Letter to Harborside Owners – 2009 Year-end Financial Performance

January 22, 2010

References:

1. **Letter to Harborside Owners – 2008 Year-end Financial Performance, dated January 15, 2009.**
2. **Letter to Harborside Owners – August 2009 Annual Owners Meeting, dated August 4, 2009.**
3. **Letter to Harborside Owners – 2009 Financial Projections and 2010 Budget, dated November 29, 2009.**

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 2009 year-end financial performance. The above references reflect previous financial updates associated with this year's performance.

For 2009, we had a slight (less than one percent) overrun in operating expenditures. Overruns were experienced in office expense ($341); landscaping ($1,324); water-sewer ($357); fire system maintenance ($105); snow removal ($3,401); cable TV; ($399); and insurance ($3,857 partial prepayment).

These overruns were offset by under runs in management fees ($75); cleaning ($342); extermination ($1,150); electricity ($640); natural gas ($421); legal ($3,502); dock utilities ($2,000); and, tax preparation ($25).

The 2009 Reserve Account contribution was fully funded at $25,000. From this amount, we authorized payment of $12,658 for buildings A, B and C structural repairs and D1 insulation reimbursement. The net result of the 2009 financial operations of the Harborside Condominium Trust is a carry forward to 2010 of $4,000 in the Operating Account and $12,577 in the Reserve Account.

Continuing into 2010, we anticipate the operating budget will be sufficient, unless we are faced with unexpected expenditures. Our November letter to you indicated a 2010 budget increase of 3% and its substantiation. This 3% increase compares favorably with the 4.5% increase in 2009, 4% increase in 2008, 11% increase in 2007 and 17% increase in 2006.

The Harborside Dock Committee reports 2009 year-end balances of $2,799 in the HDC Operating Account and $6,485 in the HDC Reserve Account.

We continue to defer the repair/replacement of the north retaining wall between Harborside and the Boston Yacht Club. Other deferred projects include the B building roof replacement, D-1/D-2/D-3 deck refurbishment, repair of low areas in parking lot, seal coating and lining of parking lot and refurbishment of the north dock.

In summary, the Board's goal for 2010 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: 2010 Budget

2009 Performance to Budget

	HARBORSIDE CONDOMINIUM TRUST				
	2009 PERFORMANCE				
		ACTUAL	2009 BUDGET	VARIANCE ACTUAL VS BUDGET	RESERVE ACCOUNT
	Balance January 1, 2009	41.42			237.28
REVENUE					
4000	Condominium Fee Income	161,966.13	159,480.00	(2,486.13)	0.00
4060	Laundry Income	10.61	0.00	(10.61)	0.00
4100	Late Charge	625.00	0.00	(625.00)	0.00
4120	NSF Fees	20.00	0.00	(20.00)	0.00
4160	Interest Income	0.00	0.00	0.00	17.81
4990	Other Income	1,000.00	0.00	(1,000.00)	0.00
4990	Transfer to Reserve	0.00	0.00	0.00	24,999.98
	SUB-TOTAL REVENUE	163,621.74	159,480.00		25,017.79
	TOTAL REVENUE	163,663.16	159,480.00		25,255.07
EXPENSES					
5010	Management Fees	9,130.05	9,300.00	169.95	0.00
5110	Office Expense	2,341.70	2,000.00	(341.70)	19.71
5200	Maintenance & Repair	40,513.51	40,000.00	(513.51)	12,658.00
5230	Cleaning & Bulbs	3,657.69	4,000.00	342.31	0.00
5240	Landscaping	8,954.00	7,630.00	(1,324.00)	0.00
5285	Extermination	350.00	1,500.00	1,150.00	0.00
5300	Electricity	2,059.02	2,700.00	640.98	0.00
5305	Heating Systems	0.00	2,000.00	2,000.00	0.00
5310	Water & Sanitation	5,257.50	4,900.00	(357.50)	0.00
5315	Fire System	634.14	500.00	(134.14)	0.00
5320	Trash Collection	5,205.10	5,100.00	(105.10)	0.00
5325	Snow Removal	8,401.00	5,000.00	(3,401.00)	0.00
5330	Natural Gas	578.89	1,000.00	421.11	0.00
5340	Cable TV	5,199.61	4,800.00	(399.61)	0.00
5440	Legal / Consulting	498.00	4,000.00	3,502.00	0.00
5510	Dock:				
	Fee	5,400.00	5,400.00	0.00	0.00
	Insurance	2,500.00	2,500.00	0.00	0.00
	Utilities	0.00	2,000.00	2,000.00	0.00
5520	Insurance	33,857.85	30,000.00	(3,857.85)	0.00
5550	Taxes & Tax Preparation	125.00	150.00	25.00	0.00
9020	Reserve Contribution	24,999.98	25,000.00	0.02	0.00
	TOTAL OPERATING EXP.	159,663.04	159,480.00	(183.04)	12,677.71
	Balance December 31, 2009	4,000.12			12,577.36

HARBORSIDE CONDOMINIUM TRUST

		2009 BUDGET	2010 PROJECTED
REVENUES			
A.	Condominium Fees	$159,480	$164,350
TOTAL INCOME		$159,480	$164,350
EXPENSES			
A.	Administrative		
	1. Insurance	$30,000	$30,000
	2. Management Services	9,300	9,300
	3. Tax & Tax Preparation	150	150
	4. Office Expense	2,000	2,000
	5. Legal	4,000	4,000
	TOTAL	$45,450	$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	8,500
	5. Cleaning & Bulbs	4,000	6,000
	6. Fire System	500	500
	7. Docks		
	Fee	5,400	5,400
	Insurance	2,500	2,500
	Utilities	2,000	2,000
	8. Heating Systems	2,000	2,000
	TOTAL	$35,630	$38,500
D.	Maintenance/Repair		
	1. Labor & Materials	$40,000	$42,000
	TOTAL	$40,000	$42,000
E.	Operational Reserves		
	1. Reserve Contribution	$25,000	$25,000
	TOTAL	$25,000	$25,000
TOTAL EXPENSES AND RESERVE CONTRIBUTIONS		$159,480	$164,350