

JUNE 30, 2022, FINANCIAL COMMENTS

Please find the current comments on the financial forecast as of June 30, 2022. We are coming closer to the release of the 2022/2023-year budget that is due at the end of September 2022. The various suppliers are still pouring in with projected or actual increases, which create a two-fold impact as we do need to find room in the current year budget and even at this early-stage of the 2022/2023 budget, your Board needs to review its options for the coming year.

In order to create some elbow room, we reversed some year-end 2020/2021 accruals and made the decision that these investments will not be done or will be reduced substantially. They are detailed under the Maintenance group of expenses to create a contingency.

We must debate with FPL their latest increase and please on this subject review your own billing and compare to a previous month. For the permanent residents they have increased the fixed fee from \$8.99 to \$11.99 even if their total billing for consumption is over \$25.00. For the snowbirds the fixed portion went from \$8.99 to \$25.00 as their previous absentee billing was below \$25.00, it is now \$25.00 plus consumption. Snowbirds have no benefit in cutting back their consumption during their absence, as consumption does reduce the fixed charge portion.

Most of 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 8 months components and also a detailed analysis of what can be expected for July, August, September and October.

- Components of the revenue section are up in total by \$1,800.00 compared to last month's forecast. The situation created by long term renters will be reviewed to cover the yearly cost of those rents.**
- So far, we have 35 units sold, this includes 5 family transfers, and we have 1 more transaction that is currently under discussion. We still have very interested buyers, have a look at our website, people are searching for units.**
- We increased the utilities group of expenses forecast by \$4,700.00 compared to last month mainly due to electricity (FPL) and the water and sewer cost, due to increase consumption, mainly due to long term renters.**
- The Administration group of expenses are up by \$3,285.00 compared to last month's forecast due to an increase in the insurance cost forecast. We are benefitting by the absence of one maintenance employee, but this cannot continue for the long term, we are searching for one person and do hope that we will have one on staff before the new fiscal year.**
- Maintenance expenses forecast is down from last month's forecast by \$12,350.00. Mainly due to the accrual reversal as mentioned earlier in this report, i.e. #406 Fence and Signage \$1,930.00, #406.1 Ground, dirt and sod \$5,170.06, #408 Camera \$2,353.94, #410 Electrical \$4,000.00 and #427 Restroom \$7,500.00.**

- In total it does show that we are in a surplus position, by an amount of \$5,082.00, this is a very delicate position to be in, considering the hurricane season peak is still ahead of us.

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 and in addition we will transfer to the reserve account the \$42,000.00 from the painting budget.

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, legal fees to handle that situation is costly.

We have invested in a new CD of \$100,000.00 at 3.10% and hope to do one more \$100,000.00 by the end of July.

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 between \$435.00 and \$450.00 a month, all from the continuous increases in costs Waterside is facing, the latest one being FPL.

Using the current forecast, we have \$1,000,994.00 that are fixed expenses on a total of \$1,715,940.00 or 58.33%, this does not leave that much room to cut back and we expect that this ratio of 58.33% of fixed expenses will simply get worse as we expect the insurance to continue to go up.

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

July 18, 2022

WATERSIDE FINANCIAL RESULT
AS OF JUNE 30th, 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	235	0	235	235	0	235
101 ASSESSMENTS	1,233,000	1,233,000	1,849,500	1,849,500	1,849,500	0
102 LATE FEE INCOME	1,200	800	1,400	1,800	1,200	600
103 INTEREST INCOME	5,275	16,667	20,005	20,005	25,000	-4,995
104 TRANSFER FEE	7,000	2,500	7,000	8,000	3,750	4,250
106 ACCESS/GATE CARDS	750	167	900	900	250	650
107 SCREENING FEE	19,200	13,333	23,000	23,000	20,000	3,000
108 MISCELLANEOUS INCOME	1,700	667	1,600	2,000	1,000	1,000
FEE TRANSFER TO RESERVE	-85,000	-85,000	-169,500	-169,500	-127,500	-42,000
INTEREST REV. TO RESERVE	-5,269	-16,667	-20,000	-20,000	-25,000	5,000
TOTAL REVENUES	1,178,091	1,165,467	1,714,140	1,715,940	1,748,200	-32,260

EXPENSES

UTILITIES

200 ELECTRIC	33,391	29,533	49,300	53,000	44,300	8,700
201 WATER & SEWER	143,921	133,333	205,000	208,000	200,000	8,000
202 GARBAGE & RECYCLING	51,577	37,333	86,300	83,300	56,000	27,300
203 PROPANE GAS	51	200	200	200	300	-100
204 CABLE T.V.	72,418	68,667	106,000	107,000	103,000	4,000
205 TELEPHONE	4,827	4,867	7,500	7,300	7,300	0
205.1 WIFI	2,572	2,333	3,500	3,700	3,500	200
	308,758	276,267	457,800	462,500	414,400	48,100

<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	89,219	80,000	126,000	128,000	120,000	8,000
301 PAYROLL-MAINTENANCE	50,920	62,667	80,000	76,000	94,000	-18,000
302 PAYROLL TAXES	12,414	11,467	17,000	17,200	17,200	0
302.1 EMPLOYEE BENEFITS	7,024	4,333	7,024	7,024	6,500	524
304 SECURITY GUARDS	33,331	44,000	60,000	59,000	66,000	-7,000
305 ACCOUNTING	16,438	17,333	25,000	24,700	26,000	-1,300
305.1 BANK FEES	38	200	200	100	300	-200
305.2 BAD DEBT	0	6,000	5,000	5,000	9,000	-4,000
305.3 COLLECTION COST	2,944	1,667	3,500	5,000	2,500	2,500
306 AUDITING	5,800	4,667	5,800	5,800	7,000	-1,200
307 LEGAL	5,042	1,667	5,500	6,000	2,500	3,500
308 PROPERTY TAX	4,802	3,167	4,802	4,802	4,750	52
309 INCOME TAX	0	0	0	0	0	0
310 INSURANCE	321,632	274,333	478,213	482,448	411,500	70,948
310.1 INSURANCE CASH SHORT	0	24,333	0	0	36,500	-36,500
311 OFFICE SUPPLIES	791	800	1,100	1,100	1,200	-100
312 POSTAGE & SHIPPING	753	567	850	900	850	50
313 LICENSES	2,484	1,667	2,484	2,484	2,500	-16
314 TRAVEL & MILEAGE	0	267	300	200	400	-200
315 MEETINGS & EDUCATION	0	200	300	300	300	0
316 SCREENING	5,425	4,000	7,500	8,000	6,000	2,000
317 ALARM SYSTEM	255	400	500	500	600	-100
318 COMPUTER REPAIR/SERVICE	292	1,333	2,000	2,000	2,000	0
319 COPIER	2,064	2,533	3,300	3,100	3,800	-700
320 MISCELLANEOUS ADMIN.EXP.	3,736	3,333	5,000	5,000	5,000	0
320.1 WEBSITE IMPROVEMENT	1,164	2,000	6,000	3,000	3,000	0
323 SOCIAL FACILITIES	2,794	4,000	5,000	8,000	6,000	2,000
	569,362	556,933	852,373	855,658	835,400	20,258

<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	669	733	1,000	1,000	1,100	-100
401 SPRINKLERS	4,795	5,333	18,000	16,500	8,000	6,000
402 PEST CONTROL	7,493	9,333	14,000	14,000	14,000	0
402.6 MISC. MAINT.EXP.	3,246	1,333	3,500	4,500	2,000	2,500
403 GRASS CUTTING	51,246	58,667	88,000	88,000	88,000	0
403.1 FERTILIZATION-WEED-BUGS	17,318	16,667	25,000	26,000	25,000	1,000
403.2 HEDGE TRIMMING	27,726	26,000	39,000	41,000	39,000	2,000
404 TREE TRIMMING	13,845	9,333	21,000	21,000	14,000	7,000
404.2 NEW TREES-PLANTS-FLOWER	18,806	13,333	16,000	15,000	20,000	-5,000
405 BUILDING MAINTENANCE	57,114	46,667	65,000	70,000	70,000	0
406 FENCE,SIDEWALK,SIGNS	9,730	6,000	15,000	15,000	9,000	6,000
406.1 DIRT.SODS & MULCH	6,211	6,667	15,000	12,000	10,000	2,000
407 SECURITY GATE EXPENSE	1,604	3,333	3,000	3,000	5,000	-2,000
407.1 MAJOR GATE REPAIRS	0	12,000	0	0	18,000	-18,000
408 CAMERA & VIDEO EXP.	224	3,333	5,000	3,000	5,000	-2,000
409 PLUMBING EXP.	857	2,667	3,000	2,000	4,000	-2,000
410 ELECTRICAL EXP.	784	3,333	5,500	2,500	5,000	-2,500
411 POOL SUPPLIES & REPAIR	16,851	13,333	22,000	24,000	20,000	4,000
411.1 POOL MAJOR REPAIRS	0	0	0	0	0	0
412 STREET MAINTENANCE	8,357	3,333	9,000	9,000	5,000	4,000
413 UNIFORMS	0	200	300	300	300	0
414 GOLF CARTS	4,124	1,000	4,500	4,500	1,500	3,000
415 LOCKSMITH	150	200	300	300	300	0
416 FIRE SAFETY	600	3,167	4,750	10,100	4,750	5,350
417 JANITORIAL SUPPLIES	2,211	1,333	2,700	3,000	2,000	1,000
418 AWNINGS REPAIRS	3,350	5,333	6,000	6,000	8,000	-2,000
420 PAINTING PROGRAM	0	28,000	0	0	42,000	-42,000
421 STREET LIGHT	391	333	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	1,667	2,500	2,500	2,500	0
427 RESTROOMS UPGRADE ADA	-7,500	16,667	10,000	-7,500	25,000	-32,500
428.1 INFRASTRUCTURE	0	6,667	5,000	5,000	10,000	-5,000
429 BENCHES REPLACEMENT	390	333	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
	250,590	306,300	405,050	392,700	459,450	-69,250

<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	25,967	0	5,082	38,950	-33,868
	0	25,967	0	5,082	38,950	-33,868
TOTAL EXPENSES	1,128,711	1,165,467	1,715,223	1,715,940	1,748,200	-34,760
REVENUES OVER EXPENSES	49,380	0	-1,083	0	0	2,500

<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	28,667	28,667	43,000	43,000	43,000	0
2515 PAINTING	0	0	42,000	42,000	0	42,000
2530 ASPHALT	27,333	27,333	41,000	41,000	41,000	0
2542 POOLS	2,667	2,667	4,000	4,000	4,000	0
2543 AWNINGS	0	0	0	0	0	0
2544 INTEREST REV. RESERVE	16,667	16,667	25,000	25,000	25,000	0
2545 WORKING CAPITAL	13,333	13,333	20,000	20,000	20,000	0
2546 SPRINKLERS	3,000	3,000	4,500	4,500	4,500	0
2547 TV CABLE INFRASTRUCTURE	3,333	3,333	5,000	5,000	5,000	0
2549 INSURANCE STABILISATION	0	0	0	0	0	0
2550 INFRASTRUCTURE	6,667	6,667	10,000	10,000	10,000	0
	101,667	101,667	194,500	194,500	152,500	42,000

Marc Desrochers

Treasurer

Andre Mongrain

President

July 14th, 2022