

## **COMMENTS ON FINANCIAL RESULTS AS OF END OF AUGUST 2011 (10<sup>TH</sup> MONTH)**

As we soon come to another year's end, your Association continues not only to improve its financial position but is also making headway with the various projects that were planned for the current year. So far we are lucky we did manage to do a lot more than anticipated and within the budget objective in total. The financial position of your Association is in great shape as we are resolving some specific situations on the receivable side. We have completed 10 months of our 2010/2011 financial exercise. Changes were made to our previously produced forecast; there are still indications of an improvement of the expected results. We now forecast a surplus of \$5,605 compared to last month's \$10,531.00. We will not assign this surplus to various possible improvements for the time being; your Board will do so in early October.

So far we have sustained no damage from the hurricane season, but the season is not over yet and we have signed a contract for the painting program for the current year. This year we are doing buildings 1 to 9. We explain this later on in this report.

Sixteen units have been sold so far, and we have now increased our forecast to 19 units to change hands this year. Unit 616 is now bank property and unit 121 will be listed one more time for a court hearing later on this fall. The auction winner did not come up with the money to close the transaction, so the court rejected the transaction. We are left with a very limited number of foreclosures and for the owners that have received their estimated tax bill for the year will see an increase in their value and tax bill. Waterside is probably one of the few Associations that has experienced an assessment increase. This looks good for the future and encourages your Board to continue to improve our buildings and the site in general.

Many owners are also investing in renovation projects which help all of us.

### **1) BALANCE SHEET COMMENTS**

As mentioned in previous reports, the various reserve accounts are fully funded.

We are also on the safe side for bad debt; the monthly evaluation of bad debt reserve requirements was again performed. We lowered our forecast last month and maintained it at the same level this month. Our reserves are fully funded and we intend to continue with all legal matters at the discretion of the Board, even if there are legal costs attached. One more time, your Board will not have to use a special assessment for our bad debts.

### **2) UTILITIES EXPENSES**

We increased the TV cost by \$2,000.00 to cover some cable breaks that we are currently experiencing and also new equipment that will help detect cables before digging. One piece that detects where the fault is located, protects us from having to dig the whole area to find the trouble spot. Under this general heading we are still forecasting to be below budget by \$13,550 mainly due to the non-increase in the fee structure for the water and sewage.

### **3) ADMINISTRATIVE COST**

In total, minor changes to our forecast have increased. Once again, our collection costs reduced our general legal costs. Just for collection services we are now spending over \$2.83 a month in legal costs alone out of the \$290.00

Remember that the intention of your Board is to invest any savings achieved under the Administration back into the maintenance and improvement of the site. Please refer to the Summer Projects listing; the next update will be toward the end of September. We have now obtained the Town permit to erect the fence at the acquired property. This did not come easily, since difficulties date back to the early days of the site development. We will explain the situation at a future Board meeting. Please refer to our website for latest updates, photos and owner requests.

#### **4) MAINTENANCE COST**

We have added about \$3,500 to our forecasted level of expenditures compared to last month's forecast; this is spread over a multitude of budget accounts. Most of the contractor work is completed with the exception of the painting program. The selected contractor is currently moving equipment on site and the contract was signed for \$29,965, which is way below any average cost of the last 4 years. The market is very competitive and all good contractors are trying to retain their employees, so they squeeze their margin in order to obtain work. Painting work will last about 6 weeks depending on weather conditions. With this cost on hand we will make sure that all of our awnings for those buildings have new steel racks in accordance with current permit requirement and that the colors match the painting scheme proposed by the architect. We will then add the decorative elements, all within the total budget figure that was planned for the year.

We have allocated \$17,000 from the painting program to the awning replacement.

We still have to complete the surrounding areas of the new gazebos, pergolas and the front of the new fence on Miner Road. Bushes and flowers should be completed by the end of October, and our forecast covers those expenses.

We have increased our building maintenance cost by \$3,000. To cover costs to repair water infiltration and replacement of door frames in buildings 1 to 9.

#### **CONCLUSION**

We are currently working on getting a proposal to add shelving in the library and also to redo an application of black top in some paved areas. We are also getting pricing for new projects that will be part of our next year's budget. On this subject, the budget meeting agenda, the operating budget, and reserve objective will either be sent to owners by email or mail before the end of September. The budget meeting is scheduled for October 29.

Thanks for reading,

André Mongrain, President

Gaétan Cardinal. Treasurer

**WATERSIDE FINANCIAL RESULT**  
**AS OF AUGUST 31, 2011**

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2010/2011</u>	
<u>REVENUE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
				290	
NSF FEE	350	0	340	0	340
100 ASSESSMENTS **	1,114,900	1,114,900	1,337,880	1,337,880	0
102 LATE FEE INCOME	3,850	4,167	4,500	5,000	-500
103 INTEREST INCOME	341	417	400	500	-100
104 ESTOPPEL FEE	2,400	2,500	2,850	3,000	-150
106 ACCESS/GATE CARDS	60	416	70	500	-430
107 TRANSFER/SCREENING FEE	25,699	26,667	32,000	32,000	0
108 MISCELLANEOUS INCOME	1,221	2,916	1,400	3,500	-2100
<b>TOTAL REVENUE</b>	<b>1,148,821</b>	<b>1,151,983</b>	<b>1,379,440</b>	<b>1,382,380</b>	<b>-2940</b>

**EXPENSES**  
**UTILITIES**

200 ELECTRIC	34,548	39,167	45,000	47,000	-2,000
201 WATER & SEWER	181,426	187,500	215,000	225,000	-10,000
202 GARBAGE & RECYCLING	29,886	30,000	36,000	36,000	0
203 PROPANE GAS	81	417	150	500	-350
204 CABLE T.V.	58,422	58,333	69,000	70,000	-1,000
205 TELEPHONE	6,511	6,417	7,700	7,700	0
205.1 WIFI	1,342	1,666	1,800	2,000	-200
	<b>312,216</b>	<b>323,500</b>	<b>374,650</b>	<b>388,200</b>	<b>-13,550</b>

<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	90,172	97,125	110,550	116,550	-6,000
	301 PAYROLL-MAINTENANCE	57,082	57,500	70,000	69,000	1,000
	302 PAYROLL TAXES	13,519	15,833	16,000	19,000	-3,000
	302.1 EMPLOYEE BENEFITS	12,156	12,500	15,000	15,000	0
	304 SECURITY GUARDS	43,512	44,583	54,000	53,500	500
	305 ACCOUNTING	20,319	20,833	24,500	25,000	-500
	305.1 BANK FEES	613	500	700	600	100
	305.2 BAD DEBT	27,689	26,667	24,000	32,000	-8,000
	305.3 COLLECTION COST	12,989	5,833	14,000	7,000	7,000
	306 AUDITING	4,400	3,750	4,500	4,500	0
	307 LEGAL	2,244	6,667	3,000	8,000	-5,000
	308 PROPERTY TAX	2,274	1,917	2,274	2,300	-26
	309 INCOME TAX	0	417	0	500	-500
	310 INSURANCE	147,776	165,000	179,025	198,000	-18,975
	311 OFFICE SUPPLIES	2,495	2,917	3,000	3,500	-500
	312 POSTAGE & SHIPPING	1,492	1,667	1,800	2,000	-200
	313 LICENSES	2,314	2,083	2,500	2,500	0
	314 TRAVEL & MILEAGE	625	667	700	800	-100
	315 MEETINGS & EDUCATION	300	208	300	250	50
	316 SCREENING	8,332	7,917	10,000	9,500	500
	317 ALARM SYSTEM	238	583	400	700	-300
	318 COMPUTER REPAIR/SERVICE	0	1,667	1,500	2,000	-500
	319 COPIER	2,924	3,333	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	6,533	4,167	7,000	5,000	2,000
	320.1 WEBSITE IMPROVEMENT	220	1,666	2,000	2,000	0
		<b>460,218</b>	<b>486,000</b>	<b>550,749</b>	<b>583,200</b>	<b>-32,451</b>

<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>
<b>MAINTENANCE</b>					
400 GASOLINE	875	625	1,000	750	250
401 SPRINKLERS	3,102	6,250	4,000	7,500	-3,500
402 PEST CONTROL	11,190	17,500	13,000	21,000	-8,000
402.6 MISC. MAINT.EXP.	420	1,667	700	2,000	-1,300
403 LANDSCAPING	94,844	96,667	116,000	116,000	0
403.1 FERTILIZATION-WEED CONT.	5,294	6,667	8,000	8,000	0
404 TREE TRIMING	17,025	14,167	17,025	17,000	25
404.1 NEW TREES & BUSHES	11,815	18,333	14,500	22,000	-7,500
405 BUILDING MAINTENANCE	21,759	20,000	25,000	24,000	1,000
406 GROUNDS MAINTENANCE	19,842	15,000	31,000	18,000	13,000
407 SECURITY GATE EXPENSE	6,274	4,167	8,000	5,000	3,000
408 CAMERA & VIDEO EXP.	14,299	8,333	15,000	10,000	5,000
409 PLUMBING EXP.	3,625	1,250	4,500	1,500	3,000
410 ELECTRICAL EXP.	3,241	3,333	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	7,711	8,333	8,500	10,000	-1,500
412 STREET MAINTENANCE	1,498	2,500	9,000	3,000	6,000
413 UNIFORMS	0	208	250	250	0
414 GOLF CARTS	7,127	6,667	8,000	8,000	0
415 LOCKSMITH	43	416	200	500	-300
416 FIRE SAFETY	5,545	4,167	5,545	5,000	545
417 JANITORIAL SUPPLIES	1,824	1,667	2,200	2,000	200
418 AWNINGS REPAIRS	20,060	20,833	38,000	25,000	13,000
420 PAINTING PROGRAM	1	44,167	36,000	53,000	-17,000
421 STREET LIGHT	0	833	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,250	1,500	1,500	0
426 ENTRANCE SIGNS/FOUNTAIN	3,095	1,667	5,000	2,000	3,000
429 BENCHES REPLACEMENT	5,612	2,917	5,612	7,500	-1,888
432 MAIN OFFICE/GUARD HOUSE	4,096	6,250	4,500	7,000	-2,500
433 LIBRARY	8,849	5,833	8,849	3,500	5,349
PERGOLA	7,029	0	7,029	0	7,029
GAZEBO	20,546	0	20,546	0	20,546
	<b>306,641</b>	<b>321,667</b>	<b>423,456</b>	<b>386,000</b>	<b>37,456</b>

<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	2,943	20,816	24,980	24,980	0
476 INTEREST EXPENSE	0	0	0	0	0
	<b>2,943</b>	<b>20,816</b>	<b>24,980</b>	<b>24,980</b>	<b>0</b>
<b>GRAND TOTAL EXPENSES</b>	<b>1,082,018</b>	<b>1,151,983</b>	<b>1,373,835</b>	<b>1,382,380</b>	<b>-8,545</b>
<b>REVENU OVER EXPENSES</b>	<b>66,803</b>	<b>0</b>	<b>5,605</b>	<b>0</b>	<b>5,605</b>

<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>
<b>RESERVES</b>					
2510 ROOFS	20,833	20,833	25,000	25,000	0
2515 PAINTING	2,000	2,000	2,400	2,400	0
2530 ASPHALT	12,500	12,500	15,000	15,000	0
2542 POOLS	8,333	8,333	10,000	10,000	0
2543 AWNINGS	8,333	8,333	10,000	10,000	0
2546 SPRINKLERS	4,167	4,167	5,000	5,000	0
2545 WORKING CAPITAL	20,833	20,833	25,000	25,000	0
2544 INTEREST REV. RESERVE	8,076	4,167	9,000	5,000	4,000
	<b>85,075</b>	<b>81,166</b>	<b>101,400</b>	<b>97,400</b>	<b>4,000</b>

Gaetan Cardinal, Treasurer

Andre Mongrain, President