

MILANO SECTION II RESIDENTS ASSN., INC.
ADOPTED BUDGET FOR THE FISCAL YEAR
JAN. 1, 2022 TO DEC. 31, 2022

MILANO SECTION II	2021	2021	2022	CHANGE	2022	2022
UNITS - 74	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	PRIOR YEAR	PER UNIT	
REVENUE:	\$1,082/qtr		\$1,160/qtr			\$78 per unit per quarter increase
MAINTENANCE ASSESSMENTS	281,200.00	281,200.00	301,032.00	19,832.00	1,017.00	Increase in insurance, operate a balanced budget
RESERVE ASSESSMENTS	39,072.00	39,072.00	42,328.00	3,256.00	143.00	see Reserve schedule - increase funding of paint reserve
TOTAL REVENUE	\$320,272.00	\$320,272.00	\$343,360.00	\$23,088.00	\$1,160.00	7.21% percentage increase
EXPENSES:						
- OPERATING -						
ELECTRICITY	1,475.00	1,450.90	1,495.00	20.00	5.05	Based on 2021 actual costs/projected actual. Per FPL expect an increase of 2-3% increase in 2022.
FIRE ALARM, FIRE SPRINKLER AND BACKFLOW INSPECTION AND MAINTENANCE	6,500.00	6,941.34	7,000.00	500.00	23.65	In 2021, paid Naples Fire Protection \$450 for Qtrly Fire Sprinkler Inspections, \$1,600 for Annual Fire Sprinkler & Backflow Inspections; \$3,156.34 for fire panel, backflow&sprinkler repairs; Estimate \$225 for 1 more Inspection, \$510 for Annual Fire Alarm Inspection, estimate \$500 Annual Fire Extinguisher inspection and \$500 in repairs by year end. For 2022 Annual sprinkler and backflow \$1600; three qtrly inspections \$225/qtr; Annual fire alarm inspections \$510; Annual Fire Extinguishers inspections \$636 and estimate repairs \$3.5K
FIRE ALARM MONITORING	3,852.00	3,852.00	3,852.00		13.01	In 2021, paid Naples Fire Protection \$963/qtr. For 2022 \$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. Need to discuss at workshop - when to reintroduce roof cleaning program?.
INSURANCE	46,480.00	32,731.75	49,100.00	2,620.00	165.88	In 2021, AmCap (Property) cancelled refunded \$10,436; paid Heritage (Property) \$36,747 eff 4/22/21, Westfield policy cancelled \$152 (Package), Hartford \$805 (Fidelity), (Workers Comp - \$616, GL \$3,610.75 and \$1,237 (D&O) policies. Policies renew in Aug except D&O and now Prop in April. For 2022, estimate per agent - \$44,500 (property) \$3,950 (GL, D&O, Bond, Equip Breakdown) and W/C \$616
MANAGEMENT/ACCOUNTING	19,005.00	19,718.04	20,937.00	1,932.00	70.73	In 2021, paid CFI \$685/mo & \$585 for budget prep; paid Waterways Assoc \$850/mo changed to Cambridge mid June \$962/mo. For 2022, Cambridge \$962/mth; CFI no change \$685/mth, budget prep \$585.
MASTER ASSOCIATION FEE	206,016.00	206,016.00	206,016.00		696.00	For 2021, Milano Rec \$696/qtr per unit. For 2022, Proposed rate - no change - elect to operate a deficit budget
OFFICE/POSTAGE/ADMINISTRATION	3,200.00	3,761.26	3,400.00	200.00	11.49	In 2021, paid Collier Financial, Cambridge, Waterways admin & postage costs. Also paid MS Web services \$150 for website hosting. For 2022, increase for postal rate increase
PROFESSIONAL FEES	3,400.00	10,955.59	3,400.00		11.49	As of 10/10/21 paid Peck&Peck \$2,894.15 for collection matters, violation matters, Milano Rec garage doors panels; paid Townsend \$270 for the annual Insurance update appraisal; paid CFI \$612.50 for professional services; paid R3 \$900 for the Wind Mitigation. Paid Lindsay&Allen attorney for collection on Fire Alarm monitoring past due - \$250 for attorney and \$5,947.94 for past service and late fees. One owner reimbursed association for legal fees \$669. Estimate \$750 add'l fees by year end. For 2022 increase budget based on last two years for legal/other professional
REPAIRS & MAINTENANCE	4,500.00	6,150.00	6,000.00	1,500.00	20.27	In 2021, paid Weiberger Holdings \$1,150 for various repairs. Property mgmt reports the following projects before year end - pressure washing, fire extinguishers, painting of pipe stand, fire hydrants and electrical boxes and dryer vent cleaning, but no cost estimates. Estimate \$5000 for additional expense by year end. For 2022, 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 2021 paid CFI \$400 - no change for 2022.
TAXES/LICENSES/FEES	1,322.00	150.25	182.00	(1,140.00)	0.61	In 2021 paid \$61.25 for the Annual Corp Report; paid IRS \$89 for Federal Taxes -rental income. In 2022 conservative estimate, but expect lower federal tax expense so lower budget
TOTAL OPERATING	\$296,150.00	\$292,127.13	\$301,782.00	\$5,632.00	\$1,019.53	

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UNITS - 74	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	PRIOR YEAR	PER UNIT	
- RESERVE TRANSFERS -						
INTEREST	2,000.00	766.21	400.00	(1,600.00)	1.35	any interest earned from reserves will be transferred
PAINT	0.00	0.00	3,194.00	3,194.00	10.79	see Reserve schedule - need to start funding again
ROOF	35,897.00	35,897.00	35,868.00	(29.00)	121.18	see Reserve schedule - reserve funding plan - RCV provided by K.Simon Construction
FIRE PROTECT-FIRE ALARM PANELS	1,688.00	1,688.00	1,778.00	90.00	6.01	see Reserve schedule - next panel replacement to be paid from hurricane irma settlement funds - significantly reduce funding
FIRE PROTECT-ENCLOSURE W/AC	0.00	0.00	0.00		0.00	see Reserve schedule - fully funded
GUTTERS for BUILDINGS	1,487.00	1,487.00	1,488.00	1.00	5.03	see Reserve schedule
TOTAL RESERVE TRANSFERS	\$41,072.00	\$39,838.21	\$42,728.00	\$1,656.00	\$144.36	
TOTAL EXPENSES	\$337,222.00	\$331,965.34	\$344,510.00	\$7,288.00	\$1,163.89	
OTHER INCOME:						
LATE FEES	500.00	346.29	350.00	(150.00)	1.18	conservative estimate w/other income sources
APPLICATION FEES	250.00	738.00	400.00	150.00	1.35	conservative estimate w/other income sources
INTEREST EARNED - RESERVES	2,000.00	766.21	400.00	(1,600.00)	1.35	conservative estimate - interest rates dropped after COVID 19
TOTAL OTHER INCOME	\$2,750.00	\$1,850.50	\$1,150.00	(\$1,600.00)	\$3.88	
NET INCOME/(LOSS)	(\$14,200.00)	(\$9,842.84)	\$0.00	\$14,200.00	(\$0.01)	
		\$60,673.45	12/31/20 cumulative surplus			
		\$50,830.61	12/31/21 projected surplus			
The Association will end the year with an estimated cumulative surplus of approximately \$50,830						

MILANO SECTION II RESIDENTS ASSOCIATION, INC.
ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2022 TO DEC. 31, 2022

UNITS - 74	GUTTERS	PAINTING 2027/2028	ROOF	FIRE PANELS (6)	FIRE PROTECTION FIRE ALARM PANELS (1) & WIRELESS EQUIP	FIRE PROTECTION ENCLOSURE W/ AIR COND.	TOTAL
REPLACEMENT COST *	\$35,000	\$68,300	\$1,324,800	\$18,000	\$7,700	\$15,177	\$1,468,977
LIFE (YEARS)	20	8	30	10	10	6	
REMAINING LIFE (YEARS)	18	7	28	10	8	1	
12/31/21 BALANCE (estimated)	\$8,225	\$45,950	\$320,487	\$5,600	\$3,399	\$15,177	\$398,837
AMOUNT TO FUND	\$26,775	\$22,350	\$1,004,313	\$12,400	\$4,301	\$0	\$1,043,365
Year 2022 FUNDING	\$1,488	\$3,194	\$35,868	\$1,240	\$538	\$0	\$42,328
QUARTERLY FUNDING	\$372.00	\$798.50	\$8,967.00	\$310.00	\$134.50	\$0.00	\$10,582.00
QUARTERLY PER UNIT	\$5.03	\$10.79	\$121.18	\$4.19	\$1.82	\$0.00	\$143.00
*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 \$20,630 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 \$25,966. of insurance settlement funds from Hurricane Irma.							
Before year end expect to spend the remaining insurance funds on replacing garage door panels.							
<u>Reserve/Capital expenses in 2021:</u>							
Mario Painting \$67,118 paid thur Irma Settlement							
Hector Mario Lawn \$600 to cut plants away for Painters - paid from Irma Settlement							
Naples Fire Protection \$3,725 to install Alarm System bldgs 14 & 15 plus \$750 change order Collier Co required addition permit for 2nd bldg.							