

**MILANO SECTION III RESIDENTS ASSN., INC.**  
**ADOPTED BUDGET FOR THE FISCAL YEAR**  
**JAN. 1, 2019 TO DEC. 31, 2019**

MILANO SECTION III	2018	2018	2019	CHANGE	2019	2019
UNITS - 64	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'18 TO '19	PER UNIT	
<b>REVENUE:</b>	<b>\$973/qtr</b>		<b>\$1,033/qtr</b>			\$60/unit/qtr increase
MAINTENANCE ASSESSMENTS	216,832.00	216,832.00	232,192.00	15,360.00	907.00	significant increases: Milano Rec master fees, & Professional fees
RESERVE ASSESSMENTS	32,256.00	32,256.00	32,256.00		126.00	see reserve schedule - no change in total
<b>TOTAL REVENUE</b>	<b>\$249,088.00</b>	<b>\$249,088.00</b>	<b>\$264,448.00</b>	<b>\$15,360.00</b>	<b>\$1,033.00</b>	
<b>EXPENSES:</b>						6.17%
<b>- OPERATING -</b>						percentage increase
ELECTRICITY	1,800.00	1,653.57	1,700.00	(100.00)	6.64	For 2019, based on 2018 projection and 2.7% increase. Per FPL news release, proposing a plan for 2017-2020 to include 3 base rate adj during 4 yr period. 2017=3.9%, 2018-3.2%, 2019=2.7%, 2020-none.
FIRE ALARM, FIRE SPRINKLER AND BACKFLOW INSPECTION AND MAINTENANCE	10,500.00	8,869.30	9,000.00	(1,500.00)	35.16	In 2018 - paid FL Fire Systems \$850 for Annual sprinkler inspection, (3) \$500/qtr for qrtly inspections, \$660 for Annual backflow inspections, \$410 to replace missing signs, \$2995 to replace fireline backflow assembly @ 15622 & 15620; paid Safety Signal \$807.89 for various repairs, batteries, parts. Estimate \$1000 in additional repairs.
FIRE ALARM MONITORING	2,300.00	2,289.60	2,300.00		8.98	For 2019 no change in rates for FL Fire Systems and estimate \$6000 in repairs. In 2018 - paid Safety Signal \$572.40/qtr to monitor the fire alarm system. For 2019 - no rate change.
INSURANCE	37,800.00	30,446.00	32,050.00	(5,750.00)	125.20	In 2018 - All eff 12/21/17 to 12/21/18: Crime \$460, D&O \$968; Property \$28,583 and GL \$435 For 2019 estimate 5% increase per G Littlestone - Property/Wind \$30,000, GL \$500, D&O \$1,000 and Crime \$550.
MANAGEMENT/ACCOUNTING	15,014.00	15,014.00	16,130.00	1,116.00	63.01	In 2018, paid CFI \$557/mth & \$530 for Budget Prep and AJJ Mgmt \$650/mth For 2019, CFI \$570/mth \$530 for Budget Prep and AJJ Mgmt \$730/mth
MASTER ASSOCIATION FEE	140,032.00	140,032.00	151,552.00	11,520.00	592.00	For 2018, Milano Rec \$547/qtr per unit. For 2019, proposed rate \$592/qtr per unit, \$45 increase - adding internet service to the cable package starting 1/1/2019
OFFICE/POSTAGE/ADMINISTRATION	2,700.00	2,636.55	2,700.00		10.55	In 2018 - paid CFI and AJJ Mgmt admin fees, postage For 2019 - no change
PROFESSIONAL FEES	2,800.00	12,767.70	5,000.00	2,200.00	19.53	In 2018 paid Adamczyk \$12,076.77 for collection issues, violations, document issues, DBPR and rental issues. Paid CFI \$187.50 to attend Annual meeting. For 2019, Board and manager recommends increasing budget by \$5K for ongoing issues.
REPAIRS & MAINTENANCE	5,500.00	2,214.39	6,000.00	500.00	23.44	In 2018 - paid SW FL Homes \$77.60 to install privacy fence and \$141 repaint door & install threshold; paid B&B Maintenance \$75 to pickup roof tiles; paid AJJ Mgmt \$40.79 for paint & brush and to run a/c line. In Sept paid Lint Out \$1,280 to clean dryer vents. Estimate \$600 misc repairs before y/e. For 2019 budget plan: \$5,000 for powerwashing bldgs and sidewalks & \$1,000 for misc. repairs.
ROOF CLEANING PROGRAM	5,480.00	0.00	5,480.00		21.41	In 2018 - no expense as of 10/2/18. Program suspended at this time because roofs may be replaced. For 2019 - no change to budget at this time, but if new roofs are going to occur we should be able to eliminate this expense in 2019 as well.
STORM DAMAGE	0.00	2,450.50	0.00		0.00	In 2018 paid 3G Seamless Gutters \$1250 to replace damaged, missing trim & soffit; paid SW FL Homes \$1200.50 for 6 panel door impact. In 2017 paid \$4374.38 for Storm Damages. Total paid for Hurricane Irma \$6,825.
TAX RETURN PREPARATION	400.00	400.00	400.00		1.56	In 2018 paid \$400 for CFI to prep prior year Federal Tax Return. For 2019, no change
TAXES/LICENSES/FEES	100.00	61.25	80.00	(20.00)	0.31	In 2018, no fed/state taxes incurred for fiscal year end '17; paid corporate annual report filing fee w/state \$61.25. For 2019, no change to budget
<b>TOTAL OPERATING</b>	<b>\$224,426.00</b>	<b>\$218,834.86</b>	<b>\$232,392.00</b>	<b>\$7,966.00</b>	<b>\$907.79</b>	
<b>- RESERVE TRANSFERS -</b>						
INTEREST	500.00	1,349.17	500.00		1.95	transfer of reserve interest

**MILANO SECTION III RESIDENTS ASSN., INC.**  
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MILANO SECTION III UNITS - 64	2018 ADOPTED BUDGET	2018 PROJECTED ACTUAL	2019 ADOPTED BUDGET	CHANGE FROM '18 TO '19	2019 QUARTERLY PER UNIT	2019 Budget Notes
PAINT	4,206.00	4,206.00	3,809.00	(397.00)	14.88	see reserve schedule
ROOF	23,133.00	23,133.00	25,984.00	2,851.00	101.50	see reserve schedule - increased RCV in 2019 resulting in increased funding
FIRE ALARM PANELS	2,464.00	2,464.00	2,463.00	(1.00)	9.62	see reserve schedule
FIRE ALARM ENCLOSURES/ACs	2,453.00	2,453.00	0.00	(2,453.00)	0.00	see reserve schedule - fully funded
<b>TOTAL RESERVE TRANSFERS</b>	<b>\$32,756.00</b>	<b>\$33,605.17</b>	<b>\$32,756.00</b>	<b>\$0.00</b>	<b>\$127.95</b>	
<b>TOTAL EXPENSES</b>	<b>\$257,182.00</b>	<b>\$252,440.03</b>	<b>\$265,148.00</b>	<b>\$7,966.00</b>	<b>\$1,035.74</b>	
<b>OTHER INCOME:</b>						
LATE FEES	300.00	195.39	100.00	(200.00)	0.39	conservative estimate with all other income sources
APPLICATION FEES	100.00	366.00	100.00		0.39	conservative estimate with all other income sources
INTEREST EARNED - RESERVES	500.00	1,349.17	500.00		1.95	conservative estimate with all other income sources
<b>TOTAL OTHER INCOME</b>	<b>\$900.00</b>	<b>\$1,910.56</b>	<b>\$700.00</b>	<b>(\$200.00)</b>	<b>\$2.73</b>	
<b>NET INCOME/(LOSS)</b>	<b>(\$7,194.00)</b>	<b>(\$1,441.47)</b>	<b>\$0.00</b>	<b>\$7,194.00</b>	<b>(\$0.01)</b>	
	ok-sh 10/4/18	<b>\$103,751.97</b>	12/31/17 cumulative gain			
		<b>\$102,310.50</b>	12/31/18 projected gain			
The Association will end the year with an estimated cumulative surplus of approximately \$102.3K.						
The "true" cost to operate the Association in 2019 is \$1,033 per unit per quarter.						
The "true" cost to operate the Association in 2018 was \$1,001 per unit per quarter.						

**MILANO SECTION III RESIDENTS ASSOCIATION, INC.**  
**ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2019 TO DEC. 31, 2019**

UNITS - 64	PAINTING 2020	ROOF	FIRE PANELS	Fire Enclosures/ AC Units	TOTAL
<b>REPLACEMENT COST *</b>	<b>\$45,000</b>	<b>\$636,000</b>	<b>\$19,500</b>	<b>\$15,350</b>	<b>\$715,850</b>
<b>LIFE (YEARS)</b>	<b>7</b>	<b>30</b>	<b>6</b>	<b>6</b>	
<b>REMAINING LIFE (YEARS)</b>	<b>1</b>	<b>17</b>	<b>1</b>	<b>1</b>	
<b>12/31/18 BALANCE (estimated)</b>	<b>\$41,191</b>	<b>\$194,345</b>	<b>\$17,037</b>	<b>\$15,350</b>	<b>\$267,922</b>
<b>AMOUNT TO FUND</b>	<b>\$3,809</b>	<b>\$441,655</b>	<b>\$2,463</b>	<b>\$0</b>	<b>\$445,465</b>
<b>Year 2019 FUNDING</b>	<b>\$3,809</b>	<b>\$25,984</b>	<b>\$2,463</b>	<b>\$0</b>	<b>\$32,256</b>
<b>QUARTERLY FUNDING</b>	<b>\$952.25</b>	<b>\$6,496.00</b>	<b>\$615.75</b>	<b>\$0.00</b>	<b>\$8,064.00</b>
<b>QUARTERLY PER UNIT</b>	<b>\$14.88</b>	<b>\$101.50</b>	<b>\$9.62</b>	<b>\$0.00</b>	<b>\$126.00</b>
*To be expressed in terms of today's cost, without adjustment for inflation, which is covered from interest income.					
In addition to above Association has \$6,191 of initial capital and \$6,632 in reserve interest.					
Two 4-plex buildings, Four 6-plex buildings, Four 8-plex buildings (10 bldgs total)					
2016 - No reserve expenses.					
2017 - No reserve expenses.					
<b>2018 - reserve expenses as follows:</b>					
no reserve expenses as of 10/2/18					