

Financial and other comments as of May 31, 2016.

May marks the completion of the first seven months of our financial year. In addition to the regular financial commentaries, this report includes specific situations that are currently on-going at Waterside. We are also closer to the preparation of the upcoming budget season. Our budget for the next fiscal year needs to be produced in three months from now and what's going on now will have an impact on future years' budget. There is a lot of planning currently on-going. For the owners that are not at Waterside we have included to this report a photo of the 2 Poinciana trees (trees with bright orange flowers) that are in front of Jim Rody's and Armando Marin's units. Those trees have never looked so nice since the 2005 hurricane season. Our mango trees are also now in full picking season and they are loaded with fruit.



So far the hurricane season has done limited damage, mainly due to wind and the hail that broke through some awnings that will have to be replaced a year sooner. We will do a localized treatment for termites in one building, but we will see in October if we need to tent that building.

Financial results.

Limited changes are made to the previous month's forecast. We see a positive result with our effort to collect on past due accounts receivables. We have forced one unit into foreclosure, and we hope that a solution will come up before the court hearing. We will also be faced with the negative impact of the growing number of long-term rentals. We see an increase in water and sewage costs and a reduction of the screening fee revenue. On water and sewage, if we do not have the snowbird resident and more long-term rentals, our monthly fee will simply go up by \$5.00 a month. The snowbird residents do pay, but they do not consume water nor use the sewage.

We paid our insurance premium for the next 12 months on a cash basis, and we needed to use \$30,000.00 from the working capital reserve to achieve such for about a week. It will be difficult to maintain cash payments in future years, as terms of payment of the policy are changing. For example, there was coverage that we were able to pay over a 10-month period, but now that option is not available and we do not see that term of payment coming back soon. Within a week we refunded the working capital reserve and maintained normal transfer requirement to the various reserve accounts.

We have completed the work on the new louvers on a total of 58 A and B units. Some were already aluminum, and the ones replaced were the wooden ones

We have renewed one \$50,000.00 term deposit for another five-year period.

Please also welcome our new maintenance person Mr. Rafael Rivas, Gaetan as mentioned is now on a part time basis.

Completed and on-going works.

Mr. Mongrain's early June visit at Waterside

President Mongrain did perform a visit of Waterside, and some of the purpose of the visit is covered in specific subjects that are part of this report, like AT&T negotiation, the Clubhouse, the insurance, the renewal of term deposit (CD), the financing of the Clubhouse, the summer work, the staff and security issue.

Review of owners file

Mrs. Dell is currently reviewing owners' files and making sure that they are complete in regard to the new condominium documents. She is forwarding requests for data to some owners. If you receive such requests please reply promptly; it will help you for the future and ensure that your files match the requirement of the new condominium documents, mainly names of property owners if different, name of contact in case of emergency, family name update, phone number if a snowbird and Waterside phone number and other particular situations.

Contracts negotiation

We now have an agreement with Mid-South Painting for the current year's painting program that includes buildings 38, 39, 40, 41, 42, 43, 44, 45 and the postal kiosk, all for an amount of \$38,850.00. Cost per unit is about the same as comparable to the unit painting program in 2012-2013. This work should be on-going by early July, all subject to weather conditions. We have also signed the agreement with AT&T and you will find more details in the specific section of this report. We have also given instructions to the architect firm responsible for the Clubhouse and here again you will find more details in the specific section of this report. We are also working with our insurance broker in order to improve our ISO rating which, if successful, can reduce not only the Association insurance cost, but also each owner's cost. Please read future months' reports on this subject, and let's hope for the best.

Specific items

1. The internet, telephone and TV.

Finally we have a signed agreement with AT&T. Please maintain your current service until we have the full new service in place. For owners that do not want to switch to Uverse service -- they will still be able to continue to use the current DSL service until 2020; after that date AT&T will discontinue completely the DSL service and the current basic TV service that Waterside has with Direct TV will be maintained. Next month the report will include information on pricing depending on the service selected by the owner. For the French TV, we have to remember that the service would be available only while Shaw Direct maintains service in the US.

2. The upcoming budget and some facts.

The fixed portion of our monthly fee:

From comments made by some owners we will elaborate on the breakdown of the fixed and variable components when we send the budget for the new year in late September. Remember that the budget meeting is always held on the last Saturday of October, per the new condominium documents.

Comparable with other site:

Here is a list of condominium developments that surround Waterside and what we were able to find out about their monthly fee. This short list goes from the south to the north on US1:

- Mirabella \$345.00
- Tuscany \$415.00
- Snug Harbor \$350.00
- Village on the Green from \$315.00 to \$360.00
- Villagio Del Mar \$420.00
- Mariner Cay \$353.00 to \$405.00
- Yacht Club \$395.00 to \$518.00 (and a special monthly one of \$130.00 a month for the next 48 months)
- Half Moon Bay \$425.00 to \$498.00
- Crossings \$357.00 a year old figure
- Quadrille Villas \$300.00



On top it's pretty hard to compare each one as they do not offer the same services or maintain their property the way Waterside does. Of those we listed, only Tuscany and Half Moon Bay have a guard on duty, and they are part-time like Waterside.

3. The latest on a possible club house.

The Board did publish the result of the survey, thanks to Vice-President and Secretary Jean Claude Demers for his work on this subject and every owner has access not only to the result but also to the detailed comments made by owners. President Mongrain, Property Manager, Stacey Casey and Treasurer Claude Comtois joining via conference phone, had a meeting with the architect firm's principal, and at that meeting we did provide the latest wishes of the owners and agreed on a short- term working plan. The architect will make one more draft design of the internal configuration, and would provide Waterside with a cost estimate for the land survey (topography), and a cost estimate from a soil engineer. We received both quotes and did authorize the architect firm to sign a contract with a land surveyor to determine the elevation and the topography. These are all necessary for submission for permit application and PUD modification/additions to the original PUD plan to the Town and to the Water Management District. This contract amounts to \$2,900.00. For the soil analysis, which for the Board is a must before committing funds to any future action, the contract is for \$1,500.00 and does include the sampling to a depth of 60 feet, and for the analysis of the various samples. These two steps are necessary before a go- ahead is given to the architect for the elaboration of drawings for an amount of \$21,500.00 which will be used to obtain the necessary permit from the Town and the Water Management District. If approved by them, then we will go with a formal bid process in order to determine if we are still within the total budget of \$1,650,000.00. So you can see that there are still a lot of steps before we see the first dig.

We also informed Desjardins Bank of the evolution of the project, and they are waiting for Waterside. Funds would not be required before late fall.

4. The summer projects.

We have now published a list of the summer projects of maintenance work and we are making progress on them. Painting of the railings is on-going. Remember that they will not be all done in one year. Inspection of the fire extinguishers is also on-going and a contract was awarded for their maintenance.

5. Site security.

President Mongrain, with Stacey and Jeff --- our senior maintenance person -- did go around the site to inspect fences. We did notice one thing; our hedges are not helping the security, as they are used as ladders to go over. We can see this clearly with the visibility of broken branches that they have serve as ladders. We will still add large ficus behind building 27 and 28 to increase the density of the hedge at those locations. It is not the intention of the Board to reduce the height of our hedge but President Mongrain visited different sites around Waterside from Delray Beach to the Moorings and besides The Crossings, we are the only one with hedges that are so high. In a future monthly report we will report on the findings during the visit to those sites and also on specific statistics on Waterside from the Lantana police department, ones that concern Waterside. Some of us would be very surprised.

Board member Michael Shane and President Mongrain have been working for the past 30 months to find a firm that can monitor our cameras during the night shift, mainly, a **virtual guard**. Up to now we have not been successful, due to the fact that those firms did have to cease business due to higher cost of insurance and law suits. We will continue to investigate.

We are investigating the possibility of providing our guards with an iPad type of device, so they can be able to monitor the cameras while doing their site runs, and also when pursuing an investigation situation with a police officer, so they can still see the situation develop.

As mentioned in the last monthly report, please lock your car and if you have a bike take a photo of the serial number and other special markings, and lock your bikes (which should be the type of lock with a U-bolt system). Our surrounding is improving, but it still requires caution and actions from our owners. We have excellent relations with the various police departments, and we will also exchange with the sheriff's office as they are responsible for a great part of our surroundings. We do not see them passing by very often.

6. Unit Electrical panel.

Some owners have replaced their electrical panel. Your Board recommends such, and also, please note that the current panels are 100 amps, and some of you have installed an "in line water heater." Just for their performance they require half of the power of the current electrical panel, and there is no way to add capacity to the panel. The in ground cabling does not and cannot carry more voltage.

7. International driving permit, mainly the State of Georgia requirement.

From information published by the CAA, the State of Georgia will now accept driving permits from the different Canadian Provinces in the language they are written, so no need for international permits. Please be aware that perhaps other states may require it.

Again thanks for reading.

Andre Mongrain, President and Claude Comtois,
Treasurer

June 20, 2016



WATERSIDE FINANCIAL RESULT
AS OF MAY 31,2016

<u>REVENUE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2015/2016</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
					310	
	NSF FEE	75	0	75	0	75
	100 ASSESSMENTS **	826,245	826,245	1,416,420	1,416,420	0
	102 LATE FEE INCOME	1,225	1,169	1,700	2,000	-300
	103 INTEREST INCOME	370	0	370	0	370
	104 TRANSFER FEE	1,225	1,750	1,650	3,000	-1350
	106 ACCESS/GATE CARDS	75	117	100	200	-100
	107 SCREENING FEE	16,850	17,500	30,000	30,000	0
	108 MISCELLANEOUS INCOME	1,500	875	2,500	1,500	1,000
	TOTAL REVENUE	847,565	847,656	1,452,815	1,453,120	-700

EXPENSES
UTILITIES

	200 ELECTRIC	27,881	29,750	51,000	51,000	0
	201 WATER & SEWER	150,547	141,167	247,000	242,000	5,000
	202 GARBAGE & RECYCLING	24,753	26,833	46,000	46,000	0
	203 PROPANE GAS	543	117	600	200	400
	204 CABLE T.V.	48,470	38,500	74,000	66,000	8,000
	205 TELEPHONE	3,786	4,200	7,200	7,200	0
	205.1 WIFI	1,405	1,750	3,000	3,000	0
		257,385	242,317	428,800	415,400	13,400

<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	61,566	61,250	106,500	105,000	1,500
	301 PAYROLL-MAINTENANCE	40,048	43,167	77,000	74,000	3,000
	302 PAYROLL TAXES	4,887	8,750	14,000	15,000	-1,000
	302.1 EMPLOYEE BENEFITS	4,615	4,083	7,000	7,000	0
	304 SECURITY GUARDS	30,965	33,250	57,000	57,000	0
	305 ACCOUNTING	14,602	15,458	25,000	26,500	-1,500
	305.1 BANK FEES	684	729	1,250	1,250	0
	305.2 BAD DEBT	0	3,500	0	6,000	-6,000
	305.3 COLLECTION COST	-1,014	2,917	0	5,000	-5,000
	306 AUDITING	4,400	2,683	4,400	4,600	-200
	307 LEGAL	745	1,458	2,500	2,500	0
	308 PROPERTY TAX	3,612	2,158	3,612	3,700	-88
	309 INCOME TAX	0	292	0	500	-500
	310 INSURANCE	184,031	168,584	281,400	289,000	-7,600
	311 OFFICE SUPPLIES	1,058	1,750	2,500	3,000	-500
	312 POSTAGE & SHIPPING	14	875	1,250	1,500	-250
	313 LICENSES	2,334	1,867	3,200	3,200	0
	314 TRAVEL & MILEAGE	240	583	750	1,000	-250
	315 MEETINGS & EDUCATION	0	292	250	500	-250
	316 SCREENING	6,582	7,000	12,000	12,000	0
	317 ALARM SYSTEM	318	292	500	500	0
	318 COMPUTER REPAIR/SERVICE	0	1,167	2,000	2,000	0
	319 COPIER	2,323	2,333	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	4,646	3,500	6,000	6,000	0
	320.1 WEBSITE IMPROVEMENT	1,020	875	2,500	1,500	1,000
	323 SOCIAL FACILITIES	10,658	5,833	11,000	10,000	1,000
		378,334	374,646	625,612	642,250	-16,638

<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	467	600	800	-200
401 SPRINKLERS	4,075	4,667	8,000	8,000	0
402 PEST CONTROL	10,206	15,167	24,000	26,000	-2,000
402.6 MISC. MAINT.EXP.	302	583	1,000	1,000	0
403 LANDSCAPING	71,750	73,500	123,000	126,000	-3,000
403.1 FERTILIZATION-WEED CONT.	14,616	14,583	25,000	25,000	0
404 TREE TRIMING	6,170	5,833	9,000	10,000	-1,000
404.2 NEW TREES & BUSHES	3,389	4,667	5,000	8,000	-3,000
405 BUILDING MAINTENANCE	24,078	14,583	32,000	25,000	7,000
406 GROUNDS MAINTENANCE	4,204	12,833	20,000	22,000	-2,000
407 SECURITY GATE EXPENSE	6,462	4,083	7,500	7,000	500
408 CAMERA & VIDEO EXP.	1,042	2,333	3,500	4,000	-500
409 PLUMBING EXP.	7,506	2,041	9,500	3,500	6,000
410 ELECTRICAL EXP.	2,991	2,333	4,000	4,000	0
411 POOL SUPPLIES & REPAIR	5,822	8,167	12,000	14,000	-2,000
412 STREET MAINTENANCE	254	1,458	3,500	2,500	1,000
413 UNIFORMS	0	233	400	400	0
414 GOLF CARTS	20	1,167	1,500	2,000	-500
415 LOCKSMITH	10	117	100	200	-100
416 FIRE SAFETY	1,179	2,333	4,000	4,000	0
417 JANITORIAL SUPPLIES	1,836	1,750	3,000	3,000	0
418 AWNINGS REPAIRS	2,730	11,667	22,000	20,000	2,000
420 PAINTING PROGRAM	0	27,417	45,000	47,000	-2,000
421 STREET LIGHT	0	584	1,000	1,000	0
425 POOL CHAIRS/TABLES	0	1,167	2,500	2,000	500
429 BENCHES REPLACEMENT	0	292	0	500	-500
484 LOUVER VENT	3,383	0	3,500	0	3,500
	172,220	214,025	370,600	366,900	3,700

<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	16,666	18,642	28,570	-9,928
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	-3,750	0	0	0	0
485 REVISION CONDO DOC'S	3,043	0	3,043	0	3,043
	5,016	16,666	27,408	28,570	-1,162
GRAND TOTAL EXPENSES	812,955	847,654	1,452,420	1,453,120	-700
REVENUE OVER EXPENSES	34,610	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	19,542	19,542	33,500	33,500	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	13,708	13,708	23,500	23,500	0
2542 POOLS	4,667	4,667	8,000	8,000	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	2,917	2,917	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	7,292	7,292	12,500	12,500	0
2545 WORKING CAPITAL	17,500	17,500	30,000	30,000	0
2544 INTEREST REV. RESERVE	7,628	4,250	12,000	9,000	3,000
	73,254	69,876	124,500	121,500	3,000

Andre Mongrain President

Claude Comtois Treasurer

June-21-2016