

COMMENTS ON FINANCIAL RESULTS AS OF THE END OF MARCH 2011 (5th month)

We have now completed five months out of Waterside's fiscal year. You will be in a position to appreciate not only the various savings achieved, but mainly the investment we are making for the future of Waterside. We do invite you also to review the Summer Projects progress chart that will be published in mid-May.

From the previous month's forecast, we did manage to increase revenue by \$1,000.00, reduce the utilities expenses by \$13,200.00, reduce administrative expenses by \$5,300 and increase our investment in maintenance expenses by \$20,281.00. Even with all of these modifications we are still within the budget objective for the year.

In this report we will concentrate on the explanations of the various expense components.

WATER AND SEWAGE

Normally price increase goes effective on April 1st, and so far we have not received any notice of cost increase under this budget item. We are still concerned by the consumption, and the number of snowbirds that are still at Waterside compared to previous years. Owners need to stress the point with their short-term occupants, that there is a cost to pay for water and sewage consumption in Florida. We decided to reduce our forecast by \$10,000.00 and we are now below budget by \$12,000.00

SATELLITE T.V.

We estimated a budget for the relocation of existing dishes and the addition of new dishes in accordance with April 2010 plan. We will complete the relocation of the existing dishes by mid-May and the demand for new dishes is very limited. In addition it is also done at a much lower cost on a per-dish basis. Technology does evolve very fast and costs do lower. We now forecast that we will be under budget by \$4,000.00.

EMPLOYEE BENEFITS

We have lowered our forecast by \$1,000.00 as we now have assurance that the workers' compensation insurance will not be increased.

COLLECTION COST

We have increased our legal costs related to our collection efforts by \$1,000.00. We have initiated a procedure that we hope will force the banks to act and accelerate their foreclosure procedure. In some other cases we are pressuring owners with reminders that they need to pay the Association for their dues, because if owners do not pay their dues, the paying owners bear a burden which is not acceptable.

We will review next month our bad debt reserve requirements for the current year with hopes to stop the growth of our bad debt reserve.

INSURANCE

The negotiations of all of our insurance policies for the next twelve months are now completed and have lowered the cost further by \$3,000.00. We now show a positive variance in the budget of \$18,000.00. All of our insurance premiums for one more year have been paid on a cash basis with the exception of \$15,000.00 out of \$180,000.00 that will be paid on a monthly basis with no carried interest cost. This achievement is the result of a close follow-up on our cash management.

PEST CONTROL

We show a potential savings of \$9,000.00 compared to budget. This specific situation is for the current year. The Association did not have to face some expenses that were incurred in the previous year. It appears that we have solved any rodent problems by using a camera system to inspect our sewage facilities in order to determine the problem area. We also reversed some year-end accruals that did not materialize.

NEW TREES AND BUSHES

From positive comments received from our owners and visitors, we have made a lot of progress and we will continue over the next two years to invest in this sector. Costs are much lower than budget (\$6,000.00), thanks to the contribution of Michel Dyotte, Daniel Chalut and one of our short-term residents Mr. Claude Foisy, who all did a lot of work. Also, Mr. Dyotte's ability to negotiate prices produced major savings. So far we have spent \$11,779.00 and still forecast that we will end the year at \$16,000.00 out of a total budget of \$22,000.00.

PERGOLA

We will be replacing a pergola that was damaged during the 2004-2005 seasons with a new one that will meet hurricane code requirements. We will obtain an engineering seal and Town permit. This will cost \$8,000.00. The pergola will be installed by mid-May, located between buildings 9 and 22. That area is very visible at the entrance to the site. Next fall we will make trees and bushes modifications to the surrounding area. This is an investment for the beautification of our site.

GAZEBO

For the current year we will be replacing three out of our five gazebos: one by building 25, one by building 31 and one by building 15. These gazebos need to be built in accordance with current codes. We will obtain an engineering certificate and a Town permit. The gazebos will have a Mediterranean design and will be made with long-lasting materials. This is a major investment (\$20,500.00) that is possible due to the savings achieved in other areas. These will not only contribute to the appearance of our site but will also be usable, since over the years the old ones are rotted and unstable.

CONCLUSION

Waterside does receive a savings benefit from the contribution of its group of volunteers, and we can continue to invest in the rejuvenation of our site. Current investments are made for the future of Waterside and we are benefitting from savings in areas like insurance and water and sewage, which we know will not remain at current level they will go up in due time.

Andre Mongrain, President

Gaétan Cardinal, Treasurer

April 25, 2011

WATERSIDE FINANCIAL RESULT
AS OF MARCH 31, 2011

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2010/2011</u>	
<u>DESCRIPTION</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
<u>REVENUE</u>				290	
NSF FEE	225	0	0	0	0
100 ASSESSMENTS **	557,450	557,450	1,337,880	1,337,880	0
102 LATE FEE INCOME	2,950	2,084	6,000	5,000	1000
103 INTEREST INCOME	167	208	500	500	0
104 ESTOPPEL FEE	600	1,250	2,100	3,000	-900
106 ACCESS/GATE CARDS	30	208	150	500	-350
107 TRANSFER/SCREENING FEE	20,149	13,334	33,000	32,000	1000
108 MISCELLANEOUS INCOME	100	1,458	1,500	3,500	-2000
TOTAL REVENUE	581,671	575,992	1,381,130	1,382,380	-1250

EXPENSES
UTILITIES

200 ELECTRIC	18,813	19,583	45,500	47,000	-1,500
201 WATER & SEWER	92,509	93,750	213,000	225,000	-12,000
202 GARBAGE & RECYCLING	14,799	15,000	36,000	36,000	0
203 PROPANE GAS	39	208	500	500	0
204 CABLE T.V.	30,250	29,167	66,000	70,000	-4,000
205 TELEPHONE	3,604	3,209	7,300	7,700	-400
205.1 WIFI	805	833	2,000	2,000	0
	160,819	161,750	370,300	388,200	-17,900

<u>ADMINISTRATIVE</u>	<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	45,320	48,563	115,550	116,550	-1,000
	301 PAYROLL-MAINTENANCE	28,848	28,750	70,000	69,000	1,000
	302 PAYROLL TAXES	6,038	7,917	17,000	19,000	-2,000
	302.1 EMPLOYEE BENEFITS	4,841	6,250	14,000	15,000	-1,000
	304 SECURITY GUARDS	23,770	22,292	53,500	53,500	0
	305 ACCOUNTING	10,262	10,417	24,500	25,000	-500
	305.1 BANK FEES	257	250	600	600	0
	305.2 BAD DEBT	19,652	13,333	35,000	32,000	3,000
	305.3 COLLECTION COST	2,856	2,917	8,000	7,000	1,000
	306 AUDITING	4,400	1,875	4,500	4,500	0
	307 LEGAL	1,416	3,333	6,000	8,000	-2,000
	308 PROPERTY TAX	2,274	958	2,274	2,300	-26
	309 INCOME TAX	0	208	0	500	-500
	310 INSURANCE	71,062	82,500	180,000	198,000	-18,000
	311 OFFICE SUPPLIES	1,829	1,458	3,000	3,500	-500
	312 POSTAGE & SHIPPING	1,048	833	1,800	2,000	-200
	313 LICENSES	1,689	1,042	2,500	2,500	0
	314 TRAVEL & MILEAGE	232	333	800	800	0
	315 MEETINGS & EDUCATION	0	104	250	250	0
	316 SCREENING	5,784	3,958	9,500	9,500	0
	317 ALARM SYSTEM	79	292	500	700	-200
	318 COMPUTER REPAIR/SERVICE	0	833	2,000	2,000	0
	319 COPIER	1,635	1,667	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	5,111	2,083	6,000	5,000	1,000
	320.1 WEBSITE IMPROVEMENT	0	834	2,000	2,000	0
		238,403	243,000	563,274	583,200	-19,926

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE					
400 GASOLINE	434	313	750	750	0
401 SPRINKLERS	1,008	3,125	6,000	7,500	-1,500
402 PEST CONTROL	2,522	8,750	12,000	21,000	-9,000
402.6 MISC. MAINT.EXP.	235	833	1,750	2,000	-250
403 LANDSCAPING	47,422	48,333	116,000	116,000	0
403.1 FERTILIZATION-WEED CONT.	1,923	3,333	7,500	8,000	-500
404 TREE TRIMING	14,180	7,083	17,000	17,000	0
404.1 NEW TREES & BUSHES	11,779	9,167	16,000	22,000	-6,000
405 BUILDING MAINTENANCE	11,214	10,000	24,000	24,000	0
406 GROUNDS MAINTENANCE	18,772	7,500	31,000	18,000	13,000
407 SECURITY GATE EXPENSE	4,316	2,083	6,500	5,000	1,500
408 CAMERA & VIDEO EXP.	7,700	4,167	14,500	10,000	4,500
409 PLUMBING EXP.	2,175	625	2,500	1,500	1,000
410 ELECTRICAL EXP.	2,923	1,667	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	3,407	4,167	8,000	10,000	-2,000
412 STREET MAINTENANCE	0	1,250	9,000	3,000	6,000
413 UNIFORMS	0	104	250	250	0
414 GOLF CARTS	6,627	3,333	8,000	8,000	0
415 LOCKSMITH	8	208	300	500	-200
416 FIRE SAFETY	2,609	2,083	6,000	5,000	1,000
417 JANITORIAL SUPPLIES	1,227	833	2,000	2,000	0
418 AWNINGS REPAIRS	19,360	10,417	21,000	25,000	-4,000
420 PAINTING PROGRAM	0	22,083	53,000	53,000	0
421 STREET LIGHT	0	417	3,000	1,000	2,000
425 POOL CHAIRS/TABLES	0	625	1,500	1,500	0
426 ENTRANCE SIGNS/FOUNTAIN	1,750	833	3,000	2,000	1,000
429 BENCHES REPLACEMENT	5,612	1,459	5,612	7,500	-1,888
432 MAIN OFFICE/GUARD HOUSE	4,096	3,125	5,000	7,000	-2,000
433 LIBRARY	8,849	2,917	8,849	3,500	5,349
PERGOLA	0	0	8,000	0	8,000
GAZEBO	0	0	20,500	0	20,500
	180,148	160,833	422,511	386,000	36,511

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	1,393	10,409	24,980	24,980	0
476 INTEREST EXPENSE	0	0	0	0	0
	1,393	10,409	24,980	24,980	0
<u>GRAND TOTAL EXPENSES</u>	580,763	575,992	1,381,065	1,382,380	-1,315
<u>REVENU OVER EXPENSES</u>	908	0	65	0	65

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2010/2011</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>RESERVES</u>					
2510 ROOFS	10,417	10,417	25,000	25,000	0
2515 PAINTING	1,000	1,000	2,400	2,400	0
2530 ASPHALT	6,250	6,250	15,000	15,000	0
2542 POOLS	4,167	4,167	10,000	10,000	0
2543 AWNINGS	4,167	4,167	10,000	10,000	0
2546 SPRINKLERS	2,083	2,083	5,000	5,000	0
2545 WORKING CAPITAL	10,417	10,417	25,000	25,000	0
2544 INTEREST REV. RESERVE	2,318	2,083	6,000	5,000	1,000
	40,819	40,584	98,400	97,400	1,000

Gaetan Cardinal, Treasurer