

Financial and other comments as of April 30, 2016.

April marks the completion of the first six months of our financial year. In addition to the regular financial commentaries, this report includes specific situations that are currently on-going at Waterside. A lot of them are very positive for the future of Waterside, and there are situations that do need some explanations. Two months ago we reintroduced monthly comments in addition to the financial result, where for 15 months we were only publishing the comments section on a quarterly basis. We want to say thanks to the many owners that expressed their very positive opinions on last month's comments. Claude and I are sorry we were not in a position to reply to all.

Financial results.

Limited changes are made to the previous month's forecast. On the revenue side we report nine (9) units that have been sold since November 1, 2015. The units that did change hands are: 503 (A), 128 (A), 331 (C), 169 (B), 312 (C), 313 (C), 234 (C), 429 (C) and 178 (B), we are pleased to welcome those new owners to Waterside. We forecast on a conservative basis that 11 sales will take place during our fiscal year. We did not make any modifications to our utilities expenses, even if you look at some of the components like water and sewer where we are currently over budget. We still forecast that we will be on budget, as the next six months many of our snowbird residents are not present at Waterside, thus reducing consumption. We have increased our maintenance salary cost by about \$7,000.00 as the Association now has the responsibility of painting the railings on type A and B units. We welcome owners to do their own unit railing as this will save the Association some money.

We completed our first phase of insurance negotiation and we show a savings of \$7,600.00 compared to budget. Your Board is investigating other avenues for savings on insurance. One item that needs to be addressed is when a water heater is replaced the valve should be replaced at the same time, even if it is a ball valve, the buildup of calcium does damage the valve wall.

Completed and on going works.

The tree-trimming for the hurricane season preparation was completed at a cost of just over \$6,000.00. We still have to do the mango trees after the harvesting season. We have identified sidewalks that need to be repaired during the summer months and this work may be contracted out. We reviewed the buildings that will be part of the current year painting program, for the awnings that will be replaced, and also determined the decorative elements that will be applied to these buildings. Our sprinkler system is finally working fine. We replaced a pressure switch and this appears to be the weak point. Remember that you will not see in the future any watering of our grass past 7 a.m., unless we are doing wet-checks and other testing and maintenance.

On Monday May 9, we started the installation of 58 new louvers on buildings type A and B. This is now completed, we replaced rotted wood ones by custom-built aluminum ones which should last a very long time and look much better. This is part of building maintenance on a dedicated cost center. New hedges were planted to the right and left side of our entrance way. We are in process to plant new flower beds on the right side of the exit and we will also replace damaged hedges on Miner Road, and in some specific locations within the site over the next two weeks.

Many owners have replaced their water heater and more owners are planning to do the same over the coming months. By the way we do have to report one incident of a water heater leak from a second floor unit that did some damage to the first floor unit. Please make sure to abide by the new condo documents on this subject. Our staff will take note of the manufacturing date every time they see an old heater; we will publish from time to time some statistics on those. Remember that a Town permit is required to do this type of work.

Special items

1. The internet, telephone and TV.

We have returned the agreement that AT&T asked Waterside to sign. We did have some comments on their proposal, and forwarded those to our contact, and verbally our comments were agreeable to AT&T. We now have the final

copy from the legal department of AT&T. Planned work does continue during that time. Please do not disconnect your current service till we have the full new service in place.

Here are some facts for owners that do not want to switch to Uverse service -- they will still be able to continue to use the current DSL service till 2020; after that date AT&T will discontinue completely the DSL service.

The current basic TV service that Waterside has with Direct TV will be maintained, and owners that want more, will enter in an agreement with AT&T directly for service like HBO/Cinemax, Showtime, The Movie Channel, etc.

For the internet AT&T will offer speed of 300Mbps for \$104.00 and 1Gbps for \$134.00 per month. A minimum period to maintain service will be 2 months and the maximum period without service is 9 months. To have the service in a "dormant" status there will be a charge of \$5.00 a month. As far as limited of use it is about 4 times the current minimum of 130 gig a month and from previous analysis, the current maximum use stand at 40 gig.

As mentioned they now have 230 days to complete the installation. Let's hope they do respect their end of the agreement. Waterside will be one of the rare established developments, which will have fiber optic up to each unit; they normally do this in new developments. Please follow up in the coming months as we will report on progress.

2. The amended and restated condominium documents.

We now have received the stamped documents from the State and the County; these were posted on our website for ease of access and emailed to owners. If you require a printed version please let the office know via an email and it will be deposited in your unit over the summer months. You also have received a copy of the stamped pages. Now your Board is working on the update of the Rules and Regulations so they will match the documents, and the same will be done with the various forms. We hope to finalize these by the budget meeting that takes place on the last Saturday of October. Thanks to Scott Perron for his work in making sure that the Articles of Incorporation, the By-Laws and the Declarations are on our website. By the way we are one of the rare Associations that have this posted on a website. Potential buyers can have access to those documents and a series of other interested parties, like bankers, mortgage companies, title transfer agents and insurance companies.

3. The latest on a possible club house.

Your Board has conducted a preliminary analysis of the data from the recent survey concerning the use to be made of space available in the Clubhouse. The results of the survey will be provided to members in the near future. The survey has indicated to the Board that man respondents want the possibility of converting the large room in the Clubhouse into more than two multi-use rooms, as was proposed initially, and also indicated that a social room would be desirable. Numerous respondents would like to have a gym and a space for playing billiards. These recommendations were the most popular in the survey. We will do our best to incorporate these suggestions in the final plans.

We will sit down with the architect to see how much can be incorporated in, always respecting the maximum budget of \$1,650,000. Remember that the Board is not authorized to exceed that cost figure. The President and the Treasurer may have to go to Waterside within the next two weeks to review the planning for the future steps and also to address other subjects. Remember that Board members are not allowed to be reimbursed for any expenses, so it will be at personal cost. To all owners who have replied to the survey, thanks.

4. The summer projects .

We are late in publishing the list, even if some work is already on-going, like the painting of ramps and stairways and the installation of louvers. It should be posted by late May on our web site and sent by email.

5. Site security.

Last fall in October we had some intrusions from young men (4 of them). They were operating by pairs and checking cars and had access to 16 cars, which by the way were not locked! During the winter months, President Mongrain, with the help of Owner Andre Desjardins, did three nights of rounds and found 28 cars not locked. Owners were notified on the same nights. (Owners need to take responsibility to secure their cars.) Then, in late April we were faced with the same situation, and this time it was two young men, and they again found unlocked cars. The following night we asked our guard to check on car doors. (When he is doing this, he is not looking for something else.)

We received notice from the Lantana police that during the same night other developments were also targeted, and they did increase the number of rounds that they normally perform; we have excellent cooperation from the Lantana police department. We have for the past four years added 11 cameras on site and we now have 17 of them, 12 are visible on channel 69. Over the years we have done a lot to improve security, like these additional cameras, and we will be adding 4 more over the summer. We maintain our gate in a closed position 24 hours a day during the summer months, as there is less traffic flow. It is not possible during the winter months to maintain this approach due to heavy traffic and the poor quality of our gate; the oil cylinders are residential grade not commercial grade.

This process for the summer months started on Monday May 2, and since then we had to replace two of the cylinders. We also maintain a spare one in our maintenance shop. Just before closing down the accounting book, last October we did obtain a quote to redo our gates. The bid was over \$36,000.00 and it was not a solution for access to building 46, or the fact that our entrance is a single line that is used by visitors and residents, which result in a lot of incident and does not meet the Fire Marshall requirements. Over the years we have improved all of our fences; on the south side we have added stronger steel wire at the bottom, so intruders cannot go under and the Crossings has also added its own fence, not very high but it does limit trespassers from the south side. Last summer we repaired the fence on the east side to make sure it is a double fence on most of the full length and removed a good number of dead trees. There is more to remove, but we have also planted dense areca palm trees. In addition to the last 300 feet of the north- east section we added 4 feet on top of the existing fence and added barbed wire. On the west side we added chain-link on Quadrille's development. Within the next month we will add 4 feet in height of chain-link to the Miner Road fence and continue to add barbed wire. The monitoring of our fences is on the monthly schedule of our maintenance staff.

Please lock your car and if you have a bike take a photo, of the serial number and other special Please lock your cars, and lock your bikes (which should be the type of lock with a U-bolt system). Take a photo of the serial number and other special markings you may have done to your bike. Our surrounding is improving, but it still requires caution and actions from our owners.

6. Town of Hypoluxo requirement.

Last month we did mention about the ANNUAL fee required in situations where an owner rents a unit. It is not required when an owner has a guest, a visitor or a roommate. Please review the particular section of our new condo docs.

Now the Town has published a new list of permit requirements in case of some specific work being performed either by an owner or by the Association. If you are planning to do some work in your unit, please consult with Stacey our Property Manager. It does include "install any flooring except carpeting", "Replace/Install Kitchen/Vanity Cabinets", "replace a water heater" and the list is long. A copy of that list will be posted on our website and it is also available at the office.

7. Florida Power & light (FPL)

FPL is performing improvements to all of their boxes. Exactly what they do, we do not know and they have no obligation to tell their customer beside general press release. Waterside did ask two years ago for some improvement to our street lighting and they have done nothing. We did ask one more time two months ago to improve the light density/projection from the street lights and we are still waiting for that. At least this time we have a contact name. We also asked FPL to add lighting on Miner Road to the east of our entrance. We lost some when they set up the new cement post, and more lighting should contribute to security improvement. In addition we will also change the spotlights that are on our buildings; mainly the surrounding ones with new LED ones that will have a better lighting projection.

8. Dogs on site.

This situation hopefully now appears to be resolved. Pit bulldogs are numerous around the neighborhood, but for 27 years we were not faced with such a situation. Thanks to the owners involved, owners in Quadrille who helped, and Liz from the City of Boynton Animal Control, we have not seen any stray dogs on our property. The Board acted promptly with the situation and also helped Rolling Green School and Quadrille to control the access of those dogs in order to limit movement toward our development. To the numerous owners that sent us thank-you notes for our actions, it was greatly appreciated. It was not an easy situation to deal with and it was somewhat dangerous to drive or walk around the neighborhood during the night. Let's hope this is now behind us.

Again thanks for reading.

Andre Mongrain, President and Claude Comtois Treasurer

May 18, 2016

WATERSIDE FINANCIAL RESULT
AS OF APRIL 30,2016

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2015/2016</u> <u>BUDGET</u>	<u>VARIANCE</u>
					310	
	NSF FEE	50	0	50	0	50
	100 ASSESSMENTS **	708,210	708,210	1,416,420	1,416,420	0
	102 LATE FEE INCOME	925	1,002	1,700	2,000	-300
	103 INTEREST INCOME	370	0	0	0	0
	104 TRANSFER FEE	900	1,500	1,650	3,000	-1350
	106 ACCESS/GATE CARDS	75	100	100	200	-100
	107 SCREENING FEE	15,500	15,000	30,000	30,000	0
	108 MISCELLANEOUS INCOME	1,500	750	2,500	1,500	1,000
	TOTAL REVENUE	727,530	726,562	1,452,420	1,453,120	-700

EXPENSES
UTILITIES

	200 ELECTRIC	24,161	25,500	51,000	51,000	0
	201 WATER & SEWER	130,018	121,000	242,000	242,000	0
	202 GARBAGE & RECYCLING	21,217	23,000	46,000	46,000	0
	203 PROPANE GAS	543	100	600	200	400
	204 CABLE T.V.	43,731	33,000	74,000	66,000	8,000
	205 TELEPHONE	3,231	3,600	7,200	7,200	0
	205.1 WIFI	1,221	1,500	3,000	3,000	0
		224,122	207,700	423,800	415,400	8,400

<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>2015/2016</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	53,237	52,500	107,500	105,000	2,500
	301 PAYROLL-MAINTENANCE	35,595	37,000	80,000	74,000	6,000
	302 PAYROLL TAXES	3,909	7,500	15,000	15,000	0
	302.1 EMPLOYEE BENEFITS	4,693	3,500	6,500	7,000	-500
	304 SECURITY GUARDS	22,722	28,500	57,000	57,000	0
	305 ACCOUNTING	12,558	13,250	25,500	26,500	-1,000
	305.1 BANK FEES	654	625	1,250	1,250	0
	305.2 BAD DEBT	0	3,000	0	6,000	-6,000
	305.3 COLLECTION COST	11,069	2,500	0	5,000	-5,000
	306 AUDITING	4,400	2,300	4,400	4,600	-200
	307 LEGAL	-13,331	1,250	2,500	2,500	0
	308 PROPERTY TAX	3,612	1,850	3,612	3,700	-88
	309 INCOME TAX	0	250	0	500	-500
	310 INSURANCE	159,571	144,500	281,400	289,000	-7,600
	311 OFFICE SUPPLIES	1,058	1,500	2,500	3,000	-500
	312 POSTAGE & SHIPPING	14	750	1,500	1,500	0
	313 LICENSES	1,709	1,600	3,200	3,200	0
	314 TRAVEL & MILEAGE	240	500	750	1,000	-250
	315 MEETINGS & EDUCATION	0	250	250	500	-250
	316 SCREENING	6,204	6,000	12,000	12,000	0
	317 ALARM SYSTEM	238	250	500	500	0
	318 COMPUTER REPAIR/SERVICE	0	1,000	2,000	2,000	0
	319 COPIER	2,005	2,000	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	4,299	3,000	6,000	6,000	0
	320.1 WEBSITE IMPROVEMENT	1,020	750	2,500	1,500	1,000
	323 SOCIAL FACILITIES	10,658	5,000	11,000	10,000	1,000
		326,134	321,125	630,862	642,250	-11,388

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2015/2016</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE					
400 GASOLINE	195	400	600	800	-200
401 SPRINKLERS	3,738	4,000	8,000	8,000	0
402 PEST CONTROL	9,181	13,000	24,000	26,000	-2,000
402.6 MISC. MAINT.EXP.	302	500	1,000	1,000	0
403 LANDSCAPING	61,500	63,000	123,000	126,000	-3,000
403.1 FERTILIZATION-WEED CONT.	12,553	12,500	25,000	25,000	0
404 TREE TRIMING	6,170	5,000	9,000	10,000	-1,000
404.2 NEW TREES & BUSHES	3,133	4,000	5,000	8,000	-3,000
405 BUILDING MAINTENANCE	22,455	12,500	32,000	25,000	7,000
406 GROUNDS MAINTENANCE	3,527	11,000	20,000	22,000	-2,000
407 SECURITY GATE EXPENSE	1,324	3,500	7,000	7,000	0
408 CAMERA & VIDEO EXP.	1,042	2,000	4,000	4,000	0
409 PLUMBING EXP.	7,032	1,750	9,500	3,500	6,000
410 ELECTRICAL EXP.	2,708	2,000	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	5,026	7,000	13,000	14,000	-1,000
412 STREET MAINTENANCE	254	1,250	3,500	2,500	1,000
413 UNIFORMS	0	200	400	400	0
414 GOLF CARTS	0	1,000	2,000	2,000	0
415 LOCKSMITH	10	100	200	200	0
416 FIRE SAFETY	254	2,000	4,000	4,000	0
417 JANITORIAL SUPPLIES	1,836	1,500	3,000	3,000	0
418 AWNINGS REPAIRS	2,730	10,000	20,000	20,000	0
420 PAINTING PROGRAM	0	23,500	47,000	47,000	0
421 STREET LIGHT	0	500	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,000	2,000	2,000	0
429 BENCHES REPLACEMENT	0	250	500	500	0
484 LOUVER VENT	-3,104	0	3,000	0	3,000
	141,866	183,450	371,700	366,900	4,800

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2015/2016</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	0	14,285	17,292	28,570	-11,278
483 PROVENCE ALLEY	3,083	0	3,083	0	3,083
487 EAST WELL	2,640	0	2,640	0	2,640
431 CLUB HOUSE STUDY	-3,776	0	0	0	0
485 REVISION CONDO DOC'S	3,043	0	3,043	0	3,043
	4,990	14,285	26,058	28,570	-2,512
GRAND TOTAL EXPENSES	697,112	726,560	1,452,420	1,453,120	-700
REVENUE OVER EXPENSES	30,418	2	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>2015/2016</u> <u>BUDGET</u>	<u>VARIANCE</u>
RESERVES					
2510 ROOFS	16,750	16,750	33,500	33,500	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	11,750	11,750	23,500	23,500	0
2542 POOLS	4,000	4,000	8,000	8,000	0
2543 AWNINGS	0	0	0	0	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	15,000	15,000	30,000	30,000	0
2544 INTEREST REV. RESERVE	7,352	4,500	12,000	9,000	3,000
	63,602	60,750	124,500	121,500	3,000

Andre Mongrain President

Claude Comtois Treasurer

May-18-16