

The Surf Club of Marco, Inc
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

		2,244 unit/weeks	2019	2019	2018	2018
Description			Annual Budget	Per Unit/ Week	Per Unit/ Week	Annual Budget
REVENUE						
19800	458010	Association Fees	1,926,789	858.64	805.19	1,806,841
19800	458080	Late Fee Income	6,500	2.90	2.45	5,500
19800	458100	Interest Income	12,000	5.35	2.23	5,000
19800	458140	Sales Rent Income	10,428	4.65	4.57	10,245
19800	458210	Concession Income	8,700	3.88	3.88	8,700
TOTAL OPERATING REVENUE			1,964,417	875.41	818.31	1,836,286
ADMINISTRATIVE						
19700	600030	Annual Audit	6,900	3.07	3.10	6,950
19700	676090	BANK FEES	9,000	4.01	3.03	6,800
19700	698070	CONVENTIONS AND SEMINARS	1,200	0.53	0.00	0
19700	698120	EMPLOYEE RELATIONS	4,000	1.78	2.14	4,800
19700	730190	PERMITS AND LICENSES	2,000	0.89	1.11	2,500
19700	600020	LEGAL FEES	1,000	0.45	0.45	1,000
19700	694040	OPERATING SUPPLIES	6,000	2.67	2.67	6,000
19700	620020	LODGING	800	0.36	0.00	0
19700	620010	AIRFARE	1,000	0.45	0.67	1,500
19700	696010	UNIFORMS	9,000	4.01	3.88	8,700
19700	676050	CRED CARD DISCOUNT - OTHER	34,040	15.17	14.44	32,400
19700	730040	MEMBER RELATIONS	2,500	1.11	0.96	2,150
19700	650010	TELEPHONE LOCAL	600	0.27	0.80	1,800
19700	692050	OFFICE EQUIPMENT	5,400	2.41	2.41	5,400
19700	682070	OWNERS COFFEE	2,400	1.07	1.07	2,400
		Other Administrative Expenses	78,940	35.18	33.62	75,450
19700	730060	POSTAGE	5,000	2.23	2.23	5,000
19700	730130	PRINTING	1,200	0.53	0.53	1,200
19700	642050	DIRECT MAIL	7,000	3.12	2.67	6,000
		Postage, Printing, Newsletter	13,200	5.88	5.44	12,200
19700	790075	HOA MANAGEMENT FEE EXPENSE	105,456	46.99	46.17	103,595
19700	730645	DIVISION FEES	4,488	2.00	2.00	4,488
19700	678030	Financial Services Fees	36,816	16.41	16.41	36,816
19700	730610	BOARD OF DIRECTORS	13,500	6.02	6.02	13,500
Total			259,300	115.55	112.74	252,999
OPERATING EXPENSE						
19700	541002	SALARIED MANAGER	69,687	31.05	31.28	70,185
19700	542030	HOURLY OTHER	49,132	21.89	21.64	48,558
19700	561240	PAID TIME OFF	15,901	7.09	6.88	15,436
19700	561260	WORKERS COMPENSATION EXP	3,766	1.68	2.40	5,377
19700	561020	PENSION DEFINED CONTRIBUTION	5,452	2.43	1.32	2,963
19700	561010	GROUP HEALTH INSURANCE NON-UNION	18,240	8.13	7.65	17,176
19700	561490	OTHER NON-UNION BENEFIT EXP	12,125	5.40	2.45	5,503
19700	565010	SOCIAL SECURITY TAX EXPENSE	9,939	4.43	4.59	10,303
19700	565040	STATE UNEMPLOYMENT TAX	132	0.06	0.16	357
19003	541003	SALARIED NON-MANAGER	0	0.00	18.45	41,399
19003	542030	HOURLY OTHER	105,155	46.86	27.12	60,847
19003	561240	PAID TIME OFF	12,305	5.48	4.51	10,118
19003	561260	WORKERS COMPENSATION EXP	3,959	1.76	1.94	4,348
19003	561020	PENSION DEFINED CONTRIBUTION	2,215	0.99	0.93	2,078
19003	561010	GROUP HEALTH INSURANCE NON-UNION	18,561	8.27	5.04	11,305
19003	561490	OTHER NON-UNION BENEFIT EXP	10,571	4.71	2.81	6,307
19003	565010	SOCIAL SECURITY TAX EXPENSE	8,808	3.93	3.86	8,671
19003	565040	STATE UNEMPLOYMENT TAX	230	0.10	0.21	470
		Office, Desk	346,178	154.27	143.23	321,401
19002	458310	SECOND CLEAN REIMBURSEMENT	(5,400)	(2.41)	(2.67)	(6,000)
19002	541003	SALARIED NON-MANAGER	0	0.00	18.39	41,257
19002	542030	HOURLY OTHER	94,109	41.94	22.73	51,002
19002	561240	PAID TIME OFF	10,873	4.85	4.70	10,553
19002	561260	WORKERS COMPENSATION EXP	3,863	1.72	1.59	3,578
19002	561020	PENSION DEFINED CONTRIBUTION	1,767	0.79	0.75	1,686
19002	561010	GROUP HEALTH INSURANCE NON-UNION	12,818	5.71	3.41	7,657
19002	561490	OTHER NON-UNION BENEFIT EXP	9,448	4.21	2.47	5,542
19002	565010	SOCIAL SECURITY TAX EXPENSE	8,509	3.79	3.71	8,328
19002	565040	STATE UNEMPLOYMENT TAX	232	0.10	0.20	452
19002	600220	CLEANING SERVICES	165,000	73.53	62.57	140,400
19002	694030	GUEST SUPPLIES	19,500	8.69	7.80	17,500
19002	691040	LINEN EXPENSE	18,000	8.02	6.91	15,500
19002	694010	CLEANING SUPPLIES	18,000	8.02	7.58	17,000
19002	600210	CONTRACT SERVICES MAINTENANCE	9,680	4.31	4.02	9,020
19002	692030	HOUSEWARES REPLACEMENTS	13,200	5.88	5.61	12,600
19002	664260	CARPET FURNITURE CLEANING	20,000	8.91	3.34	7,500
		Housekeeping, Laundry, Supplies	399,599	178.07	153.11	343,575
19715	600250	SECURITY SERVICES	65,000	28.97	28.97	65,000
		Security Provisions	65,000	28.97	28.97	65,000
19610	664160	GROUND MAINTENANCE LANDSCAPING	21,600	9.63	9.63	21,600
19610	664360	LANDSCAPING EXPENSE	4,000	1.78	1.78	4,000
19610	664550	REPAIRS & MAINTENANCE	12,000	5.35	5.35	12,000
19610	664370	MULCH	10,000	4.46	4.46	10,000
19610	664450	TREE TRIMMING	15,000	6.68	6.68	15,000
19610	664290	EXTERIOR LIGHTING	600	0.27	0.27	600
19610	664350	LAGOON POND BEACH CANAL	1,140	0.51	0.51	1,140
		Grounds & Landscaping	64,340	28.67	28.67	64,340
19610	664400	POOL REPAIRS & MAINTENANCE	7,200	3.21	3.21	7,200
19610	663140	POOL SERVICE CONTRACT	24,000	10.70	9.74	21,864
		Pool & Spa	31,200	13.90	12.95	29,064
19221	458260	MERCHANDISE SALES	(10,000)	(4.46)	(3.21)	(7,200)
19221	516410	COS MERCHANDISE	8,700	3.88	2.67	6,000
19262	694190	ACTIVITIES SUPPLIES	2,700	1.20	1.02	2,300
19262	663150	RECREATION CONTRACTS	23,800	10.61	10.09	22,650
		Recreation	25,200	11.23	10.58	23,750
Total			931,517	415.11	377.51	847,131
UTILITIES						
19745	661045	ELECTRIC UNITS	52,900	23.57	24.06	54,000
		Electric	52,900	23.57	24.06	54,000
19745	661050	GAS	17,500	7.80	7.71	17,300
19745	661030	WATER	53,600	23.89	25.18	56,500
19745	661010	SEWER	52,500	23.40	23.40	52,500
		Water, Sewer, Gas	123,600	55.08	56.28	126,300
19745	661110	Waste Removal	13,200	5.88	4.81	10,800
19201	650010	TELEPHONE LOCAL	8,500	3.79	3.68	8,250
		Telephone	8,500	3.79	3.68	8,250
19745	661060	Cable Television	16,800	7.49	9.36	21,000
19745	700010	WAN EXPENSE	6,000	2.67	4.01	9,000

The Surf Club of Marco, Inc
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

		Total				
		221,000	98.48	102.21	229,350	
BUILDING						
19735	561260	WORKERS COMPENSATION EXP	4,738	2.11	1.86	4,175
19735	542030	HOURLY OTHER	115,792	51.60	48.31	108,417
19735	561240	PAID TIME OFF	11,304	5.04	5.77	12,937
19735	561020	PENSION DEFINED CONTRIBUTION	2,105	0.94	0.69	1,553
19735	561010	GROUP HEALTH INSURANCE NON-UNION	24,943	11.12	7.04	15,797
19735	561490	OTHER NON-UNION BENEFIT EXP	11,439	5.10	3.44	7,711
19735	565010	SOCIAL SECURITY TAX EXPENSE	10,504	4.68	4.12	9,243
19735	565040	STATE UNEMPLOYMENT TAX	444	0.20	0.21	479
19735	664120	BUILDING SUPPLIES	34,000	15.15	14.71	33,000
19735	664110	HVAC MAINTENANCE	17,500	7.80	5.79	13,000
19735	664250	BUILDING MAINTENANCE	30,000	13.37	13.37	30,000
19735	664300	FITNESS EQUIPMENT	600	0.27	0.53	1,200
19735	664390	PLUMBING REPAIRS & MAINTENANCE	18,000	8.02	8.02	18,000
19735	692020	LAUNDRY EQUIPMENT	1,800	0.80	1.25	2,800
19735	664150	FIRE & OTHER SAFETY EQUIPMENT	12,000	5.35	4.01	9,000
19735	600110	INSPECTIONS	2,500	1.11	1.11	2,500
		Maintenance - Service, Equipment, Supplies	297,669	132.65	120.24	269,812
19735	664440	EXTERMINATION	3,000	1.34	1.60	3,600
19735	661030	WATER	750	0.33	0.32	720
		Building & Equipment Contracts	3,750	1.67	1.93	4,320
19735	663110	ELEVATOR CONTRACTS	16,800	7.49	6.68	15,000
19735	705060	BOARD AUTHORIZED PROJECT	5,000	2.23	2.23	5,000
		Total	323,219	144.04	131.07	294,132
INSURANCE & TAXES						
19700	752010	INSURANCE PREMIUM EXPENSE	212,581	94.73	87.82	197,075
19800	875010	Income Tax	1,800	0.80	0.27	600
		Tax on Timeshare Property (Ad Valorem Taxes)	n/a	n/a	n/a	n/a
		Taxes Upon Leased Areas	n/a	n/a	n/a	n/a
		Total	214,381	95.54	88.09	197,675
SALE OF ASSOCIATION WEEKS						
19800	458360	Sale of Association Week	(45,000)	(20.05)	(20.05)	(45,000)
19800	516070	COS HOA OWNED WEEKS	60,000	26.74	26.74	60,000
		Cost of Sales	60,000	26.74	26.74	60,000
		Total	15,000	6.68	6.68	15,000
		OPERATING EXPENSE TOTAL	1,964,417	875.41	818.31	1,836,286
		OPER. SURPLUS/(DEFICIT)	0	0.00	(0.00)	(0)

1 Ad Valorem Taxes on individual weeks are billed by the County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2019 Annual Budget	2019 Per Unit/ Week	2018 Per Unit/ Week	2018 Annual Budget	2019 Annual Budget	2019 Per Unit/ Week
RESERVE REVENUE	864,463	385.23	301.36	676,261	630,101	280.79
RESERVE CONTRIBUTION						
Capital Reserves:						
Interior	509,580	227.09	142.60	319,996	357,409	159.27
Roof	24,674	11.00	13.33	29,923	20,362	9.07
Paving	19,581	8.73	6.42	14,398	14,393	6.41
Recreation	0	0.00	0.00	0	0	0.00
Capital Improvements	221,956	98.91	115.34	258,823	144,580	64.43
Total	775,791	345.72	277.69	623,140	536,744	239.19
Painting Reserve	88,672	39.52	23.67	53,121	93,357	41.60
Total	88,672	39.52	23.67	53,121	93,357	41.60
RESERVE CONTRIBUTION TOTAL	864,463	385.23	301.36	676,261	630,101	280.79
RESERVE SURPLUS/(DEFICIT)	0	0.00	0.00	0	0	0.00

Summary	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2019 Annual Budget	2019 Per Unit/ Week	2018 Per Unit/ Week	2018 Annual Budget	2019 Annual Budget	2019 Per Unit/ Week
OPERATING FEE	1,926,789	858.64	805.19	1,806,841	1,926,789	858.64
CAPITAL RESERVE CONTRIBUTION	775,791	345.72	277.69	623,140	536,744	239.19
PAINTING RESERVE CONTRIBUTION	88,672	39.52	23.67	53,121	93,357	41.60
SPECIAL ASSESSMENT	0	0.00	0.00	0	0	0.00
NET BEFORE CREDITS	2,791,252	1,243.87	1,106.55	2,483,102	2,556,890	1,139.43
CREDITS						
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0.00
TOTAL CREDITS	0	0.00	0.00	0	0	0.00
TOTAL AMOUNT BILLED	2,791,252	1,243.87	1,106.55	2,483,102	2,556,890	1,139.43

The Surf Club of Marco, Inc
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

The Surf Club of Marco, Inc
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

2244 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (units)	2019 Statutory Reserve Funding	Estimated Fund Balance 1/1/19	2019 Proposed Reserve/Assmt. Contributions	2019 Projected Expenses	Estimated Fund Balance 12/31/19
Interior	12.84	7.12	3,810,280	509,580	184,327	357,409	66,000	475,736
Roof	28.98	20.79	590,000	24,674	77,023	20,362	0	97,385
Painting	6.47	1.73	291,700	88,672	138,724	93,357	221,700	10,381
Paving	23.70	4.40	128,420	19,581	42,169	14,393	0	56,562
Recreation	0.00	0.00	0	0	0	0	0	0
Capital Improvements	19.06	9.96	2,327,825	221,956	117,028	144,580	130,000	131,608
Special Assessment			0	0	0	0	0	0
TOTAL			7,148,225	864,463	559,271	630,101	417,700	771,672

	2019 Statutory Reserve Funding	2019 Proposed Reserve Funding
Operating Fee	\$858.64	\$858.64
Capital Reserve	\$345.72	\$239.19
Painting Reserve	\$39.52	\$41.60
Special Assessment	\$0.00	\$0.00
Total Amount Billed	<u>\$1,243.87</u>	<u>\$1,139.43</u>
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
TOTAL AMOUNT BILLED	<u>\$1,243.87</u>	<u>\$1,139.43</u>

** The State of Florida mandates that condominium associations prepare calculations to fully fund reserves. The Law also provides the reserve requirement may be waived or reduced, allowing the unit owners to put less money into the reserve accounts. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$1,243.87. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2019 annual meeting, thereby establishing the maintenance fee at \$1,139.43 for the 2019 budget year.

NOTE:

There may be some items that require future replacement and are not reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 2244 periods of 7-day annual use availability that exist within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums, and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.