

FEBRUARY 28, 2023, FINANCIAL COMMENTS (INCLUSIVE OF FORECAST FOR THE TOTAL 2022-2023 FISCAL YEAR.

Sorry for the long-time span between this release of our financial result and the last one produced on October 31, 2022. On a positive note, in just over 4 months since November 1st, 2022, we now have 28 units sold and the demand is there. Now our new residents need to make sure they are at ease at Waterside and that we accept them all.

Thanks to our owners that did volunteer work, we need to mention Michel Potvin, his wife Susanne Gendron and Gaetan Cardinal and his wife Diane Gendron and Kelly Rody for the work that they did at the east pool, by sanding and repainting the steel chairs and tables, a very nice job. Then Michel, Susanne, Gaetan and Diane tackled the fountain and its surrounding walls in front of building 8 and 9, one more nice job. Following that, they took on the painting of the guard house, the columns surrounding the entrance and exit way and finally the surrounding of the entrance fountain. We owe to all a great thanks for the work they did, quite an improvement for Waterside.

Thanks to owners that have submitted modification requests for improvements to their units. Many owners have also decided to change their windows and their Florida room, if those old Florida rooms can all disappear, it will be a significant improvement for Waterside.

Finally, a great thanks to director Daniel Laviolette for his continuous commitment to improve our grounds, sprinkler system and finally the only one that did all the work for the central fountain, quite a job, numerous trips and finally making sure that the supplier of the fountain was also the installer, which Daniel did achieve.

Your Board is currently working on the renewal of the insurance policies and progress is good but complex, hard to see what the results in terms of costs will be. The current financials do show that if the annual premiums are below \$655,000 there will be no need to borrow or a special assessment, remember that our budget is \$603,000.00 and after analysis so far, we can cut from our budget about \$37,000.00, by making changes, like not trimming the palm trees for the first time in 16 years. In addition, we must note that if Waterside sustains a hurricane, repairs for damages will have to be funded by a special assessment which has been the case for the 2 hurricanes that Waterside did sustain over the past 18 years.

Some of our owners have experienced a surprise when receiving their invoice for the renewal of their insurance policy, there is a line that indicates, at least from Citizens, a surcharge for the last West Coast hurricane and it is a very substantial amount.

Your Board is also working on an alternative to our current television system and two committees are working with them. One is the technical aspect of the project and includes Mrs. Sylvie David, Mr. Marc Leclerc and Mr. Yvan Girard. The second one includes Mr. Ghyslain Levesque and Mr. Simon Jean, who are working on the financial justification and benefit for all owners. The President, Andre Mongrain, is working with both committees and he is also maintaining relation with our law firm on this important project for Waterside. On behalf of all residents, we want to thank those owners.

Current forecast for the total year 2022-2023 indicates a surplus of \$37,773.00. These are estimates as we do not make accruals on a monthly basis, we use the forecast to compensate.

FPL is the worst supplier in terms of not only cost increases but also for what is coming over the next several months. Daniel Laviolette and President Andre Mongrain reviewed the valuation report and took measurements of every type of unit and the square footage in the report is equivalent to what we measured, with some difference due patio and balcony square footage, but nothing significant. The valuation report amount was used when providing data to the insurance company, this will contribute significantly to the increase in our premium, our main policy is on a 100% co-insurance, not anymore on a declared value like it was 2 years ago.

The attention should be devoted to the forecast for the current fiscal year. Every account in each of the sections was analyzed for the first 4 months components and a detailed analysis of what can be expected for October 31, 2023 forecast was done.

Components of the revenue section are up in total by \$3,250.00 compared to the budget, mainly due to the increased number of short-term guests and rentals, this situation may create pressure on the 2022-2023 costs. Only for the month of March and April we have 217 rentals and include a lot of persons per unit. Notice to long term renter's owners was sent about the last adopted motion of the \$100.00 charge on every renewal.

- We increased the utilities group of expenses forecast by \$8,050.00 compared to budget mainly due to Water and Sewage cost (\$5,000.00) due to higher consumption and Electric (\$5,000.00) due to constant increases from FPL.
- Limited changes to the total of the Administration group of expenses, we have lowered it by \$3,323.00 in total and have to mention it is coming mainly by a reduction in maintenance salary cost (\$16,000.00) thanks to Charlie Crawford for his excellent performance, greatly appreciated and Richard for his work with Daniel on the sprinklers. The increase over budget in the insurance is to cover the costs related to the mitigation report.
- Maintenance expenses forecast are down from budget by \$27,600.00 as we cut back on fertilization, tree trimming, new trees, plants and flower, dirt, sod and mulch and painting program as we have signed a contract for this year program, work should be going on in May and June. We signed a contract for the trimming, pruning, and cutting of our large trees in preparation for the hurricane season.
- In a last section you can see that \$8,000.00 was spent on the Democratic process, \$8,500.00 on the central fountain and \$8,000.00 will be spent on the office flood either for the deductible or for what will not be covered.
- The receivables are in excellent condition, we have one single account and we do have an agreement with the owner for the payment of the balance, further actions are being taken on this account. Monique always works on a series of a small accounts.

THE RESERVE ACCOUNTS

Transfer to the various reserve accounts are done monthly, in accordance with Florida Statute. We did allocate the interest earned last year to the various reserve accounts. It appears that this year we will be in an excellent position in terms of interest revenue, as interest rates are up and we are investing on a short-term basis, we did not adjust the forecast so far as this has no real impact on our operating budget.

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

France Laroche, Treasurer

March 25, 2023

WATERSIDE FINANCIAL RESULT
AS OF FEBRUARY 28, 2023

	<u>YTD</u>	<u>YTD</u>	<u>PREVIOUS</u>	<u>TOTAL YEAR</u>	<u>2022/2023</u>	
<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
<u>DESCRIPTION</u>						
100 NSF FEE	150	0	75	150	0	150
101 ASSESSMENTS	739,800	739,800	2,219,400	2,219,400	2,219,400	0
102 LATE FEE INCOME	825	400	2,000	2,000	1,200	800
103 INTEREST INCOME	15,031	8,333	25,000	25,000	25,000	0
104 TRANSFER FEE	1,000	1,000	3,000	3,000	3,000	0
106 ACCESS/GATE CARDS	700	133	500	700	400	300
107 SCREENING FEE	10,700	7,667	24,000	25,000	23,000	2,000
108 MISCELLANEOUS INCOME	150	333	1,000	1,000	1,000	0
FEE TRANSFER TO RESERVE	-62,833	-62,833	-188,500	-188,500	-188,500	0
INTEREST REV. TO RESERVE	-15,031	-8,333	-25,000	-25,000	-25,000	0
TOTAL REVENUES	690,492	686,500	2,061,475	2,062,750	2,059,500	3,250

EXPENSES

UTILITIES

200 ELECTRIC	20,863	19,000	62,000	62,000	57,000	5,000
201 WATER & SEWER	74,379	71,667	217,500	220,000	215,000	5,000
202 GARBAGE & RECYCLING	29,212	29,000	87,000	87,000	87,000	0
203 PROPANE GAS	201	83	300	300	250	50
204 CABLE T.V.	32,427	34,667	102,000	102,000	104,000	-2,000
205 TELEPHONE	2,153	2,567	7,700	7,700	7,700	0
205.1 WIFI	1,139	1,333	4,000	4,000	4,000	0
	160,372	158,317	480,500	483,000	474,950	8,050

<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>2022/2023</u> <u>BUDGET</u>	<u>VARIANCE</u>
<u>ADMINISTRATIVE</u>						
300 PAYROLL-ADMINISTRATIVE	45,151	45,000	140,000	140,000	135,000	5,000
301 PAYROLL-MAINTENANCE	22,520	32,000	80,000	80,000	96,000	-16,000
302 PAYROLL TAXES	7,036	6,500	19,500	19,500	19,500	0
302.1 EMPLOYEE BENEFITS	6,457	2,333	7,000	6,457	7,000	-543
304 SECURITY GUARDS	14,933	22,000	66,000	66,000	66,000	0
305 ACCOUNTING	8,265	8,667	25,500	25,500	26,000	-500
305.1 BANK FEES	2,241	67	200	200	200	0
305.2 BAD DEBT	81	3,333	10,000	10,000	10,000	0
305.3 COLLECTION COST	225	833	2,500	2,500	2,500	0
306 AUDITING	5,800	2,167	6,000	6,000	6,500	-500
307 LEGAL	621	833	2,500	2,500	2,500	0
308 PROPERTY TAX	5,270	1,583	5,122	5,270	4,750	520
309 INCOME TAX	0	0	0	0	0	0
310 INSURANCE	201,000	201,000	610,000	611,500	603,000	8,500
310.1 INSURANCE CASH SHORT	0	0	0	0	0	0
311 OFFICE SUPPLIES	329	400	1,200	1,200	1,200	0
312 POSTAGE & SHIPPING	154	283	850	850	850	0
313 LICENSES	1,709	833	2,500	2,500	2,500	0
314 TRAVEL & MILEAGE	272	100	300	500	300	200
315 MEETINGS & EDUCATION	0	100	300	300	300	0
316 SCREENING	2,100	2,333	7,000	7,000	7,000	0
317 ALARM SYSTEM	170	200	600	600	600	0
318 COMPUTER REPAIR/SERVICE	0	667	2,000	2,000	2,000	0
319 COPIER	1,391	1,267	3,800	3,800	3,800	0
320 MISCELLANEOUS ADMIN.EXP.	2,191	2,500	7,500	7,500	7,500	0
320.1 WEBSITE IMPROVEMENT	990	1,000	3,000	3,000	3,000	0
323 SOCIAL FACILITIES	4,950	2,000	6,000	6,000	6,000	0
	333,855	338,000	1,009,372	1,010,677	1,014,000	-3,323

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MAINTENANCE						
400 GASOLINE	523	367	1,200	1,200	1,100	100
401 SPRINKLERS	8,096	2,667	20,000	24,000	8,000	16,000
402 PEST CONTROL	5,525	5,833	17,500	17,500	17,500	0
402.6 MISC. MAINT.EXP.	1,210	667	2,000	2,000	2,000	0
403 GRASS CUTTING	25,410	33,880	101,640	101,640	101,640	0
403.1 FERTILIZATION-WEED-BUGS	8,952	9,000	18,000	18,000	27,000	-9,000
403.2 HEDGE TRIMMING	13,026	14,520	43,560	43,560	43,560	0
404 TREE TRIMING	944	10,667	36,000	20,000	32,000	-12,000
404.2 NEW TREES-PLANTS-FLOWER	956	11,667	25,000	20,000	35,000	-15,000
405 BUILDING MAINTENANCE	37,007	28,333	85,000	85,000	85,000	0
406 FENCE,SIDEWALK,SIGNS	13,213	4,333	10,000	14,000	13,000	1,000
406.1 DIRT.SODS & MULCH	-158	5,000	10,000	10,000	15,000	-5,000
407 SECURITY GATE EXPENSE	4,937	1,667	5,000	7,000	5,000	2,000
407.1 MAJOR GATE REPAIRS	0	0	0	0	0	0
408 CAMERA & VIDEO EXP.	0	1,667	5,000	5,000	5,000	0
409 PLUMBING EXP.	987	667	2,000	2,500	2,000	500
410 ELECTRICAL EXP.	2,645	1,000	4,000	4,000	3,000	1,000
411 POOL SUPPLIES & REPAIR	5,927	8,333	21,000	19,000	25,000	-6,000
411.1 POOL MAJOR REPAIRS	0	0	0	0	0	0
412 STREET MAINTENANCE	7,405	3,333	10,000	10,000	10,000	0
413 UNIFORMS	0	100	300	300	300	0
414 GOLF CARTS	313	500	1,500	1,500	1,500	0
415 LOCKSMITH	1,187	100	1,500	1,500	300	1,200
416 FIRE SAFETY	231	1,833	5,500	5,500	5,500	0
417 JANITORIAL SUPPLIES	575	833	2,500	2,000	2,500	-500
418 AWNINGS REPAIRS	1,200	3,333	10,000	10,000	10,000	0
420 PAINTING PROGRAM	0	25,000	75,000	73,000	75,000	-2,000
421 STREET LIGHT	0	167	600	600	500	100
422 SHUFFLEBOARD CANOPY	0	0	0	0	0	0
424 TENNIS COURTS RESURFACE	0	0	0	0	0	0
425 POOL CHAIRS/TABLES	0	833	2,500	2,500	2,500	0
427 RESTROOMS UPGRADE ADA	0	0	0	0	0	0
428.1 INFRASTRUCTURE	0	1,667	5,000	5,000	5,000	0
429 BENCHES REPLACEMENT	0	167	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
	140,110	178,133	521,800	506,800	534,400	-27,600

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2022/2023 BUDGET</u>	<u>VARIANCE</u>
326 DEMOCRATIC PROCESS	7,794	0	8000	8000	0	8,000
435 NEW FOUNTAIN	8,160		8500	8500		
450 CONTINGENCY		12,050	0	0	36,150	-36,150
561 OFFICE FLOOD	3,027		8,000	8,000		
	18,981	12,050	24,500	24,500	36,150	-28,150
TOTAL EXPENSES	653,319	686,500	2,036,172	2,024,977	2,059,500	-51,023
REVENUES OVER EXPENSES	37,173	0	25,303	37,773	0	54,273

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2022/2023 BUDGET</u>	<u>VARIANCE</u>
RESERVES						
2510 ROOFS	19,333	19,333	58,000	58,000	58,000	0
2515 PAINTING	0	0	0	0	0	0
2530 ASPHALT	20,333	20,333	61,000	61,000	61,000	0
2542 POOLS	1,667	1,667	5,000	5,000	5,000	0
2543 AWNINGS	0	0	0	0	0	0
2544 INTEREST REV. RESERVE	15,031	8,333	25,000	25,000	25,000	0
2545 WORKING CAPITAL	15,000	15,000	45,000	45,000	45,000	0
2546 SPRINKLERS	1,500	1,500	4,500	4,500	4,500	0
2547 TV CABLE INFRASTRUCTURE	1,667	1,667	5,000	5,000	5,000	0
2549 INSURANCE STABILISATION	0	0	0	0	0	0
2550 INFRASTRUCTURE	3,333	3,333	10,000	10,000	10,000	0
	77,864	71,167	213,500	213,500	213,500	0

France Laroche

Treasurer

Andre Mongrain

President

March 23, 2023