

**MILANO SECTION III RESIDENTS ASSN., INC.**  
**ADOPTED BUDGET FOR THE FISCAL YEAR**  
**JAN. 1, 2020 TO DEC. 31, 2020**

MILANO SECTION III	2019	2019	2020	CHANGE	2020	2020
UNITS - 64	ADOPTED	PROJECTED	ADOPTED	FROM	QUARTERLY	Budget Notes
	BUDGET	ACTUAL	BUDGET	'19 TO '20	PER UNIT	
<b>REVENUE:</b>	<b>\$1,033/qtr</b>		<b>\$1,087/qtr</b>			<b>\$54 per unit per quarter increase</b>
MAINTENANCE ASSESSMENTS	232,192.00	232,192.00	241,152.00	8,960.00	942.00	increase for Rec Assn. (\$54/unit/qtr), Milano III mgmt and professional fees and insurance partially offset by eliminating roof cleaning temporarily
RESERVE ASSESSMENTS	32,256.00	32,256.00	37,120.00	4,864.00	145.00	revised roof reserve plan and started funding for next paint cycle in 2028
<b>TOTAL REVENUE</b>	<b>\$264,448.00</b>	<b>\$264,448.00</b>	<b>\$278,272.00</b>	<b>\$13,824.00</b>	<b>\$1,087.00</b>	
<b>EXPENSES:</b>						
<b>- OPERATING -</b>						
ELECTRICITY	1,700.00	1,641.41	1,690.00	(10.00)	6.60	For 2020, based on 2019 projection and no 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	9,000.00	8,747.24	9,000.00		35.16	In 2019- Paid Florida Fire Systems: Annual Fire Sprinkler Inspections \$765 (9 of 10 bldgs) followed by qtrly inspections April, July and Oct at \$50/bldg; Annual Backflow Inspection \$1063.40 and \$151.76 to repair a general fault; paid Safety Signal System \$1639.18 in install "Safety Net"; Paid repairs as of 9/30/19 \$905.72. Estimate \$2000 in other repairs or replacements.
FIRE ALARM MONITORING	2,300.00	2,546.55	2,520.00	220.00	9.84	In 2019 - paid Safety Signal to monitor the fire alarm system. Tax rate change resulted in slightly higher costs. For 2020 - \$630/Qtr rate change.
CC UTILITIES - FIRE METERS	0.00	96.41	0.00		0.00	For 2019 - county has discontinued the monthly billing for Firemeters as of 3/1/19
INSURANCE	32,050.00	30,529.00	33,625.00	1,575.00	131.35	In 2019 - All eff 12/21/18 to 12/21/19: Crime \$470, D&O \$968; Property \$28,656 and GL \$435 For 2020 per agent Property \$31,500, GL \$500, D&O \$1,100 and Crime \$525
MANAGEMENT/ACCOUNTING	16,130.00	22,230.00	18,970.00	2,840.00	74.10	In 2019, paid CFI \$570/mth & \$530 for Budget Prep and AJJ Mgmt \$650/mth plus \$2,500 y/e bonus for extra work associated with roofs and \$3,600 bonus for savings on leaders/gutters. For 2020, CFI \$580/mth \$570 for Budget Prep and AJJ Mgmt \$745/mth and \$2,500 contingency.
MASTER ASSOCIATION FEE	151,552.00	151,552.00	165,376.00	13,824.00	646.00	For 2019, Milano Rec \$592/qtr per unit. For 2020, proposed rate \$646/qtr per unit, \$54 per unit per quarter increase
OFFICE/POSTAGE/ADMINISTRATION	2,700.00	2,608.95	2,700.00		10.55	In 2019 - paid CFI and AJJ Mgmt admin fees, postage For 2020 - no change
PROFESSIONAL FEES	5,000.00	13,558.50	8,300.00	3,300.00	32.42	In 2019 (thru end of Sept spent \$10,559 in professional fees. Adamczyk Law paid \$10,033 for collection issues, violations, attend meetings, K Simon issue. Paid CFI to attend meetings, hurricane Irma tracking, CCUtility FMeter work. For 2020, recommend increasing for increased legal costs.
REPAIRS & MAINTENANCE	6,000.00	2,340.00	6,000.00		23.44	In 2019, paid AJJ Mgmt \$92 to check on A/C and \$1248 to Lint Out for Dryer Vent cleaning. Power washing budgeted scheduled for 2020 per Mgmt. Estimate \$1000 by year end. For 2020, no change.
ROOF CLEANING PROGRAM	5,480.00	0.00	0.00	(5,480.00)	0.00	In 2019 - no expense. Program suspended at this time because roofs have been replaced. Need to discuss with Board/mgmt when new roofs will need to start a roof cleaning program
STORM DAMAGE	0.00	1,400,371.44	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. Received \$1,400,371.44 from Insurance settlement paid directly to K Simon Construction for new roofs.
TAX RETURN PREPARATION	400.00	400.00	400.00		1.56	In 2019 paid \$400 for CFI to prep prior year Federal Tax Return. For 2020, no change
TAXES/LICENSES/FEES	80.00	61.25	807.00	727.00	3.15	In 2019, no fed/state taxes incurred for fiscal year end '18; paid corporate annual report filing fee w/state \$61.25. For 2020, expect fed taxes since 2019 interest income increased so much
<b>TOTAL OPERATING</b>	<b>\$232,392.00</b>	<b>\$1,636,682.75</b>	<b>\$249,388.00</b>	<b>\$16,996.00</b>	<b>\$974.17</b>	
<b>- RESERVE TRANSFERS -</b>						
INTEREST	500.00	4,464.50	3,000.00	2,500.00	11.72	transfer of reserve interest

**MILANO SECTION III RESIDENTS ASSN., INC.**  
**ADOPTED BUDGET FOR THE FISCAL YEAR**  
**JAN. 1, 2020 TO DEC. 31, 2020**

MILANO SECTION III UNITS - 64	2019 ADOPTED BUDGET	2019 PROJECTED ACTUAL	2020 ADOPTED BUDGET	CHANGE FROM '19 TO '20	2020 QUARTERLY PER UNIT	2020 Budget Notes
PAINT	3,809.00	3,809.00	5,625.00	1,816.00	21.97	see reserve schedule - start funding for next paint cycle
ROOF	25,984.00	25,984.00	31,495.00	5,511.00	123.03	see reserve schedule - increased RCV in 2020 resulting in increased funding
FIRE ALARM PANELS	2,463.00	2,463.00	0.00	(2,463.00)	0.00	see reserve schedule - fully funded
FIRE ALARM ENCLOSURES/ACs	0.00	0.00	0.00		0.00	see reserve schedule - fully funded
<b>TOTAL RESERVE TRANSFERS</b>	<b>\$32,756.00</b>	<b>\$36,720.50</b>	<b>\$40,120.00</b>	<b>\$7,364.00</b>	<b>\$156.72</b>	
<b>TOTAL EXPENSES</b>	<b>\$265,148.00</b>	<b>\$1,673,403.25</b>	<b>\$289,508.00</b>	<b>\$24,360.00</b>	<b>\$1,130.89</b>	
<b>OTHER INCOME:</b>						
LATE FEES	100.00	163.03	50.00	(50.00)	0.20	conservative estimate with all other income sources
INSURANCE SETTLEMENT	0.00	1,400,371.44	0.00	0.00	0.00	insurance settlement for Irma
APPLICATION FEES	100.00	493.00	250.00	150.00	0.98	conservative estimate with all other income sources
INTEREST EARNED - RESERVES	500.00	4,464.50	3,000.00	2,500.00	11.72	conservative estimate with all other income sources
<b>TOTAL OTHER INCOME</b>	<b>\$700.00</b>	<b>\$1,405,491.97</b>	<b>\$3,300.00</b>	<b>\$2,600.00</b>	<b>\$12.90</b>	
<b>NET INCOME/(LOSS)</b>	<b>\$0.00</b>	<b>(\$3,463.28)</b>	<b>(\$7,936.00)</b>	<b>(\$7,936.00)</b>	<b>(\$30.99)</b>	
		<b>\$92,483.47</b>	12/31/18 cumulative gain			
		<b>\$89,020.19</b>	12/31/19 projected gain			
The Association will end the year with an estimated cumulative surplus of approximately \$89,020. The Board will consider operating a \$7,936 deficit budget in 2020 to limit the quarterly assessment increase to \$54.						

**MILANO SECTION III RESIDENTS ASSOCIATION, INC.**  
**ADOPTED RESERVE FUNDING FOR FISCAL YEAR JAN. 1, 2020 TO DEC. 31, 2020**

UNITS - 64	PAINTING 2020	PAINTING 2028	ROOF	FIRE PANELS	Fire Enclosures/ AC Units	TOTAL
<b>REPLACEMENT COST *</b>	<b>\$45,000</b>	<b>\$45,000</b>	<b>\$1,166,400</b>	<b>\$19,500</b>	<b>\$15,350</b>	<b>\$1,291,250</b>
<b>LIFE (YEARS)</b>	<b>7</b>	<b>8</b>	<b>30</b>	<b>6</b>	<b>6</b>	
<b>REMAINING LIFE (YEARS)</b>	<b>1</b>	<b>8</b>	<b>30</b>	<b>1</b>	<b>1</b>	
<b>12/31/19 BALANCE (estimated)</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$220,329</b>	<b>\$19,500</b>	<b>\$15,350</b>	<b>\$300,178</b>
<b>AMOUNT TO FUND</b>	<b>\$0</b>	<b>\$45,000</b>	<b>\$946,071</b>	<b>\$0</b>	<b>\$0</b>	<b>\$991,072</b>
<b>Year 2020 FUNDING</b>	<b>\$0</b>	<b>\$5,625</b>	<b>\$31,495</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,120</b>
<b>QUARTERLY FUNDING</b>	<b>\$0.00</b>	<b>\$1,406.25</b>	<b>\$7,873.75</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,280.00</b>
<b>QUARTERLY PER UNIT</b>	<b>\$0.00</b>	<b>\$21.97</b>	<b>\$123.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$145.00</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 approx \$11,400 in reserve interest.						
Two 4-plex buildings, Four 6-plex buildings, Four 8-plex buildings (10 bldgs total)						
2018 - No reserve expenses.						
<b>2019 - reserve expenses as follows:</b>						
As of 9/30/19 none						