

MONTHLY REPORT AND FINANCIAL COMMENTS FOR THE PERIOD ENDING JANUARY 31, 2018

This is the second report of the current 2017/2018 fiscal year, quite a change from the previously monthly publications. We did have to address a lot of specific situations that prevented us from releasing our monthly report, please rest assure that our monthly financial reports are done and reviewed in full details. January is the end of the first quarter of our fiscal year, we have limited comments on the financial results side, as we are still dealing either with Irma remnants, the current year budget program and planning and also now getting ready for the summer activities.

We did conduct a vote to modify our Association Documents in order to limit long term rental during the first three years of ownership and the results were very positive. In the process, 333 owners did participate or 81% of our owners, where 66 2/3% participation is required. Of those 333 participants, 323 voted for the amendment or 97% of those participating where 75% is required, so it is a great result for the future of Waterside. It will take some time to turn things around but it will be achieved. This result will be followed by a series of modifications to our rules and regulations. We do appreciate our long-term renters, but the difficulties we do experience over time is difficult not only to manage but it is also time consuming, we hope renters will have the same objective in terms of respecting rules and regulations, their neighbors and the maintenance of the inside/out of their unit. To the owners of unit that do long term rental; please, you have to take care of your investment, you will always be the first to be contacted when a situation does occur, not your renter, you have to assume your responsibilities.

At the annual meeting, a new Board was elected in accordance with our Association Documents. One new owner did join the Board, Mr. Jacques Lacoursiere who is now part of various committees and also was appointed Treasurer at the organizational meeting. Mr. Norm Cadieux is acting as the Vice-President and Mr. Claude Comtois is the Secretary, please review the specific publication on the subject.

President Andre Mongrain did attend the last Town of Hypoluxo council meeting and two subjects were on their agenda. The first one is the railroad and quiet zone situation. The Town appointed someone to be part of a committee that is involved not only at the county level but also at a grouping of towns to ensure the introduction as quickly as possible and she made a report on the current development. The lagging town in terms of being prepared for a quiet zone designation is West Palm Beach and until all the cities are ready then there will be delay in the quiet zone designation. From an article in the Palm Beach Post on January 25 it is mentioned that the "City of Palm Beach will be installing flexible polymer markers... in addition to those features, county transportation planners have pledged roughly \$7 million for a number of other safety improvements to establish the quiet zone. Those upgrades include medians and additional railroad gates that block traffic on both sides of the track at crossings." This feature was already installed on Miner Road about 3 weeks ago. The article continues by mentioning: "That construction work has yet to be completed. It is managed by Brightline. **Once it is finished, cities and towns along Brightline's route can ask the federal government for permission to create a quiet zone to silence the horns on both Brightline's trains and other freight locomotives.**" So, we have a lot of hurdles to still cross and the best we can hope is that something will take place in the next 6 months.

The second item on the Town's agenda was the water and sewage agreement with City of Boynton Beach, which you all know can have a substantial positive impact on Waterside's costs, up to \$9.00 a month savings. Negotiations that involve the Town of Manalapan, the City of Boynton Beach and the Town of Hypoluxo is a complex one and Waterside, as mentioned previously, is supporting the Town of Hypoluxo by providing data to the Town, let's hope that within the next 2 months we can have some development.

We have initiated negotiation for our insurance policies renewal, but it is too early in the process to make any comments on the possible final outcome, we are trying to manage very closely our cash flow to insure no or a minimum borrowing when the payment comes due on May 1st.

When you look at the cumulative result as of the end of January that show a surplus of revenue over expenses of \$51,572.00, this is a punctual situation. The forecast for the current fiscal year show a break-even position, we are currently conservative on expenses as we do spend a lot of attention on cash flow management in order to come up with the necessary cash to pay for our insurance premium. You can see a positive forecasted result on the total revenue, by \$1,885.00, mainly the result of a very active season on the sale of units we have now after 4 months reach 15 units sold since November. We have limited changes on the utilities expenses, a savings on the administrative expenses of \$3,719.00 as we will not build any new swings this year.

We have a lot more fluctuation on the maintenance components of our budget, with a total forecasted overrun of \$6,900.00, mainly due to building maintenance (\$5,000.00) and pool supplies and repairs (\$4,000.00) and also fluctuation in a series of other cost accounts.

SPECIFIC ITEMS

1. SECURITY.

We have one incident to report since November, please remember, if you see something say something and call the Lantana police at 561-540-5701 for non-emergency situation, always dial 911 for an emergency. Mr. Andre Desjardins has done a lot of on-site monitoring of cars and we have some situations that we may even call fraud, the owners of those units will be ask to meet with the Board to ensure non-repetition of those situations. If you have a guest or renter please make sure they do abide by the rules and regulations.

2. THE SITE MAINTENANCE.

The sprinkler system is getting in better functioning mode and we can appreciate the improvements that are taking place, we still need to make some adjustment to our timer's schedule and continue the wet checks.

During the last week of February and first week of March we will have contractors working on the site. The first will be to remove and replace dead grass areas. A separate contractor was given an order of \$2,100.00 for the planting of replacement bushes, the areas that he will work on are in front of unit 702, by unit 676, by unit 419 and by unit 548. Depending on their performance we will give them more work to do, we have to recognize that it is way more expensive than doing it our self.

We reduced the height of the west and north side hedge and also thanks to owner Gaby Belanger and Michel Dyotte who have done a very physically demanding job of spraying the full site and we can now appreciate the result of their work.

3. THE CLUB HOUSE.

Still ongoing work mainly at the contractor level, we should report within the next 2 weeks if a green or a

red light is given to the project, all depending on cost. Currently we are doing what is called “value engineering” in order to minimize costs. A meeting of the Board will be held on this subject.

4. MONTHLY MAINTENANCE FEE

Some of you have made comments about the monthly maintenance fee, for your information, just the fixed and mandatory costs represent \$155.50 out of the \$320.00 and only include the following: utilities expenses (\$424,000.00), accounting (\$26,000.00), bank fee (\$850.00), auditing (\$4,600.00), property tax (\$3,700.00), licenses (\$2,800.00), insurance (\$301,000.00) and fire safety (\$4,000.00) for a total of \$766,950.00 or \$155.50 per month and you can see there is no more reserve build up, no grass cutting, no building maintenance, no pool maintenance, really nothing else at that figure..

Our neighbors on the west side pay \$310.00 a month, with no contribution to reserves, no gate, no lights on the tennis court, no TV service, just for this item, very basic cost from Comcast is over \$45.00 a month, so even if their maintenance level cannot be compared it come to \$355.00 a month, this info is from one of the Quadrille owners.

Thanks for reading, please visit our website for all of the publications made by either the Board or the social club. By the way, the social activities are experiencing record attendance to all activities, inclusive of a series of new activities. We do hope to be able to go back to our monthly publication.

Andre Mongrain, President
Jacques Lacoursiere, Treasurer
February 25, 2018

WATERSIDE FINANCIAL RESULT
AS OF JANUARY 31, 2018

	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2017/2018</u>	
<u>REVENUE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
				320	
NSF FEE	135	0	135	0	135
100 ASSESSMENTS **	371,435	371,435	1,485,740	1,485,740	0
102 LATE FEE INCOME	1,625	375	2,300	1,500	800
103 INTEREST INCOME	0	0	0	0	0
104 TRANSFER FEE	1,350	375	2,250	1,500	750
106 ACCESS/GATE CARDS	200	50	400	200	200
107 SCREENING FEE	10,400	6,500	26,000	26,000	0
108 MISCELLANEOUS INCOME	400	375	1,500	1,500	0
TOTAL REVENUE	385,545	379,110	1,518,325	1,516,440	1,885
<u>EXPENSES</u>					
<u>UTILITIES</u>					
200 ELECTRIC	11,707	12,250	49,000	49,000	0
201 WATER & SEWER	61,382	61,750	247,000	247,000	0
202 GARBAGE & RECYCLING	12,438	12,000	48,000	48,000	0
203 PROPANE GAS	48	50	200	200	0
204 CABLE T.V.	17,766	17,500	70,000	70,000	0
205 TELEPHONE	1,666	1,875	7,200	7,500	-300
205.1 WIFI	762	800	3,200	3,200	0
	105,769	106,225	424,600	424,900	-300

<u>ADMINISTRATIVE</u>	<u>DESCRIPTION</u>	<u>YTD</u>	<u>YTD</u>	<u>TOTAL YEAR</u>	<u>2017/2018</u>	<u>VARIANCE</u>
		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	
	300 PAYROLL-ADMINISTRATIVE	25,611	26,250	105,000	105,000	0
	301 PAYROLL-MAINTENANCE	20,150	26,050	104,200	104,200	0
	302 PAYROLL TAXES	3,516	3,750	15,000	15,000	0
	302.1 EMPLOYEE BENEFITS	6,497	1,875	7,500	7,500	0
	304 SECURITY GUARDS	12,600	14,250	57,000	57,000	0
	305 ACCOUNTING	6,459	6,500	25,500	26,000	-500
	305.1 BANK FEES	292	212	1,000	850	150
	305.2 BAD DEBT	0	1,500	6,000	6,000	0
	305.3 COLLECTION COST	2,170	1,500	6,000	6,000	0
	306 AUDITING	4,400	1,150	4,400	4,600	-200
	307 LEGAL	1,481	375	2,200	1,500	700
	308 PROPERTY TAX	3,831	925	3,831	3,700	131
	309 INCOME TAX	0	0	0	0	0
	310 INSURANCE	73,379	75,250	301,000	301,000	0
	311 OFFICE SUPPLIES	432	625	2,500	2,500	0
	312 POSTAGE & SHIPPING	118	250	1,000	1,000	0
	313 LICENSES	1,648	700	2,800	2,800	0
	314 TRAVEL & MILEAGE	141	375	1,500	1,500	0
	315 MEETINGS & EDUCATION	0	125	500	500	0
	316 SCREENING	3,258	2,125	8,500	8,500	0
	317 ALARM SYSTEM	80	125	500	500	0
	318 COMPUTER REPAIR/SERVICE	1,152	500	2,000	2,000	0
	319 COPIER	-4,069	1,125	4,500	4,500	0
	320 MISCELLANEOUS ADMIN.EXP.	3,293	2,050	8,200	8,200	0
	320.1 WEBSITE IMPROVEMENT	1,008	500	2,000	2,000	0
	323 SOCIAL FACILITIES	4,175	2,500	6,000	10,000	-4,000
		171,622	170,587	678,631	682,350	-3,719

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>TOTAL YEAR FORECAST</u>	<u>2017/2018 BUDGET</u>	<u>VARIANCE</u>
<u>MAINTENANCE</u>					
400 GASOLINE	65	250	800	1,000	-200
401 SPRINKLERS	1,879	3,750	15,000	15,000	0
402 PEST CONTROL	3,117	3,750	15,000	15,000	0
402.6 MISC. MAINT.EXP.	92	250	1,000	1,000	0
403 LANDSCAPING	30,750	30,750	123,000	123,000	0
403.1 FERTILIZATION-WEED CONT.	4,226	5,500	20,000	22,000	-2,000
404 TREE TRIMING	88	2,500	10,000	10,000	0
404.2 NEW TREES & BUSHES	0	2,000	10,000	8,000	2,000
405 BUILDING MAINTENANCE	4,358	6,250	30,000	25,000	5,000
406 GROUNDS MAINTENANCE	1,818	4,000	16,000	16,000	0
407 SECURITY GATE EXPENSE	175	2,500	10,000	10,000	0
408 CAMERA & VIDEO EXP.	198	500	2,000	2,000	0
409 PLUMBING EXP.	0	750	3,000	3,000	0
410 ELECTRICAL EXP.	855	1,250	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	3,238	2,750	15,000	11,000	4,000
412 STREET MAINTENANCE	0	500	2,000	2,000	0
413 UNIFORMS	0	100	400	400	0
414 GOLF CARTS	266	2,000	8,000	8,000	0
415 LOCKSMITH	103	50	200	200	0
416 FIRE SAFETY	0	1,000	4,000	4,000	0
417 JANITORIAL SUPPLIES	516	750	3,000	3,000	0
418 AWNINGS REPAIRS	-400	2,000	6,000	8,000	-2,000
420 PAINTING PROGRAM	0	0	0	0	0
421 STREET LIGHT	0	750	3,000	3,000	0
425 POOL CHAIRS/TABLES	2,600	625	2,600	2,500	100
429 BENCHES REPLACEMENT	0	125	500	500	0
	53,944	74,650	305,500	298,600	6,900

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2017/2018</u> <u>BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	0	9,835	36,459	39,340	-2,881
INTEREST DURING BUILT	0	6,875	27,500	27,500	0
487 EAST WELL	0	0	0	0	0
CLUB HOUSE MORTGAGE	0	10,938	43,750	43,750	0
IRMA EXPENSES	2,637	0	0	0	0
	2,637	27,648	107,709	110,590	-2,881
<u>GRAND TOTAL EXPENSES</u>	333,973	379,110	1,516,440	1,516,440	0
<u>EXPENSES OVER REVENUE</u>	-51,572	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>2017/2018</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>RESERVES</u>					
2510 ROOFS	9,000	9,000	34,000	34,000	0
2515 PAINTING	0	0	0	0	0
2530 ASPHALT	6,625	6,625	26,500	26,500	0
2542 POOLS	1,125	1,125	4,500	4,500	0
2543 AWNINGS	0	0	0	0	0
2546 SPRINKLERS	1,250	1,250	5,000	5,000	0
2547 TV CABLE INFRASTRUCTURE	3,125	3,125	12,500	12,500	0
2545 WORKING CAPITAL	2,500	2,500	10,000	10,000	0
2544 INTEREST REV. RESERVE	6,951	2,500	10,000	10,000	0
	30,576	26,125	102,500	102,500	0

Andre Mongrain President

Jacques Lacoursiere Treasurer

Feb-19-2018