

Shearwater Treasurer's Report - Unaudited

February 2018 – FY2018

Submitted by Joy Ambrogio Treasurer

April 20, 2018

Snapshot YTD February 2018:

Operating Income/Expenses

YTD Operating Fund Balance	\$20,727
YTD Operating Expense Status	.1% under budget
YTD Operating Revenue (income) Status	3% over budget

Reserve Balance - Unaudited

Total Reserves	\$987,800
Replacement Reserve Balance	\$868,686
Paint Reserve Balance	\$119,114

- **Operating Income**

- Unit Assessment Revenue is on target.
- Marina and Kayak/Dinghy assessment revenue is on budget, with the 2018 invoices sent.
- Marina guest fees are over budget which has added to our bottom line.
- Our total revenue is 3% over budget.
- There has been a concerted effort by MMG and Larry Birch to keep our receivables current for our owner and marina assessments. The trend is moving in a positive direction.

- **Operating Expenses (spending)**

- Operating expenses are under budget YTD through February by .1%.
- There are some line items that are over budget due to timing and are not indicative of an issue (Insurance Premiums, and Pool Management).
- There are also some line items under budget due to timing of invoices, that we expect to be on budget when paid (Flood Insurance, Utilities and Scheduled Maintenance)
- **Audit:** I have had a few preliminary discussions with our independent auditor Shawn Hellman of Strauss & Associates, P.A., who have been our auditors since 2003. Our annual FY2017 (July 2016 through June 2017) audit has begun and is expected in April 2018.

- **Forecast for FY2018:** We are already through 66.7% of our fiscal year. **I am anticipating another year of over spending our budget by ~\$20K.** Although we can't predict with absolute certainty what all expenses will be in FY2018, there are some items that may affect our net income that I want to address. Please note, these are forecasts on given information at this time.
 - **Projected Negative impacts on Net Income:**
 - **Legal Fees (and collection costs)** will be over our annual budget of \$5k. We have spent \$12,495 YTD. We are also tracking, reclassifying some costs to the reserve fund from expense at ~1K. We anticipate more legal costs and an overage for the year. This is an extraordinary year with regard to legal costs. Most of our overages are due to legal advice from the survey work that was done on our property. This is an ongoing situation. There is also an older collection case we are pursuing on the recommendation of our attorney. We hope to recoup at least some of the \$10k of a previous owners' delinquent assessment. This previously owed assessment receivable was moved to our balance sheet in 2015 and 2016.
 - **Tree Maintenance** will be over our annual budget of \$5k. To date we have spent \$5,810 and expect to spend upwards of \$10k in this fiscal year.
 - **Grounds Maintenance** is expected to be over budget, due to the fact the contract prices changed during the budget process. We expect this overage to be about \$3k.
 - **General Maintenance** has costs through February are running high. We have budgeted \$65k for the year and have spent \$50.1K through February. This line item has been an issue most years. We are monitoring this account monthly.
- **Reserve Funds:**
 - Contributions to our painting and replacement reserve funds are on target for FY2018. Our **unaudited** total reserve balance is \$987,800 (\$868,686 replacement and \$119,114 paint fund).
 - Below is a tentative list of reserve expenditures we are anticipating for **FY2018**. We are waiting on some RFPs and estimates to complete our list.
 - Site Lighting PHI/Building – Walter Electric Bid accepted and installation is in progress
 - Community Signs – Completed by Fast Signs.
 - Deck Replacement project
 - Siding Replacement

- **FY2019** our tentative list of larger replacement projects, subject to all appropriate approvals, includes:
 - Site lighting PHII (posts and heads)
 - Kayak Rack
 - Racquet Ball Court Refurbishment (if moved to FY2019)
- **FY2020** our tentative list of larger replacement projects, subject to all appropriate approvals, includes:
 - Marina Bulkhead Repair (bldg. 15 & 16), water lines and possible dredging.
 - Landscape Lighting PHIII

Shearwater Condominium Association
Budget Status as of February 2018 - (Unaudited)

JEA 4/16/18

8th Accounting Period FY 18

% of Year = **66.7%**

Operating Account

	Annual Budget	Year-to-Date Actuals	Actual vs Budget (%)
Operating Income	697,633	486,053	69.7%
Unit Assessment	641,783	429,324	66.9%
Marina	54,500	55,229	101.3%
Late Fees	500	-94	-18.8%
Other	850	1,594	187.6%
Operating Expenses	395,589	263,964	66.7%
<i>General and Administrative</i>	111,855	97,960	87.6%
Management Fee	22,655	15,178	67.0%
Audit Fees	1,500	0	0.0%
Legal Fees & Collection Costs	5,000	12,495	249.9%
Postage and Mail	2,000	408	20.4%
Insurance Premiums	45,000	42,844	95.2%
Insurance Claims	5,000	2,215	44.3%
Flood Insurance	24,000	20,627	85.9%
Office Supplies	3,000	3,086	102.9%
Taxes	700	653	93.2%
Other (Misc G&A and Bank Fees)	3,000	456	15.2%
<i>Utilities</i>	83,400	47,123	56.5%
Electricity	18,000	10,892	60.5%
Cable TV	29,000	14,842	51.2%
Water & Sewer	34,000	20,279	59.6%
Telephone	2,400	1,110	46.2%
<i>Maintenance</i>	112,300	60,695	54.0%
Landscaping	5,000	0	0.0%
Irrigation	1,300	576	44.3%
Tree Maintenance	5,000	5,810	116.2%
Marina Repairs	4,000	1,450	36.3%
General Maintenance	65,000	51,887	79.8%
Roof Repairs	15,000	702	4.7%
Scheduled Maintenance	14,000	0	0.0%
Pool Repairs	1,500	270	18.0%
Tennis Courts	1,500	0	0.0%
<i>Contract Services</i>	88,034	58,185	66.1%
Grounds Maintenance	29,904	22,926	76.7%
Trash Removal	8,500	5,346	62.9%
Extermination	5,800	5,040	86.9%
Snow Removal	8,000	7,258	90.7%
Janitorial Services	12,730	8,225	64.6%
Pool Management	23,100	9,390	40.6%
Net Income before Transfers	302,044	222,090	73.5%
Transfer to Replacement Reserve Fund	273,044	182,029	66.7%
Reserve Payback	9,000	6,000	66.7%
Transfer to Painting Reserve Fund	20,000	13,333	66.7%
Total Expenses	697,633	465,326	
Net Income		20,727	

Reserve Accounts

		Replacement	Paint
Audited Balance -	7/1/2016	673,634	85,374
Starting Balance - Unaudited	6/30/2017	814,111	105,587
Year-to-Date		54,575	13,527
<i>Income</i>		<i>182,279</i>	<i>13,527</i>
Fees		0	0
Interest		249	193
Transfer from operating fund		182,029	13,333
Expenses		127,703	0
9930	Reserves - Lighting PHI- Building lighting	68,935	0
9935	Reserves - landscaping	2,725	
9955	Reserves - Clubhouse	2,861	
9961	Reserves - Siding	17,099	
9962	Reserves - Awning	2,423	
9965	Reserves - Marina	9,973	
9980	Reserves - Decks	21,188	
9982	Reserves - Signs	2,499	
Total Reserve Funds (Unaudited)		987,800	119,114