

WATERSIDE VILLAGE OF PALM BEACH
CONDOMINIUM ASSOCIATION, INC.

MONTHLY REPORT FOR THE PERIOD ENDING DECEMBER 31, 2016

You may have noticed in the past reports entitled "Financial Comments" that information was provided on both financial matters and many other subjects. As a result, we have changed the title to "Monthly Report" in order to better reflect its nature.

December is the second month in the 2016-2017 fiscal year. We will report on some circumstances that have arisen and provide an updated forecast (as compared to the budget). This month, we were required to use two-thirds of the contingency fund to cover an overrun in the amount of \$6,000.00 for cable television costs for the purchase of replacement parts for the French channel and damage caused during the installation of the fiber optic cable by AT&T.

We have increased the administrative payroll to cover overtime hours for office staff, as well as for the maintenance staff due to the work on the sprinklers. We have also increased our forecast for the security guard by \$2,000.00 due to the replacement of our electronic gate system and are waiting for parts and a software update for the "800 gate". With the main visitor panel replacement, our gate expenses will overrun the budget by \$8,000.00. We still have to complete loading the computer file in order to benefit fully from the capabilities of the new panel.

With respect to the sprinkler system, our personnel are continuing the work of cleaning or replacing all of the more than 1,700 sprinkler heads and conduits. We have added \$6,000.00 to our sprinkler cost forecast to cover the part of the "wet check" contract that triggers parts replacement. Please see Specific Item 4 concerning site maintenance for further details concerning this issue.

Finally, we have added \$5,000.00 to "pool supplies and repairs" in order to cover repairs and resurfacing to the spa caused by leaks.

To cover these overruns, we used funds from the "profit and loss contingency account" and, during the coming month, will review what budget items can be reduced to compensate for these extra costs. To date, we have adjusted some forecasts for this month, but will conduct an in-depth review during the month of February.

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

Working Capital reserve account to cover the cash flow shortfall in order to pay the premium. The Working Capital reserve account will be refunded before the end of the fiscal year.

SPECIFIC ITEMS

1. Onsite Surveillance

We have no incidents to report for the month of December, the fifth consecutive month. Remember: “See something, say something” and call the Lantana Police. In 2015, Lantana Police visited Waterside an average of 3.16 times a day, but have reduced the patrols to 2.40 a day due to the absence of any incidents.

Please remember that you are responsible for ensuring that your car is properly locked and your bicycle is attached with a U-bolt system. Next month, we will produce a more elaborate report concerning onsite surveillance.

2. AT&T

On January 11 and 12 respectively, AT&T personnel conducted information sessions for permanent residents and snowbirds. There was some confusion at the session for permanent residents, as one person attempted to resolve a personal issue. Other than buildings five (5) and seven (7), all units can now place their orders for AT&T fiber optic service, with an activation date after January 22, in order to benefit from a price reduction. To date, many units have activated their service. The reaction from owners is: “Wow! Day and night.” ***Previously, the download speed was 5.76, but now it is 29.16; prior upload speed was 0.49, but now it is 5.55.*** That is with a 45 mbps speed. Imagine if you choose 100 or 1,000, as one owner has done, downloading a two-hour film in less than 30 seconds. By the way, 45 mbps is the lowest speed that AT&T will offer.

Waterside will benefit from a “concierge service”, meaning that we will have a dedicated contact person, Mr. Paul Bernardone at telephone number (561)-685-9263 and a special service line for Waterside at (877)-910-0501, **if your activation was done by Mr. Bernardone.** In such circumstances, there will be no need to call the AT&T general call center. Mr. Bernardone will be available onsite to assist in a review of your needs and to help determine the cost. Mr. Bernardone speaks English only, but Director Normand Cadieux will provide assistance for those who have difficulty with the language of Shakespeare.

It will be possible to obtain telephone service with all the “bells and whistles”, such as caller ID, call waiting, long distance in North America and other related features, all included in the monthly fee. Internet service can

also be combined with telephone or standalone and also a TV package, if desired.

In order to benefit fully for the two-year special pricing, your service must be activated before June 2017. After an initial full-service period of two months, you will have the option of placing your service in a dormant status for a maximum period of six months. During a dormant period, you will have to pay a fee of \$5.00 per month for the service that you have subscribed. In the final analysis, the monthly fee is **LOWER** than the current cost and, on a yearly basis; it will be **substantially lower** as you can benefit from the dormant status without having difficulty to reactivate. As you are aware, the “ports” for the fiber optic service are on the outside of each building and are designated for your service, making it unnecessary to have a central location port.

Please follow up later this week, and we will provide any additional details as they become available. **Always remember that you must call Mr. Bernardone at AT&T if you want to benefit from the maximum rebate and concierge service.**

Please note that the current DSL service will be available until 2020 at the latest in the event that you wish to maintain your current telephone and Internet service and do not want to have Uverse fiber optic. Current TV programming provided by either Direct TV or the French channel will still be available on our older cable system.

3. 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. We will review the first draft this week, and it will be sent to the printer.

4. SITE MAINTENANCE

A good portion of our maintenance staff is continuing to work on the sprinkler system, and we can see the improvements. We will use some funds from the sprinkler reserve in order to enable the firm Evergreen to complete a full update of the system. We still have to repair some grass areas and ficus. Our senior man Jeff is on partial leave due to knee and hip treatment. This is slowing our progress on maintenance.

5. CLUBHOUSE

The architectural firm continues to make progress on Phase 1 and is replying to information requests from the Town of Hypoluxo and the Water Management Board. We hope to be in a position to provide more details of progress in the next monthly report.

We continue to 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.

6. UNITS SOLD

To date this year, a total of four units were sold: three "A" and one "C". The demand for the purchase of units is strong, with four other units in various stages of negotiation for sale. Waterside continues to attract buyers, despite the minimum mortgage requirement and the currency exchange rate.

Director Normand Cadieux is working on the development of a marketing program for Waterside Village and expects to complete it before the end of the winter season. Needless to say, the fiber optic installation is a very positive marketing point for our Association.

7. THE TRAIN

At the county website, the following statement is currently posted:

Quiet Zones on the FEC Railway:

The Palm Beach MPO and the Broward MPO have funded studies, provided technical trainings, and funded supplemental safety features and infrastructure at road crossings to qualify for a continuous quiet zone designation from Hallandale (Broward County) through West Palm Beach in Palm Beach County to correspond with the first phase of the All Aboard Florida project. AAF will manage the construction to maximize cost efficiencies and to reduce impacts on vehicular traffic and nearby neighborhoods and businesses. The MPOs have made these investments to enhance the quality of life for heavily populated coastal communities with the addition of increased passenger and freight rail. A designated quiet zone eliminates/ reduces requirements for train horns because the need is sufficiently offset by safety structures such as crossing gates. In addition, the Palm Beach MPO has provided for enhanced pedestrian crossings at select railroad crossings.

The crossing at Miner Road scheduled mitigation is adding two exit gates to the two current gates, which make it eligible for a quiet zone designation.

Thanks to director Mike Shane for his involvement in this important file.

Thanks for reading us.

André Mongrain, President
Claude Comtois, Treasurer

January 14, 2017

WATERSIDE FINANCIAL RESULT
AS OF DECEMBER 31, 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 **	243,513	243,513	1,461,080	1,461,080	0
102 LATE FEE INCOME	-275	500	2,250	3,000	-750
103 INTEREST INCOME	0	0	0	0	0
104 TRANSFER FEE	300	250	1,500	1,500	0
106 ACCESS/GATE CARDS	100	33	200	200	0
107 SCREENING FEE	6,600	4,000	24,000	24,000	0
108 MISCELLANEOUS INCOME	350	250	1,500	1,500	0
TOTAL REVENUE	250,588	248,546	1,490,530	1,491,280	-750
<u>EXPENSES</u>					
<u>UTILITIES</u>					
200 ELECTRIC	7,576	8,167	49,000	49,000	0
201 WATER & SEWER	41,155	41,833	251,000	251,000	0
202 GARBAGE & RECYCLING	8,286	7,833	47,000	47,000	0
203 PROPANE GAS	0	33	200	200	0
204 CABLE T.V.	16,403	11,167	73,000	67,000	6,000
205 TELEPHONE	1,504	1,200	7,200	7,200	0
205.1 WIFI	534	417	2,500	2,500	0
	75,458	70,650	429,900	423,900	6,000

<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	20,744	17,233	105,400	103,400	2,000
	301 PAYROLL-MAINTENANCE	15,063	15,250	93,000	91,500	1,500
	302 PAYROLL TAXES	2,739	1,967	11,800	11,800	0
	302.1 EMPLOYEE BENEFITS	5,431	917	5,500	5,500	0
	304 SECURITY GUARDS	11,990	9,833	61,000	59,000	2,000
	305 ACCOUNTING	4,350	4,333	26,000	26,000	0
	305.1 BANK FEES	163	208	1,250	1,250	0
	305.2 BAD DEBT	0	1,000	6,000	6,000	0
	305.3 COLLECTION COST	330	667	4,000	4,000	0
	306 AUDITING	0	767	4,600	4,600	0
	307 LEGAL	-826	250	1,500	1,500	0
	308 PROPERTY TAX	3,598	633	3,600	3,800	-200
	309 INCOME TAX	0	83	500	500	0
	310 INSURANCE	48,919	49,167	295,000	295,000	0
	311 OFFICE SUPPLIES	1,064	417	2,500	2,500	0
	312 POSTAGE & SHIPPING	190	100	600	600	0
	313 LICENSES	1,648	533	3,200	3,200	0
	314 TRAVEL & MILEAGE	0	125	750	750	0
	315 MEETINGS & EDUCATION	0	83	500	500	0
	316 SCREENING	2,181	1,250	6,000	7,500	-1,500
	317 ALARM SYSTEM	79	83	500	500	0
	318 COMPUTER REPAIR/SERVICE	90	333	2,000	2,000	0
	319 COPIER	734	667	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	1,673	1,167	7,000	7,000	0
	320.1 WEBSITE IMPROVEMENT	959	333	2,000	2,000	0
	323 SOCIAL FACILITIES	1,850	1,834	10,000	11,000	-1,000
		122,969	109,233	658,200	655,400	2,800

<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	130	83	500	500	0
401 SPRINKLERS	1,498	1,333	14,000	8,000	6,000
402 PEST CONTROL	2,177	3,500	20,000	21,000	-1,000
402.6 MISC. MAINT.EXP.	0	167	1,000	1,000	0
403 LANDSCAPING	20,500	20,500	123,000	123,000	0
403.1 FERTILIZATION-WEED CONT.	3,139	4,167	23,000	25,000	-2,000
404 TREE TRIMING	3,520	1,667	10,000	10,000	0
404.2 NEW TREES & BUSHES	2,766	1,334	8,000	8,000	0
405 BUILDING MAINTENANCE	3,395	4,167	25,000	25,000	0
406 GROUNDS MAINTENANCE	14,401	3,334	20,000	20,000	0
407 SECURITY GATE EXPENSE	510	1,500	17,000	9,000	8,000
408 CAMERA & VIDEO EXP.	450	667	5,000	4,000	1,000
409 PLUMBING EXP.	1,269	833	5,000	5,000	0
410 ELECTRICAL EXP.	1,947	833	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	1,196	1,833	16,000	11,000	5,000
412 STREET MAINTENANCE	53	583	3,500	3,500	0
413 UNIFORMS	0	67	400	400	0
414 GOLF CARTS	360	333	2,000	2,000	0
415 LOCKSMITH	43	33	200	200	0
416 FIRE SAFETY	0	833	5,000	5,000	0
417 JANITORIAL SUPPLIES	513	500	3,000	3,000	0
418 AWNINGS REPAIRS	0	3,000	18,000	18,000	0
420 PAINTING PROGRAM	0	7,833	47,000	47,000	0
421 STREET LIGHT	0	500	3,000	3,000	0
425 POOL CHAIRS/TABLES	0	417	2,500	2,500	0
429 BENCHES REPLACEMENT	0	83	500	500	0
	57,867	60,100	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	6,026	6,063	13,830	36,380	-22,550
INTEREST DURING BUILT	0	2,500	15,000	15,000	
487 EAST WELL	7,705	0	0	0	0
CLUB HOUSE PROJECT	2,619	0	0	0	0
	16,350	8,563	28,830	51,380	-22,550
<u>GRAND TOTAL EXPENSES</u>	272,644	248,546	1,490,530	1,491,280	-750
<u>EXPENSES OVER REVENUE</u>	-22,056	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	5,667	5,667	34,000	34,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	4,833	4,833	29,000	29,000	0
2542 POOLS	750	375	4,500	4,500	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	417	417	2,500	2,500	0
2547 TV CABLE INFRASTRUCTURE	2,083	2,083	12,500	12,500	0
2545 WORKING CAPITAL	1,667	1,667	10,000	10,000	0
2544 INTEREST REV. RESERVE	1,858	1,667	10,000	10,000	0
	17,275	16,709	102,500	102,500	0

Andre Mongrain President Claude Comtois Treasurer

Jan-13-2017