



Board Meeting Notes for April 14, 2008
TREASURER REPORT

Thank you for joining us this evening. Our March financial picture has improved compared to February. If you recall we had a large loss in February due mainly to one-time expenses.

The surplus for March was about \$23,000 and on a year to date basis we now have a very small deficit of about \$500. Waterside is benefiting from the personnel reductions that took place earlier this year. These cost reductions are expected to continue through the end of the fiscal year. Some of these savings will be used to invest in building and grounds maintenance in order to insure increasing values for each of the owners.

The accompanying report shows the year-to-date results compared to the budget for the five-month period ending March 31, 2008. This report also provides the development of the last three forecasts, which includes a forecast of the financial report for the year end. We have to remember there are a series of projects that are currently under consideration that will reduce the current expected surplus of \$16,000, such as street repairs and a new well.

From the last forecast we have made limited modifications to the revenue section and to the utilities expenses. The electric cost now include about \$7,000 for a prior year's expense that was not billed to Waterside when it should have been. This is still under discussion with FPL, but the bills appear to be Waterside's expenses. The current salary forecast includes the projected salary increase to be given to the employees on May 1, 2008. Employee benefits will be significantly reduced by the end of April 2008, as Waterside will not continue to maintain such a program.

We have not modified the accounting services costs, but a savings of about \$1,200 is possible due to the reduction of the number of correcting entries necessary to generate the monthly financial statements. Legal costs remain a question mark and an element of risk. We have increased the forecast for the year for legal costs by \$1,000.

Since we have received the quotation we can forecast the insurance expenses and they should be around \$284,000. An appraisal report cost \$4,800 and resulted in a cost reduction of over \$20,000. This report was due in August, but we managed to convince the appraisal firm to accelerate the work so we could benefit from it.

We increased our sprinkler maintenance costs due to a series of major repairs that took place lately and we suspect there is more to come if we look at the past pattern of repairs.

We increased the building maintenance forecast as we are planning a series of repairs during the summer months. Examples are common area doors & frames and building crack repairs.

We have increased the postal station forecasted expense from \$15,000 to \$25,000 to reflect the current bids received.

We have reduced the contingency forecast from \$18,800 to \$15,000 as we are collecting the amounts due from owners of the window settlement.

During the last few months we closed two bank accounts. One more should be closed this month and another is expected to be closed in May when the simplifying of the bank accounts should be completed. The same is true for the monthly transfer to the reserve accounts and the line of credit. The process is being formalized with Barry and Company.

As you can see, the basic process of doing the bookkeeping work at the office is being streamlined. New procedures have been implemented to reduce errors and speed up the accounting process. This means the monthly financial statements from our accountant should be available earlier in the month. Cash flow and other analysis can also be completed sooner.

Although the financial picture has improved in March we still need to be very careful to avoid any excess spending in the coming months.

Thank you. Bob Van, Treasurer