

FEBRUARY 28, 2022 FINANCIAL COMMENTS

For a second month in a row, we have the same introductory comment, we can say the same thing when we compare the February forecast to the January forecast. We have more information on the insurance and very disappointing news from the Town of Hypoluxo on the “Garbage and Recycling” account number #202. Due to those cost centers substantial cost increase, we have to cut back on some of our investment scenarios that were part of our budget for the current financial exercise. The current forecast is an indication of the budget modifications that your Board is contemplating.

- Limited modifications to the revenue section compared to last month’s forecast. So far, we have 25 units sold, this does include 3 family transfers, and we have 3 more transaction that are currently under discussion or where we have very interested buyers.
- We increased the utilities group of expenses forecast last month for account # 202 by \$6,000.00 and the news on the Garbage and Recycling received from the Town of Hypoluxo in February is much worse, so we increased the forecast to \$83,156.00 compared to a budget of \$56,000.00. Next fiscal year it will reach \$86,308.00 an increase of more than 52% when compared to last year. Here are some extracts from the “Request for Proposal” of the Town of Hypoluxo, which is to the undersigned a surprise.

“No increase or decrease shall exceed four percent (4.00%) per annum” and this per year for the next five years.

“The Proposer shall pay to the Town as consideration for the granting of the Franchise a Franchise Fee of six percent (6%) of the gross revenues collected from all customers being serviced within the Town, to be paid quarterly.” Just for your knowledge this will represent a cost for the Association of \$ 5,188.00, equivalent to a \$1.00 per month fee for each of our owners.

- Under the administration group of expenses, we have a substantial Insurance cost increase. The insurance cost for the fiscal year 2020/2021 was \$373,000.00, we established the budget at \$448,000.00 or an increase of 20% from 2020/2021. Our January forecast was moved to \$466,250.00 equivalent to a 25% increase when compared to last year. Our February forecast indicates an amount of \$485,000.00 or a 30% increase. We continue to remain at risk for the insurance cost components. We have issued a special memo on the insurance scenario, for the Association and for the Owner’s.

The sum of those two budget components will mean for our fiscal year 2022/2023, a minimum increase of \$30.00 a month of our monthly fee, which is not counting the impact of the inflation on our building reconstruction costs in case of a claim on our insurance policy.

The bulk of the offset to compensate for the increase for the Garbage and Recycling and for the Insurance is a reduction in the maintenance group of expenses. Your Board of Directors agreed to the following:

- **Reduction or elimination of the following accounts: account #407.1 Major gate repairs by \$18,000.00, this investment will be postponed. We have in stock the air cylinders from the replacement of the entrance gate system, that we can use on the exit gate. Remember that those types of cylinders are not available anymore.**
- **Account #407 Security guards reduced by \$1,000.00.**
- **We also reduced account #412 street maintenance by \$3,000.00.**
- **Account #427 Restroom Upgrade from \$25,000.00 to \$10,000.00, which will cover the installation of touchless fixtures in the west restroom and the refreshing of the front part of the clubhouse like painting and installation of sound absorbent material.**
- **A reduction of \$15,000.00 for the forecast in account #404.2, new plants and bushes.**
- **We hope to be able to reduce the forecast by \$10,000.00 in building maintenance account #405.**

As noted in previous publications, we were contemplating and you can appreciate that there is no room to introduce modifications to the entrance of the club house to have an ADA current building code conformity, this project may be re-introduced depending on the final proposal for the insurance. Insurance negotiations are conducted in April.

The receivable balance remains in an excellent position, not a single new situation. We did not renew a \$100,000.00 Term Deposit; we prefer to keep this cash for the payment of the insurance invoice, which is due early May.

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

March 22, 2022

WATERSIDE FINANCIAL RESULT
AS OF FEBRUARY 28, 2022

	<u>YTD</u>	<u>YTD</u>	<u>PREVIOUS</u>	<u>TOTAL YEAR</u>	<u>2021/2022</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	130	0	0	130	0	130
101 ASSESSMENTS	616,500	616,500	1,849,500	1,849,500	1,849,500	0
102 LATE FEE INCOME	475	400	1,200	1,200	1,200	0
103 INTEREST INCOME	-4,047	8,333	25,006	25,000	25,000	0
104 TRANSFER FEE	2,500	1,250	4,500	4,500	3,750	750
106 ACCESS/GATE CARDS	450	83	400	600	250	350
107 SCREENING FEE	11,600	6,667	20,000	20,000	20,000	0
108 MISCELLANEOUS INCOME	950	333	1,300	1,300	1,000	300
FEE TRANSFER TO RESERVE	-42,500	-42,500	-127,500	-127,500	-127,500	0
INTEREST REV. TO RESERVE	4,053	-8,333	-25,000	-25,000	-25,000	0
TOTAL REVENUES	590,111	582,733	1,749,406	1,749,730	1,748,200	1,530

EXPENSES

UTILITIES

200 ELECTRIC	15,674	14,767	44,300	44,300	44,300	0
201 WATER & SEWER	72,003	66,667	200,000	200,000	200,000	0
202 GARBAGE & RECYCLING	25,770	18,667	62,000	86,300	56,000	30,300
203 PROPANE GAS	51	100	300	200	300	-100
204 CABLE T.V.	38,271	34,333	105,000	105,000	103,000	2,000
205 TELEPHONE	2,810	2,433	7,300	7,500	7,300	200
205.1 WIFI	1,255	1,167	3,500	3,500	3,500	0
	155,834	138,133	422,400	446,800	414,400	32,400

<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	43,789	40,000	121,000	122,000	120,000	2,000
301 PAYROLL-MAINTENANCE	26,920	31,333	93,000	92,000	94,000	-2,000
302 PAYROLL TAXES	5,399	5,733	17,200	17,200	17,200	0
302.1 EMPLOYEE BENEFITS	7,024	2,167	6,024	6,024	6,500	-476
304 SECURITY GUARDS	14,479	22,000	66,000	66,000	66,000	0
305 ACCOUNTING	8,273	8,667	25,000	25,000	26,000	-1,000
305.1 BANK FEES	14	100	300	200	300	-100
305.2 BAD DEBT	0	3,000	8,000	8,000	9,000	-1,000
305.3 COLLECTION COST	1,433	833	2,500	2,500	2,500	0
306 AUDITING	5,800	2,333	5,800	5,800	7,000	-1,200
307 LEGAL	1,429	833	3,000	3,000	2,500	500
308 PROPERTY TAX	4,802	1,583	4,802	4,802	4,750	52
309 INCOME TAX	0	0	0	0	0	0
310 INSURANCE	137,171	137,167	419,658	419,658	411,500	8,158
310.1 INSURANCE CASH SHORT	12,167	12,167	46,592	65,342	36,500	28,842
311 OFFICE SUPPLIES	489	400	1,100	1,100	1,200	-100
312 POSTAGE & SHIPPING	379	283	850	850	850	0
313 LICENSES	1,709	833	2,500	2,500	2,500	0
314 TRAVEL & MILEAGE	0	133	400	400	400	0
315 MEETINGS & EDUCATION	0	100	300	300	300	0
316 SCREENING	2,100	2,000	6,000	6,000	6,000	0
317 ALARM SYSTEM	170	200	500	500	600	-100
318 COMPUTER REPAIR/SERVICE	0	667	2,000	2,000	2,000	0
319 COPIER	1,425	1,267	3,800	3,800	3,800	0
320 MISCELLANEOUS ADMIN.EXP.	2,118	1,667	5,000	5,000	5,000	0
320.1 WEBSITE IMPROVEMENT	1,164	1,000	6,000	6,000	3,000	3,000
323 SOCIAL FACILITIES	1,348	2,000	4,000	4,000	6,000	-2,000
	279,602	278,467	851,326	869,976	835,400	34,576

<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	429	367	1,000	1,000	1,100	-100
401 SPRINKLERS	96	2,667	8,000	6,000	8,000	-2,000
402 PEST CONTROL	1,025	4,667	14,000	14,000	14,000	0
402.6 MISC. MAINT.EXP.	833	667	2,000	2,000	2,000	0
403 GRASS CUTTING	25,543	29,333	88,000	88,000	88,000	0
403.1 FERTILIZATION-WEED-BUGS	16,320	8,333	25,000	25,000	25,000	0
403.2 HEDGE TRIMMING	8,750	13,000	39,000	39,000	39,000	0
404 TREE TRIMMING	1,000	4,667	15,000	14,000	14,000	0
404.2 NEW TREES-PLANTS-FLOWER	-219	6,667	35,000	20,000	20,000	0
405 BUILDING MAINTENANCE	26,587	23,333	70,000	60,000	70,000	-10,000
406 FENCE,SIDEWALK,SIGNS	6,050	3,000	13,000	14,000	9,000	5,000
406.1 DIRT.SODS & MULCH	7,442	3,333	12,000	12,000	10,000	2,000
407 SECURITY GATE EXPENSE	472	1,667	5,000	4,000	5,000	-1,000
407.1 MAJOR GATE REPAIRS	0	6,000	0	0	18,000	-18,000
408 CAMERA & VIDEO EXP.	809	1,667	8,000	8,000	5,000	3,000
409 PLUMBING EXP.	655	1,333	4,000	4,000	4,000	0
410 ELECTRICAL EXP.	2,211	1,667	6,000	5,000	5,000	0
411 POOL SUPPLIES & REPAIR	10,675	6,667	21,000	21,000	20,000	1,000
411.1 POOL MAJOR REPAIRS	0	0	0	0	0	0
412 STREET MAINTENANCE	-451	1,667	5,021	5,021	5,000	21
413 UNIFORMS	0	100	300	300	300	0
414 GOLF CARTS	4,124	500	4,500	4,500	1,500	3,000
415 LOCKSMITH	65	100	300	300	300	0
416 FIRE SAFETY	0	1,583	4,750	4,750	4,750	0
417 JANITORIAL SUPPLIES	1,638	667	2,500	2,500	2,000	500
418 AWNINGS REPAIRS	0	2,667	8,000	8,000	8,000	0
420 PAINTING PROGRAM	0	14,000	45,000	45,000	42,000	3,000
421 STREET LIGHT	391	167	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	833	2,500	2,500	2,500	0
427 RESTROOMS UPGRADE ADA	0	8,333	10,000	10,000	25,000	-15,000
428.1 INFRASTRUCTURE	0	3,333	10,000	10,000	10,000	0
429 BENCHES REPLACEMENT	390	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
	114,835	153,150	459,871	430,871	459,450	-28,579

<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	12,983	15,809	2,083	38,950	-36,867
	0	12,983	15,809	2,083	38,950	-36,867
TOTAL EXPENSES	550,272	582,733	1,749,406	1,749,730	1,748,200	1,530
REVENUES OVER EXPENSES	39,839	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	14,333	14,333	43,000	43,000	43,000	0
2515 PAINTING	0	0	0	0	0	0
2530 ASPHALT	13,667	13,667	41,000	41,000	41,000	0
2542 POOLS	1,333	1,333	4,000	4,000	4,000	0
2543 AWNINGS	0	0	0	0	0	0
2544 INTEREST REV. RESERVE	8,333	8,333	25,000	25,000	25,000	0
2545 WORKING CAPITAL	6,667	6,667	20,000	20,000	20,000	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
	50,833	50,833	152,500	152,500	152,500	0

Marc Desrochers

Treasurer

Andre Mongrain

President

March 18th, 2022