Letter to Harborside Owners – 2008 Year-end Financial Performance

January 15, 2009

References:

1. **Letter to Harborside Homeowners – 2007 Year-end Financial Performance, dated January 28, 2008**
2. **Letter to Harborside Owners – August 2008 Annual Owners Meeting, dated July 12, 2008**
3. **Letter to Harborside Homeowners – 2008 Financial Projections and 2009 Budget, dated November 26, 2008**

Dear Harborside Homeowner:

The purpose of this letter is to provide you with information regarding the financial status of the Harborside Condominium Trust, specifically the 2008 year-end financial performance. The above references reflect previous financial updates associated with this year's performance.

For 2008, we had a 7% overrun in operating expenses. Thus, we did not realize our goal of achieving a third straight balanced budget. Although the Reserve Account of $25,000 was fully funded, it was necessary to transfer $10,700 from the Reserve to cover unexpected operating expenditures. This transfer was driven by unexpected overruns in maintenance & repairs ($5,879), cleaning ($301), landscaping ($249), snow removal ($346), and insurance ($5,939).

These unexpected overruns were offset, to some extent, by under runs in office expense ($151), exterminating ($925), electricity ($351), heating systems ($1,383), water & sewer ($72), fire system inspection ($500), natural gas ($402), cable TV ($785), legal ($953), tax prep ($22).

The net result of 2008 operations of the Harborside Condominium Trust is a carry forward to 2009 of $112 in the Operating Account and $237 in the Reserve Account.

Continuing into 2009, we anticipate the operating budget will be sufficient, unless we are again faced with unexpected expenses. Our November letter to you indicated a 2009 budget increase of 4.5% and its substantiation. This 4.5% increase is slightly higher then the 4% increase in 2008 but compares favorably with the 11% increase in 2007 and 17% increase in 2006.

The Harborside Dock Committee reports 2008 year-end balances of $3,899 in the HDC **O**perating Account and $6,485 in the Reserve Account.

We continue to defer the future special assessment for repair/replacement of the north retaining wall between Harborside and the Boston Yacht Club.

In summary, the Board's goal for 2009 continues to be the management of reasonable operating and reserve budgets that do not require special assessments to pay for operational expenditures, while at the same time being mindful of the long term infrastructure needs of the Harborside property.

Thank you,
Harborside Board of Trustees

Attachments: 2008 Performance to Budget
2009 Budget

		HARBORSIDE CONDOMINIUM TRUST				
		2008 PERFORMANCE				
		AS OF:	**DECEMBER 31, 2008**			
		OPERATING ACCOUNT ACTUAL	**2008 BUDGET**	**VARIANCE ACTUAL VS BUDGET**		**RESERVE ACCOUNT**
	Balance January 1, 2008	112.30				5,632.39
REVENUE						
4000	Condominium Fee Income	151,599.00	152,580.00	981.00		0.00
4010	Assessment Income	84,147.00	0.00	0.00		86,994.00
4060	Laundry Income	0.00	0.00	0.00		0.00
4070	Insurance Claim Income	0.00	0.00	0.00		9,460.45
4100	Late Charge	276.00	0.00	(276.00)		0.00
4120	NSF Fees	10.00	0.00	(10.00)		0.00
4160	Interest Income	0.00	0.00	0.00		118.64
4990	Transfer from Reserve	10,700.00	0.00	0.00		0.00
	Transfer to Reserve	0.00	0.00	0.00		27,083.33
	Loan From Bank	0.00	0.00	0.00		160,000.00
	SUB-TOTAL REVENUE	246,732.00	152,580.00			283,656.42
	TOTAL REVENUE	246,844.30	152,580.00			289,288.81
EXPENSES						
5010	Management Fees	8,400.00	8,400.00	0.00		0.00
5110	Office Expense	1,848.12	2,000.00	151.88		45.00
5200	Maintenance & Repair	45,879.45	40,000.00	(5,879.45)		144,900.38
5230	Cleaning & Bulbs	4,801.61	4,500.00	(301.61)		0.00
5240	Landscaping	7,879.00	7,630.00	(249.00)		1,920.00
5285	Extermination	575.00	1,500.00	925.00		0.00
5300	Electricity	2,348.76	2,700.00	351.24		0.00
5305	Heating Systems	1,616.03	3,000.00	1,383.97		0.00
5310	Water & Sanitation	4,827.25	4,900.00	72.75		0.00
5315	Fire System	0.00	500.00	500.00		0.00
5320	Trash Collection	5,161.00	5,100.00	(61.00)		0.00
5325	Snow Removal	5,346.50	5,000.00	(346.50)		0.00
5330	Natural Gas	597.40	1,000.00	402.60		0.00
5340	Cable TV	4,015.00	4,800.00	785.00		0.00
5420	Interest Expense	0.00	0.00	0.00		9,128.57
5440	Legal / Consulting	3,047.00	4,000.00	953.00		1,270.00
5510	Dock Fees	5,400.00	5,400.00	0.00		0.00
5520	Insurance	32,939.56	27,000.00	(5,939.56)		0.00
5550	Taxes & Tax Preparation	127.21	150.00	22.79		0.00
9020	Reserve Contribution	24,999.99	25,000.00	0.01		0.00
	Transfer to Reserve/Operating	86,994.00	0.00	0.00		10,700.00
	Payment Of Loan	0.00	0.00	0.00		109,088.81
	TOTAL OPERATING EXP.	246,802.88	152,580.00	(7,228.88)		277,052.76
	Balance December 31, 2008	41.42				12,236.05

HARBORSIDE CONDOMINIUM TRUST

		2008 BUDGET	2009 PROPOSED
REVENUES			
A.	Condominium Fees	$152,580	$156,480
B.	Laundry	0	0
TOTAL INCOME		**$152,580**	**$156,480**
EXPENSES			
A.	Administrative		
	1. Insurance	$27,000	$30,000
	2. Management Services	8,400	9,300
	3. Tax & Tax Preparation	150	150
	4. Office Expense	2,000	2,000
	5. Legal	4,000	4,000
	TOTAL	$41,550	$45,450
B.	Utilities		
	1. Electricity	$ 2,700	$ 2,700
	2. Water & Sewer	4,900	4,900
	3. Cable TV	4,800	4,800
	4. Gas	1,000	1,000
	TOTAL	$13,400	$13,400
C.	Common Services		
	1. Rubbish Removal	$ 5,100	$ 5,100
	2. Snow Removal	5,000	5,000
	3. Exterminating	1,500	1,500
	4. Landscaping	7,630	7,630
	5. Cleaning & Bulbs	4,500	4,500
	6. Fire System	500	500
	7. Dock Fee	5,400	5,400
	8. Heating Systems	3,000	3,000
	TOTAL	$32,630	$32,630
D.	Maintenance/Repair		
	1. Labor & Materials	$40,000	$40,000
	TOTAL	$40,000	$40,000
E.	Operational Reserves		
	1. Reserve Contribution	$25,000	$25,000
	TOTAL	$25,000	$25,000
TOTAL EXPENSES AND RESERVE CONTRIBUTIONS		**$152,580**	**$156,480**