

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.

MONTHLY REPORT FOR THE PERIOD ENDING JULY 31, 2017

The month of July marks the completion of 75% of our fiscal year. We will report on some circumstances that have arisen, mainly the latest development on the club house and provide an updated forecast (as compared to the budget). This month, we made limited changes to costs components of our total year's forecast, when compared to last month produced forecast.

Mr. Mongrain was at Waterside in May, June, and July 9 to the 15, as well as his last trip on July 30 to August 4. On each occasion, he did either attend the Town meeting or meet with Mayor Brown, and continued to place pressure on a water and sewage agreement with the Town of Boynton, development looks positive but it is being delayed. On the same occasions Mr. Mongrain and our Property Manager, Stacey Casey, meet with architect, engineer and contractors, beside the day to day operation matters.

No significant changes for our total expected revenue, from last month's forecast of \$1,493,367.00 to \$1,494,402.00.

On cost front, no changes to our utilities group of expenses. We remain under pressure on water and sewage cost due to the increase in number of long term rentals, we did not modify this group of expenses.

The administration cost forecast was increase by \$150.00 due to series of minor modification like: payroll taxes, security guards, travel and mileage, meetings and education and screening.

On the maintenance cost, the total forecast was not changed but some components were modified like: gasoline (+200.00), sprinklers (+1,000.00), pest control (+1,000.00), camera and video (-1,000.00), plumbing (-1,000.00), electrical (+500.00) and fire safety (+1,298.00) this last item being the result of the Fire Marshall report and our decision to charge this to this account instead of electrical.

In total, we improved marginally our financial position when compared to last month's forecast, this is a better position to be in, at the early stage of the hurricane season. ***So far, we have not paid any interest during work leading to the construction of the clubhouse, so we may be able to use close to the \$15,000.00 that was set aside for this purpose to add to our working capital reserve.***

All of the reserve accounts are funded monthly and we monitor the cash flow very closely. We did use \$85,000.00 from the working capital reserve account in order to pay the insurance premium of \$290,500.00. We will reimburse the working capital reserve over the next two months. In addition to the normal monthly contribution per budget we have, as we write this report, made a total reimbursement of \$50,000.00 out of the \$85,000.00 borrowed from the working capital reserve. We have paid so far \$68,475.00 in professional fees for the construction of our club house, this situation will need to be corrected before our fiscal year end.

SPECIFIC ITEMS

1. Security and surveillance issues

We have no incidents to report for the month of July, now we have twelve consecutive months. Remember: ***"See something, say something"*** and call the Lantana Police at 561-540-5701 or 911 immediately.

2. Site maintenance

The summer projects list is available on our website. Main on-going work is the painting contract and they should complete it during the coming week. Following completion, we will be adding the decorative elements that are already on order and the fixing of the awnings also on order. To the painting contract we have added the completion of the current club house painting as a portion of was done by our own staff.

The Economy Paving and Maintenance Company contract for the asphalt is ongoing. It does include not only a special rubberized sealcoating procedure and a normal finishing spray coat, it also includes repairs to our asphalt, the white parking lining, the various sign on asphalt, the replacement of about 25 car stops that were damaged and the painting of all of the car stops. Funds from the asphalt reserve will be used in order to pay for this project.

Thanks to our residents for their collaboration during this work, but just to add ***if you leave a car behind and leave the site (whether it is to go on a vacation or to return to Canada) please leave your car keys at the office***, we did have to call in tow truck to move some of them.

The overall site is in a fair condition, and we all hope to have more rain to help our grass and bushes.



3. Clubhouse

Stacey and Mr. Mongrain did continue to have meetings with the architect firm and also with three contractors that are still on our list after the elimination of three others. We now have 85% of the drawings completed and the contractors are updating their bids with the last information provided to them. We will conduct one more formal review by the working group and a selection of the contractor will be made before the completion of the last 15% of the drawings. This way we can have the contractor's input before finalizing the drawings.

As mentioned last month we can affirm that we remain not only in line with the budget objective but even below. Mr. Mongrain will return to Waterside as required for updates with the architect and the various contractors hopefully during the next 7 days. A Board meeting will be schedule to authorize the signature of the contract with the selected contractor.

We managed a tight cash situation and did not use Desjardins Bank so far to pay related expenses of the club house. We have opened the financing bank account during the visit of Mr. Mongrain in early July, from which all payments related to the club house will be processed. So far, we have used our operating cash flow for the payment of the architectural firm. This means a potential savings of close to \$15,000.00, which can be transferred to the working capital reserve following a motion of the Board.

The next steps are: 1. discussion with contractors on what can be done in order to reduce cost 2. have the remaining 15% of the drawings completed 3. sign a contract with the contractor and finally the selected contractor will file with the appropriate authority in order to get building permits. Only then we will be in a position to start construction, at this time it is hard to determine exactly when.

4. Unit sale

Over the last nine months 24 units were sold or are under contract. Our owners are our best real estate agents, please always mention Waterside and please maintain your price, the demand is there. More possible transactions are in the works. We lost one sale, it is important for the real estate agents to determine, before they show a unit, if the prospective buyer is willing to task a major renovation. Even if the unit is for sale at a low price, agents need to figure out the real need of a prospective buyer, the one in reference is now forever lost for Waterside.. ***To our new owners we welcome them*** and we know that if they need info our long term residents will be there to help.

5. The Brightline train

From articles in the West Palm Post there are some counties that are questioning the development further north of Palm Beach, which the company has made a series of financial transactions to support their investment, it is quite a story on-going. They are working on the infrastructure, like they have raised the tracks at Miner Road. Now they hope the service will be in function by year end after a period of tests.

6. Hurricane storm season

We are at the early stage of the hurricane season, about 95% of the major hurricanes occur after August 1. Emily was a tropical storm with no impact for Waterside, some rain but nothing significant. Currently there is limited formation of activities off the coast of Africa. You can follow the weather development on www.unkebe.com or on www.nhc.noaa.gov, we will report any significant event that may occur during the hurricane season. For the residents that are at Waterside during a hurricane situation please always follow communication on channel 70 on our TV system.

7. Upcoming budget season

By the end of September, your Board will have to produce the next fiscal year's budget, it will be a complex one due to ongoing construction costs, so we will not be in a repayment mode for the mortgage on the clubhouse, just a portion of the year, before that it will only be interest payments. In addition we have this situation of the water and sewage negotiation between the Town of Hypoluxo and the City of Boynton, if successful it will have a significant impact on Waterside costs, we do not know when those negotiations will be completed and when or if there will be an effective date.

Thanks for reading.

André Mongrain, President
Claude Comtois, Treasurer
August 15, 2017

WATERSIDE FINANCIAL RESULT
AS OF JULY 31,2017

	<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	60	0	60	0	60
100 ASSESSMENTS **	1,095,810	1,095,810	1,461,080	1,461,080	0
102 LATE FEE INCOME	800	2,250	1,000	3,000	-2,000
103 INTEREST INCOME	62	0	62	0	62
104 TRANSFER FEE	2,850	1,125	3,750	1,500	2,250
106 ACCESS/GATE CARDS	650	150	850	200	650
107 APPLICATION FEE	19,600	18,000	26,000	24,000	2,000
108 MISCELLANEOUS INCOME	1,450	1,125	1,600	1,500	100
TOTAL REVENUE	1,121,282	1,118,460	1,494,402	1,491,280	3,122

EXPENSES
UTILITIES

200 ELECTRIC	35,700	36,750	49,000	49,000	0
201 WATER & SEWER	187,015	188,250	254,000	251,000	3,000
202 GARBAGE & RECYCLING	34,436	35,250	49,000	47,000	2,000
203 PROPANE GAS	48	150	200	200	0
204 CABLE T.V.	60,276	50,250	77,000	67,000	10,000
205 TELEPHONE	5,354	5,400	7,500	7,200	300
205.1 WIFI	2,314	1,875	3,000	2,500	500
	325,143	317,925	439,700	423,900	15,800

<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	79,496	77,550	105,400	103,400	2,000
	301 PAYROLL-MAINTENANCE	66,880	68,625	92,000	91,500	500
	302 PAYROLL TAXES	11,725	8,850	14,000	11,800	2,200
	302.1 EMPLOYEE BENEFITS	6,354	4,125	7,000	5,500	1,500
	304 SECURITY GUARDS	39,686	44,250	58,000	59,000	-1,000
	305 ACCOUNTING	18,712	19,500	25,000	26,000	-1,000
	305.1 BANK FEES	1,742	938	1,250	1,250	0
	305.2 BAD DEBT	5,291	4,500	6,000	6,000	0
	305.3 COLLECTION COST	4,426	3,000	6,000	4,000	2,000
	306 AUDITING	4,400	3,450	4,400	4,600	-200
	307 LEGAL	723	1,125	1,250	1,500	-250
	308 PROPERTY TAX	3,753	2,850	3,753	3,800	-47
	309 INCOME TAX	0	375	0	500	-500
	310 INSURANCE	195,678	221,250	292,000	295,000	-3,000
	311 OFFICE SUPPLIES	2,606	1,875	2,900	2,500	400
	312 POSTAGE & SHIPPING	535	450	700	600	100
	313 LICENSES	2,354	2,400	3,200	3,200	0
	314 TRAVEL & MILEAGE	887	562	1,000	750	250
	315 MEETINGS & EDUCATION	101	375	300	500	-200
	316 SCREENING	7,212	5,625	8,500	7,500	1,000
	317 ALARM SYSTEM	314	375	500	500	0
	318 COMPUTER REPAIR/SERVICE	540	1,500	2,000	2,000	0
	319 COPIER	3,425	3,000	4,000	4,000	0
	320 MISCELLANEOUS ADMIN.EXP.	6,329	5,250	7,000	7,000	0
	320.1 WEBSITE IMPROVEMENT	959	1,500	2,000	2,000	0
	323 SOCIAL FACILITIES	9,530	8,250	11,000	11,000	0
		473,658	491,550	659,153	655,400	3,753

<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	641	375	700	500	200
401 SPRINKLERS	24,567	6,000	28,000	8,000	20,000
402 PEST CONTROL	10,186	15,750	16,000	21,000	-5,000
402.6 MISC. MAINT.EXP.	1,058	750	1,200	1,000	200
403 LANDSCAPING	92,250	92,250	123,000	123,000	0
403.1 FERTILIZATION-WEED CONT.	17,069	18,750	20,000	25,000	-5,000
404 TREE TRIMING	6,273	7,500	10,000	10,000	0
404.2 NEW TREES & BUSHES	4,409	6,000	7,000	8,000	-1,000
405 BUILDING MAINTENANCE	15,268	18,750	28,000	25,000	3,000
406 GROUNDS MAINTENANCE	10,492	15,000	20,000	20,000	0
407 SECURITY GATE EXPENSE	15,103	6,750	17,000	9,000	8,000
408 CAMERA & VIDEO EXP.	-418	3,000	2,000	4,000	-2,000
409 PLUMBING EXP.	1,610	3,750	3,000	5,000	-2,000
410 ELECTRICAL EXP.	5,376	3,750	6,000	5,000	1,000
411 POOL SUPPLIES & REPAIR	13,290	8,250	16,000	11,000	5,000
412 STREET MAINTENANCE	740	2,625	3,500	3,500	0
413 UNIFORMS	378	300	400	400	0
414 GOLF CARTS	966	1,500	2,000	2,000	0
415 LOCKSMITH	53	150	200	200	0
416 FIRE SAFETY	5,298	3,750	5,298	5,000	298
417 JANITORIAL SUPPLIES	1,566	2,250	3,000	3,000	0
418 AWNINGS REPAIRS	4,475	13,500	8,000	18,000	-10,000
420 PAINTING PROGRAM	4,465	35,250	38,000	47,000	-9,000
421 STREET LIGHT	-1,980	2,250	-1,000	3,000	-4,000
425 POOL CHAIRS/TABLES	873	1,875	3,500	2,500	1,000
429 BENCHES REPLACEMENT	0	375	0	500	-500
	234,008	270,450	360,798	360,600	198

<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	27,285	19,751	36,380	-16,629
INTEREST DURING BUILT	0	11,250	15,000	15,000	0
487 EAST WELL	860	0	0	0	0
CLUB HOUSE PROJECT	68,475	0	0	0	0
	75,447	38,535	34,751	51,380	-16,629
GRAND TOTAL EXPENSES	14 1,108,256	1,118,460	1,494,402	1,491,280	3,122
EXPENSES UNDER REVENUE	13,026	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>
RESERVES					
2510 ROOFS	25,550	25,550	34,000	34,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	22,275	22,275	29,000	29,000	0
2542 POOLS	3,375	3,375	4,500	4,500	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	1,875	1,875	2,500	2,500	0
2547 TV CABLE INFRASTRUCTURE	9,375	9,375	12,500	12,500	0
2545 WORKING CAPITAL	7,500	7,500	10,000	10,000	0
2544 INTEREST REV. RESERVE	8,748	7,500	12,000	10,000	2,000
	78,698	77,450	104,500	102,500	2,000

Andre Mongrain President Claude Comtois Treasurer

Aug.10-2017