS	7,844	9,375	12,500	12,500	0
303 PAYROLL SERVICE FEES	1,081	2,775	1,081	3,700	-2,619
304 SECURITY GUARDS	38,625	39,375	52,000	52,500	-500
305 ACCOUNTING	18,318	19,500	25,000	26,000	-1,000
305.1 BANK FEES	590	750	700	1,000	-300
305.2 BAD DEBT	4,874	26,250	44,000	35,000	9,000
305.3 COLLECTION COST	4,699	0	7,000	0	7,000
306 AUDITING	4,325	3,600	4,325	4,800	-475
307 LEGAL	6,066	10,687	7,250	14,250	-7,000
308 PROPERTY TAX	2,157	1,650	2,157	2,200	-43
309 INCOME TAX	0	600	500	800	-300
310 INSURANCE	138,386	143,625	180,500	191,500	-11,000
311 OFFICE SUPPLIES	3,373	3,375	4,500	4,500	0
312 POSTAGE & SHIPPING	1,500	2,625	2,500	3,500	-1,000
313 LICENSES	2,334	1,875	2,334	2,500	-166
314 TRAVEL & MILEAGE	671	300	800	400	400
315 MEETINGS & EDUCATION	269	188	269	250	19
316 SCREENING	8,900	6,000	10,000	8,000	2,000
317 ALARM SYSTEM	345	450	600	600	0
318 COMPUTER REPAIR/SERVICE	414	1,800	1,000	2,400	-1,400
319 COPIER	2,521	2,700	3,600	3,600	0
320 MISCELLANEOUS ADMIN.EXP.	5,040	3,750	5,500	5,000	500
320.1 WEBSITE IMPROVEMENT	140	1,875	2,500	2,500	0
					0
	396,572	428,520	567,476	571,360	-3,884

<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	563	750	750	0
401 SPRINKLERS	5,639	9,000	7,500	12,000	-4,500
402 PEST CONTROL	19,619	16,500	25,000	22,000	3,000
402.6 MISC. MAINT.EXP.	2,841	375	3,300	500	2,800
403 LANDSCAPING	78,270	84,000	112,000	112,000	0
403.1 FERTILIZATION-WEED CONT.	8,024	6,000	10,000	8,000	2,000
404 TREE TRIMING	11,083	8,250	11,083	11,000	83
404.1 NEW TREES & BUSHES	19,027	13,500	21,000	18,000	3,000
405 BUILDING MAINTENANCE	30,060	15,750	33,000	21,000	12,000
406 GROUNDS MAINTENANCE	10,041	5,250	15,000	7,000	8,000
407 SECURITY GATE EXPENSE	5,050	3,000	6,000	4,000	2,000
408 CAMERA & VIDEO EXP.	0	750	500	1,000	-500
409 PLUMBING EXP.	1,535	1,125	2,000	1,500	500
410 ELECTRICAL EXP.	4,784	3,750	5,500	5,000	500
411 POOL SUPPLIES & REPAIR	5,925	10,500	9,500	14,000	-4,500
412 STREET MAINTENANCE	2,717	3,000	4,000	4,000	0
413 UNIFORMS	257	187	256	250	6
414 GOLF CARTS	2,689	1,500	3,000	2,000	1,000
415 LOCKSMITH	69	375	300	500	-200
416 FIRE SAFETY	8,260	4,313	8,260	5,750	2,510
417 JANITORIAL SUPPLIES	1,020	2,475	1,700	3,300	-1,600
420 PAINTING PROGRAM	1,435	37,500	52,000	50,000	2,000
421 STREET LIGHT	1,175	1,500	1,175	2,000	-825
425 POOL CHAIRS/TABLES	1,764	1,500	1,765	2,000	-235
426 ENTRANCE SIGNS/FOUNTAIN	0	2,250	3,000	3,000	0
429 BENCHES REPLACEMENT	3,602	4,500	3,602	6,000	-2,398
430 SHUFFLE BOARD SURFACING	2,990	2,250	2,990	3,000	-10
431 CLUB HOUSE IMPROVEMENT	7,984	5,250	7,984	7,000	984
	236,465	244,913	352,165	326,550	25,615

<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	14,827	10,000	19,770	-9,770
476 INTEREST EXPENSE	13	750	50	1,000	-950
	7,544	15,577	10,050	20,770	-10,720
GRAND TOTAL EXPENSES	914,514	991,335	1,301,991	1,321,780	-19,789
SURPLUS REVENU OVER EXPENSES	83,841	0	23,600	0	23,600

<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	18,750	18,750	25,000	25,000	0
2515 PAINTING	1,800	1,800	2,400	2,400	0
2530 ASPHALT	26,250	26,250	35,000	35,000	0
2542 POOLS	9,450	9,450	12,600	12,600	0
2543 AWNINGS	15,000	15,000	20,000	20,000	0
2546 SPRINKLERS	3,750	3,750	5,000	5,000	0
2545 WORKING CAPITAL	18,750	18,750	25,000	25,000	0
2544 INTEREST REV. RESERVE	4,575	3,333	6,000	5,000	1,000
2548 LAND PURCHASE	18,750	18,750	25,000	25,000	0
	117,075	115,833	156,000	155,000	1,000

August 23, 2010

Gaetan Cardinal, Treasurer