

APRIL 30, 2022 FINANCIAL COMMENTS

At the end of this report, you will find a very important section that refers to the 2022/2023 possible monthly fee increase when compared to last year's projection for that year.

Not too much to comment on the year-to-date result, most of the attention should be devoted to the forecast for the current fiscal year. Following the insurance payment, we can now precise our forecast for the year. Your Board did publish a very important memo on the impact of the insurance and of the inflation impact on our various reserve components, mainly on the roof and on the asphalt. This memo has comments on those situations.

- Limited modifications to the revenue section compared to last month's forecast. We transferred \$42,000.00 out of the painting program to the painting reserve, due to an explosion in costs, we will have to postpone the painting program.
- So far, we have 30 units sold, this includes 5 family transfers, and we have 1 more transaction that is currently under discussion. We still have very interested buyers.
- We increased the utilities group of expenses forecast last month for account # 201 (water & sewer) by \$3,000.00 due to higher consumption, remember that we pay on a per gallon basis on top of the fixed fee.
- Under the administration group of expenses, we reported a substantial insurance cost increase. The financial report for January reported the insurance cost for the year would reach \$466,250.00. We forecasted \$485,000.00 in February and now the total for the year is \$478,213.00, compared to \$370,023.00 for 2021 or an increase of 29%. Assuming an increase of 25% for the 2022/2023 budget, the total cost for insurance would be close to \$590,600.00. From 2020 to 2023, inclusive, this means that the required contribution from our monthly fee increased from \$65.83 a month to \$119.75 per month.
- Major changes under account # 420 Painting Program, the entire budget of \$42,000.00 will be transferred to the painting reserve and used in future years. The reason is very simple normally a per unit cost for painting was between \$550.00 to \$600.00 depending on the model type. Current bid received was over \$950.00 per unit, there was no way to absorb such a substantial cost increase when you have 72 units that were part of the program for the current year.

On the balance sheet we had to borrow from the Working Capital reserve \$200,000.00 in early May for the payment of the insurance premium and we have so far reimbursed \$40,000.00. We hope to fully reimburse the remaining by the end of September, all in accordance with the appropriate Board resolution.

The receivables are in good shape, there is one unit in a foreclosure procedure for nonpayment of their mortgage and their association maintenance and the non-acceptance by the estate, this may go to an auction process, we will keep our owners posted on this whole process.

PRELIMINARY FORECAST FOR THE FISCAL YEAR 2022/2023

Back in October 2021, the current year budget presentation included a forecast for the fiscal year 2022/2023 of the monthly fee moving from the current year's level of \$375.00 to \$390.00. Preliminary calculations now indicate that the monthly fee will reach \$425.00 a month for the following reasons:

- Water and Sewage moving up by an additional \$7,000.00 from last year forecast for the year 2022/2023, simply due to higher consumption, lawn watering is costly.
- Garbage and Recycling from last year 2022/2023 forecast of \$57,000.00 it will reach \$90,000.00 an increase of \$33,000.00, due to the new contract signed by the Town of Hypoluxo. The Association has no say on this contract, and we cannot select another provider.
- Insurance estimate that was \$515,000 for the year 2022/2023 forecast, we now forecast at \$590,000.00 an increase of \$75,000.00 and it may go up more, if not due to rate increase, it may be due to the building valuation. The special session of the Florida legislature will not help the situation.
- Various ground maintenance accounts from a previous forecast for 2022/2023 of \$179,500.00, are now projecting to reach \$205,500.00 an increase of \$ 26,000.00, this is mainly due to contractor's labor cost due to shortage and fuel cost increase. Even tree and bushes replacement are costing more than previous projections.
- Finally, the Painting Program cost is now projected at \$80,000.00 compared to last year projection of \$42,000.00 or an increase \$38,000.00.

The sum of those increases is \$179,000.00 or \$36.30 per month. We will use some of the contingency funds that were projected last year to absorb the \$1.30. This does not account for the necessary increase in contributions to the reserves. The roof reserve alone, will require to move the contribution from \$43,000.00 a year to \$56,000.00 a year and we are still trying to forecast the asphalt reserve requirement. Thanks to owner Yves Marchand and former owner Jean Guy Corbeil for their help and sharing their expertise.

Remember if you have any questions on the financial situation, please feel free to ask the Manager and she will provide the data.

Thanks for reading and reviewing the data.

Andre Mongrain President

Marc Desrochers Treasurer

May 23, 2022

WATERSIDE FINANCIAL RESULT
AS OF APRIL 30, 2022

	<u>YTD</u>	<u>YTD</u>	<u>PREVIOUS</u>	<u>TOTAL YEAR</u>	<u>2021/2022</u>	
<u>DESCRIPTION</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
<u>REVENUES</u>						
100 NSF FEE	165	0	130	165	0	165
101 ASSESSMENTS	924,750	924,750	1,849,500	1,849,500	1,849,500	0
102 LATE FEE INCOME	825	600	1,200	1,300	1,200	100
103 INTEREST INCOME	5,265	12,500	25,000	25,005	25,000	5
104 TRANSFER FEE	5,500	1,875	5,250	6,000	3,750	2,250
106 ACCESS/GATE CARDS	700	125	600	800	250	550
107 SCREENING FEE	16,700	10,000	21,000	22,000	20,000	2,000
108 MISCELLANEOUS INCOME	1,250	500	1,400	1,400	1,000	400
FEE TRANSFER TO RESERVE	-63,750	-63,750	-127,500	-169,500	-127,500	-42,000
INTEREST REV. TO RESERVE	-5,260	-12,500	-25,000	-25,000	-25,000	0
TOTAL REVENUES	886,146	874,100	1,751,580	1,711,670	1,748,200	-36,530

EXPENSES

UTILITIES

200 ELECTRIC	24,398	22,150	44,300	44,300	44,300	0
201 WATER & SEWER	110,214	100,000	200,000	203,000	200,000	3,000
202 GARBAGE & RECYCLING	40,305	28,000	86,300	86,300	56,000	30,300
203 PROPANE GAS	51	150	200	200	300	-100
204 CABLE T.V.	55,373	51,500	105,000	106,000	103,000	3,000
205 TELEPHONE	3,815	3,650	7,500	7,500	7,300	200
205.1 WIFI	1,916	1,750	3,500	3,500	3,500	0
	236,072	207,200	446,800	450,800	414,400	36,400

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>PREVIOUS</u> <u>FORECAST</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2021/2022</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>ADMINISTRATIVE</u>						
300 PAYROLL-ADMINISTRATIVE	66,687	60,000	126,000	126,000	120,000	6,000
301 PAYROLL-MAINTENANCE	42,800	47,000	90,000	87,000	94,000	-7,000
302 PAYROLL TAXES	9,269	8,600	17,000	17,000	17,200	-200
302.1 EMPLOYEE BENEFITS	7,024	3,250	7,024	7,024	6,500	524
304 SECURITY GUARDS	23,956	33,000	65,000	64,000	66,000	-2,000
305 ACCOUNTING	12,344	13,000	25,000	25,000	26,000	-1,000
305.1 BANK FEES	22	150	200	200	300	-100
305.2 BAD DEBT	0	4,500	5,000	5,000	9,000	-4,000
305.3 COLLECTION COST	1,964	1,250	2,500	2,700	2,500	200
306 AUDITING	5,800	3,500	5,800	5,800	7,000	-1,200
307 LEGAL	3,048	1,250	3,000	3,500	2,500	1,000
308 PROPERTY TAX	4,802	2,375	4,802	4,802	4,750	52
309 INCOME TAX	0	0	0	0	0	0
310 INSURANCE	203,873	205,750	477,000	478,213	411,500	66,713
310.1 INSURANCE CASH SHORT	18,250	18,250	0	0	36,500	-36,500
311 OFFICE SUPPLIES	650	600	1,100	1,100	1,200	-100
312 POSTAGE & SHIPPING	542	425	850	850	850	0
313 LICENSES	1,709	1,250	2,500	2,500	2,500	0
314 TRAVEL & MILEAGE	0	200	400	300	400	-100
315 MEETINGS & EDUCATION	0	150	300	300	300	0
316 SCREENING	3,300	3,000	6,000	7,200	6,000	1,200
317 ALARM SYSTEM	170	300	500	500	600	-100
318 COMPUTER REPAIR/SERVICE	157	1,000	2,000	2,000	2,000	0
319 COPIER	1,368	1,900	3,800	3,800	3,800	0
320 MISCELLANEOUS ADMIN.EXP.	2,961	2,500	5,000	5,000	5,000	0
320.1 WEBSITE IMPROVEMENT	1,164	1,500	6,000	6,000	3,000	3,000
323 SOCIAL FACILITIES	2,794	3,000	5,000	5,000	6,000	-1,000
	414,653	417,700	861,776	860,789	835,400	25,389

<u>DESCRIPTION</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD</u> <u>BUDGET</u>	<u>PREVIOUS</u> <u>FORECAST</u>	<u>TOTAL YEAR</u> <u>FORECAST</u>	<u>2021/2022</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE						
400 GASOLINE	544	550	1,000	1,000	1,100	-100
401 SPRINKLERS	2,281	4,000	18,000	18,000	8,000	10,000
402 PEST CONTROL	6,468	7,000	14,000	14,000	14,000	0
402.6 MISC. MAINT.EXP.	1,015	1,000	2,000	2,000	2,000	0
403 GRASS CUTTING	43,788	44,000	88,000	88,000	88,000	0
403.1 FERTILIZATION-WEED-BUGS	17,318	12,500	25,000	25,000	25,000	0
403.2 HEDGE TRIMMING	15,000	19,500	39,000	39,000	39,000	0
404 TREE TRIMING	1,000	7,000	21,000	21,000	14,000	7,000
404.2 NEW TREES-PLANTS-FLOWER	7,776	10,000	16,000	16,000	20,000	-4,000
405 BUILDING MAINTENANCE	42,670	35,000	60,000	62,000	70,000	-8,000
406 FENCE,SIDEWALK,SIGNS	11,240	4,500	14,000	14,000	9,000	5,000
406.1 DIRT.SODS & MULCH	11,035	5,000	12,000	13,000	10,000	3,000
407 SECURITY GATE EXPENSE	1,464	2,500	4,000	3,000	5,000	-2,000
407.1 MAJOR GATE REPAIRS	0	9,000	0	0	18,000	-18,000
408 CAMERA & VIDEO EXP.	809	2,500	8,000	8,000	5,000	3,000
409 PLUMBING EXP.	857	2,000	3,000	3,000	4,000	-1,000
410 ELECTRICAL EXP.	4,536	2,500	5,000	5,500	5,000	500
411 POOL SUPPLIES & REPAIR	13,782	10,000	21,000	21,000	20,000	1,000
411.1 POOL MAJOR REPAIRS	0	0	0	0	0	0
412 STREET MAINTENANCE	7,692	2,500	5,021	7,692	5,000	2,692
413 UNIFORMS	0	150	300	300	300	0
414 GOLF CARTS	4,124	750	4,500	4,500	1,500	3,000
415 LOCKSMITH	125	150	300	300	300	0
416 FIRE SAFETY	600	2,375	4,750	4,750	4,750	0
417 JANITORIAL SUPPLIES	1,939	1,000	2,500	2,500	2,000	500
418 AWNINGS REPAIRS	0	4,000	6,000	6,000	8,000	-2,000
420 PAINTING PROGRAM	0	21,000	45,000	0	42,000	-42,000
421 STREET LIGHT	391	250	500	500	500	0
422 SHUFFLEBOARD CANOPY	0	0	0	0	0	0
424 TENNIS COURTS RESURFACE	0	0	0	0	0	0
425 POOL CHAIRS/TABLES	0	1,250	2,500	2,500	2,500	0
427 RESTROOMS UPGRADE ADA	0	12,500	10,000	10,000	25,000	-15,000
428.1 INFRASTRUCTURE	0	5,000	5,000	5,000	10,000	-5,000
429 BENCHES REPLACEMENT	390	250	500	500	500	0
434 PETANQUE CANOPY	0	0	0	0	0	0
477 PERGOLA	0	0	0	0	0	0
479 LIGHTS RETENTION POUND	0	0	0	0	0	0
	196,842	229,725	437,871	398,042	459,450	-61,408

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2021/2022 BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	0	19,475	5,133	2,039	38,950	-36,911
	0	19,475	5,133	2,039	38,950	-36,911
TOTAL EXPENSES	847,567	874,100	1,751,580	1,711,670	1,748,200	-36,530
REVENUES OVER EXPENSES	38,579	0	0	0	0	0

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2021/2022 BUDGET</u>	<u>VARIANCE</u>
RESERVES						
2510 ROOFS	21,500	21,500	43,000	43,000	43,000	0
2515 PAINTING	0	0	0	42,000	0	42,000
2530 ASPHALT	20,500	20,500	41,000	41,000	41,000	0
2542 POOLS	2,000	2,000	4,000	4,000	4,000	0
2543 AWNINGS	0	0	0	0	0	0
2544 INTEREST REV. RESERVE	12,500	12,500	25,000	25,000	25,000	0
2545 WORKING CAPITAL	10,000	10,000	20,000	20,000	20,000	0
2546 SPRINKLERS	2,250	2,250	4,500	4,500	4,500	0
2547 TV CABLE INFRASTRUCTURE	2,500	2,500	5,000	5,000	5,000	0
2549 INSURANCE STABILISATION	0	0	0	0	0	0
2550 INFRASTRUCTURE	5,000	5,000	10,000	10,000	10,000	0
	76,250	76,250	152,500	194,500	152,500	42,000

Marc Desrochers

Treasurer

Andre Mongrain

President

May 20, 2022