

FINANCIAL COMMENTS AS OF MARCH 31, 2021

OWNERS, PLEASE READ THIS IMPORTANT REPORT

INTRODUCTORY REMARKS: PLEASE WEAR A MASK, MAINTAIN SOCIAL DISTANCING, WASH HANDS, RESPECT ACTIVITIES PROTOCOL, MINIMIZE VISITORS TO THE SITE, EVEN IF YOU HAVE BEEN VACCINATED PLEASE OBSERVE THE PRECEDING AND RESPECT YOUR NEIGHBORS.

Five months of the Association's fiscal year is already behind us. Remember that our fiscal year runs from November 1st to October 31, 2021. This report includes ***significant*** modifications in some of its ***most important*** components when compared to the previous month's forecast, inclusive of the latest estimate on the painting program and mainly the impact of the latest development on the ***insurance forecast*** and the resulting budget allocations using savings from different accounts and investing in a series of others, that may minimize increased fees in future years. If we can say, some of the projects planned for the future may be done during the fiscal year 2020/2021.

We may face a substantial cost from a situation that we encountered on Thursday April 15, one building has no power since then and at best the electrical power will be back on Tuesday April 20, if everything goes right. The source of the problem are our famous Challenger electrical box and Challenger breaker that broke down. The end result of this may be a dedicated visit from the fire marshal and they may impose the replacement of all NON-UL approved equipment and for sure Challenger is NON-UL approved electrical equipment. It is a wait and see action from the fire marshal.

A lot is currently on going, access to contractors remains difficult so we are experiencing delays in execution of contracts, the welder did come up with a revised time schedule and we hope to complete the work during the month of May. Andre Masson completed the replacement of all water intake lines to C, D and DD unit, Dan the electrician is currently doing a series of tasks from the entrance fountain, the replacement of the traffic light post at the entrance, the replacement of all AC electrical breaker boxes on buildings 1 to 9 and now he is involved with this major situation that we mentioned in the previous paragraph. We signed an agreement for the trimming of our large trees that should be executed before the hurricane season, there will be trees that will be cut down completely 2 of them are very tall coconut trees, also 2 mango trees, one by building 46 and one by building 10. These will be replaced after the hurricane season.

Please review the report on the summer projects on our website.

Limited changes in the revenue section when compared to last month's forecast, mainly an increase of \$750.00 under account 104 "transfer fee" due to the excellent level of activity in the number of units sold.

We lowered our forecast for account 201, "water and sewage" as there is less residents on site and increased garbage and recycling forecast due to maintenance of equipment.

On the administrative expenses we lowered account # 304 "security guard" by \$3,500.00 as we will change our security firm. We also lowered our forecast in account #310 "INSURANCE" by \$20,000.00, the main budget component from a budget of \$390,000.00 we now forecast \$370,000.00. We also lowered the

forecast on employee benefits by close to \$3,000.00, which is the worker compensation. Both the result of previous years good performance which may not repeat in the future.

The following is an extract from a conference given by Mr. Barry Gilway, Chief Executive Officer of Citizen's Property Insurance Corporation, that firm who is a State backed firm, is normally the insurer of last resort and has become the insurer of first resort as thousands of new policies flood in each week and the private homeowner's insurance market continues its downward spiral. From Mr. Gilway ***"the reality is the market place in Florida is shutting down"***. He added at a March 15 meeting hearing at the State level, noting ***"that five years of sustained losses from excessive litigation, contractor schemes, major catastrophes and the increasing cost of reinsurance has led to diminished insurance capacity and higher cost for consumers. Florida carrier's net underwriting losses for 2020 are expected to reach a combined \$1.6 billion and income losses of \$840 million"***.

Mr. Gilway continue by saying that "Florida insurers are taking significant steps to reduce their exposure in areas where there is high litigation rates or high reinsurance costs. The result is four companies in Florida are now closed for new business; at least 12 companies have strict underwriting restrictions such as limit on new business/renewals based on location, age of home, age of roof; required minimum Coverage limits and policy cancellations".

To summarize the future for homeowners and commercial insurance does not augur well, even if this year we benefit from just a 12% increase, we need to remain concerned about the future on the insurance front.

On maintenance cost centers we modified a series of forecasts compared to last month. This included mainly: increased the forecast for "tree trimming" account 404 by \$3,000.00, increase account # 404.2 "new trees, plants and flowers" by \$3,000.00, we increased "building maintenance" account #405 by \$8,000.00, we increased account # 410 "electrical" by \$ 3,500.00 and let's hope this will be the only time we will have to increase this account forecast and finally we increased "painting program" by \$1,000.00 and relocated \$40,000.00 from the contingency budget to the painting program budget as it was mentioned at the October budget meeting. We increased or lowered a series of accounts by small amounts.

On a net total our position did improve by \$16,361.00 taking in to consideration the impact of the insurance account when compared to last month's forecast. The Association is in a good position to achieve the full year objective.

Thanks for reading.

Andre Mongrain, President

Marc Desrochers, Treasurer

April 18, 2021

WATERSIDE FINANCIAL RESULT
AS OF MARCH 31, 2021

	<u>YTD</u>	<u>YTD</u>	<u>PREVIOUS</u>	<u>TOTAL YEAR</u>	<u>2020/2021</u>	
<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FORECAST</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>VARIANCE</u>
100 NSF FEE	0	0			0	0
101 ASSESSMENTS	729,525	729,525	1,750,860	1,750,860	1,750,860	0
102 LATE FEE INCOME	1,000	417	1,200	1,500	1,000	500
103 INTEREST INCOME	5,818	12,083	29,000	29,000	29,000	0
104 TRANSFER FEE	4,250	1,042	4,500	5,250	2,500	2,750
106 ACCESS/GATE CARDS	100	208	400	400	500	-100
107 SCREENING FEE	4,200	7,917	7,000	7,000	19,000	-12,000
108 MISCELLANEOUS INCOME	700	417	1,000	1,000	1,000	0
FEE TRANSFER TO RESERVE	-48,958	-48,958	-117,500	-117,500	-117,500	0
INTEREST REV. TO RESERVE	-5,818	-12,083	-29,000	-29,000	-29,000	0
TOTAL REVENUES	690,817	690,567	1,647,460	1,648,510	1,657,360	-8,850

EXPENSES

UTILITIES

200 ELECTRIC	16,859	18,958	43,500	43,500	45,500	-2,000
201 WATER & SEWER	78,298	82,500	193,000	190,000	198,000	-8,000
202 GARBAGE & RECYCLING	22,835	21,667	52,000	53,000	52,000	1,000
203 PROPANE GAS	99	208	400	400	500	-100
204 CABLE T.V.	42,337	42,500	102,000	102,000	102,000	0
205 TELEPHONE	3,929	3,125	7,500	8,000	7,500	500
205.1 WIFI	1,503	1,438	3,450	3,700	3,450	250
	165,860	170,396	401,850	400,600	408,950	-8,350

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2020/2021 BUDGET</u>	<u>VARIANCE</u>
ADMINISTRATIVE						
300 PAYROLL-ADMINISTRATIVE	44,349	48,750	116,500	117,000	117,000	0
301 PAYROLL-MAINTENANCE	31,940	35,417	81,900	81,900	85,000	-3,100
302 PAYROLL TAXES	5,894	7,292	15,400	15,400	17,500	-2,100
302.1 EMPLOYEE BENEFITS	5,961	2,500	5,961	3,000	6,000	-3,000
304 SECURITY GUARDS	26,702	29,167	70,000	66,500	70,000	-3,500
305 ACCOUNTING	10,308	10,417	24,800	24,800	25,000	-200
305.1 BANK FEES	171	83	300	300	200	100
305.2 BAD DEBT	0	3,333	8,000	8,000	8,000	0
305.3 COLLECTION COST	1,783	500	2,100	2,300	1,200	1,100
306 AUDITING	4,450	2,708	6,000	6,000	6,500	-500
307 LEGAL	1,860	1,042	2,500	2,500	2,500	0
308 PROPERTY TAX	4,562	1,813	4,562	4,562	4,350	212
309 INCOME TAX	0	0	0	0	0	0
310 INSURANCE	162,500	162,500	390,000	370,000	390,000	-20,000
311 OFFICE SUPPLIES	611	667	1,100	1,100	1,600	-500
312 POSTAGE & SHIPPING	180	354	550	550	850	-300
313 LICENSES	1,709	1,000	2,400	2,400	2,400	0
314 TRAVEL & MILEAGE	0	188	400	400	450	-50
315 MEETINGS & EDUCATION	0	125	300	300	300	0
316 SCREENING	725	2,083	2,000	2,000	5,000	-3,000
317 ALARM SYSTEM	170	208	500	500	500	0
318 COMPUTER REPAIR/SERVICE	375	833	2,000	2,000	2,000	0
319 COPIER	1,471	1,542	3,700	3,700	3,700	0
320 MISCELLANEOUS ADMIN.EXP.	2,193	3,125	7,000	6,500	7,500	-1,000
320.1 WEBSITE IMPROVEMENT	959	2,917	7,000	7,000	7,000	0
323 SOCIAL FACILITIES	165	2,250	3,000	2,000	5,400	-3,400
	309,039	320,813	757,973	730,712	769,950	-39,238

<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>2020/2021</u> <u>BUDGET</u>	<u>VARIANCE</u>
MAINTENANCE						
400 GASOLINE	357	417	800	800	1,000	-200
401 SPRINKLERS	0	4,167	10,000	10,000	10,000	0
402 PEST CONTROL	4,100	6,250	15,000	15,000	15,000	0
402.6 MISC. MAINT.EXP.	1,357	625	1,500	1,700	1,500	200
403 GRASS CUTTING	32,881	36,458	87,500	87,500	87,500	0
403.1 FERTILIZATION-WEED-BUGS	12,020	10,417	24,000	24,000	25,000	-1,000
403.2 HEDGE TRIMMING	14,988	16,250	36,000	36,000	39,000	-3,000
404 TREE TRIMMING	0	5,833	14,000	17,000	14,000	3,000
404.2 NEW TREES-PLANTS-FLOWER	19,273	8,333	22,000	25,000	20,000	5,000
405 BUILDING MAINTENANCE	28,416	20,833	52,000	60,000	50,000	10,000
406 FENCE,SIDEWALK,SIGNS	-2,374	5,000	11,000	11,000	12,000	-1,000
406.1 DIRT.SODS & MULCH	393	8,333	15,000	13,000	20,000	-7,000
407 SECURITY GATE EXPENSE	10,182	4,167	24,000	24,000	10,000	14,000
408 CAMERA & VIDEO EXP.	781	2,083	5,000	5,000	5,000	0
409 PLUMBING EXP.	3,410	1,667	6,000	5,000	4,000	1,000
410 ELECTRICAL EXP.	996	2,083	3,500	7,000	5,000	2,000
411 POOL SUPPLIES & REPAIR	10,430	8,750	25,000	23,000	21,000	2,000
412 STREET MAINTENANCE	1,368	2,083	3,500	3,500	5,000	-1,500
413 UNIFORMS	0	125	300	300	300	0
414 GOLF CARTS	0	1,042	2,000	2,000	2,500	-500
415 LOCKSMITH	216	125	300	300	300	0
416 FIRE SAFETY	482	1,875	4,500	4,500	4,500	0
417 JANITORIAL SUPPLIES	211	1,250	2,000	1,500	3,000	-1,500
418 AWNINGS REPAIRS	350	3,333	8,000	8,000	8,000	0
420 PAINTING PROGRAM	0	16,667	40,000	41,000	40,000	1,000
421 STREET LIGHT	395	417	1,000	1,000	1,000	0
422 SHUFFLEBOARD CANOPY	0	0	0	0		0
424 TENNIS COURTS RESURFACE	0	0	0	0		0
425 POOL CHAIRS/TABLES	0	1,042	2,500	2,500	2,500	0
427 RESTROOMS UPGRADE ADA	0	14,583	35,000	35,000	35,000	0
429 BENCHES REPLACEMENT	0	208	500	500	500	0
434 PETANQUE CANOPY	0	0	0	0	0	0
477 PERGOLA	0	0	0	0		0
479 LIGHTS RETENTION POUND	0	0	0	0		0
	140,233	184,417	451,900	465,100	442,600	22,500

<u>DESCRIPTION</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>PREVIOUS FORECAST</u>	<u>TOTAL YEAR FORECAST</u>	<u>2020/2021 BUDGET</u>	<u>VARIANCE</u>
450 CONTINGENCY	0	14,942	35,737	52,098	35,860	16,238
	0	14,942	35,737	52,098	35,860	16,238
TOTAL EXPENSES	615,131	690,567	1,647,460	1,648,510	1,657,360	-8,850
REVENUES OVER EXPENSES	75,686	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>2019/2020 BUDGET</u>	<u>VARIANCE</u>
RESERVES						
2510 ROOFS	17,875	17,875	42,900	42,900	42,900	0
2515 PAINTING	16,667	16,667	0	41,000	40,000	1,000
2530 ASPHALT	17,083	17,083	41,000	41,000	41,000	0
2542 POOLS	1,667	1,667	4,000	4,000	4,000	0
2543 AWNINGS	0	0	0	0	0	0
2544 INTEREST REV. RESERVE	5,818	12,083	29,000	29,000	29,000	0
2545 WORKING CAPITAL	7,917	7,917	19,000	19,000	19,000	0
2546 SPRINKLERS	1,875	1,875	4,500	4,500	4,500	0
2547 TV CABLE INFRASTRUCTURE	2,542	2,542	6,100	6,100	6,100	0
	71,443	77,708	146,500	187,500	186,500	1,000

Marc Desrochers
Treasurer

Andre Mongrain
President

April 16, 2021