

COMMENTS ON JULY 2014 FINANCIAL RESULTS

July is the ninth month of our 2013/2014 fiscal year, and a series of positive events took place since last month's publication. First, Mrs. Stacey Casey, our Manager, has successfully completed her study in order to use the *Certified Association Manager (CAM)* designation. Congratulations to Stacey! During the same time period Mr. Jeff Phillips completed a certification in pool maintenance. This is a must for every association to have one of its staff certified. Congratulations to Jeff!

On the financial side we managed to finalize the negotiation for the painting program for the current year, after the reception of a very high first bid. Some contractors refused to bid, and the other ones came in lower than our expectations. The contract was awarded to Mid-South Painting Contractor, the same firm that did the work the previous 3 years. We agreed on a contract for the awnings replacement with Tropical Awnings for the buildings that are part of the current year painting program and we came within our budget estimate. We lowered our forecast for the year on those accounts. With the savings achieved on these, your Board added 2 projects to our list for the current year, if the hurricane season doesn't interfere.

One positive note that you may have noticed, is that we did suffer in previous years' substantial loss in bad debt. We are recuperating this money and we are continuing the pressure on the remaining ones. It is costly in terms of legal collection fees, but this cannot drag on forever. We should end in a positive situation under this account by \$13,000.00, and let's hope we have a positive result in other cases over the next two months.

From previous month's comments you will remember that we talked about the renovation of the Provence Alley. We are currently working on the drawings with a landscape architect and finalizing the estimate. We also mentioned that the work on Miner Road North improvement will be initiated and we will continue the vegetation improvements of the east side of the retention pond. Now your Board has added the plan to renovate the east pool deck and will install 2 new security cameras to the south side of our property --the "no man's land" between our property and the parcel of land to the south belonging to the City of Boynton. Stacey is currently working on the specifics of the east pool improvements and the additional security project in order to finalize cost estimates for these 2 new projects.

So far we have 26 sales transactions completed and there are more pending. We do not know if the public knowledge of all the above projects is creating demand, but let me tell you that since the finalization of the acquisition of the Miner Road North land, 14 units have changed hands with a peak of 5 sales in July. Our current owners and new buyers must feel confident about the future of Waterside, as our ownership of the property across from Waterside was secured. Director Mike Shane, who is the Board representative to the *All Aboard Florida* passenger train expansion, had good news to report this week: Palm Beach County and down to Broward County have found the financing for a "quiet zone" designation, which means no horn-blowing. Let's hope this does materialize. There is still a hurdle before we see a completed project. We will meet with the Town Council at their meeting in September.

Please have a look at the current month financial data and compare it to last month's and you can appreciate the number and value of the changes made to our forecast. As mentioned we have created 3 new accounts to properly identify the commitment toward the Provence Alley, the east pool deck resurfacing, and the security cameras. (The cost of those projects is to be finalized as we are negotiating). Funds included under the contingency account will be used. Forecasts for the painting cost and for the awnings were reduced in order to create funding for the above projects. Other cost centers were also modified but not to the same extent as the painting component. Hopefully we can achieve the same in future years. In the painting program we have 3 more years until all buildings will have been painted. Due to having used a better quality of paint and a better control over the application, we have a one-year break before we start repainting the first set of buildings that were painted from 2009-2010. You will also notice the forecast (\$18,000.00) for the interest revenue on our reserve is a record year, thanks to our CD invested with Iberia Bank, and the last interest revenue from one of the CDs was equivalent to a yearly rate of 7.3%.

The summer months experienced a lot of presence at Waterside, mainly from children of our owners. We are also progressing on the summer projects and will appreciate the help of some volunteers in October and November. I will be at Waterside mid-September. ***Your Board is working on the 2014/2015 budget as these documents need to be sent to our owners by the end of September for an end of October formal approval by your Board.***

Andre C. Mongrain President and Treasurer, August 16, 2014

WATERSIDE VILLAGE FINANCIAL RESULT
AS OF JULY 31,2014

| | <u>YTD</u> | <u>YTD</u> | <u>TOTAL YEAR</u> | <u>2013/2014</u> | |
|--------------------------|------------------|------------------|-------------------|------------------|-----------------|
| <u>REVENUE</u> | <u>ACTUAL</u> | <u>BUDGET</u> | <u>FORECAST</u> | <u>BUDGET</u> | <u>VARIANCE</u> |
| | | | | 305 | |
| NSF FEE | 121 | 0 | 121 | 0 | 121 |
| 100 ASSESSMENTS ** | 1,058,820 | 1,058,820 | 1,411,760 | 1,411,760 | 0 |
| 102 LATE FEE INCOME | 935 | 2,625 | 1,300 | 3,500 | -2200 |
| 103 INTEREST INCOME | -1,369 | 0 | 7 | 0 | 7 |
| 104 TRANSFER FEE | 3,300 | 2,250 | 3,900 | 3,000 | 900 |
| 106 ACCESS/GATE CARDS | 15 | 150 | 50 | 200 | -150 |
| 107 SCREENING FEE | 22,773 | 19,500 | 28,000 | 26,000 | 2000 |
| 108 MISCELLANEOUS INCOME | 5,033 | 1,500 | 5,400 | 2,000 | 3400 |
| TOTAL REVENUE | 1,089,628 | 1,084,845 | 1,450,538 | 1,446,460 | 4078 |
| EXPENSES | | | | | |
| <u>UTILITIES</u> | | | | | |
| 200 ELECTRIC | 36,393 | 34,500 | 47,000 | 46,000 | 1,000 |
| 201 WATER & SEWER | 171,530 | 172,500 | 229,000 | 230,000 | -1,000 |
| 202 GARBAGE & RECYCLING | 30,669 | 31,500 | 41,000 | 42,000 | -1,000 |
| 203 PROPANE GAS | 96 | 375 | 300 | 500 | -200 |
| 204 CABLE T.V. | 45,913 | 48,750 | 64,000 | 65,000 | -1,000 |
| 205 TELEPHONE | 5,518 | 5,400 | 7,200 | 7,200 | 0 |
| 205.1 WIFI | 1,493 | 1,313 | 1,750 | 1,750 | 0 |
| | 291,612 | 294,338 | 390,250 | 392,450 | -2,200 |

| <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>2013/2014</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|-----------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| | 300 PAYROLL-ADMINISTRATIVE | 65,847 | 85,500 | 101,000 | 114,000 | -13,000 |
| | 301 PAYROLL-MAINTENANCE | 56,055 | 57,375 | 75,000 | 76,500 | -1,500 |
| | 302 PAYROLL TAXES | 9,814 | 12,750 | 13,000 | 17,000 | -4,000 |
| | 302.1 EMPLOYEE BENEFITS | 7,970 | 9,000 | 10,500 | 12,000 | -1,500 |
| | 304 SECURITY GUARDS | 42,267 | 42,750 | 57,000 | 57,000 | 0 |
| | 305 ACCOUNTING | 18,680 | 19,125 | 25,200 | 25,500 | -300 |
| | 305.1 BANK FEES | 811 | 675 | 1,000 | 900 | 100 |
| | 305.2 BAD DEBT | 11,706 | 9,000 | -13,000 | 12,000 | -25,000 |
| | 305.3 COLLECTION COST | 9,203 | 6,000 | 10,500 | 8,000 | 2,500 |
| | 306 AUDITING | 4,400 | 3,300 | 4,400 | 4,400 | 0 |
| | 307 LEGAL | 3,740 | 1,500 | 4,500 | 2,000 | 2,500 |
| | 308 PROPERTY TAX | 2,856 | 1,950 | 3,500 | 2,600 | 900 |
| | 309 INCOME TAX | 0 | 375 | 500 | 500 | 0 |
| | 310 INSURANCE | 194,657 | 202,500 | 261,000 | 270,000 | -9,000 |
| | 311 OFFICE SUPPLIES | 2,194 | 1,875 | 2,500 | 2,500 | 0 |
| | 312 POSTAGE & SHIPPING | 568 | 900 | 1,200 | 1,200 | 0 |
| | 313 LICENSES | 2,334 | 1,875 | 2,500 | 2,500 | 0 |
| | 314 TRAVEL & MILEAGE | 555 | 825 | 800 | 1,100 | -300 |
| | 315 MEETINGS & EDUCATION | 942 | 225 | 2,000 | 300 | 1,700 |
| | 316 SCREENING | 9,772 | 5,625 | 11,000 | 7,500 | 3,500 |
| | 317 ALARM SYSTEM | 238 | 375 | 500 | 500 | 0 |
| | 318 COMPUTER REPAIR/SERVICE | 1,594 | 1,500 | 2,300 | 2,000 | 300 |
| | 319 COPIER | 2,400 | 3,000 | 4,000 | 4,000 | 0 |
| | 320 MISCELLANEOUS ADMIN.EXP. | 5,414 | 3,375 | 6,000 | 4,500 | 1,500 |
| | 320.1 WEBSITE IMPROVEMENT | 41 | 1,125 | 3,000 | 1,500 | 1,500 |
| | 323 SOCIAL FACILITIES | 11,202 | 6,000 | 14,000 | 8,000 | 6,000 |
| | | 465,260 | 478,500 | 603,900 | 638,000 | -34,100 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2013/2014</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|--------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| MAINTENANCE | | | | | |
| 400 GASOLINE | 713 | 1,050 | 1,200 | 1,400 | -200 |
| 401 SPRINKLERS | 6,511 | 4,500 | 7,500 | 6,000 | 1,500 |
| 402 PEST CONTROL | 21,893 | 18,750 | 30,000 | 25,000 | 5,000 |
| 402.6 MISC. MAINT.EXP. | 449 | 750 | 800 | 1,000 | -200 |
| 403 LANDSCAPING | 97,375 | 93,000 | 124,000 | 124,000 | 0 |
| 403.1 FERTILIZATION-WEED CONT. | 18,276 | 18,750 | 25,000 | 25,000 | 0 |
| 404 TREE TRIMMING | 7,906 | 7,125 | 11,000 | 9,500 | 1,500 |
| 404.2 NEW TREES & BUSHES | 7,643 | 9,375 | 12,500 | 12,500 | 0 |
| 405 BUILDING MAINTENANCE | 18,294 | 20,250 | 35,000 | 27,000 | 8,000 |
| 406 GROUNDS MAINTENANCE | 5,924 | 18,000 | 20,000 | 24,000 | -4,000 |
| 407 SECURITY GATE EXPENSE | 10,025 | 4,500 | 11,000 | 6,000 | 5,000 |
| 408 CAMERA & VIDEO EXP. | 1,715 | 1,500 | 2,300 | 2,000 | 300 |
| 409 PLUMBING EXP. | 1,275 | 2,250 | 2,500 | 3,000 | -500 |
| 410 ELECTRICAL EXP. | 5,979 | 2,250 | 6,000 | 3,000 | 3,000 |
| 411 POOL SUPPLIES & REPAIR | 22,145 | 9,750 | 23,500 | 13,000 | 10,500 |
| 412 STREET MAINTENANCE | 316 | 3,750 | 2,000 | 5,000 | -3,000 |
| 413 UNIFORMS | 0 | 300 | 400 | 400 | 0 |
| 414 GOLF CARTS | 1,061 | 3,750 | 2,500 | 5,000 | -2,500 |
| 415 LOCKSMITH | 17 | 225 | 300 | 300 | 0 |
| 416 FIRE SAFETY | 3,119 | 3,000 | 3,119 | 4,000 | -881 |
| 417 JANITORIAL SUPPLIES | 1,103 | 1,500 | 1,800 | 2,000 | -200 |
| 418 AWNINGS REPAIRS | 950 | 12,750 | 18,400 | 17,000 | 1,400 |
| 420 PAINTING PROGRAM | 0 | 39,750 | 40,000 | 53,000 | -13,000 |
| 421 STREET LIGHT | 1,917 | 1,500 | 2,000 | 2,000 | 0 |
| 425 POOL CHAIRS/TABLES | 0 | 1,500 | 2,000 | 2,000 | 0 |
| 429 BENCHES REPLACEMENT | 421 | 750 | 421 | 1,000 | -579 |
| | 235,027 | 280,575 | 385,240 | 374,100 | 11,140 |

| <u>DESCRIPTION</u> | <u>YTD</u> <u>ACTUAL</u> | <u>YTD</u> <u>BUDGET</u> | <u>TOTAL YEAR</u> <u>FORECAST</u> | <u>2013/2014</u> <u>BUDGET</u> | <u>VARIANCE</u> |
|---|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| 450 CONTINGENCY SOUTH SECURITY CAMERA EAST POOL RESURFACING PROVENCE ALLEY | -1,751 | 12,682 | 54,887 | 16,910 | 37,977 |
| 480 RAILROAD NOISE/DUST | 16,261 | 18,750 | 16,261 | 25,000 | -8,739 |
| | 14,510 | 31,432 | 71,148 | 41,910 | 29,238 |
| GRAND TOTAL EXPENSES | 1,006,409 | 1,084,845 | 1,450,538 | 1,446,460 | 4,078 |
| REVENU OVER EXPENSES | 75,416 | 0 | 0 | 0 | 0 |

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|------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------|
| RESERVES | | | | | |
| 2510 ROOFS | 22,500 | 22,500 | 30,000 | 30,000 | 0 |
| 2515 PAINTING | 750 | 750 | 1,000 | 1,000 | 0 |
| 2530 ASPHALT | 16,125 | 16,125 | 21,500 | 21,500 | 0 |
| 2542 POOLS | 6,000 | 6,000 | 8,000 | 8,000 | 0 |
| 2543 AWNINGS | 2,250 | 2,250 | 3,000 | 3,000 | 0 |
| 2546 SPRINKLERS | 3,750 | 3,750 | 5,000 | 5,000 | 0 |
| 2547 TV CABLE INFRASTRUCTURE | 9,375 | 9,375 | 12,500 | 12,500 | 0 |
| 2545 WORKING CAPITAL | 8,625 | 8,625 | 11,500 | 11,500 | 0 |
| 2544 INTEREST REV. RESERVE | 12,818 | 6,000 | 18,000 | 8,000 | 10,000 |
| | 82,193 | 75,375 | 110,500 | 100,500 | 10,000 |

ANDRE MONGRAIN, President/Treasurer

July-15-2014