

**1. 2023 Audit proposal**

Kmetz Elwell Graham & Associates, PLLC \$4,250 for the 2023 audit and tax return filing  
They did 2020 & 2021. We bid this out last year and they were the lowest. With changing companies again, it would be difficult to move to a new auditor.

**2. Insurance**

Fidelity Bond (Crime) was increased to \$675,000 in September. Cost for 2022 \$344.00 raising it to \$1,098

The following estimate from Assured Partners does not reflect the increase(s) in Crime Policy.

<b>2023 Insurance Estimate for Budgeting Purposes: Lantana Oceanfront Condominium Association: Effective 12/31</b>			
	<b>12/31/2021</b>	<b>12/31/2022</b>	<b>2022 Appraisal Values</b>
Property Insurance	\$72,318.00	\$90,400.00	\$117,516.00
General Liability	\$8,551.20	\$9,235.00	\$9,235.00
Crime	\$506.00	\$506.00	\$506.00
Directors & Officers	\$1,532.00	\$1,625.00	\$1,625.00
Umbrella	\$2,933.00	\$3,108.00	\$3,108.00
Workers Comp.	\$616.00	\$575.00	\$575.00
<b>TOTAL</b>	<b>\$86,456.20</b>	<b>\$105,449.00</b>	<b>\$132,565.00</b>
Finance Charges	\$1,888.28	\$2,124.00	\$2,761.00
Flood Insurance	\$24,864.00	\$26,853.00	\$26,853.00
<b>OVERALL TOTAL</b>	<b>\$113,208.48</b>	<b>\$134,426.00</b>	<b>\$162,179.00</b>

Last appraisal was 7/26/2018 and next due 7/26/2021.

If appraisal experiences a 30% increase that would put the TIV at \$30,664,003

**FL St 718.111(11) INSURANCE**

- (a) Adequate coverage = must be based on the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal. The replacement cost must be determined at least once every 36 months.

**Bids for Appraisal**

Worthy & Company - \$2,000.00: full blown with all the bells and whistles.

Inspection Firm or Florida, LLC – did the 2018 inspection, usually cheaper but exceptionally busy now.

**3. Line of Credit Renewal – Valley National Bank**

Line of Credit for \$250,000. Annual renewal fee \$150.00

4. Bank Accounts/Investments

Per our CPA

- a. Only need 2 accounts – Operating & Reserve. Special Assessment & Catastrophic Loss can be in Reserve account.
- b. Should diversify to at least 2 banks based on FDIC max of \$250,000
- c. Strategy:
  - a. Bank 1 (TD Bank)
    - i. Checking account – Operating
    - ii. MMA - liquid reserve funds (expected to spend within 1 year) + special assessment
  - b. Bank 2 (Valley National Bank)
    - i. MMA- tied to LOC for funding, Catastrophic Loss funds + long term reserves
  - c. Bank 3 (Regions Bk)
    - i. CDs for Reserve funds not needed in near term, can add more later with staggering due dates

Keys Accounts	Approx. balance	Proposed account	Proposed Amount
CIT Operating checking	\$155,826.76	TD Bank noninterest checking	\$155,875.43
Valley National checking	\$48.67	TD Bank noninterest checking	
CIT Catastrophic Loss MMA	\$46,124.85	Valley National MMA	\$46,124.85
CIT Reserve MMA	\$273,249.15	Valley National MMA	\$200,000.00
		Regions CD 1.75%	\$50,000.00
		TD Bank MMA 0.8%	\$23,249.15
CIT Spe Assessment ckg	\$101,330.13	TD Bank MMA	\$101,330.13
	\$571,579.56		

Bank	Account	Signers	Rate	Amount
TD	Checking	Tres,Pres, CMA	0%	\$155,000
TD	MMA	Tres,Pres, CMA	0.8%	\$125,000
TD	CD 9 mo	Tres,Pres, CMA	1.50%	
TD Bank (IHB)	TOTAL			\$275,000
Valley (Vero)	MMA	All BoD	0.75%	\$245,000
Regions (IHB)	CD 9 mo	Tres,Pres,	1.75%	\$50,000

## 5. Credit Cards/Accounts

### VISA

Valley Bank – Corporate VISA account– No annual fee

Corporate VISA account minimum limit \$5000. Corporation Tax ID is used

Individual cardholders can have limit as low as we choose. Aggregate can be more or less than corporate limit.

Individuals with cards must supply personal information (ID, DOB, SSN), but no personal credit report is pulled & no report is made on their personal records.

Cards are running about 3 weeks to issue.

TD Bank – Business Solutions Credit Card – No annual fee, up to 2% cash back

One individual applies for the account. It is based on their SSN & credit report. Any collection activity would be against them. Forever. If a Board member and they left, the account would remain unless they close it.

Corporation tax id & name would be on the card.

Additional cards could be issued to other individuals but activity would be reported to primary individual's credit report.

Upon approval, cards are produced at the branch.

### Store Accounts

Currently Y&A using their credit card & billing us monthly.

The following companies will set up corporate accounts. Individuals authorized do not have credit checked or share responsibility.

Lowe's (5% discount)

Island Hardware -ACE IHB (may get up to 10%)

Sherwin Williams (could be up to 15%)

## 6. Transition

Keys

completed FS through September

Handed off autopay info (utilities, insurance)

Closed accounts & sent checks

Sent invoices received after 9/30

Provided owner account balances

DPM

New Operating account set up to receive owner payments

Physical checks being issued

Online payments from Operating

Appfolio owner accounts active, portal notices sent, 47 active (Monday)

Financials set up in Appfolio and QuickBooks

Aging – report provided & calls made to owners

## 7. Financials

### a. Operating status

Based on August Financial reports and invoices that approved for payment in September + utility estimates, contracts & approved proposals. Building 1 Koch contract price is included in Dune/Landscape Improvements.

Expense Areas over budget

AREA	Lines over YTD	Expected over YE	Expected Under YE	(\$over)
Administrative	Legal	Legal, Licenses, Management fees,	Bad Debt?	(\$3,050)
	Office Supplies	Office Supplies		
Insurance	Insurance	Insurance		(\$12,700)
Systems		Elevator?	Fire systems	\$9,000
Building Maintenance	Janitorial, Maintenance Labor, Maint Supplies	Janitorial, Maint Labor, Maint Supplies	Repairs, Roof repairs	(\$7,500)
Ground Maintenance	Dune & Landscape Improvements	Lawn Service	Dune & Landscape Impr, Fertilizer, irrigation, trees/plants	\$6,750
Recreation Facilities			Pool service	\$1,125
Utilities			All	\$8,000
<b>TOTAL</b>			<b>TOTAL</b>	<b>\$1,625</b>

**Income** - \$6,720 unexpected income In February we expected to have a \$12,000 net loss  
**Resulting in NET INCOME of \$6,030** without the drainage expenses

### b. Reserves

September updates	
8/31/22 Balance	\$ 426,908.21
Assessments	\$ 20,224.08
Balconies	\$ 0.14
Pool Gates	\$ (4,713.00)
<b>9/30/22 Catastrophic Loss Balance</b>	<b>\$41,072.46</b>
<b>9/30/22 Balance (plus int)</b>	<b>\$ 401,346.97</b>
<b>Approved/in proress but not paid</b>	
West Garage Structural (gutters)	\$ (1,680.00)
West Garage Structural (concrete)	\$ (4,000.00)
Water, sewer & plumbing	\$ (13,509.00)
Driveway sealing	\$ (8,733.00)
Door Replacement (trash room)	\$ (4,070.84)
EVSE	\$ (6,400)
<b>TOTAL</b>	<b>\$ (38,392.84)</b>
<b>Loaned to Special Assessments</b>	<b>\$ (131,824.36)</b>
<b>Funds Available 10/15/22</b>	<b>\$ 251,353.35</b>

**c. Special Assessment funds \$576,000**

Assessments received through 10/17/22	\$441,165.00
Paid to vendors from Spec Assmnt	\$ (309,682.95)
Cash remaining	\$ 131,482.05
Borrowed from Reserves (return in 2022)	\$ (131,824.86)
Actual Value	\$ (342.81)
Expected receipts 10/18-12/31/22	\$57,360.00
Expected balance 1/1/2023	\$57,017.19
Expected balance 1/31/2023	\$ 81,017.19
Expected balance 2/28/2023	\$ 105,497.19
Expected balance 3/31/2023	\$ 128,492.19

All owners current except one. Assumes \$6,000 outstanding.

**Old Business****a. Drainage – should come from budget**

Building 1 – Koch \$12,920 - recommend building repairs

Buildings 2,3 & 4 - landscape improvements – cost?

Reserves- Neither of these items was in the plan. The Reserve schedule adopted in December had \$30,000 in Water, sewer & plumbing systems. Spent to date - \$27,018. We have no further funding scheduled there ever.

Operating- \$7,500 approved for Building 1 in July was from Dune Repair & Landscape Improvements, the decrease in the landscape contract and remaining in Trees plants & shrubs (800+1,850+3,700=6,350).

Current projection - \$6,700 remaining in the grounds budget.

**New Business****a. Budget Committee**

Minutes of the 1<sup>st</sup> meeting were sent to the board. Next meeting follows this meeting.  
10/19 meeting

- Finalize the operating budget recommendation
- Update the reserve schedule to reflect additional items and reorganize into Structural requirements vs non required reserves according to the changes to FL718.