

## MAY 31, 2022, FINANCIAL COMMENTS

Please find the current comments on the financial forecast as of May 31, 2022. Your Board even at this early-stage of 2022/2023 budget preparation season is reviewing every option, as it is done monthly, as we receive more information from our various suppliers.

As we write this note we have just received two notices. The first one from Dish Network, our provider of cable TV service, that their rate will go up not only for the current year, which has 5 months left and the rate is moving from \$7,726.04 to \$8,134.67 a month, an increase of over 5%. Equivalent to a minimum increase of the fee for this service of more than a \$1.00 per month for next year.

On the above your Board, with the help of the Manager, reviewed the details of the billing and took immediate action by contacting Dish Network. The source of the increase was mainly from what is called Pequino Latino, moving from \$148.32 a month to \$515.00, the Board decided to cut back that service that included only 2 Spanish speaking TV channels, Waterside is still left with 2 Spanish speaking channels, that are at no charge to the Association as they are local channels.

The second negative impact came down from FPL, not from a notice, but from reception of the billing. Owners have also received the change via their billing. *Do not call the office or your caretaker if your bill went from about \$19.00 a month to close to \$35.00.* For Waterside it represents an increase of \$506.63 a month for a total of \$6,079.56 for the year equivalent to an additional \$1.24 of our monthly fee. This is not the end of the bad news story.

### On top they also mentioned on their invoice the following:

- A new minimum base bill of \$25, which was approved by the Florida Public Service Commission, is now in effect for metered residential customers whose monthly base electric service costs fall below \$25. Previously it was \$8.99.

### Now a great deal, yes?

- They recommend to “Enroll in FPL Budget Billing when you pay \$16.18 by your due date instead of \$29.62.” FPL does not mention, when all the new charge of \$29.62 will have completed their 12 months period, you/we will then paying not only \$29.62 but also the short fall on your previous payments at the rate of \$16.18, then you will have a surprise payment of over \$150.00 to make.
- On top they mention that the minimum fee will have no impact on other components. What about the tax on it?
- Payment received after due date, are considered late, a late payment charge, the GREATER of \$5.00 or 1.5% of your past due balance will apply. NICE CHARGE FOR A BILL OF \$14.62 or the new \$ 29.62.

**This policy change has a direct impact on Waterside, on owners that try to reduce electricity consumption and all the snowbirds. Your Board is looking at alternatives to minimize this impact, solutions are limited, and some are costly to introduce.**

**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.**

- **Most of the components of the revenue section are up compared to last month's forecast.**
- **So far, we have 31 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 compared to last month.**
- **The Administration group of expenses are down by \$8,416.00 compared to last month's forecast due to a reduction in maintenance salary cost and the security guard service, the increased rate in accordance with the contract was lower than budgeted.**
- **Maintenance expenses forecast is up compared to last month forecast by \$7,008.00.**
- **In total it does show that we are in a small loss position, the first in 16 years, by an amount of \$ 1,083.00, this is a very delicate position to be in, considering the hurricane season.**

**On the balance sheet we borrowed from the Working Capital reserve \$200,000.00 in early May for the payment of the insurance premium and we have so far reimbursed \$100,000.00. We hope to fully reimburse the remaining by the end of August, in accordance with the Board resolution.**

**The receivables are in good shape, there is one unit in a foreclosure procedure for nonpayment of their mortgage and the 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 may reach \$435.00 a month, all from the continuous increases in costs Waterside is facing, the latest one being FPL.**

**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**

**June 14, 2022**

**WATERSIDE FINANCIAL RESULT**  
**AS OF MAY 31st, 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> |
| <b><u>REVENUES</u></b>   |                  |                  |                  |                   |                  |                 |
| 100 NSF FEE              | 235              | 0                | 165              | 235               | 0                | 235             |
| 101 ASSESSMENTS          | 1,078,875        | 1,078,875        | 1,849,500        | 1,849,500         | 1,849,500        | 0               |
| 102 LATE FEE INCOME      | 1,025            | 700              | 1,300            | 1,400             | 1,200            | 200             |
| 103 INTEREST INCOME      | 5,267            | 14,583           | 25,005           | 20,005            | 25,000           | -4,995          |
| 104 TRANSFER FEE         | 6,250            | 2,188            | 6,000            | 7,000             | 3,750            | 3,250           |
| 106 ACCESS/GATE CARDS    | 750              | 146              | 800              | 900               | 250              | 650             |
| 107 SCREENING FEE        | 18,600           | 11,667           | 22,000           | 23,000            | 20,000           | 3,000           |
| 108 MISCELLANEOUS INCOME | 1,400            | 583              | 1,400            | 1,600             | 1,000            | 600             |
| FEE TRANSFER TO RESERVE  | -74,375          | -74,375          | -169,500         | -169,500          | -127,500         | -42,000         |
| INTEREST REV. TO RESERVE | -5,261           | -14,583          | -25,000          | -20,000           | -25,000          | 5,000           |
| <b>TOTAL REVENUES</b>    | <b>1,032,766</b> | <b>1,019,783</b> | <b>1,711,670</b> | <b>1,714,140</b>  | <b>1,748,200</b> | <b>-34,060</b>  |

**EXPENSES**

**UTILITIES**

|                         |                |                |                |                |                |               |
|-------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| 200 ELECTRIC            | 29,712         | 25,842         | 44,300         | 49,300         | 44,300         | 5,000         |
| 201 WATER & SEWER       | 127,816        | 116,667        | 203,000        | 205,000        | 200,000        | 5,000         |
| 202 GARBAGE & RECYCLING | 44,435         | 32,667         | 86,300         | 86,300         | 56,000         | 30,300        |
| 203 PROPANE GAS         | 51             | 175            | 200            | 200            | 300            | -100          |
| 204 CABLE T.V.          | 55,989         | 60,083         | 106,000        | 106,000        | 103,000        | 3,000         |
| 205 TELEPHONE           | 4,319          | 4,258          | 7,500          | 7,500          | 7,300          | 200           |
| 205.1 WIFI              | 2,242          | 2,042          | 3,500          | 3,500          | 3,500          | 0             |
|                         | <b>264,564</b> | <b>241,733</b> | <b>450,800</b> | <b>457,800</b> | <b>414,400</b> | <b>43,400</b> |

| <u>DESCRIPTION</u>           | <u>YTD</u><br><u>ACTUAL</u> | <u>YTD</u><br><u>BUDGET</u> | <u>PREVIOUS</u><br><u>FORECAST</u> | <u>TOTAL YEAR</u><br><u>FORECAST</u> | <u>2021/2022</u><br><u>BUDGET</u> | <u>VARIANCE</u> |
|------------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------------|-----------------------------------|-----------------|
| <b>ADMINISTRATIVE</b>        |                             |                             |                                    |                                      |                                   |                 |
| 300 PAYROLL-ADMINISTRATIVE   | 76,856                      | 70,000                      | 126,000                            | 126,000                              | 120,000                           | 6,000           |
| 301 PAYROLL-MAINTENANCE      | 46,320                      | 54,833                      | 87,000                             | 80,000                               | 94,000                            | -14,000         |
| 302 PAYROLL TAXES            | 10,671                      | 10,033                      | 17,000                             | 17,000                               | 17,200                            | -200            |
| 302.1 EMPLOYEE BENEFITS      | 7,024                       | 3,792                       | 7,024                              | 7,024                                | 6,500                             | 524             |
| 304 SECURITY GUARDS          | 28,349                      | 38,500                      | 64,000                             | 60,000                               | 66,000                            | -6,000          |
| 305 ACCOUNTING               | 14,384                      | 15,167                      | 25,000                             | 25,000                               | 26,000                            | -1,000          |
| 305.1 BANK FEES              | 35                          | 175                         | 200                                | 200                                  | 300                               | -100            |
| 305.2 BAD DEBT               | 0                           | 5,250                       | 5,000                              | 5,000                                | 9,000                             | -4,000          |
| 305.3 COLLECTION COST        | 2,694                       | 1,458                       | 2,700                              | 3,500                                | 2,500                             | 1,000           |
| 306 AUDITING                 | 5,800                       | 4,083                       | 5,800                              | 5,800                                | 7,000                             | -1,200          |
| 307 LEGAL                    | 4,711                       | 1,458                       | 3,500                              | 5,500                                | 2,500                             | 3,000           |
| 308 PROPERTY TAX             | 4,802                       | 2,771                       | 4,802                              | 4,802                                | 4,750                             | 52              |
| 309 INCOME TAX               | 0                           | 0                           | 0                                  | 0                                    | 0                                 | 0               |
| 310 INSURANCE                | 238,166                     | 240,042                     | 478,213                            | 478,213                              | 411,500                           | 66,713          |
| 310.1 INSURANCE CASH SHORT   | 21,292                      | 21,292                      | 0                                  | 0                                    | 36,500                            | -36,500         |
| 311 OFFICE SUPPLIES          | 779                         | 700                         | 1,100                              | 1,100                                | 1,200                             | -100            |
| 312 POSTAGE & SHIPPING       | 553                         | 496                         | 850                                | 850                                  | 850                               | 0               |
| 313 LICENSES                 | 2,484                       | 1,458                       | 2,500                              | 2,484                                | 2,500                             | -16             |
| 314 TRAVEL & MILEAGE         | 0                           | 233                         | 300                                | 300                                  | 400                               | -100            |
| 315 MEETINGS & EDUCATION     | 0                           | 175                         | 300                                | 300                                  | 300                               | 0               |
| 316 SCREENING                | 5,000                       | 3,500                       | 7,200                              | 7,500                                | 6,000                             | 1,500           |
| 317 ALARM SYSTEM             | 255                         | 350                         | 500                                | 500                                  | 600                               | -100            |
| 318 COMPUTER REPAIR/SERVICE  | 292                         | 1,167                       | 2,000                              | 2,000                                | 2,000                             | 0               |
| 319 COPIER                   | 1,716                       | 2,217                       | 3,800                              | 3,300                                | 3,800                             | -500            |
| 320 MISCELLANEOUS ADMIN.EXP. | 3,316                       | 2,917                       | 5,000                              | 5,000                                | 5,000                             | 0               |
| 320.1 WEBSITE IMPROVEMENT    | 1,164                       | 1,750                       | 6,000                              | 6,000                                | 3,000                             | 3,000           |
| 323 SOCIAL FACILITIES        | 2,794                       | 3,500                       | 5,000                              | 5,000                                | 6,000                             | -1,000          |
|                              | <b>479,457</b>              | <b>487,317</b>              | <b>860,789</b>                     | <b>852,373</b>                       | <b>835,400</b>                    | <b>16,973</b>   |

| <u>DESCRIPTION</u>            | <u>YTD</u><br><u>ACTUAL</u> | <u>YTD</u><br><u>BUDGET</u> | <u>PREVIOUS</u><br><u>FORECAST</u> | <u>TOTAL YEAR</u><br><u>FORECAST</u> | <u>2021/2022</u><br><u>BUDGET</u> | <u>VARIANCE</u> |
|-------------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------------|-----------------------------------|-----------------|
| 400 GASOLINE                  | 669                         | 642                         | 1,000                              | 1,000                                | 1,100                             | -100            |
| 401 SPRINKLERS                | 2,526                       | 4,667                       | 18,000                             | 18,000                               | 8,000                             | 10,000          |
| 402 PEST CONTROL              | 7,493                       | 8,167                       | 14,000                             | 14,000                               | 14,000                            | 0               |
| 402.6 MISC. MAINT.EXP.        | 2,895                       | 1,167                       | 2,000                              | 3,500                                | 2,000                             | 1,500           |
| 403 GRASS CUTTING             | 54,920                      | 51,333                      | 88,000                             | 88,000                               | 88,000                            | 0               |
| 403.1 FERTILIZATION-WEED-BUGS | 17,318                      | 14,583                      | 25,000                             | 25,000                               | 25,000                            | 0               |
| 403.2 HEDGE TRIMMING          | 18,712                      | 22,750                      | 39,000                             | 39,000                               | 39,000                            | 0               |
| 404 TREE TRIMING              | 13,845                      | 8,167                       | 21,000                             | 21,000                               | 14,000                            | 7,000           |
| 404.2 NEW TREES-PLANTS-FLOWER | 8,662                       | 11,667                      | 16,000                             | 16,000                               | 20,000                            | -4,000          |
| 405 BUILDING MAINTENANCE      | 54,677                      | 40,833                      | 62,000                             | 65,000                               | 70,000                            | -5,000          |
| 406 FENCE,SIDEWALK,SIGNS      | 11,660                      | 5,250                       | 14,000                             | 15,000                               | 9,000                             | 6,000           |
| 406.1 DIRT.SODS & MULCH       | 11,381                      | 5,833                       | 13,000                             | 15,000                               | 10,000                            | 5,000           |
| 407 SECURITY GATE EXPENSE     | 1,464                       | 2,917                       | 3,000                              | 3,000                                | 5,000                             | -2,000          |
| 407.1 MAJOR GATE REPAIRS      | 0                           | 10,500                      | 0                                  | 0                                    | 18,000                            | -18,000         |
| 408 CAMERA & VIDEO EXP.       | 1,807                       | 2,917                       | 8,000                              | 5,000                                | 5,000                             | 0               |
| 409 PLUMBING EXP.             | 857                         | 2,333                       | 3,000                              | 3,000                                | 4,000                             | -1,000          |
| 410 ELECTRICAL EXP.           | 4,676                       | 2,917                       | 5,500                              | 5,500                                | 5,000                             | 500             |
| 411 POOL SUPPLIES & REPAIR    | 15,235                      | 11,667                      | 21,000                             | 22,000                               | 20,000                            | 2,000           |
| 411.1 POOL MAJOR REPAIRS      | 0                           | 0                           | 0                                  | 0                                    | 0                                 | 0               |
| 412 STREET MAINTENANCE        | 8,357                       | 2,917                       | 7,692                              | 9,000                                | 5,000                             | 4,000           |
| 413 UNIFORMS                  | 0                           | 175                         | 300                                | 300                                  | 300                               | 0               |
| 414 GOLF CARTS                | 4,124                       | 875                         | 4,500                              | 4,500                                | 1,500                             | 3,000           |
| 415 LOCKSMITH                 | 150                         | 175                         | 300                                | 300                                  | 300                               | 0               |
| 416 FIRE SAFETY               | 600                         | 2,771                       | 4,750                              | 4,750                                | 4,750                             | 0               |
| 417 JANITORIAL SUPPLIES       | 2,185                       | 1,167                       | 2,500                              | 2,700                                | 2,000                             | 700             |
| 418 AWNINGS REPAIRS           | 3,350                       | 4,667                       | 6,000                              | 6,000                                | 8,000                             | -2,000          |
| 420 PAINTING PROGRAM          | 0                           | 24,500                      | 0                                  | 0                                    | 42,000                            | -42,000         |
| 421 STREET LIGHT              | 391                         | 292                         | 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                           | 1,458                       | 2,500                              | 2,500                                | 2,500                             | 0               |
| 427 RESTROOMS UPGRADE ADA     | 0                           | 14,583                      | 10,000                             | 10,000                               | 25,000                            | -15,000         |
| 428.1 INFRASTRUCTURE          | 0                           | 5,833                       | 5,000                              | 5,000                                | 10,000                            | -5,000          |
| 429 BENCHES REPLACEMENT       | 390                         | 292                         | 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               |
|                               | <b>248,342</b>              | <b>268,013</b>              | <b>398,042</b>                     | <b>405,050</b>                       | <b>459,450</b>                    | <b>-54,400</b>  |

| <u>DESCRIPTION</u>            | <u>YTD</u><br><u>ACTUAL</u> | <u>YTD</u><br><u>BUDGET</u> | <u>PREVIOUS</u><br><u>FORECAST</u> | <u>TOTAL YEAR</u><br><u>FORECAST</u> | <u>2021/2022</u><br><u>BUDGET</u> | <u>VARIANCE</u> |
|-------------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------------|-----------------------------------|-----------------|
| 450 CONTINGENCY               | 0                           | 22,721                      | 2,039                              | 0                                    | 38,950                            | -38,950         |
|                               | <b>0</b>                    | <b>22,721</b>               | <b>2,039</b>                       | <b>0</b>                             | <b>38,950</b>                     | <b>-38,950</b>  |
| <b>TOTAL EXPENSES</b>         | <b>992,363</b>              | <b>1,019,783</b>            | <b>1,711,670</b>                   | <b>1,715,223</b>                     | <b>1,748,200</b>                  | <b>-32,977</b>  |
| <b>REVENUES OVER EXPENSES</b> | <b>40,403</b>               | <b>0</b>                    | <b>0</b>                           | <b>-1,083</b>                        | <b>0</b>                          | <b>-1,083</b>   |

| <u>DESCRIPTION</u>           | <u>YTD</u><br><u>ACTUAL</u> | <u>YTD</u><br><u>BUDGET</u> | <u>PREVIOUS</u><br><u>FORECAST</u> | <u>TOTAL YEAR</u><br><u>FORECAST</u> | <u>2021/2022</u><br><u>BUDGET</u> | <u>VARIANCE</u> |
|------------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------------|-----------------------------------|-----------------|
| <b>RESERVES</b>              |                             |                             |                                    |                                      |                                   |                 |
| 2510 ROOFS                   | 25,083                      | 25,083                      | 43,000                             | 43,000                               | 43,000                            | 0               |
| 2515 PAINTING                | 0                           | 0                           | 42,000                             | 42,000                               | 0                                 | 42,000          |
| 2530 ASPHALT                 | 23,917                      | 23,917                      | 41,000                             | 41,000                               | 41,000                            | 0               |
| 2542 POOLS                   | 2,333                       | 2,333                       | 4,000                              | 4,000                                | 4,000                             | 0               |
| 2543 AWNINGS                 | 0                           | 0                           | 0                                  | 0                                    | 0                                 | 0               |
| 2544 INTEREST REV. RESERVE   | 14,583                      | 14,583                      | 25,000                             | 25,000                               | 25,000                            | 0               |
| 2545 WORKING CAPITAL         | 11,667                      | 11,667                      | 20,000                             | 20,000                               | 20,000                            | 0               |
| 2546 SPRINKLERS              | 2,625                       | 2,625                       | 4,500                              | 4,500                                | 4,500                             | 0               |
| 2547 TV CABLE INFRASTRUCTURE | 2,917                       | 2,917                       | 5,000                              | 5,000                                | 5,000                             | 0               |
| 2549 INSURANCE STABILISATION | 0                           | 0                           | 0                                  | 0                                    | 0                                 | 0               |
| 2550 INFRASTRUCTURE          | 5,833                       | 5,833                       | 10,000                             | 10,000                               | 10,000                            | 0               |
|                              | <b>88,958</b>               | <b>88,958</b>               | <b>194,500</b>                     | <b>194,500</b>                       | <b>152,500</b>                    | <b>42,000</b>   |

**Marc Desrochers**

Treasurer

**Andre Mongrain**

President

June 13th, 2022