

July 22, 2016

Financial and other comments as of June 30, 2016.

By the end of June we are eight months of our current fiscal year. In addition to the regular financial commentaries, this report includes specific situations that are currently on-going at Waterside, mainly the ongoing contracts, the AT&T UVerse, security issues and the clubhouse. Budget for the upcoming fiscal year is due by the end of September. We received favorable comments from owners on last month's report and we have also included in this report a couple of photos.

No hurricane impact so far for June or July, and presently it appears to be a quiet season. However, it isn't over yet as hurricane season goes to November.

One building had a localized treatment for termites but no tenting was needed.

We all want to say our best to Stacey Casey our Property Manager. She will be absent for a period of time following a surgical procedure. Monique Dell is in communication with the President on a daily basis and Jeff Phillips is taking care of the outside following up on many contracts that are currently on-going.

Financial results.

Significant changes were made to the previous month's forecast. On the **revenue side** the sum of all adjustments mean an improvement of \$1,337.00 for the revenue section, mainly due to the transfer fees. We have increased our possible number of units to be sold during the year. We now have 11 completed sales and two in process.

On the **expense side** our **utilities** group of expenses saw a reduction of \$1,000.00 compared to last month's forecast due to a reduction in satellite TV. On the **administrative expenses**, we have an improvement of \$3,350.00 mainly due to the resolution of two receivable situations which created an improvement in the bad debt of \$5,000.00 partially compensated by an increase in legal collection cost of \$2,000.00. The **maintenance group of expenses** we now see a total overrun of \$11,600.00 compared to the previous forecast of an overrun of \$3,700.00. This is mainly due to an increase in building maintenance by \$3,000.00 due to the security improvement efforts. In the entrance, metal cones will be attached to gate columns, fences replacement, and an increase of \$1,000.00 in awnings as we have to replace some of the awnings one year sooner than were forecasted for next year's program. We have added \$2,000.00 for street light improvement. The **contingency fund** was reduced by \$2,200.00 to \$16,429.00.

All reserve accounts are funded on a monthly basis.

Completed and on-going works.

Specific items

1. The internet, telephone and TV.

AT&T is now scheduled to start work in Waterside with a full crew during the week starting on Monday July 25, 2016; we will report their progress in future month reports. 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. I do hope that the next month 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 painting program.

Remember that the painting program includes not only the cleaning and painting of the outside of our buildings but also the replacement of awnings and the installation of decorative elements. These three contracts are currently on-going and the sum of them is below our budget by \$1,500.00. We will also use the program to fix some of the water infiltration we have experienced over time. Current year program covers only A and B types of buildings. Painters are moving forward at a fast pace due to a full crew and are on a 6-day a week schedule.



3. The lighting of our street.

We have signed an agreement with Florida Power and Light to replace part of our street light bulbs from 100 amps to 150 amps, mainly alongside the retention pond, the west side from the shuffleboard courts to the garbage area and from the central fountain to the garbage area. This should resolve some of the issues brought by some of our owners. The timing of the completion is in the hands of FPL as you may expect. FPL is also adding another light on Miner Road when we told them about the missing light.

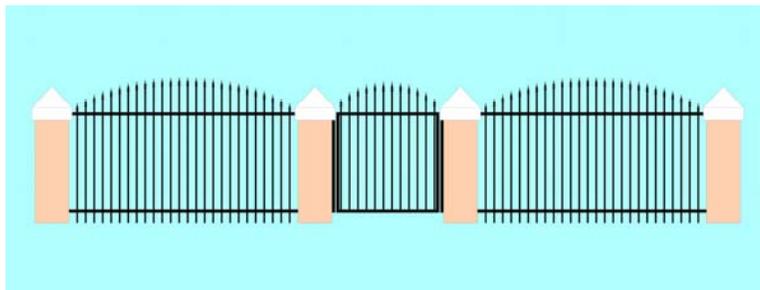
4. The latest on a possible club house.

The land survey is now completed. The soil engineer did complete the soil condition analysis and today we received the report from the Architect. The President, the Treasurer and director Claude Martel are now reviewing the report and a meeting will take place hopefully on Friday the 29th, as Mr. Mongrain is returning to Waterside, not only for the clubhouse but for AT&T progress and other subjects. Following those reviews, if we are not satisfied with the result, your Board will ask for further tests. Assuming that it is acceptable, the Architect firm will move ahead with more formal designs ready for submission to the Town and to the Board at Water Management for their approval, which may take 4 to 6 months. We will also use those drawings to go to the bid process. Remember, every step constitutes a decision point that your Board needs to make. The total commitment of \$1,650,000.00 and the financing are still steps that need to be crossover.



5. Site security.

We have no incidents to report for the month of June. We have added Ficus bushes alongside Miner Road behind buildings 27 and 28 and near the parking area off the 800 units. We will install the new cones on top of all the entrance columns and have signed a contract with Affordable Welding to replace the office entrance gate and the fence on each side of the entrance gate. The attachment is a rendering of what it will look like. The new street light bulbs will also contribute to improvement on security.



Again thanks for reading.

Andre Mongrain, President and Claude Comtois, Treasurer

July 22, 2016

WATERSIDE FINANCIAL RESULT
AS OF JUNE 30, 2016

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2015/2016</u>	
<u>REVENUE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
				310	
NSF FEE	100	0	100	0	100
100 ASSESSMENTS **	944,280	944,280	1,416,420	1,416,420	0
102 LATE FEE INCOME	1,500	1,336	2,000	2,000	0
103 INTEREST INCOME	387	0	387	0	387
104 TRANSFER FEE	1,375	2,000	2,250	3,000	-750
106 ACCESS/GATE CARDS	75	133	100	200	-100
107 SCREENING FEE	17,850	20,000	30,000	30,000	0
108 MISCELLANEOUS INCOME	1,700	1,000	2,500	1,500	1,000
TOTAL REVENUE	967,267	968,749	1,453,757	1,453,120	637

EXPENSES
UTILITIES

200 ELECTRIC	32,250	34,000	51,000	51,000	0
201 WATER & SEWER	169,046	161,333	247,000	242,000	5,000
202 GARBAGE & RECYCLING	28,340	30,667	46,000	46,000	0
203 PROPANE GAS	543	133	600	200	400
204 CABLE T.V.	53,209	44,000	73,000	66,000	7,000
205 TELEPHONE	4,602	4,800	7,200	7,200	0
205.1 WIFI	1,759	2,000	3,000	3,000	0
	289,749	276,933	427,800	415,400	12,400

<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	72,078	70,000	107,500	105,000	2,500
	301 PAYROLL-MAINTENANCE	46,643	49,333	76,000	74,000	2,000
	302 PAYROLL TAXES	6,195	10,000	13,000	15,000	-2,000
	302.1 EMPLOYEE BENEFITS	4,615	4,667	7,000	7,000	0
	304 SECURITY GUARDS	37,158	38,000	57,000	57,000	0
	305 ACCOUNTING	16,646	17,667	25,000	26,500	-1,500
	305.1 BANK FEES	749	833	1,250	1,250	0
	305.2 BAD DEBT	4,469	4,000	-5,000	6,000	-11,000
	305.3 COLLECTION COST	638	3,333	2,000	5,000	-3,000
	306 AUDITING	4,400	3,067	4,400	4,600	-200
	307 LEGAL	360	1,667	2,500	2,500	0
	308 PROPERTY TAX	3,612	2,467	3,612	3,700	-88
	309 INCOME TAX	0	333	0	500	-500
	310 INSURANCE	185,919	192,667	281,400	289,000	-7,600
	311 OFFICE SUPPLIES	1,328	2,000	2,250	3,000	-750
	312 POSTAGE & SHIPPING	29	1,000	1,000	1,500	-500
	313 LICENSES	2,334	2,133	3,200	3,200	0
	314 TRAVEL & MILEAGE	240	667	750	1,000	-250
	315 MEETINGS & EDUCATION	199	333	400	500	-100
	316 SCREENING	6,973	8,000	12,000	12,000	0
	317 ALARM SYSTEM	318	333	500	500	0
	318 COMPUTER REPAIR/SERVICE	0	1,334	2,000	2,000	0
	319 COPIER	2,822	2,665	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	4,736	4,000	6,500	6,000	500
	320.1 WEBSITE IMPROVEMENT	1,020	1,000	2,500	1,500	1,000
	323 SOCIAL FACILITIES	10,658	6,667	11,500	10,000	1,500
		414,139	428,166	622,262	642,250	-19,988

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2015/2016 BUDGET</u>	<u>VARIANCE</u>
400 GASOLINE	195	533	500	800	-300
401 SPRINKLERS	4,285	5,333	8,000	8,000	0
402 PEST CONTROL	11,931	17,333	23,000	26,000	-3,000
402.6 MISC. MAINT.EXP.	302	667	1,000	1,000	0
403 LANDSCAPING	82,000	84,000	123,000	126,000	-3,000
403.1 FERTILIZATION-WEED CONT.	15,966	16,667	25,000	25,000	0
404 TREE TRIMING	6,170	6,667	10,000	10,000	0
404.2 NEW TREES & BUSHES	5,564	5,333	6,500	8,000	-1,500
405 BUILDING MAINTENANCE	29,616	16,667	35,000	25,000	10,000
406 GROUNDS MAINTENANCE	4,204	14,667	20,000	22,000	-2,000
407 SECURITY GATE EXPENSE	7,771	4,667	8,000	7,000	1,000
408 CAMERA & VIDEO EXP.	1,042	2,667	2,500	4,000	-1,500
409 PLUMBING EXP.	7,554	2,333	9,500	3,500	6,000
410 ELECTRICAL EXP.	3,746	2,667	4,500	4,000	500
411 POOL SUPPLIES & REPAIR	7,215	9,333	12,000	14,000	-2,000
412 STREET MAINTENANCE	254	1,667	3,500	2,500	1,000
413 UNIFORMS	0	267	400	400	0
414 GOLF CARTS	47	1,333	1,500	2,000	-500
415 LOCKSMITH	65	133	100	200	-100
416 FIRE SAFETY	1,179	2,667	4,000	4,000	0
417 JANITORIAL SUPPLIES	1,836	2,000	3,000	3,000	0
418 AWNINGS REPAIRS	2,730	13,333	23,000	20,000	3,000
420 PAINTING PROGRAM	0	31,333	45,500	47,000	-1,500
421 STREET LIGHT	0	667	3,000	1,000	2,000
425 POOL CHAIRS/TABLES	0	1,333	2,500	2,000	500
429 BENCHES REPLACEMENT	0	333	0	500	-500
484 LOUVER VENT	3,083	0	3,500	0	3,500
	196,755	244,600	378,500	366,900	11,600

<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	19,047	16,429	28,570	-12,141
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	-3,380	0	0	0	0
485 REVISION CONDO DOC'S	3,043	0	3,043	0	3,043
	5,386	19,047	25,195	28,570	-3,375
GRAND TOTAL EXPENSES	902,983	968,746	1,453,757	1,453,120	637
REVENUE OVER EXPENSES	64,284	3	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	22,333	22,333	33,500	33,500	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	15,667	15,667	23,500	23,500	0
2542 POOLS	5,333	5,333	8,000	8,000	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	3,333	3,333	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	8,333	8,333	12,500	12,500	0
2545 WORKING CAPITAL	20,000	20,000	30,000	30,000	0
2544 INTEREST REV. RESERVE	8,489	6,000	12,000	9,000	3,000
	83,488	80,999	124,500	121,500	3,000

Andre Mongrain President

Claude Comtois Treasurer

July-16-2016