



SPACE COAST COMMUNITIES ASSOCIATION

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20 AUGUST 2025



BUDGETS, OPERATING ACCOUNTS AND RESERVES: SETUP AND WHAT YOU NEED TO KNOW.


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BROKER | SOUTHERN STATES REALTY SERVICES

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WHAT ACTUALLY DOES THE BOARD (AND THE ASSOCIATION MEMBERS) NEED TO KNOW OR COME TO TERMS WITH REGARDING THE BUDGET...

- ✓ F.S. 718, 719 & 720 ASSOCIATIONS ARE A BUSINESS
- ✓ THE BOARD'S GOAL IS TO MAINTAIN AND/OR INCREASE SHAREHOLDER VALUE
 - THE ASSOCIATION MEMBERS ARE THE SHAREHOLDERS
- ✓ THE MEMBERSHIP ELECTS THE BOARD TO SERVE THE ASSOCIATION AND ITS MEMBER'S BEST INTEREST AS DEFINED BY THE ASSOCIATION'S DOCUMENT(S) AND F.S. 718, 719 & 720
 - THE BOARD HAS DEFINED RESPONSIBILITIES & DUTIES
- ✓ F.S. 718, 719 & 720 AND THE ASSOCIATION'S DOCUMENT(S) DEFINE THE ASSETS OF THE ASSOCIATION AND SERVICES TO BE PROVIDED (OR NOT PROVIDED) TO THE MEMBERSHIP

FIDUCIARY & FISCAL RESPONSIBILITY

- A. ADVOCATE FOR TRANSPARENCY AND REGULAR REPORTING
 - ✓ HOW CAN THIS BE ACCOMPLISHED
- B. BUDGET BASED ON HISTORICAL AND CURRENT INFORMATION
 - ✓ WHERE CAN WE FIND THIS INFORMATION
- C. CONTINUALLY REVIEW AND ASK WHY
 - ✓ WHAT TO REVIEW AND WHAT TO LOOK FOR

ADVOCATE FOR TRANSPARENCY AND REGULAR REPORTING

- HOW OFTEN SHOULD THE BOARD REVIEW FINANCIALS...
 - MONTHLY
- WHAT ARE YOU LOOKING AT WHEN REVIEWING...
 - CASH/FINANCIAL HEALTH OF THE ASSOCIATION
 - CASH FLOW & ACCRUAL ACCOUNTING VERSUS CASH ACCOUNTING
 - BALANCE SHEET
 - PROFIT & LOSS STATEMENT (BUDGET COMPARISON OF ACTUALS VS BUDGET)
 - DELINQUENCY REPORT
 - CHECK REGISTER

WHAT ARE YOU LOOKING FOR WHEN REVIEWING THE BALANCE SHEET...

- CASH BALANCES IN ACCOUNTS
 - FINANCIAL INSTITUTE
 - FDIC INSURANCE LIMITS
 - MONEY MARKET OR CD INTEREST RATES
- ACCOUNTS RECEIVABLES
 - WHAT IS IT MADE UP OF... ASSESSMENTS, LATE FEES & FINANCE CHARGES OR FINES
- ACCOUNTS PAYABLES
- OTHER ASSOCIATION SPECIFIC ITEMS

Balance Sheet

Posted 04/30/2019

Thursday, May 16, 2019

	Capital Contribution	Construction Deposits	Operating	Reserves	Total
Assets					
<u>Cash</u>					
10000 Operating Intracoastal 7900		13,000.00	2,838.77		15,838.77
10001 Operating Suntrust 2066	1,700.00		936.94		2,636.94
<u>Total Cash</u>	<u>1,700.00</u>	<u>13,000.00</u>	<u>3,775.71</u>		<u>18,475.71</u>
<u>Accounts Receivable</u>					
12000 Assessments			1,374.00		1,374.00
<u>Total Accounts Receivable</u>			<u>1,374.00</u>		<u>1,374.00</u>
<u>Other Assets</u>					
13030 Prepaid - Insurance			1,314.04		1,314.04
13040 Prepaid - Other			26.72		26.72
14000 Due From Operating				3,500.00	3,500.00
<u>Total Other Assets</u>			<u>1,340.76</u>	<u>3,500.00</u>	<u>4,840.76</u>
<u>Total Assets</u>	<u>1,700.00</u>	<u>13,000.00</u>	<u>6,490.47</u>	<u>3,500.00</u>	<u>24,690.47</u>
Liabilities & Equity					
<u>Accounts Payable</u>					
20000 Accounts Payable	1,750.00		83.57		1,833.57
<u>Total Accounts Payable</u>	<u>1,750.00</u>		<u>83.57</u>		<u>1,833.57</u>
<u>Liabilities</u>					
21000 Refundable Const. Deposits	(1,750.00)	13,000.00			11,250.00
21010 Loan from Tabby House			100.00		100.00
<u>Total Liabilities</u>	<u>(1,750.00)</u>	<u>13,000.00</u>	<u>100.00</u>		<u>11,350.00</u>
<u>Liability</u>					
21030 Prepaid Assessments			300.00		300.00
24010 Due to Reserves			3,500.00		3,500.00
<u>Total Liability</u>			<u>3,800.00</u>		<u>3,800.00</u>
<u>Equity</u>					
30000 Accumulated P&L From Prior Years			1,951.50		1,951.50
30030 Capital Contributions Balance	1,700.00				1,700.00
Net Income			555.40		555.40
<u>Total Equity</u>	<u>1,700.00</u>		<u>2,506.90</u>		<u>4,206.90</u>
<u>Equity - Reserves</u>					
31415 Pavement, Re-striping				2,328.00	2,328.00
31575 Storm Drainage System				1,172.00	1,172.00
<u>Total Equity - Reserves</u>				<u>3,500.00</u>	<u>3,500.00</u>
<u>Total Liabilities & Equity</u>	<u>1,700.00</u>	<u>13,000.00</u>	<u>6,490.47</u>	<u>3,500.00</u>	<u>24,690.47</u>

WHAT ARE YOU LOOKING FOR WHEN REVIEWING THE PROFIT & LOSS STATEMENT...

- WHAT WERE THE OUTCOMES FOR THAT MONTHLY PERIOD...
 - VARIANCES, ASK WHY
- HOW IS THE ASSOCIATION OPERATING YEAR-TO-DATE (YTD)...
 - VARIANCES, ASK WHY
 - TRENDS, ASK WHY
- MAKE NOTES FOR ITEMS TO CONSIDER DURING THE UPCOMING BUDGET PROCESS

Profit & Loss Variance with Annual Budget

Period 4/1/2019 To 4/30/2019 11:59:00 PM

	Current Month Operating			Year to Date Operating			
	Actual	Budget	\$ Var	Actual	Budget	\$ Var	Annual
Income							
<u>Assessment Income</u>							
40000 Assessments	2,907.00	2,907.00	0.00	5,814.00	5,814.00	0.00	11,628.00
TOTAL Assessment Income	2,907.00	2,907.00	0.00	5,814.00	5,814.00	0.00	11,628.00
TOTAL Income	2,907.00	2,907.00	0.00	5,814.00	5,814.00	0.00	11,628.00
Expense							
<u>Administration</u>							
50000 Accounting Fees	200.00	0.00	200.00	200.00	0.00	200.00	0.00
50025 Corporate Annual Fee	0.00	0.00	0.00	61.25	61.00	0.25	61.00
50080 Management Fees	350.00	350.00	0.00	1,400.00	1,400.00	0.00	4,200.00
50120 Office Supplies	75.41	20.00	55.41	158.89	80.00	78.89	240.00
50150 Postage	11.50	4.00	7.50	56.48	16.00	40.48	49.00
TOTAL Administration	636.91	374.00	262.91	1,876.62	1,557.00	319.62	4,550.00
<u>Building & Grounds Maintenance</u>							
51350 Landscape & Grounds Maintenance	150.00	150.00	0.00	778.15	600.00	178.15	1,800.00
51400 Miscellaneous	0.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00
TOTAL Building & Grounds Maintenance	150.00	150.00	0.00	1,778.15	600.00	1,178.15	1,800.00
<u>Insurance</u>							
53000 All Insurance	262.82	271.00	(8.18)	1,103.83	1,084.00	19.83	3,250.00
TOTAL Insurance	262.82	271.00	(8.18)	1,103.83	1,084.00	19.83	3,250.00
<u>Other Expenses</u>							
55025 Storm Water Drainage System Maintenance	0.00	44.00	(44.00)	0.00	176.00	(176.00)	528.00
TOTAL Other Expenses	0.00	44.00	(44.00)	0.00	176.00	(176.00)	528.00
<u>Reserve Contributions</u>							
60415 Pavement, Re-striping	83.00	83.00	0.00	332.00	332.00	0.00	1,000.00
60575 Storm Drainage System	42.00	42.00	0.00	168.00	168.00	0.00	500.00
TOTAL Reserve Contributions	125.00	125.00	0.00	500.00	500.00	0.00	1,500.00
TOTAL Expense	1,174.73	964.00	210.73	5,258.60	3,917.00	1,341.60	11,628.00
Excess Revenue / Expense	1,732.27	1,943.00	(210.73)	555.40	1,897.00	(1,341.60)	0.00

Association, Inc.
Profit & Loss Variance with Annual Budget

Period 4/1/2019 To 4/30/2019 11:59:00 PM

	Current Month - Operating			Year to Date - Operating			
	Actual	Budget	\$ Var	Actual	Budget	\$ Var	Annual
Income							
Assessment Income							
40000 Assessments	18,432.00	18,432.00	0.00	73,728.00	73,728.00	0.00	221,188.00
TOTAL Assessment Income	18,432.00	18,432.00	0.00	73,728.00	73,728.00	0.00	221,188.00
Other Income							
40060 Finance Charges	3.84	0.00	3.84	38.00	0.00	38.00	0.00
40110 Late Fees	25.00	0.00	25.00	200.00	0.00	200.00	0.00
TOTAL Other Income	28.84	0.00	28.84	238.00	0.00	238.00	0.00
TOTAL Income	18,460.84	18,432.00	28.84	73,966.00	73,728.00	238.00	221,188.00
Expense							
Administration							
50020 Bad Debt Expense	0.00	0.00	0.00	95.70	0.00	95.70	0.00
50030 Coupon Expense	17.60	17.00	0.60	70.40	68.00	2.40	200.00
50080 Management Fees	324.00	342.00	(18.00)	1,296.00	1,368.00	(72.00)	4,104.00
50120 Office Supplies	10.47	42.00	(31.53)	46.63	168.00	(121.37)	500.00
50150 Postage	0.00	42.00	(42.00)	39.56	168.00	(128.44)	500.00
TOTAL Administration	352.07	443.00	(90.93)	1,548.29	1,772.00	(223.71)	5,304.00
Building & Grounds Maintenance							
51110 Bldg Maint - General	8,907.00	1,250.00	7,657.00	13,735.00	5,000.00	8,735.00	15,000.00
51320 Irrigation Maint/Repair	0.00	417.00	(417.00)	570.00	1,668.00	(1,098.00)	5,000.00
51330 Janitorial - Contract	7,250.00	750.00	6,500.00	7,250.00	3,000.00	4,250.00	9,000.00
51350 Lndscp Maint - Contract	5,400.00	5,472.00	(72.00)	21,600.00	21,888.00	(288.00)	65,664.00
51360 Lndscp Maint - Replacement/Repair	2,100.00	1,000.00	1,100.00	8,555.00	4,000.00	4,555.00	12,000.00
51400 Miscellaneous	0.00	38.00	(38.00)	0.00	152.00	(152.00)	455.00
51410 Pest Control	0.00	833.00	(833.00)	5,515.00	3,332.00	2,183.00	10,000.00
51490 Roof - Cleaning & Maintenance	2,170.00	1,000.00	1,170.00	4,365.00	4,000.00	365.00	12,000.00
51550 Termite Bond	0.00	833.00	(833.00)	4,445.00	3,332.00	1,113.00	10,000.00
51555 Walk/Drive ways/fence	1,525.00	417.00	1,108.00	7,945.00	1,668.00	6,277.00	5,000.00
TOTAL Building & Grounds Maintenance	27,352.00	12,010.00	15,342.00	73,980.00	48,040.00	25,940.00	144,119.00
Reserve Contributions							
60210 General	1,051.00	1,051.00	0.00	4,204.00	4,204.00	0.00	12,610.00
60380 Painting - Exterior	583.00	583.00	0.00	2,332.00	2,332.00	0.00	7,000.00
60530 Roof	4,138.00	4,138.00	0.00	16,552.00	16,552.00	0.00	49,655.00
TOTAL Reserve Contributions	5,772.00	5,772.00	0.00	23,088.00	23,088.00	0.00	69,265.00
Utilities							
52081 Irrigation	136.89	208.00	(71.11)	545.16	832.00	(286.84)	2,500.00
TOTAL Utilities	136.89	208.00	(71.11)	545.16	832.00	(286.84)	2,500.00
TOTAL Expense	33,612.96	18,433.00	15,179.96	99,161.45	73,732.00	25,429.45	221,188.00
Excess Revenue / Expense	(15,152.12)	(1.00)	(15,151.12)	(25,195.45)	(4.00)	(25,191.45)	0.00

WHAT ARE YOU LOOKING FOR WHEN REVIEWING THE DELINQUENCY REPORT...

- WHO...
 - ANY NEW ASSESSMENT ACCOUNTS FALLING BEHIND
- WHY...
 - HABITUAL
 - ASSOCIATION NOTICED FOR FORECLOSURE ON PROPERTY BY MORTGAGE COMPANY
 - IS THE PROPERTY RENTED
- ACTION TAKEN...

Listing of Delinquent Accounts

Thursday, May 16, 2019

16:48

Period 04/30/2019

Association, Inc.

Acct #	Status	Resident Contact	Unit Address	Balance
43284				342.00
43286				342.00
47027				177.00
43290				171.00
43289				171.00
43283				156.00
43277				15.00
Count: 7				1,374.00

Charge Code Summary

Description	G/L Acct #	Amount
Assessment	12000	1,374.00
		1,374.00

WHAT ARE YOU LOOKING FOR WHEN REVIEWING THE CHECK REGISTER...

- WHO IS SIGNING CHECKS...
 - 1 OR 2 BOARD MEMBER(S)
 - MANAGEMENT COMPANY OR EMPLOYED MANAGER
- DO YOU RECOGNIZE THE TYPICAL PAYMENTS/AMOUNTS...
 - LANDSCAPE/POOL/JANITORIAL VENDORS, UTILITIES, ETC.
 - CONFIRM THE TIMING OR THE PERIOD THE CHECK COVERS
- VALIDATE NONTYPICAL PAYMENTS

Check Register with Detail

Check Date 4/1/2019 To 4/30/2019 11:59:00 PM

Association, Inc.

Operating Intracoastal 7900

100046	4/4/2019	Rachail Allen		178.15	PAID
Inv. # 2/19/19		51350 Landscape & Grounds Maintenance Reimbursement for cones. Check did not download from SR to VMS	178.15	Operating	
100047	4/4/2019	Cheney Maintenance LLC		150.00	PAID
Inv. # 3806		51350 Landscape & Grounds Maintenance 3/19 Lawn Service	150.00	Operating	
100048	4/4/2019	Gerard Pendergast, Architect, PLC		500.00	PAID
Inv. # 1065		51400 Miscellaneous Review of Lot 1. Verified the site elevation on the No. & So. sides of the property	500.00	Operating	
100049	4/8/2019	Cheney Maintenance LLC		150.00	PAID
Inv. # 3883		51350 Landscape & Grounds Maintenance 4/19 Lawn Service	150.00	Operating	
100050	4/8/2019	Southern States Management Group, Inc.		44.07	PAID
Inv. # 16266		50120 Office Supplies Copy/Printing	20.57	Operating	
Inv. # 16266		50150 Postage Postage	19.00	Operating	
Inv. # 16266		50120 Office Supplies Mailing Supplies	4.50	Operating	
100051	4/8/2019	Southern States Management Group, Inc.		350.00	PAID
Inv. # 15868		50080 Management Fees 4/19 Monthly Association Management Fee	350.00	Operating	
100052	4/29/2019	Martin, Klayer & Associates, PL		200.00	PAID
Inv. # 45604		50000 Accounting Fees Preparation of U.S. HOA's Income Tax Return for 2018. Form 1120H	200.00	Operating	

Total 1,572.22

Voided 0.00

Operating Intracoastal 7900 TOTAL \$ 1,572.22

BUDGET BASED ON HISTORICAL AND CURRENT INFORMATION

- REGULAR REVIEW AND COMPREHENSIVE UNDERSTANDING OF THE ASSOCIATION'S OPERATIONS AND PERFORMANCE TO CURRENT BUDGET
- PROPERLY CATEGORIZE/SEPARATE/GROUP EXPENSES
- GATHER CURRENT INFORMATION
- DOCUMENT AND PROVIDE BASIS FOR ASSUMPTIONS AND METHODOLOGY
- CONSIDER/INCORPORATE CURRENT BUDGET NOTES FOR SUBSEQUENT YEAR BUDGET ADOPTION
- WHAT DOES THE ASSESSMENT NEED TO BE

HOA, Inc.

Operating Budget - Adopted 11/14/2018

January 1 - December 31, 2019

Line	Description	(2018 based on 200 Units)	Adopted Budget	Month /	Y-T-D	Projected	FYE 2018	Adopted Budget	Month /	Change from	Assumptions/Notes
		(2019 based on 228 units)	2018	Unit	30-Sep-18	FYE 2018	Variance	FY 2019	Monthly	2018 Budget	
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
REVENUES											
Assessment Income											
1	40000 Assessments		708,000.00	295.00	519,628.56	698,593.56	(9,406.44)	807,120.00	67,260.00	295.00	218 # of units at end of year 2018
2	40001 Assessments - Landscape Only		4,320.00	1.80	3,240.00	4,320.00	-	4,320.00	360.00	120.00	20 # of units anticipated in 2019
	TOTAL Assessment Income		712,320.00	296.80	522,868.56	702,913.56	(9,406.44)	811,440.00	67,620.00		228 # of units for budget calculation (end of year plus 50% of anticipated for 2019)
Other Income											
3	40040 Developer Subsidy/Contribution		-	-	-	-	-	-	-	-	3 # of ICI model currently billing @ 120
4	40060 Finance Charges		-	-	-	-	-	-	-	-	
5	40082 Transmitter Sales		2,500.00	1.04	4,180.00	2,000.00	(500.00)	3,500.00	291.67	1,000.00	\$ 35.00 Amount each remote is sold for
6	40100 Interest		-	-	3.04	4.05	4.05	-	-	-	
7	40110 Late Fees		2,000.00	0.83	1,725.00	2,300.00	300.00	-	-	(2,000.00)	
8	40154 Reimbursements - Legal		1,000.00	0.42	-	-	(1,000.00)	-	-	(1,000.00)	
9	40156 Reimbursements - Admin Fee		-	-	-	-	-	-	-	-	
10	40160 Rental Fee - Amenities Center		-	-	300.00	400.00	400.00	-	-	-	
11	40170 Other		100.00	0.04	-	-	(100.00)	-	-	(100.00)	
12	TOTAL Other Income		5,600.00	2.33	6,208.04	4,704.05	(895.95)	3,500.00	291.67	(2,100.00)	
13	TOTAL REVENUES		717,920.00	299.13	529,076.60	707,617.61	(10,302.39)	814,940.00	67,911.67	97,020.00	
EXPENSES											
Administration											
14	50000 Accounting Fees		-	-	-	-	-	-	-	-	
15	50020 Bad Debt Expense		3,540.00	1.48	2,566.37	3,421.83	(118.17)	-	-	(3,540.00)	- # of Anticipated Delinquent Accounts
16	50025 Corporate Annual Fee		61.25	0.03	61.25	61.25	-	61.25	5.10	0.02	
17	50030 Coupons		200.00	0.08	222.12	296.16	96.16	304.00	25.33	104.00	86.00 # of Units on ACH and will not receive a coupon (coupons are \$2/unit/year)
18	50060 Legal Fees		-	-	400.00	533.33	533.33	7,383.00	615.25	7,383.00	
19	50080 Management Fees		16,800.00	7.00	12,103.00	16,137.33	(662.67)	19,152.00	1,596.00	2,352.00	\$ 7.00 Per contract (\$7/unit/month)
20	50120 Office Supplies/Copies		4,000.00	1.67	700.11	933.48	(3,066.52)	4,000.00	333.33	-	
21	50130 Other Permits & Licenses		500.00	0.21	221.51	295.35	(204.65)	500.00	41.67	-	
22	50140 Other Professional Fees/Audit		7,500.00	3.13	797.50	1,063.33	(6,436.67)	6,100.00	508.33	(1,400.00)	
23	TOTAL Administration		32,601.25	13.58	17,071.86	22,742.06	(9,859.19)	37,500.25	3,125.02		

HOA, Inc.

Operating Budget - Adopted 11/14/2018

January 1 - December 31, 2019

Line	Description	(2018 based on 200 Units)	Adopted Budget	Month / Unit	Y-T-D 30-Sep-18	Projected FYE 2018	FYE 2018 Variance	Adopted Budget		Month / Unit	Change from 2018 Budget	Assumptions/Notes	
		2018						FY 2019					
									2018				
												218	# of units at end of year 2018
Building & Grounds Maintenance													
24	51010 Access Control - Maint/Repair	5,000.00	2.08	3,939.37	5,252.49	252.49	5,000.00	416.67	1.83	-			
25	51110 Bldg/Grounds Maint General	5,000.00	2.08	8,436.60	11,248.80	6,248.80	5,000.00	416.67	1.83	-			
26	51190 Fire Suppression Equipment/Repair	300.00	0.13	43.67	58.23	(241.77)	300.00	25.00	0.11	-			Fire Extinguisher Test/Certification
27	51250 Fountains/Water Features	6,500.00	2.71	1,841.00	2,454.67	(4,045.33)	6,500.00	541.67	2.38	-			
28	51270 Equipment Repair	1,200.00	0.50	366.42	488.56	(711.44)	1,200.00	100.00	0.44	-			
29	51320 Irrigation Maint/Repair	10,000.00	4.17	3,133.50	4,178.00	(5,822.00)	10,000.00	833.33	3.65	-			Per discussion with Landscape Vendor.
30	51330 Janitorial Contract - Amenity Center	3,900.00	1.63	2,923.47	3,897.96	(2.04)	12,000.00	1,000.00	4.39	8,100.00			New Vendor Quote
31	51340 Janitorial Maint/Supplies	500.00	0.21	213.71	284.95	(215.05)	-	-	-	(500.00)			
32	51350 Landscape Maint. - Common Area	65,128.00	27.14	48,121.59	64,162.12	(965.88)	65,128.00	5,427.33	23.80	-			Per Contract: Common Area - (\$7,418); Amenity Center - (\$3,654); Phase 3 - \$4,056 (\$338/month)
33	51351 Landscape Maint. - Individual Lots	292,320.00	121.80	211,440.00	281,920.00	(10,400.00)	332,640.00	27,720.00	120.00	40,320.00	\$ 120.00		Per contract /unit/month plus cost for models (same as revenue above)
34	51355 Landscape Maint. - Mulch (Common Area)	7,530.75	3.14	-	-	(7,530.75)	7,530.75	627.56	2.75	-	\$ 42.00		Common areas (150 cy @ \$42) plus pine straw for pool (275 bail @ \$5.75) plus playground (19 cy @ \$50)
35	51356 Landscape Maint. - Mulch (Individual Lots)	53,424.00	22.26	-	-	(53,424.00)	59,976.00	4,998.00	21.92	6,552.00	\$ 42.00		5 CY at \$42/CY = \$200/yr. for each developed lot
36	51360 Landscape Maint. - Replace/Repair	10,000.00	4.17	9,801.00	13,068.00	3,068.00	10,000.00	833.33	3.65	-			
37	51380 Lake Maintenance	8,400.00	3.50	6,636.00	8,848.00	448.00	12,000.00	1,000.00	4.39	3,600.00	\$ 1,000.00		Per increased LOS contract (\$1,000/month)
38	51440 Pool Maintenance - Contract	5,400.00	2.25	4,050.00	5,400.00	-	5,400.00	450.00	1.97	-			
39	51450 Pool Maintenance Repair	3,500.00	1.46	1,335.10	1,780.13	(1,719.87)	3,500.00	291.67	1.28	-			
40	51480 Street/Sidewalk Repair	1,000.00	0.42	-	-	(1,000.00)	1,000.00	83.33	0.37	-			Sidewalk grinding and/or repairs
41	51510 Sign & Wall Entry	1,900.00	0.79	3,100.00	4,133.33	2,233.33	1,900.00	158.33	0.69	-			
42	51520 Stormwater Repair & Maintenance	2,000.00	0.83	-	-	(2,000.00)	2,000.00	166.67	0.73	-			
43	TOTAL Building & Grounds Maintenance	483,002.75	201.25	305,381.43	407,175.24	(75,827.51)	541,074.75	45,089.56	196.18				
Insurance													
44	53020 Directors & Officers	2,878.00	1.20	1,698.75	2,265.00	(613.00)	2,492.00	207.67	0.91	(386.00)	10.00%		% increase of projected
45	53060 Package	3,836.00	1.60	2,922.75	3,897.00	61.00	4,287.00	357.25	1.57	451.00	10.00%		% increase of projected
46	53070 Property	6,038.00	2.52	3,915.09	5,220.12	(817.88)	5,742.00	478.50	2.10	(296.00)	10.00%		% increase of projected
47	53080 Umbrella	1,285.00	0.54	900.00	1,200.00	(85.00)	1,320.00	110.00	0.48	35.00	10.00%		% increase of projected
48	TOTAL Insurance	14,037.00	5.85	9,436.59	12,582.12	(1,454.88)	13,841.00	1,153.42	5.06				
Other Expenses													
49	51002 Cost of Transmitters	1,200.00	0.50	3,501.07	4,668.09	3,468.09	2,200.00	183.33	0.80	1,000.00	100.00		# of Remotes; Each remote costs approx. \$22
50	TOTAL Other Expenses	1,200.00	0.50	3,501.07	4,668.09	3,468.09	2,200.00	183.33	0.80				
Utilities													
51	52000 Cable	136,800.00	57.00	81,301.50	108,402.00	(28,398.00)	161,424.00	13,452.00	59.00	24,624.00	\$ 59.00		/unit/month (per new agreement w/potential contractually allowed price increase)
52	52011 Electric - Decorative & Streetlighting	19,800.00	8.25	13,361.37	17,815.16	(1,984.84)	19,800.00	1,650.00	7.24	-	0.00%		% Increase for Phase 3
53	52012 Electric - Pumps/Fountains	13,600.00	5.67	9,952.98	13,270.64	(329.36)	13,600.00	1,133.33	4.97	-			
54	52013 Electric - Irrigation	12,000.00	5.00	8,263.85	11,018.47	(981.53)	12,000.00	1,000.00	4.39	-			
55	52014 Electric - Amenities Center	5,000.00	2.08	3,353.12	4,470.83	(529.17)	5,000.00	416.67	1.83	-			
56	52070 Telephone - Security	3,500.00	1.46	3,623.53	4,831.37	1,331.37	3,500.00	291.67	1.28	-	0.00%		% increase of projected
57	52080 Water & Sewer	5,000.00	2.08	3,607.13	4,809.51	(190.49)	5,000.00	416.67	1.83	-	0.00%		% increase of projected
58	TOTAL Utilities	195,700.00	81.54	123,463.48	164,617.98	(31,082.02)	220,324.00	18,360.33	80.54				
59	TOTAL EXPENSES	726,541.00	302.73	458,854.43	611,785.49	(114,755.51)	814,940.00	67,911.67	296.28	88,399.00			
NET BALANCE		(8,621.00)	(3.59)	70,222.17	95,832.12	104,453.12	-	-					

Reserves have not yet been established for the Chelsea Place at OB HOA

Association, Inc. -
2019 Operating - Adopted 10/19/2018
January 1 - December 31, 2019

Line	Description	Adopted FY 2018	Y-T-D 31-Jul-18	Projected Yr. End	Annual Variance	Adopted FY 2019	Assessment per Unit		Change from 2018 Budget	Notes
		(\$)	(\$)	(\$)	(\$)	(\$)	Annual	Monthly	(\$)	
REVENUES										
Assessment Income										
1	40000 Assessments	194,398.89	113,400.00	194,400.00	1.11	221,187.58	3,072.00	256.00	26,788.69	
2	TOTAL Assessment Income	194,398.89	113,400.00	194,400.00	1.11	221,187.58	3,072.00	256.00		
Other Income										
3	40060 Finance Charges	-	49.73	85.25	85.25	-	-	-	-	
	40100 Interest	-	-	-	-	-	-	-	-	
4	40110 Late Fees	-	275.00	471.43	471.43	-	-	-	-	
5	TOTAL Other Income	-	324.73	556.68	556.68	-	-	-	-	
6	TOTAL REVENUES	194,398.89	113,724.73	194,956.68	557.79	221,187.58	3,072.00	256.00	26,788.69	
EXPENSES										
Administration										
7	50020 Bad Debt Expense	-	28.08	48.14	48.14	-	-	-	-	
8	50030 Coupon Expense	200.00	121.09	207.58	7.58	200.00	2.76	0.23	-	
9	50080 Management Fees	4,104.00	2,592.00	4,443.43	339.43	4,104.00	57.00	4.75	-	Per contract
10	50120 Office Supplies	500.00	253.28	434.19	(65.81)	500.00	6.96	0.58	-	
11	50150 Postage	500.00	111.50	191.14	(308.86)	500.00	6.96	0.58	-	
12	TOTAL Administration	5,304.00	3,105.95	5,324.48	20.48	5,304.00	73.68	6.14	-	
Building & Grounds Maintenance										
13	51110 Bldg Maint - General	15,000.00	6,654.00	11,406.86	(3,593.14)	15,000.00	208.32	17.36	-	
14	51320 Irrigation Maint/Repair	5,000.00	3,731.50	6,396.86	1,396.86	5,000.00	69.48	5.79	-	
15	51330 Janitorial - Contract	9,000.00	7,250.00	12,428.57	3,428.57	9,000.00	125.04	10.42	-	
16	51350 Lndscp Maint - Contract	64,800.00	37,800.00	64,800.00	-	65,664.00	912.00	76.00	864.00	Per contract
17	51360 Lndscp Maint - Replacement/Repair	12,000.00	8,495.00	8,495.00	(3,505.00)	12,000.00	166.68	13.89	-	
18	51400 Miscellaneous	471.89	-	-	(471.89)	454.58	6.36	0.53	(17.31)	
19	51410 Pest Control	10,000.00	6,020.00	10,320.00	320.00	10,000.00	138.84	11.57	-	
20	51490 Roof - Cleaning & Maintenance	12,000.00	3,710.00	6,360.00	(5,640.00)	12,000.00	166.68	13.89	-	
21	51550 Termite Bond	10,000.00	8,555.00	14,665.71	4,665.71	10,000.00	138.84	11.57	-	
22	51555 Walk/Drive ways/fence	5,000.00	-	-	(5,000.00)	5,000.00	69.48	5.79	-	
23	TOTAL Building & Grounds Maintenance	143,271.89	82,215.50	134,873.00	(8,398.89)	144,118.58	2,001.72	166.81	846.69	
Other Expenses										
24	55000 Contingency	-	-	-	-	-	-	-	-	
25	TOTAL Other Expenses	-	-	-	-	-	-	-	-	
Reserve Contributions										
26	60210 General	12,490.00	7,287.00	12,492.00	2.00	12,610.00	175.08	14.59	120.00	
27	60380 Painting - Exterior	2,783.00	1,624.00	2,784.00	1.00	7,000.00	97.20	8.10	4,217.00	
28	60530 Roof	28,050.00	16,366.00	28,056.00	6.00	49,655.00	689.64	57.47	21,605.00	
29	TOTAL Reserve Contributions	43,323.00	25,277.00	43,332.00	9.00	69,265.00	961.92	80.16	25,942.00	
Utilities										
30	52081 Irrigation	2,500.00	1,317.57	2,258.69	(241.31)	2,500.00	34.68	2.89	-	
31	TOTAL Utilities	2,500.00	1,317.57	2,258.69	(241.31)	2,500.00	34.68	2.89	-	
32	TOTAL EXPENSES	194,398.89	111,916.02	185,788.17	(8,610.72)	221,187.58	3,072.00	256.00	26,788.69	
	NET BALANCE	-	1,808.71	9,168.51	9,168.51	-			-	
33	ASSESSMENT PER UNIT						3,072.00	256.00		
	ASSESSMENT PER UNIT - 2018							225.00		
	% CHANGE							13.78%		

Village**Pool Interior Resurface**

Installed?	<u>2016</u>
Useful Life?	<u>15</u>
Replacement Cost?	<u>\$12,650</u>

Pool Deck Resurface

Installed?	<u>2016</u>
Useful Life?	<u>4</u>
Replacement Cost?	<u>\$4,800</u>

Pool Fence

Installed?	<u>2014</u>
Useful Life?	<u>15</u>
Replacement Cost?	<u>\$7,500</u>

Bath House Roof

Installed?	<u>2018</u>
Useful Life?	<u>15</u>
Replacement Cost?	<u>\$6,591</u>

Pool Furniture

Installed?	<u>2011</u>
Useful Life?	<u>10 - 15</u>
Replacement Cost?	<u>\$3,200</u>

Bath House Paint/Exterior

Installed?	<u>2018</u>
Useful Life?	<u>8 - 10</u>
Replacement Cost?	<u>\$4,050</u>

Pool Pump/Equipment

Installed?	<u>2014</u>
Useful Life?	<u>10</u>
Replacement Cost?	<u>\$3,000</u>

Pool Area Defibrillator

Installed?	<u>2018</u>
Useful Life?	<u></u>
Replacement Cost?	<u>\$4,500</u>

Village**Roof Replacement**

Installed?	<u></u>
Useful Life?	<u></u>
Replacement Cost?	<u></u>

Exterior Paint

Installed?	<u>2011</u>
Useful Life?	<u>7 - 10</u>
Replacement Cost?	<u>\$170,000</u>

Entry Fencing Replacement

Installed?	<u></u>
Useful Life?	<u></u>
Replacement Cost?	<u></u>

Entry Walkways Replacement

Installed?	<u></u>
Useful Life?	<u></u>
Replacement Cost?	<u></u>

Driveways Replacement

Installed?	<u></u>
Useful Life?	<u></u>
Replacement Cost?	<u></u>

Gutter Replacement

Installed?	<u></u>
Useful Life?	<u>10 - 12</u>
Replacement Cost?	<u></u>

Association, Inc. -
2019 Operating - Adopted 10/19/2018
January 1 - December 31, 2019

	Reserve Schedule				
	Painting - A	Roof - B	Other - C	Interest	Total
Balance as of July 31	149,832.20	458,941.12	38,077.98	659.66	647,510.96
% CHANGE	1,160.00	11,690.00	5,205.00	471.19	18,526.19
Projected Balance as of December 31	150,992.20	470,631.12	43,282.98	1,130.85	666,037.15
Allocation of Interest	256.80	800.43	73.62	(1,130.85)	-
Adjusted Balance as of December 31	151,249.00	471,431.55	43,356.60	-	666,037.15

Notes		Useful Life	
17 Buildings with 4 units & 2 with 2 equals 72 units & 19 Buildings		10.00	
Paint - Lamphier & Company - August 2017 quote		20.00	
34 Roofing - Quality Roofing - August 2018 quote			Initial Additional Contribution -----> \$ 25.00
Other - General,Termite Bonds, Gutters, Sidewalks, Driveways, Fences			

Roof Reserve Rationale

- (1) Code has changed and costs have gone up dramatically since prior estimates. Original code called for 70mph coverage using a felt base-layer. After recent hurricanes, the code now requires 140mph coverage using peel & stick cover layer.
- (2) The two recent hurricanes have degraded roofs resulting in a reduction of the original useful life (20yrs). Roof repairs (not refundable by owner insurance) have cost significant \$ over the past 3yrs.
- (3) Two contractors have reviewed the roofs. They both believe that some roofs require immediate repair while the remainder can be phased in over a reasonable period. The prior modeling estimate assumed we had 12yrs left until roofs would be replaced.
- (4) is experiencing an increasing number of roof leaks in several buildings over the past few years. Although repairs are attended to promptly it does not ensure that leaks will not occur again. The roofs need to be replaced to resolve the leaks problem long term.

Assessment	2018	2019	2020	2021	2022	2023	2024	2025	2026
Base Assessment	\$ 174.86	\$ 175.73	\$ 176.61	\$ 177.50	\$ 178.38	\$ 179.28	\$ 180.17	\$ 181.07	\$ 181.98
Roof Reserve	\$ 32.47	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35	\$ 77.02	\$ 78.17
Painting Reserve	\$ 3.22	\$ 8.10	\$ 11.57	\$ 20.68	\$ 21.04	\$ 21.45	\$ 21.95	\$ 22.55	\$ 23.31
General Reserve	\$ 14.45	\$ 14.59	\$ 14.74	\$ 14.89	\$ 15.04	\$ 15.19	\$ 15.34	\$ 15.49	\$ 15.65
Total	\$ 225.00	\$ 255.90	\$ 263.27	\$ 276.42	\$ 280.99	\$ 285.77	\$ 290.81	\$ 296.13	\$ 299.11
% change (Overall)		13.73%	2.88%	4.99%	1.65%	1.70%	1.76%	1.83%	1.01%

Roof	2018	2019	2020	2021	2022	2023	2024	2025	2026
Starting Balance	\$471,431.55	\$388,799.55	\$304,601.79	\$218,839.35	\$131,514.97	\$ 66,488.84	\$ 24,741.43	\$ 7,244.47	\$ 2,244.47
Current Contribution	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00	\$ 28,056.00
Additional Contribution	\$ 21,600.00	\$ 22,680.00	\$ 23,814.00	\$ 25,004.70	\$ 26,254.94	\$ 27,567.68	\$ 28,946.07	\$ 29,380.26	\$ 29,380.26
Costs Incurred	\$132,288.00	\$134,933.76	\$137,632.44	\$140,385.08	\$119,337.06	\$ 97,371.09	\$ 74,499.02	\$ -	\$ -
Ending Balance	\$471,431.55	\$388,799.55	\$304,601.79	\$218,839.35	\$131,514.97	\$ 66,488.84	\$ 24,741.43	\$ 7,244.47	\$ 2,244.47

Replacement Schedule	3	3	3	3	2	2	1	-
4 unit buildings	-	-	-	-	1	-	1	-
2 unit buildings	-	1	-	-	-	-	-	-
Painting	-	-	-	-	-	-	-	-
Driveway/Walkway	-	-	-	-	-	-	-	-

Paint	1	2	3	4	5	6
Starting Balance	\$151,249.00	\$158,249.00	\$ 4,958.34	\$ 22,822.97	\$ 40,998.36	\$ 59,534.24
Reserve Contribution	\$ 7,000.00	\$ 10,000.00	\$ 17,864.63	\$ 18,175.39	\$ 18,535.88	\$ 18,962.75
Costs Incurred	\$ -	\$163,290.66	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$151,249.00	\$158,249.00	\$ 4,958.34	\$ 22,822.97	\$ 40,998.36	\$ 59,534.24

Replacement Cost	4 unit buildings	2 unit buildings	Paint
4 unit buildings	\$ 44,096.00	\$ 44,096.00	\$ 44,977.92
2 unit buildings	\$ 22,057.00	\$ 22,498.14	\$ 22,948.10
Paint	\$158,500.00	\$160,877.50	\$163,290.66

Reserve Contribution Index	Base	Roof Reserve	Painting Reserve	Sidewalk/Driveway Reserve
Base	100.50%	100.50%	100.50%	100.50%
Roof Reserve	100.00%	105.00%	105.00%	105.00%
Painting Reserve	101.50%	101.50%	101.50%	101.50%
Sidewalk/Driveway Reserve	103.00%	103.00%	103.00%	103.00%

Cost Index	Base/General	Roof Reserve	Painting Reserve	General Reserve
Base/General	100.50%	100.50%	100.50%	100.50%
Roof Reserve	100.00%	102.00%	102.00%	102.00%
Painting Reserve	101.50%	101.50%	101.50%	101.50%
General Reserve	101.00%	101.00%	101.00%	101.00%

Year	Amount	Annual % Change	Cummulative % Change	If Indexed each Year at		
				1.50%	2.00%	2.50%
2005	\$ 185.00			\$ 185.00	\$ 185.00	\$ 185.00
2006	\$ 185.00	0.00%	0.00%	\$ 187.78	\$ 188.70	\$ 189.63
2007	\$ 185.00	0.00%	0.00%	\$ 190.59	\$ 192.47	\$ 194.37
2008	\$ 185.00	0.00%	0.00%	\$ 193.45	\$ 196.32	\$ 199.22
2009	\$ 200.00	8.11%	8.11%	\$ 196.35	\$ 200.25	\$ 204.21
2010	\$ 202.00	1.00%	9.11%	\$ 199.30	\$ 204.25	\$ 209.31
2011	\$ 202.00	0.00%	9.11%	\$ 202.29	\$ 208.34	\$ 214.54
2012	\$ 205.00	1.49%	10.59%	\$ 205.32	\$ 212.51	\$ 219.91
2013	\$ 205.00	0.00%	10.59%	\$ 208.40	\$ 216.76	\$ 225.40
2014	\$ 205.00	0.00%	10.59%	\$ 211.53	\$ 221.09	\$ 231.04
2015	\$ 205.00	0.00%	10.59%	\$ 214.70	\$ 225.51	\$ 236.82
2016	\$ 205.00	0.00%	10.59%	\$ 217.92	\$ 230.02	\$ 242.74
2017	\$ 205.00	0.00%	10.59%	\$ 221.19	\$ 234.62	\$ 248.80
2018	\$ 225.00	9.76%	20.35%	\$ 224.51	\$ 239.32	\$ 255.02
2019	\$ 256.00	13.78%	34.13%	\$ 227.87	\$ 244.10	\$ 261.40
2020	\$ 264.00	3.13%	37.25%	\$ 231.29	\$ 248.99	\$ 267.94
2021	\$ 277.00	4.92%	42.18%	\$ 234.76	\$ 253.97	\$ 274.63
2022	\$ 281.00	1.44%	43.62%	\$ 238.28	\$ 259.04	\$ 281.50
2023	\$ 286.00	1.78%	45.40%	\$ 241.86	\$ 264.23	\$ 288.54
2024	\$ 291.00	1.75%	47.15%	\$ 245.49	\$ 269.51	\$ 295.75

BEST PRACTICES

- ONGOING REVIEW PROCESS
- START PROCESS TO DEVELOP YOUR SUBSEQUENT YEAR BUDGET EARLY
- INCLUDE THE ASSOCIATION MEMBERSHIP IN KNOWING HOW/WHEN THE BUDGET IS BEING DEVELOPED/REVIEWED/ADOPTED
- BE TRANSPARENT AND PROVIDE JUSTIFICATION FOR LEVELS OF SERVICE
- USE PROFESSIONALS (RESERVE STUDY, LICENSED VENDORS) WHEN DEVELOPING/UPDATING A RESERVE FUNDING BASIS OR STRATEGY.
- BE PROACTIVE SO IT IS EASIER TO SUCCEED/FUND WHEN YOU NEED TO BE REACTIVE
- INCORPORATE LEGISLATIVE UPDATES IMPACTING OPERATING & RESERVE BUDGETING REQUIREMENTS/CRITERIA