

WATERSIDE VILLAGE OF PALM BEACH
CONDOMINIUM ASSOCIATION, INC.

MONTHLY REPORT FOR THE PERIOD ENDING MARCH 31, 2017

March is the fifth months of our fiscal year 2016-2017. We will report on some circumstances that have arisen and provide an updated forecast (as compared to the budget). This month we made a series of minor modifications to adjust our total year's forecast and they include the final figure for our insurance program.

We increased our total expected revenue with the estoppel fee increase due to a higher number of units sold. We increased the water and sewage expenses due to the growing number of long term renters adds to the total of utilities expenses. There is a decrease of the administrative expenses, mainly due to the positive result of the insurance negotiation. Limited changes were made to the maintenance and contingency categories.

All of the reserve accounts are funded monthly, and we monitor the cash flow very closely. You can notice that we have increased our forecast for interest revenue on the various reserve accounts. One of the CDs generated an average interest rate of 4.66% over the last 12 months.

We have completed our insurance coverage negotiation, and we have interesting news to report. First, the total came to \$292,000.00 as costs for the current fiscal year was \$3,000.00 below budget and it will be paid on a cash basis. We improved the coverage, reduced the deductible and added a Law and Ordinance policy. The total value of the site is now close to \$35,000,000.00. We have added value to our crime coverage from \$1,000,000.00 to \$1,500,000.00 due to the cash we now have under management. On the deductible front, the standard deductible for most claims was \$5,000.00; it is now \$2,500.00. No change made on hurricane deductible; it is still 5% per building value. The other wind deductible that was on average over \$6,000.00 at 1% of building value, is now \$2,500.00. A sinkhole deductible that was at 10% of building value or \$60,000.00 is now \$2,500.00. Our projection for 2017/2018 and 2018/2019 for insurance costs are now in good position to either materialize or be lowered.

SPECIFIC ITEMS

1. Security and surveillance issues

We have no incidents to report for the month of March, or for eight consecutive months. Remember: "See something, say something" and call the Lantana Police at 561-540-5701 immediately.

In two separate situations, we had to place owners and long term renters on notice reminding them of the importance of the rules and regulations concerning noise level after 10:30 pm. They assured their full commitment to the rules.

At the Town of Hypoluxo council meeting on April 19, they tabled their own report for the last three months and they referred to the low level of criminal activities for the whole Town. They did stress the following:

Please remember that you are responsible for ensuring that your car is properly locked and your bicycle is attached with a U-bolt system.

2. AT&T

We have now over 300 owners who have switched from DSL to the UVerse fiber optic. It appears that the vast majority of our owners are quite pleased with the improvement. Great thanks to our “*facilitators*” Mr. Cadieux and Mr. Comtois for the amount of time they devoted to help our owners.

For absentee owners, please read specific communications on the subject that was sent previously.

3. FLORIDA ROOMS

If a Florida room becomes a major eyesore, it has a negative effect when we have potential buyers visiting Waterside. If you can, please set aside some money to change yours in the coming year; it will contribute positively to your neighborhood. Please make sure that before proceeding with a modification that you obtain the approval from the office as well as the permit from the Town of Hypoluxo and have work done by a licensed contractor.

4. SITE MAINTENANCE

Our maintenance staff is spending more time on other things than the sprinklers. We have issued the summer projects list. Please review it and watch for when we produce updates over the summer months.

A replacement employee was added to our maintenance staff, Mr. Richard Boivin, we welcome him on board.

We just completed the trimming of larger trees in preparation for the hurricane season. The interior hedges and bushes are also being trimmed.

We are also preparing the nine buildings that are included in the painting program for the current year.

5. CLUBHOUSE

We have obtained approval of our project by a unanimous decision of the Planning and Zoning Committee of Hypoluxo on April 12 and from Hypoluxo Council on April 19. We are now moving ahead with phase two of the architect work or the Construction Documents Phase, which is worth \$81,000.00. This phase includes:

- Based on the approved Schematic Designs and Zoning and Planning Approvals from the Town of Hypoluxo, they will prepare a complete set of Architectural Construction Documents suitable for bidding, permitting and construction.
- Mechanical, Electrical and Plumbing Engineering (including site lighting and fire sprinkler design).
- Civil Engineering Design (site paving, grading, drainage and utility design).
- Landscape Design (at area adjacent to proposed building).

The Board member's committee on this project (Comtois, Poissant and Mongrain) will add four owners with specific experience. This committee will do the final approval of the design before going for bidding.

We continue to maintain our contact with Desjardins Bank, and our loan is still available.

The Zoning and Planning Committee, and the Town Council thanked Waterside for its contribution to the improvements we bring to our surroundings, not only by our contribution to the Rolling Green School but also by the positive image of Waterside's projects. We thanked them on your behalf for those nice words. They also mentioned the quality of the presentation made by our architect and planning firms.

6. UNIT SALES AND FOR SALE

In less than six months we now have 18 units sold, and from reports issued monthly by Mr. Bob Van, we are at the lowest point in terms of units available for sale: 23. We are being asked for specific wishes and we cannot fill the demand. Our owners are our best real estate agents. Please always mention Waterside.

7. Sharing project

Mr. Paul Dubord, Mrs. Margot Boucher and Mr. Andre Mongrain on behalf of the Waterside Village Sharing Project presented a check of \$12,000.00 to Rolling Green Elementary School, so the school can continue to add equipment to its technical rooms for the benefit of their students. The school

Principal, Mrs. Manning, and the Assistant Principal, Mrs. Cato were very thankful for the donation. Thanks to all who contributed.



8. Water consumption and a possible watering restriction

As we mentioned previously, water consumption is increasing, and long term renters do have an impact. If we cannot reduce consumption, the only way to control it will be to have a meter per condo, or increase our monthly fee. We ask owners to stress this to their renters and guests.

The Town of Hypoluxo is currently negotiating with the Town of Boynton concerning the east side of US1 for their water service, which may have a positive impact for Waterside for the fixed cost components on our water bills. We are supporting the Town in its negotiation by providing data analysis. It is greatly appreciated.

The County is on the verge of forcing a full water restriction for sprinkler usage due to the fact there is no real rain and the water table is low. Lake Okeechobee is down by three feet from its normal level and if it goes down by a further six inches, only limited use of sprinkler systems will be allowed, even if it comes from a well. The reason is simple: less natural water causes sea water to enter and it is not possible to push back out.

Thanks for reading, and to our snowbirds we hope the summer season is as good as the winter one was.

André Mongrain, President
Claude Comtois, Treasure
April 20, 2017

WATERSIDE FINANCIAL RESULT
AS OF FEBRUARY 28, 2017

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2016/2017</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					315	
	NSF FEE	0	0	0	0	0
	100 ASSESSMENTS **	608,783	608,783	1,461,080	1,461,080	0
	102 LATE FEE INCOME	325	1,250	1,500	3,000	-1,500
	103 INTEREST INCOME	0	0	0	0	0
	104 TRANSFER FEE	1,650	625	3,000	1,500	1500
	106 ACCESS/GATE CARDS	350	83	400	200	200
	107 SCREENING FEE	14,000	10,000	24,000	24,000	0
	108 MISCELLANEOUS INCOME	950	625	1,500	1,500	0
	TOTAL REVENUE	626,058	621,366	1,491,480	1,491,280	200

EXPENSES
UTILITIES

	200 ELECTRIC	20,908	20,417	49,000	49,000	0
	201 WATER & SEWER	106,197	104,583	254,000	251,000	3,000
	202 GARBAGE & RECYCLING	19,378	19,583	47,000	47,000	0
	203 PROPANE GAS	48	83	200	200	0
	204 CABLE T.V.	35,387	27,917	74,000	67,000	7,000
	205 TELEPHONE	3,608	3,000	7,500	7,200	300
	205.1 WIFI	1,271	1,042	2,500	2,500	0
		186,797	176,625	434,200	423,900	10,300

<u>ADMINISTRATIVE</u>	<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2016/2017 BUDGET</u>	<u>VARIANCE</u>
	300 PAYROLL-ADMINISTRATIVE	45,869	43,083	105,400	103,400	2,000
	301 PAYROLL-MAINTENANCE	37,759	38,125	93,000	91,500	1,500
	302 PAYROLL TAXES	6,601	4,917	11,800	11,800	0
	302.1 EMPLOYEE BENEFITS	5,431	2,292	5,500	5,500	0
	304 SECURITY GUARDS	25,099	24,583	61,000	59,000	2,000
	305 ACCOUNTING	10,521	10,833	25,500	26,000	-500
	305.1 BANK FEES	319	521	1,250	1,250	0
	305.2 BAD DEBT	1,988	2,500	6,000	6,000	0
	305.3 COLLECTION COST	2,839	1,667	4,500	4,000	500
	306 AUDITING	4,400	1,917	4,400	4,600	-200
	307 LEGAL	367	625	1,500	1,500	0
	308 PROPERTY TAX	3,753	1,583	3,753	3,800	-47
	309 INCOME TAX	0	208	0	500	-500
	310 INSURANCE	122,299	122,917	292,000	295,000	-3,000
	311 OFFICE SUPPLIES	1,664	1,042	2,500	2,500	0
	312 POSTAGE & SHIPPING	412	250	600	600	0
	313 LICENSES	1,709	1,333	3,200	3,200	0
	314 TRAVEL & MILEAGE	317	313	750	750	0
	315 MEETINGS & EDUCATION	102	208	400	500	-100
	316 SCREENING	5,290	3,125	7,000	7,500	-500
	317 ALARM SYSTEM	234	208	500	500	0
	318 COMPUTER REPAIR/SERVICE	540	833	2,000	2,000	0
	319 COPIER	2,039	1,667	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	3,691	2,917	7,000	7,000	0
	320.1 WEBSITE IMPROVEMENT	959	833	2,000	2,000	0
	323 SOCIAL FACILITIES	9,263	4,583	9,500	11,000	-1,500
		293,465	273,083	655,053	655,400	-347

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2016/2017 BUDGET</u>	<u>VARIANCE</u>
<u>MAINTENANCE</u>					
400 GASOLINE	380	208	500	500	0
401 SPRINKLERS	18,701	3,333	23,000	8,000	15,000
402 PEST CONTROL	6,086	8,750	18,000	21,000	-3,000
402.6 MISC. MAINT.EXP.	243	417	1,000	1,000	0
403 LANDSCAPING	51,250	51,250	123,000	123,000	0
403.1 FERTILIZATION-WEED CONT.	9,196	10,417	20,000	25,000	-5,000
404 TREE TRIMING	553	4,167	10,000	10,000	0
404.2 NEW TREES & BUSHES	4,398	3,333	7,000	8,000	-1,000
405 BUILDING MAINTENANCE	9,425	10,417	23,000	25,000	-2,000
406 GROUNDS MAINTENANCE	9,312	8,333	20,000	20,000	0
407 SECURITY GATE EXPENSE	13,084	3,750	17,000	9,000	8,000
408 CAMERA & VIDEO EXP.	-2,143	1,667	4,000	4,000	0
409 PLUMBING EXP.	1,610	2,083	4,000	5,000	-1,000
410 ELECTRICAL EXP.	2,849	2,083	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	7,953	4,583	16,000	11,000	5,000
412 STREET MAINTENANCE	53	1,458	4,500	3,500	1,000
413 UNIFORMS	0	167	400	400	0
414 GOLF CARTS	681	834	2,000	2,000	0
415 LOCKSMITH	43	83	200	200	0
416 FIRE SAFETY	231	2,083	5,000	5,000	0
417 JANITORIAL SUPPLIES	1,292	1,250	3,000	3,000	0
418 AWNINGS REPAIRS	0	7,500	15,000	18,000	-3,000
420 PAINTING PROGRAM	0	19,583	47,000	47,000	0
421 STREET LIGHT	-1,980	1,250	-1,000	3,000	-4,000
425 POOL CHAIRS/TABLES	0	1,042	3,500	2,500	1,000
429 BENCHES REPLACEMENT	0	209	500	500	0
	133,217	150,250	371,600	360,600	11,000

<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	6,112	15,158	15,627	36,380	-20,600
INTEREST DURING BUILT	0	6,250	15,000	15,000	
487 EAST WELL	450	0	0	0	0
CLUB HOUSE PROJECT	20,589	0	0	0	0
	27,151	21,408	30,627	51,380	-20,600
<u>GRAND TOTAL EXPENSES</u>	640,630	621,366	1,491,480	1,491,280	-1,000
<u>EXPENSES OVER REVENUE</u>	14,572	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	14,167	14,167	34,000	34,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	12,083	12,083	29,000	29,000	0
2542 POOLS	1,875	1,875	4,500	4,500	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	1,042	1,042	2,500	2,500	0
2547 TV CABLE INFRASTRUCTURE	5,208	5,208	12,500	12,500	0
2545 WORKING CAPITAL	4,167	4,167	10,000	10,000	0
2544 INTEREST REV. RESERVE	7,351	4,167	12,000	10,000	2,000
	45,893	42,709	104,500	102,500	2,000

Andre Mongrain President

Claude Comtois Treasurer

April-20-2017