

MILANO SECTION II RESIDENTS ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2021 TO DEC. 31, 2021

MILANO SECTION II	2020	2020	2021	CHANGE	2021	2021
UNITS - 74	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'20 TO '21	PER UNIT	
REVENUE:	\$1,004/qtr		\$1,082/qtr			\$78 per unit per quarter increase
MAINTENANCE ASSESSMENTS	257,520.00	257,520.00	281,200.00	23,680.00	950.00	increase for Rec Assn. (\$50/unit/qrtr increase), increase in insurance. Association will operate a \$14,200 deficit budget in 2021
RESERVE ASSESSMENTS	39,664.00	39,664.00	39,072.00	(592.00)	132.00	see Reserve schedule
TOTAL REVENUE	\$297,184.00	\$297,184.00	\$320,272.00	\$23,088.00	\$1,082.00	7.77%
EXPENSES:						percentage increase
- OPERATING -						
ELECTRICITY	1,390.00	1,432.47	1,475.00	85.00	4.98	For 2021, based on 2020 projection w/ an 2.8% estimated rate increase.
FIRE ALARM, FIRE SPRINKLER AND BACKFLOW INSPECTION AND MAINTENANCE	5,700.00	12,361.98	6,500.00	800.00	21.96	In 2020, paid Naples Fire Protection \$225 for Qtrly Fire Sprinkler Inspection, \$1,600 for Annual Fire Sprinkler & Backflow Inspections; \$1242 for Annual Fire Extinguisher inspection, replacements and repairs; \$3420 for fire panel, backflow&sprinkler repairs; \$3465 for 5yr Fire Sprinkler Inspection. Paid \$950 to No Naples Fire Control for the Triennial Inspection of 10 bldgs. Estimate \$225 for Oct Qtrly Inspection, \$510 for Annual Fire Alarm Inspection and \$500 by year end. For 2021 Annual sprinkler and backflow \$1600; three qtrly inspections \$225/qtr; Annual fire alarm inspections \$510; Annual Fire Extinguishers inspections \$636 and estimate repairs \$3K - no indication of rate increases.
FIRE ALARM MONITORING	4,000.00	3,852.00	3,852.00	(148.00)	13.01	In 2020, paid Naples Fire Protection \$963/qtr. For 2020 \$963/qtrly to Naples Fire Annual Fire Alarm Monitoring & Annual Cellular Service
ROOF CLEANING	0.00	0.00	0.00		0.00	In 2018, paid Clean up Group \$3,090 for 1st Bi annual cleaning for 10 bldgs. In 2019 put on hold due to determination for new roofs. Not needed for 2020 - roofs are new. Discussed at workshop - roofs are looking great - reintroduce roof cleaning program at a later date.
INSURANCE	38,140.00	42,761.00	46,480.00	8,340.00	157.03	In 2020, paid AmCap \$38,091 (Property), Westfield \$1672 (Package), Hartford \$815 (Fidelity), (Workers Comp - \$630 and \$1237 (D&O) policies. Policies renew in Aug except D&O in Apr. For 2021, estimate \$46,480 per agent - Property \$42k, GL \$1.7K, D&O \$1.3K, Fidelity \$850 and W/C \$630.
MANAGEMENT/ACCOUNTING	18,225.00	18,225.00	19,005.00	780.00	64.21	In 2020, paid CFI \$670/mo & \$585 for budget prep; paid Waterways Assoc \$800/mo. For 2021, Waterways requests 6% increase to \$850/mth; CFI 2% increase to \$685/mth, and no change to budget prep \$585.
MASTER ASSOCIATION FEE	191,216.00	191,216.00	206,016.00	14,800.00	696.00	For 2020, Milano Rec \$646/qtr per unit. For 2021, Preliminary rate \$696/qtr per unit - a \$50/qtr/unit increase
OFFICE/POSTAGE/ADMINISTRATION	3,200.00	3,206.20	3,200.00		10.81	In 2020, paid Collier Financial, Cambridge and Waterways admin & postage costs. For 2021, no change.
PROFESSIONAL FEES	3,400.00	8,901.80	3,400.00		11.49	As of 9/23/20 paid Adamczyk \$2125 for foreclosure flat fee; paid Peck&Peck \$9876 for collection matters, violation matters, Milano Rec leasing amendment, tenant matters, eviction matters; paid Townsend \$270 for the annual Insurance update appraisal; paid CFI \$1000 for professional services; paid R3 \$150 for the Wind Mitigation. Four owners reimbursed association for legals fees \$5,554. Estimate \$1,000 add'l fees by year end. For 2021 maintain the same budget for legal/other professional
REPAIRS & MAINTENANCE	4,500.00	3,270.00	4,500.00		15.20	In 2020, paid Lint Out \$1800 for dryer vent cleaning; paid Weiberger Holdings \$470. Estimate \$1000 for additional expense by year end. For 2021, no change. Future budgets will need to address exterior light fixtures and exterior of doors.
TAX RETURN PREPARATION	400.00	400.00	400.00		1.35	In 2020 paid CFI \$400 - no change for 2021.
TAXES/LICENSES/FEES	2,599.00	963.25	1,322.00	(1,277.00)	4.47	In 2020 paid \$61.25 to CFI for the Annual Corp Report; paid IRS \$1817 for Federal Taxes -rental income; wrote off 2018 rental agent commission for 15544 \$915. In 2021 conservative estimate, but expect lower federal tax expense so lower budget
TOTAL OPERATING	\$272,770.00	\$286,589.70	\$296,150.00	\$23,380.00	\$1,000.51	
- RESERVE TRANSFERS -						
INTEREST	4,000.00	2,603.04	2,000.00	(2,000.00)	6.76	any interest earned from reserves will be transferred

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MILANO SECTION II UNITS - 74	2020 ADOPTED BUDGET	2020 PROJECTED ACTUAL	2021 ADOPTED BUDGET	CHANGE FROM '20 TO '21	2021 QUARTERLY PER UNIT	2021 Budget Notes
PAINT	0.00	0.00	0.00		0.00	see Reserve schedule - fully funded
ROOF	36,003.00	36,003.00	35,897.00	(106.00)	121.27	see Reserve schedule - new reserve funding plan - RCV provided by K.Simon Construction
FIRE PROTECT-FIRE ALARM PANELS	1,669.00	1,669.00	1,688.00	19.00	5.70	see Reserve schedule - next panel replacement to be paid from hurricane irma settlement funds - significantly reduce funding
FIRE PROTECT-ENCLOSURE W/AC	504.00	504.00	0.00	(504.00)	0.00	see Reserve schedule - fully funded
GUTTERS for BUILDINGS	1,488.00	1,488.00	1,487.00	(1.00)	5.02	see Reserve schedule
TOTAL RESERVE TRANSFERS	\$43,664.00	\$42,267.04	\$41,072.00	(\$2,592.00)	\$138.75	
TOTAL EXPENSES	\$316,434.00	\$328,856.74	\$337,222.00	\$20,788.00	\$1,139.26	
OTHER INCOME:						
LATE FEES	500.00	2,119.09	500.00		1.69	conservative estimate w/other income sources
APPLICATION FEES	250.00	416.00	250.00		0.84	conservative estimate w/other income sources
INTEREST EARNED - RESERVES	4,000.00	2,603.04	2,000.00	(2,000.00)	6.76	conservative estimate - interest rates dropped after COVID 19
TOTAL OTHER INCOME	\$4,750.00	\$5,138.13	\$2,750.00	(\$2,000.00)	\$9.29	
NET INCOME/(LOSS)	(\$14,500.00)	(\$26,534.61)	(\$14,200.00)	\$300.00	(\$47.97)	
		\$87,554.57	12/31/19 cumulative surplus			
		\$61,019.96	12/31/20 projected surplus			
The Association will end the year with an estimated cumulative surplus of approximately \$61,020.						
Board will consider using \$14,200 of the accumulated surplus to supplement 2021 operations and only increase the quarterly assessment \$78 per unit.						
The "true" cost to operate the Association in 2021 is \$1,130 per unit per quarter.						
The "true" cost to operate the Association in 2020 is \$1,053 per unit per quarter.						

MILANO SECTION II RESIDENTS ASSOCIATION, INC.
ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2021 TO DEC. 31, 2021

UNITS - 74	GUTTERS	PAINTING 2027/2028	ROOF	FIRE PANELS (4)	FIRE PROTECTION FIRE ALARM PANELS (3) & WIRELESS EQUIP	FIRE PROTECTION ENCLOSURE W/ AIR COND.	TOTAL
REPLACEMENT COST *	\$35,000	\$45,950	\$1,324,800	\$12,000	\$13,700	\$15,177	\$1,446,627
LIFE (YEARS)	20	8	30	10	10	6	
REMAINING LIFE (YEARS)	19	1	29	9	9	1	
12/31/20 BALANCE (estimated)	\$6,738	\$45,950	\$283,789	\$4,800	\$6,986	\$15,177	\$363,439
AMOUNT TO FUND	\$28,262	\$0	\$1,041,011	\$7,200	\$6,714	\$0	\$1,054,926
Year 2021 FUNDING	\$1,487	\$0	\$35,897	\$800	\$888	\$0	\$39,072
QUARTERLY FUNDING	\$371.75	\$0.00	\$8,974.25	\$200.00	\$222.00	\$0.00	\$9,768.00
QUARTERLY PER UNIT	\$5.02	\$0.00	\$121.27	\$2.70	\$3.00	\$0.00	\$132.00
*To be expressed in terms of today's cost, without adjustment for inflation, which is covered from interest income.							
In addition to the above balances, the Association is estimated to have \$19,828 of accumulated interest on reserves.							
For above presentation, all reserve interest has been allocated to the roof reserves.							
In addition to the above balances, the Association has \$2,940 of Capital Funds.							
In addition to the above balances, the Association received \$93,684 of insurance settlement funds from Hurricane Irma.							
Initial plan to use portion of remaining insurance settlement funds to pay for the painting of the buildings.							
Reserve/Capital expenses in 2020:							
In Apr./May 2020 paid Naples Fire \$7,550 to replace 5 rusted panel enclosures w/new non-metallic enclosures							
damaged by Hurricane Irma - paid from Irma insurance settlement funds							