

**WATERSIDE VILLAGE OF PALM BEACH
CONDOMINIUM ASSOCIATION, INC.**

FINANCIAL COMMENTS FOR THE PERIOD ENDING NOVEMBER 30, 2016

Since November was the first month of our fiscal year 2016-2017, only limited comments may be made concerning the forecast for the upcoming year as compared to the details provided in the budget.

During the first month, we were required to use almost half of the contingency funds to cover an overrun in the amount of \$5,000.00 for cable TV expenses due to damage caused during the installation of the new fiber optic cable by AT&T.

We have increased our forecast for the security guard by \$2,000.00 due to the failure of our electronic gate system relating to cards and the key-in. This overrun will cover the cost of the extra guard time.

We have added \$8,000.00 to our security gate expense to cover the replacement of the control board and the purchase of a new computer program. We used funds from the contingency account to cover these expenses. We are hopeful that the problem with the security gate will be repaired by the middle of next week (on or about December 21). Please see Specific Item 2 below for further details concerning this issue.

With respect to the sprinkler system, please see Specific Item 5 that includes further information. Our personnel are in the process of cleaning all of the sprinkler heads (there are more than 1,700) and conduits. We have added \$4,000.00 to our sprinkler cost forecast to cover part of the "wet check" contract.

All of the reserve accounts are funded monthly, and we monitor the cash flow very closely. We are currently five months away from due date for the insurance. Presently, it appears that we may have to use some funds from the Working Capital account to pay the premium.

SPECIFIC ITEMS

1. **Security**

Camera monitoring for the night shift is ongoing and costs \$99.00 a month. There were no alerts to report for November and, to date in December, there are none as well. We intend to add another camera to the coverage as soon as possible. This is the first phase of a two-part program, with the next phase being the virtual fence system.

2. **Gate System**

The electronic panel for the gate system failed completely. Due to the fact that the equipment is very old, repair parts are not available and we were required to replace it at a cost of \$8,000.00. The price included a new computer program to store and search data, including car information, telephone numbers and any related information. This will assist in our objective to improve onsite surveillance. We hope to have all of this completed before the Holiday weekend.

The new, electronic state of the art entrance control computer will permit entry using either a bar code applied to the window of the vehicle or possibly a "clicker". In addition, later in the winter, there will be the possibility of having the name of a guest or renter staying for three months or more added to the description panel. Before implementing the system, we have to resolve the issue of the single common lane entrance gate for visitors and residents and the entrance/exit for the 800 units.

3. **AT&T**

The installation of the fiber optic cable has proceeded much more quickly than anticipated, and we have presentations by the AT&T Concierge Service on January 11 in English and January 12 in French. We are currently negotiating for a special introductory discount and believe that we will be successful. In the meantime, please do not call AT&T directly. When we have completed the negotiations, we will provide a contact number for residents to call in order to obtain details of the specific program applicable to Waterside Village.

4. **YEAR-END AUDIT**

The work by our CPA auditor is progressing and the audited statement for the year will be available at the Annual Meeting.

5. **SITE MAINTENANCE**

A good portion of our maintenance staff is continuing to work on the sprinkler system, the improvements are evident, and it will be fully operational on December 20. We have sprayed the whole site for white flies (again), have planted more than 200 new or replacement bushes and will lay seven pallets of new sod on Thursday. Many thanks to our maintenance staff for their hard work and also to the owners (primarily from Building 15) for their greatly appreciated help, especially as it came at the end of a working day when we were all exhausted.

We have also signed a contract with a firm to perform a “wet check” of our sprinkler system on a monthly basis. Until now, the President did this work, but will not do it in the future. This may add \$2.00 a month to the monthly fee next year. Thanks to the owners, including Joseph Dome, who helped the President with this task in the past.

6. **CLUBHOUSE**

The architectural firm has made progress on Phase 1 and is interacting with the City of Hypoluxo and the Water Management Board. Please recall that we received a very positive report from the engineering firm that has made specific recommendations and findings about the soil. In particular, with respect to the issue of the soil capacity, their geological study indicated that the clubhouse foundations could rest on the ground and there is no need to have a pile foundation.

We maintain our contact with the Desjardins Bank, our loan is still available and, although the short-term interest rate in the US increased last week, there has not yet been a reaction in the mortgage rate.

7. **UNITS SOLD**

In November, three “A” units were sold. Some of the buyers took out a mortgage in order to minimize the impact of the exchange rate fluctuation with a view to enabling them to reimburse the loan at a later date.

Director Normand Cadieux has filed a report on current market conditions for Waterside. He noted that 13 different real estate agents have listings for 20 out of the 30 units for sale. Mr. Cadieux is also working on the development of a marketing program for Waterside Village.

The Board of Directors and the staff members of Waterside Village extend their best wishes to all owners and residents for a happy and safe holiday season and all the best in the New Year.

André Mongrain, President
Claude Comtois, Treasurer

December 17, 2016

WATERSIDE FINANCIAL RESULT
AS OF NOVEMBER 30, 2016

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2016/2017</u>	
<u>REVENUE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
				315	
NSF FEE	0	0	0	0	0
100 ASSESSMENTS **	121,757	121,757	1,461,080	1,461,080	0
102 LATE FEE INCOME	-650	250	2,500	3,000	-500
103 INTEREST INCOME	0	0	0	0	0
104 TRANSFER FEE	300	125	1,500	1,500	0
106 ACCESS/GATE CARDS	50	16	200	200	0
107 SCREENING FEE	3,000	2,000	24,000	24,000	0
108 MISCELLANEOUS INCOME	300	125	1,500	1,500	0
TOTAL REVENUE	124,757	124,273	1,490,780	1,491,280	-500
<u>EXPENSES</u>					
<u>UTILITIES</u>					
200 ELECTRIC	3,743	4,083	49,000	49,000	0
201 WATER & SEWER	19,286	20,917	251,000	251,000	0
202 GARBAGE & RECYCLING	4,595	3,917	47,000	47,000	0
203 PROPANE GAS	0	17	200	200	0
204 CABLE T.V.	6,519	5,583	72,000	67,000	5,000
205 TELEPHONE	914	600	7,200	7,200	0
205.1 WIFI	178	208	2,500	2,500	0
	35,235	35,325	428,900	423,900	5,000

<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>2016/2017</u> <u>BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	8,283	8,617	103,400	103,400	0
	301 PAYROLL-MAINTENANCE	7,023	7,625	91,500	91,500	0
	302 PAYROLL TAXES	1,171	983	11,800	11,800	0
	302.1 EMPLOYEE BENEFITS	0	458	5,500	5,500	0
	304 SECURITY GUARDS	6,390	4,917	61,000	59,000	2,000
	305 ACCOUNTING	2,304	2,167	26,000	26,000	0
	305.1 BANK FEES	64	104	1,250	1,250	0
	305.2 BAD DEBT	0	500	6,000	6,000	0
	305.3 COLLECTION COST	35	333	4,000	4,000	0
	306 AUDITING	0	383	4,600	4,600	0
	307 LEGAL	-826	125	1,500	1,500	0
	308 PROPERTY TAX	3,598	317	3,800	3,800	0
	309 INCOME TAX	0	42	500	500	0
	310 INSURANCE	24,460	24,583	295,000	295,000	0
	311 OFFICE SUPPLIES	345	208	2,500	2,500	0
	312 POSTAGE & SHIPPING	151	50	600	600	0
	313 LICENSES	1,648	267	3,200	3,200	0
	314 TRAVEL & MILEAGE	0	62	750	750	0
	315 MEETINGS & EDUCATION	0	42	500	500	0
	316 SCREENING	752	625	7,500	7,500	0
	317 ALARM SYSTEM	79	42	500	500	0
	318 COMPUTER REPAIR/SERVICE	0	167	2,000	2,000	0
	319 COPIER	416	333	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	389	583	7,000	7,000	0
	320.1 WEBSITE IMPROVEMENT	959	167	2,000	2,000	0
	323 SOCIAL FACILITIES	747	917	11,000	11,000	0
		57,988	54,617	657,400	655,400	2,000

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2016/2017</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>MAINTENANCE</u>					
400 GASOLINE	130	42	500	500	0
401 SPRINKLERS	232	667	12,000	8,000	4,000
402 PEST CONTROL	1,083	1,750	21,000	21,000	0
402.6 MISC. MAINT.EXP.	0	83	1,000	1,000	0
403 LANDSCAPING	10,250	10,250	123,000	123,000	0
403.1 FERTILIZATION-WEED CONT.	1,789	2,083	25,000	25,000	0
404 TREE TRIMING	3,152	833	10,000	10,000	0
404.2 NEW TREES & BUSHES	175	667	8,000	8,000	0
405 BUILDING MAINTENANCE	360	2,083	25,000	25,000	0
406 GROUNDS MAINTENANCE	10,735	1,667	20,000	20,000	0
407 SECURITY GATE EXPENSE	120	750	17,000	9,000	8,000
408 CAMERA & VIDEO EXP.	450	333	5,000	4,000	1,000
409 PLUMBING EXP.	1,192	417	5,000	5,000	0
410 ELECTRICAL EXP.	219	417	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	502	917	11,000	11,000	0
412 STREET MAINTENANCE	53	292	3,500	3,500	0
413 UNIFORMS	0	33	400	400	0
414 GOLF CARTS	0	167	2,000	2,000	0
415 LOCKSMITH	43	17	200	200	0
416 FIRE SAFETY	0	416	5,000	5,000	0
417 JANITORIAL SUPPLIES	0	250	3,000	3,000	0
418 AWNINGS REPAIRS	0	1,500	18,000	18,000	0
420 PAINTING PROGRAM	0	3,917	47,000	47,000	0
421 STREET LIGHT	0	250	3,000	3,000	0
425 POOL CHAIRS/TABLES	0	208	2,500	2,500	0
429 BENCHES REPLACEMENT	0	41	500	500	0
	30,485	30,050	373,600	360,600	13,000

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2016/2017</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	3,082	3,031	15,880	36,380	-20,500
INTEREST DURING BUILT	0	1,250	15,000	15,000	
487 EAST WELL	7,705	0	0	0	0
CLUB HOUSE PROJECT	2,619	0	0	0	0
	13,406	4,281	30,880	51,380	-20,500
<u>GRAND TOTAL EXPENSES</u>	137,114	124,273	1,490,780	1,491,280	-500
<u>EXPENSES OVER REVENUE</u>	-12,357	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>2016/2017</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>RESERVES</u>					
2510 ROOFS	2,833	2,833	34,000	34,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	2,417	2,417	29,000	29,000	0
2542 POOLS	375	375	4,500	4,500	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	208	208	2,500	2,500	0
2547 TV CABLE INFRASTRUCTURE	1,042	1,042	12,500	12,500	0
2545 WORKING CAPITAL	833	833	10,000	10,000	0
2544 INTEREST REV. RESERVE	783	833	10,000	10,000	0
	8,491	8,541	102,500	102,500	0

Andre Mongrain President

Claude Comtois Treasurer

Dec-17-2016