

SECOND QUARTER FINANCIAL RESULTS AS OF END OF APRIL 2015

Owners, this is the second report on the financial result for the current fiscal year. Remember that our fiscal year goes from November 1st 2014 to October 31st 2015. We mentioned at the annual meeting that contrary to the past monthly practice, this year we would only publish the financial data on a monthly basis and add comments on the result every quarter.

REVENUE: We have limited changes to report on the revenue side. We currently forecast that we will exceed our total revenue by \$1,045.00 on a total budget of \$1,446,960.00. We now forecast that unit sales will reach our budget of 20 transactions; so far, 16 have either been completed or are in a closing stage, and we see some activity. Our involvement is important in making sure that you talk about Waterside Village on every occasion, as word of mouth is a favorable contributor to our sales activity. Some transactions are originating from American buyers.

UTILITIES EXPENSES: The way it looks, we should overrun our budget for the utilities services by \$3,000.00, mainly coming from a \$2,000.00 overrun in the electric expenses. This is difficult to understand when FPL talks about a kilowatt price reduction. We are currently reviewing and comparing prior year's monthly billing in order to determine the possible source of the overrun. Currently we show a larger overrun to budget on a year-to-date basis, more than \$12,000.00, but there are some seasonal factors to take into consideration; costs for water and sewer peak during the winter months.

ADMINISTRATIVE: We now forecast to be below budget on the administrative expenses, by \$15,515.00. We should achieve a reduction in our maintenance salary cost and related payroll taxes; we did at the budget preparation time estimate that we would have a longer period of overlap between the transitions from Larry to our new employee. We have completed the negotiation of our insurance policy and we are pleased to report an underrun of \$7,170.00 when compared to our annual budget. We will elaborate on the insurance situation in the general comments section of this report. We are exceeding our budget on screening cost by \$2,500.00 due to the increase in the number of request.

MAINTENANCE: On the maintenance type of expenses we should be below budget by \$2,800.00, mainly due to landscaping maintenance and the price of gasoline, which results in a non-increase in monthly costs. We are following the level of activities under this heading. Also, we should be lower under new trees and bushes. The planning for the new planting is completed and a lot should be done before year-end. To the owners that are on site who see removal of some existing plants, please remember that they will be replaced, including nine new palm trees, but there is always a delay between the two activities. You have noticed that we did some tree-trimming and pruning alongside the railroad tracks in order to create more sun time for the areca palms. Three large trees on the south of the property were cut down. Having cut back and pruning trees for hurricane preparation, we now are left with the palm trees to be trimmed in October.

CONTINGENCY SECTION: The sum of the above-mentioned items led to a reduction of our contingency forecast, which is not a positive note when we still have to get past the hurricane season. You will also

notice that we set aside an amount of \$15,000.00 for the revision of the various condo documents, inclusive of the Bylaws, the Articles of Incorporation, the Rules and Regulations and other components of our documents. This work is under the leadership of our Vice-President and Secretary Mr. Jean-Claude Demers. We hope to table this exercise for owners to vote at the annual meeting. Under this grouping also notice that we have set aside a further \$4,000.00 for the Provence Alley, which will bring the total cost to over \$21,000.00. \$17,000.00 was already reserved under the previous year's financial result.

RESERVE: The funding of the reserve is done on a monthly basis and we have increased our interest revenue on the reserve account by \$7,000.00. We hope to achieve last year's result, i.e., over \$20,000.00. We should move a further \$70,000.00 to an investment account by the end of the third quarter.

GENERAL COMMENTS: We already mentioned the Provence Alley and the revision to our condominium documents. Here is a partial list of recent activity:

- A) A new defibrillator is now installed at the east pool, so we now have two of those devices on site. Remember that the priority is always to call 911 in case of an emergency.
- B) You can find the various reports on our website, inclusive of the summer projects which is maintained by our property manager Stacey Casey. Good progress is being made, and more projects are being added. A bid for the painting program will be made by the end of June.
- C) We had a visit from the Fire Marshall a lot earlier than in previous years. They spent over a full day checking for possible hazards. Some owners will be contacted to be notified of particular situations that need to be corrected. There is a target date fixed by the Fire Marshall and she should be back on site to check if the situations were corrected. Some of the situations include: storage room content, propane gas tanks, over- grown trees and bushes that create difficult access to fire extinguishers in case of an emergency, overgrown areas where owners indicate "Do Not Cut" will be cut back, and the normal extinguisher verification will be completed.
- D) We did write off a major accounts receivable balance, which is sad to say, as we did have a provision for this case, so no impact on our financial result for the current fiscal year, but we could have used this money for something more productive for Waterside.
- E) At the last owners' meeting in March, we mentioned that we were in discussion with the City of Boynton Beach about the possibility of either buying or renting the land on the south side of our property. So far the City of Boynton has agreed to allow Waterside to create an emergency exit on the south side of our property, which will be set-up in mid-September. Discussions are still progressing with the City, which besides the emergency exit, a series of long term ideas, like garbage trucks using that emergency exit. We will keep you posted of the summer developments and, depending on the end result of our discussion with the City of Boynton, the project will always be subject to the approval via a vote by our owners.
- F) Director Michael Shane continued to maintain contact with AT&T about Internet and TV service and the latest news is not very positive from AT&T. They have said they have no financial interest in adding a U-verse service to Waterside due to the seasonal population, and the current various alternatives that are used by a good portion of our owners. From previous

discussion they have said that they are making progress in cleaning their central control box which serves about a two- mile radius in the county. This should improve Internet service, but on the other hand, they also mentioned they are short of port availability for Internet service. So, since some of you do not maintain the Internet service on a year- around basis, some may have some difficulties t getting service from AT&T come next fall. We are using the Town of Hypoluxo contact to help us solve this situation.

- G) On the insurance policy front, we fixed the circular windows, and all but two owners have replaced their garden windows. So far two owners have reported some difficulties in the renewal of their insurance policy. Waterside insurance policies were renewed without the obligation of producing a new mitigation report. We know there are still some deficiencies (mainly entrance door on C, D and DD type of units) but we do not have an updated mitigation report, and your Board decided not to update the mitigation report as it was not required. When insurance companies or insurance brokers require an owner to provide a mitigation report, it is usually due to the result of an owner changing brokers, changing insurance company providers, being late in answering a request, or some difficulty with payment terms. (Remember that in Florida postdated checks are normally cashed on the date received without the referenced date on the check, or they are simply returned to the sender.) Some Insurance companies want to reduce their coverage like Citizens is doing, it is an easy solution to simply return the postdated payment. We understand the insurance premiums are moving up, but at a limited rate.

In general we are on an excellent track to achieve our objectives for the year and more; the time available is an issue.

Andre Mongrain, President

Claude Comtois, Treasurer

5/24/2015

WATERSIDE VILLAGE FINANCIAL RESULT
AS OF APRIL 30,2015

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2014/2015</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					305	
	NSF FEE	245	0	245	0	245
	100 ASSESSMENTS **	706,155	705,880	1,411,760	1,411,760	0
	102 LATE FEE INCOME	1,865	1,002	2,700	2,000	700
	103 INTEREST INCOME	0	0	0	0	0
	104 TRANSFER FEE	1,950	1,500	3,000	3,000	0
	106 ACCESS/GATE CARDS	15	100	50	200	-150
	107 SCREENING FEE	19,927	13,998	29,000	28,000	1,000
	108 MISCELLANEOUS INCOME	692	1,000	1,250	2,000	-750
	TOTAL REVENUE	730,849	723,480	1,448,005	1,446,960	1,045

EXPENSES
UTILITIES

	200 ELECTRIC	26,613	24,000	50,000	48,000	2,000
	201 WATER & SEWER	125,110	116,250	233,000	232,500	500
	202 GARBAGE & RECYCLING	22,183	22,000	44,500	44,000	500
	203 PROPANE GAS	48	250	200	500	-300
	204 CABLE T.V.	33,907	32,000	64,000	64,000	0
	205 TELEPHONE	3,271	3,500	7,000	7,000	0
	205.1 WIFI	1,802	1,000	2,300	2,000	300
		212,934	199,000	401,000	398,000	3,000

<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>2014/2015</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	49,704	50,000	100,000	100,000	0
	301 PAYROLL-MAINTENANCE	39,428	43,000	78,000	86,000	-8,000
	302 PAYROLL TAXES	7,301	7,500	14,000	15,000	-1,000
	302.1 EMPLOYEE BENEFITS	2,531	3,500	5,000	7,000	-2,000
	304 SECURITY GUARDS	26,907	29,000	58,000	58,000	0
	305 ACCOUNTING	12,692	13,000	26,000	26,000	0
	305.1 BANK FEES	1,233	500	1,000	1,000	0
	305.2 BAD DEBT	-700	5,000	10,000	10,000	0
	305.3 COLLECTION COST	1,311	4,000	7,000	8,000	-1,000
	306 AUDITING	4,400	2,250	4,400	4,500	-100
	307 LEGAL	1,876	1,250	2,500	2,500	0
	308 PROPERTY TAX	3,355	1,800	3,355	3,600	-245
	309 INCOME TAX	0	250	0	500	-500
	310 INSURANCE	134,539	140,900	274,630	281,800	-7,170
	311 OFFICE SUPPLIES	1,694	1,250	2,500	2,500	0
	312 POSTAGE & SHIPPING	320	750	1,500	1,500	0
	313 LICENSES	1,709	1,250	2,500	2,500	0
	314 TRAVEL & MILEAGE	354	500	1,000	1,000	0
	315 MEETINGS & EDUCATION	0	250	500	500	0
	316 SCREENING	8,334	4,250	11,000	8,500	2,500
	317 ALARM SYSTEM	159	250	500	500	0
	318 COMPUTER REPAIR/SERVICE	1,150	1,000	2,000	2,000	0
	319 COPIER	1,926	2,000	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	4,804	2,500	6,000	5,000	1,000
	320.1 WEBSITE IMPROVEMENT	0	1,000	2,000	2,000	0
	323 SOCIAL FACILITIES	9,289	5,000	11,000	10,000	1,000
		314,316	321,950	628,385	643,900	-15,515

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2014/2015</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE					
400 GASOLINE	196	600	900	1,200	-300
401 SPRINKLERS	3,683	3,000	6,000	6,000	0
402 PEST CONTROL	9,263	12,500	25,000	25,000	0
402.6 MISC. MAINT.EXP.	332	500	1,000	1,000	0
403 LANDSCAPING	62,911	63,000	123,000	126,000	-3,000
403.1 FERTILIZATION-WEED CONT.	12,286	12,500	25,000	25,000	0
404 TREE TRIMMING	3,470	4,750	11,500	9,500	2,000
404.2 NEW TREES & BUSHES	0	5,000	8,000	10,000	-2,000
405 BUILDING MAINTENANCE	7,173	13,500	27,000	27,000	0
406 GROUNDS MAINTENANCE	4,958	11,000	22,000	22,000	0
407 SECURITY GATE EXPENSE	2,442	4,000	8,000	8,000	0
408 CAMERA & VIDEO EXP.	1,032	1,000	2,500	2,000	500
409 PLUMBING EXP.	1,691	1,500	3,500	3,000	500
410 ELECTRICAL EXP.	3,792	2,500	6,500	5,000	1,500
411 POOL SUPPLIES & REPAIR	4,969	7,000	14,000	14,000	0
412 STREET MAINTENANCE	0	2,500	3,000	5,000	-2,000
413 UNIFORMS	0	200	400	400	0
414 GOLF CARTS	344	1,500	3,000	3,000	0
415 LOCKSMITH	21	150	300	300	0
416 FIRE SAFETY	0	2,000	4,000	4,000	0
417 JANITORIAL SUPPLIES	1,851	1,000	3,000	2,000	1,000
418 AWNINGS REPAIRS	0	9,000	18,000	18,000	0
420 PAINTING PROGRAM	0	20,000	40,000	40,000	0
421 STREET LIGHT	0	1,000	1,000	2,000	-1,000
425 POOL CHAIRS/TABLES	0	1,000	3,000	2,000	1,000
429 BENCHES REPLACEMENT	0	500	0	1,000	-1,000
LOUVER VENT	0	5,000	10,000	10,000	0
	120,414	186,200	369,600	372,400	-2,800

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2014/2015</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	0	16,330	27,845	32,660	-4,815
481 SOUTH SECURITY CAMERA	2,028	0	2,000	0	2,000
482 EAST POOL RESURFACING	175	0	175	0	175
483 PROVENCE ALLEY	1,575	0	4,000	0	4,000
REVISION CONDO DOC'S	1,018	0	15,000	0	15,000
	4,796	16,330	49,020	32,660	20,060
GRAND TOTAL EXPENSES	652,460	723,480	1,448,005	1,446,960	245
EXPENSES OVER REVENUE	-78,389	0	0	0	0

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2014/2015</u> <u>BUDGET</u>	<u>VARIANCE</u>
RESERVES					
2510 ROOFS	16,500	16,500	33,000	33,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	11,500	11,500	23,000	23,000	0
2542 POOLS	4,000	4,000	8,000	8,000	0
2543 AWNINGS	500	500	1,000	1,000	0
2546 SPRINKLERS	2,500	2,500	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	6,250	6,250	12,500	12,500	0
2545 WORKING CAPITAL	5,000	5,000	10,000	10,000	0
2544 INTEREST REV. RESERVE	8,518	4,000	15,000	8,000	7,000
	54,768	50,250	107,500	100,500	7,000

Andre Mongrain President Claude Comtois Treasurer

MAY-21-2015