

ANNUAL BUDGET FY2022

BOARD OF DIRECTORS



ADOPTED

DECEMBER 22 2021

BUILDING A BETTER FUTURE

OUR PHILOSOPHY

The Reserve at Sawgrass Board of Directors takes our fiduciary duty to ensure a solid foundation for a successful future very seriously. This proposed budget represents our assessment of where we currently stand balancing the feedback we have received so far, and our priorities for the future. We will publish a comprehensive budget report each year, similar to this one, that is easy to understand so everyone knows how each of our hard-earned dollars are spent by the Association. We will also perform regular reserve studies to ensure our reserve fund for future replacements of common items is fully funded to prevent surprise special assessments. We take our duties as a Board to be good stewards of the Association very seriously and will always endeavour to make the best decisions for the Association as a whole.



CONTENTS



CURRENT STATISTICS **PAGE 04**

BUDGET HIGHLIGHTS **PAGE 05**

PROPOSED ASSESSMENTS **PAGE 05**

OPERATING BUDGET **PAGE 06**

HOW TO READ THE BUDGET **PAGE 06**

RESERVE FUND BUDGET **PAGE 07**

**FOR ADDITIONAL BUDGET INFORMATION
VISIT WWW.RESERVEATSAWGRASS.COM/BUDGET**

CURRENT STATISTICS

544

**TOTAL HOMES IN RESERVE AT
SAWGRASS**

27

**HOMES SOLD
OR RESOLD IN FY2021**

4%

**HOMES THAT ARE DELINQUENT
30 DAYS OR MORE**

2%

**HOMES THAT ARE DELINQUENT
90 DAYS OR MORE**

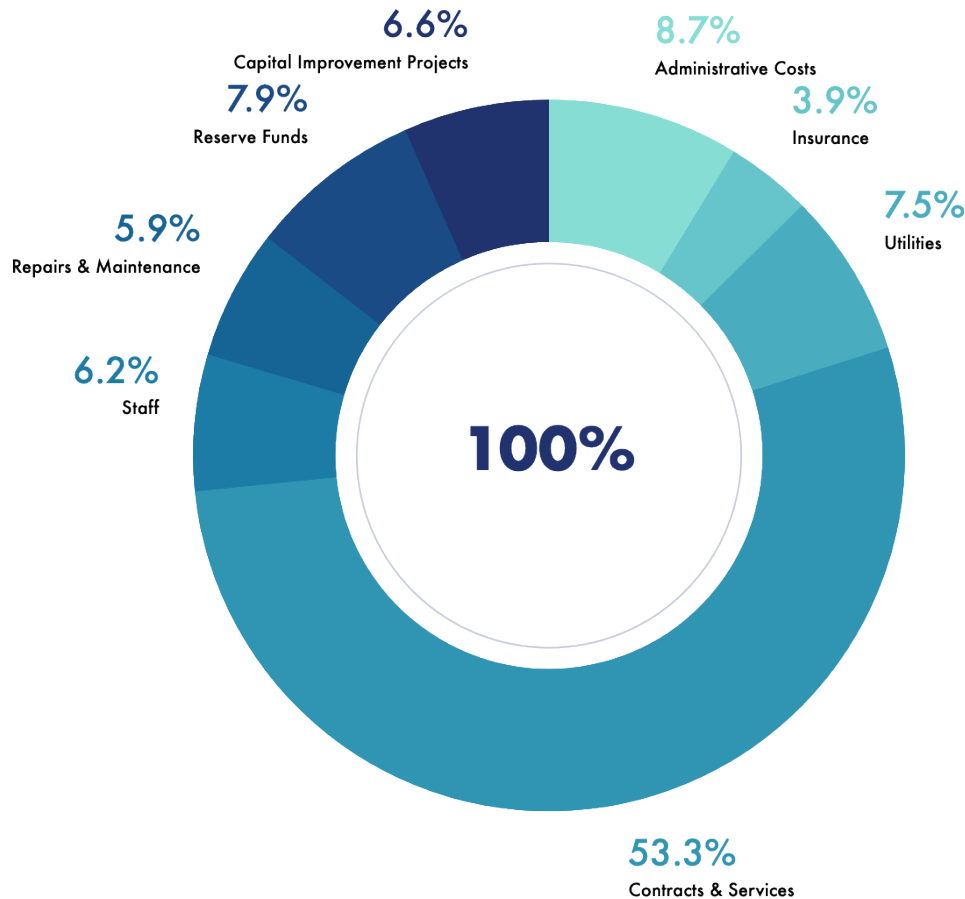
\$10

**PROPOSED QUARTERLY ASSESSMENTS
INCREASE TO ENSURE FULLY FUNDED RESERVES**

1ST

**BUDGET WITH FULL RESERVE STUDY
COMPLETED POST-TURNOVER**

OPERATING EXPENSES



PROPOSED ASSESSMENTS

Our assessments are billed **quarterly** (January 1, April 1, July 1, and October 1) of each year.

2022 PROPOSED
ASSESSMENTS

\$185

PER QUARTER

WHY AN INCREASE?

The vast majority of the slight increase is due to the increase in reserve funding. Smaller increases in certain items such as insurance costs were partially offset by savings from renegotiated vendor contracts and other cost-saving initiatives.

SOME HIGHLIGHTS FROM THE BUDGET

▼ 9% REDUCTION IN ADMINISTRATIVE COSTS

▲ 52% INCREASE IN INSURANCE COSTS

▼ 8% REDUCTION IN CONTRACTS & SERVICES

▲ 10% INCREASE IN REPAIRS & MAINTENANCE

▼ 6% REDUCTION IN UTILITIES

OPERATING BUDGET

Description	2021 Approved Budget	2021 Actual YTD thru October	Variance	2022 Annual Proposed	YOY Increase
INCOME					
Owner Assessments	\$ 365,430.00	\$ 304,394.00	\$ 61,036.00	\$ 367,060.00	0.4%
Reserves Funding	\$ 15,372.00	\$ 12,810.00	\$ 2,562.00	\$ 35,500.00	131%
Collections - Late Fee Income	\$ 10,000.00	\$ 6,700.00	\$ 3,300.00	\$ 5,000.00	-50%
Returned Check Fees	\$ -	\$ 90.00	\$ (90.00)		---
Collections - Late Fee Interest	\$ 2,500.00	\$ 1,626.00	\$ 874.00	\$ 1,000.00	-60%
Reserve Interest	\$ -	\$ 1.00	\$ (1.00)		---
Capital Contribution Fees (New and resales)	\$ 5,000.00	\$ 8,150.00	\$ (3,150.00)	\$ 5,000.00	0%
Collections - Administrative Fees	\$ 8,000.00	\$ 8,409.00	\$ (409.00)	\$ 6,000.00	-25%
**TOTAL INCOME	\$ 406,302.00	\$ 342,180.00	\$ 64,122.00	\$ 419,560.00	3%
EXPENSES					
**ADMINISTRATIVE					
CPA Fees	\$ 3,000.00	\$ 2,500.00	\$ 500.00	\$ 3,000.00	0%
Delinquent Assessments Allowance	\$ 6,000.00	\$ 5,000.00	\$ 1,000.00	\$ 3,000.00	-50%
Bank Charges	\$ 130.00	\$ 110.00	\$ 20.00	\$ 120.00	-8%
Attorney Fees	\$ 4,000.00	\$ 10,911.00	\$ (6,911.00)	\$ 4,000.00	0%
Pool Operating Permit	\$ 350.00	\$ 335.00	\$ 15.00	\$ 350.00	0%
Corporate Annual Report Filing	\$ 150.00	\$ 61.00	\$ 89.00	\$ 100.00	-33%
Collections Costs	\$ -	\$ 5,530.00	\$ (5,530.00)		---
Social Events	\$ 5,000.00	\$ 1,984.00	\$ 3,016.00	\$ 7,000.00	40%
Administrative Costs	\$ 12,750.00	\$ 12,100.00	\$ 650.00	\$ 10,000.00	-22%
Postage	\$ 500.00	\$ 849.00	\$ (349.00)	\$ 1,000.00	100%
Reserve Study	\$ 500.00	\$ -	\$ 500.00	\$ 500.00	0%
Miscellaneous	\$ 5,560.00	\$ 10,474.00	\$ (4,914.00)	\$ 5,000.00	-10%
Holiday Decorations	\$ 5,000.00	\$ 4,321.80	\$ 678.20	\$ 5,000.00	0%
**TOTAL ADMINISTRATIVE	\$ 42,940.00	\$ 54,175.80	\$ (11,235.80)	\$ 39,070.00	-9%
**PROPERTY INSURANCE					
Multiperil Insurance	\$ 9,000.00	\$ 10,296.00	\$ (1,296.00)	\$ 10,400.00	16%
Umbrella Insurance			\$ -	\$ 2,400.00	---
Directors & Officers	\$ 2,500.00	\$ 3,490.00	\$ (990.00)	\$ 3,500.00	40%
Fidelity Bond		\$ 551.00	\$ (551.00)	\$ 600.00	---
Workers Comp Ins.		\$ 616.00	\$ (616.00)	\$ 600.00	---
**TOTAL PROPERTY INSURANCE	\$ 11,500.00	\$ 14,953.00	\$ (3,453.00)	\$ 17,500.00	52%
**UTILITIES					
Electricity-	\$ 25,000.00	\$ 23,415.00	\$ 1,585.00	\$ 24,000.00	-4%
Internet	\$ 1,500.00	\$ 1,272.00	\$ 228.00	\$ 1,500.00	0%
Water & Sewer-	\$ 9,000.00	\$ 8,586.00	\$ 414.00	\$ 8,000.00	-11%
**TOTAL UTILITIES	\$ 35,500.00	\$ 33,273.00	\$ 2,227.00	\$ 33,500.00	-6%
**CONTRACTS					
Capital Improvement Projects	\$ 30,000.00	\$ 29,523.00	\$ 477.00	\$ 30,000.00	0%
Pool Security System and Monitoring	\$ 14,000.00	\$ 9,393.00	\$ 4,607.00	\$ 9,000.00	-36%
Lake Maintenance	\$ 10,000.00	\$ 8,100.00	\$ 1,900.00	\$ 9,000.00	-10%
Fountain Maintenance	\$ 1,240.00	\$ 1,495.00	\$ (255.00)	\$ 1,240.00	0%
Wetlands Maintenance	\$ 4,000.00	\$ 1,432.00	\$ 2,568.00	\$ 2,500.00	-38%
Landscaping Services	\$ 53,000.00	\$ 51,154.00	\$ 1,846.00	\$ 55,000.00	4%
Management Services	\$ 55,000.00	\$ 52,500.00	\$ 2,500.00	\$ 55,000.00	0%
Pest Control	\$ 6,000.00	\$ 5,150.00	\$ 850.00	\$ 6,000.00	0%
Pool Maintenance	\$ 7,500.00	\$ 6,520.00	\$ 980.00	\$ 8,500.00	13%
Pool Guard	\$ 30,000.00	\$ 55,202.00	\$ (25,202.00)	\$ 20,000.00	-33%
Pressure Cleaning	\$ 5,000.00	\$ 8,040.00	\$ (3,040.00)	\$ 6,000.00	20%
FHP/OCISO Patrols	\$ 42,000.00	\$ 46,345.00	\$ (4,345.00)	\$ 35,000.00	-17%
Dumpster	\$ 2,000.00	\$ 1,719.00	\$ 281.00	\$ 2,000.00	0%
Termite Bond	\$ 250.00	\$ -	\$ 250.00	\$ 250.00	0%
**TOTAL CONTRACTS	\$ 259,990.00	\$ 247,050.00	\$ (17,060.00)	\$ 239,490.00	-8%
**SALARIES AND BENEFITS					
Maintenance Staff	\$ 17,000.00	\$ 23,454.00	\$ (6,454.00)	\$ 28,000.00	65%
**TOTAL SALARIES AND BENEFITS	\$ 17,000.00	\$ 23,454.00	\$ (6,454.00)	\$ 28,000.00	65%
**REPAIRS/MAINTENANCE					
R&M-General	\$ 10,000.00	\$ 29,027.00	\$ (19,027.00)	\$ 11,000.00	10%
Misc Supplies/Equipment	\$ 3,000.00	\$ 7,642.00	\$ (4,642.00)	\$ 5,500.00	83%
Landscaping/Irrig Extras & Repairs	\$ 2,500.00	\$ 1,215.00	\$ 1,285.00	\$ 2,500.00	0%
Landscaping Replacements	\$ 4,000.00	\$ 1,393.00	\$ 2,607.00	\$ 3,000.00	-25%
Replacement Annuals	\$ 2,500.00	\$ 3,000.00	\$ (500.00)	\$ 2,500.00	0%
Mulch/Soil	\$ 2,000.00	\$ 509.00	\$ 1,491.00	\$ 2,000.00	0%
**TOTAL REPAIRS/MAINTENANCE	\$ 24,000.00	\$ 42,786.00	\$ (18,786.00)	\$ 26,500.00	10%
**RESERVE TRANSFERS					
Reserve Transfers-	\$ 15,372.00	\$ 12,810.00	\$ 2,562.00	\$ 35,500.00	131%
**TOTAL RESERVE TRANSFERS	\$ 15,372.00	\$ 12,810.00	\$ 2,562.00	\$ 35,500.00	131%
**TOTAL EXPENSES	\$ 406,302.00	\$ 428,501.80	\$ (52,199.80)	\$ 419,560.00	3%

HOW TO READ THE BUDGET

UNDERSTANDING AMOUNTS

Numbers that are shown with () are negative numbers.

2021 APPROVED BUDGET

This is the annual budget amount approved by the Board of Directors last year that covers the calendar year 2021.

2021 ACTUAL YTD

This is the actual year to date (YTD) spend in each category for the calendar year through August 31, 2021. This is the most recent monthly financial report that is finalized for actual costs.

VARIANCE

This is the difference between the 2021 approved budget, and the estimated annual total. This helps give a general idea of each category and where we might be over or under-spending. In the Expenses variance section, a negative number indicates an overspend. A positive number in the variance column indicates a surplus/under-spend. In the Income section, the opposite is true. When there is a variance with (), it indicates a higher income than the budgeted amount.

2022 ANNUAL PROPOSED

This is the annual budget amount proposed by the Board of Directors for calendar year 2022.

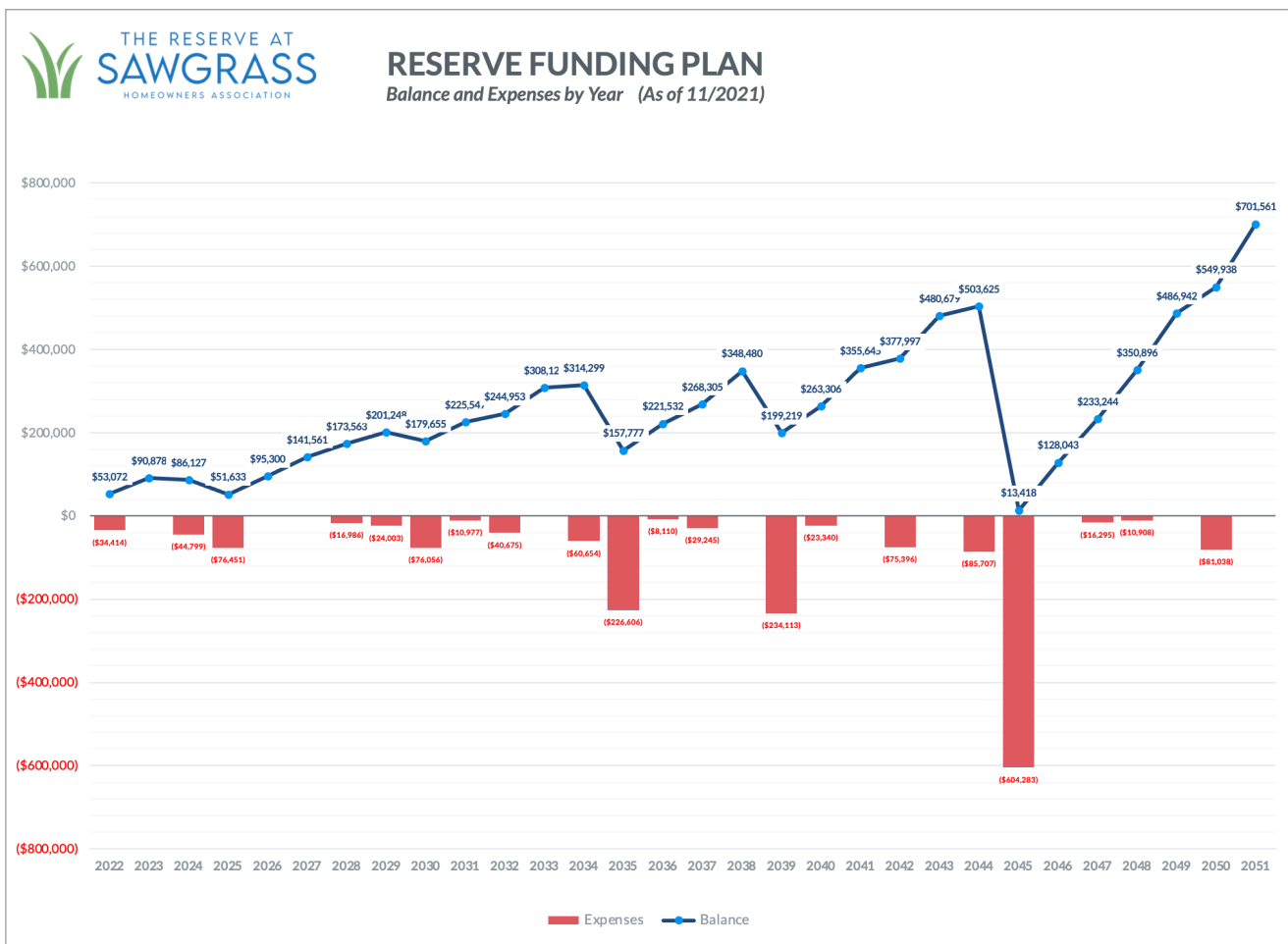
YOY INCREASE

This is the percentage difference (increase or decrease) between the 2021 approved budget and the 2022 proposed budget.

RESERVE FUNDING BUDGET

What is a reserve fund? While our Operating Budget is for our day-to-day operations of the Association, similar to a checking account, the Reserve Fund (also referred to as simply “reserves”) is the Associations’ “savings account” for future, larger repairs/replacements of Association assets and property. Reserve funds are intended to prevent the need for potentially costly special assessments, and in many cases, including ours, are required by FL Statute. Our Reserves are based on reserve studies updated periodically by an independent third-party professionals to determine remaining life and replacement costs of assets and capital expenditures.

Upon completion of the first full Reserve Study completed earlier this year, it was determined that our reserve fund was poorly funded by the developer. We were only 30% of where we were supposed to be, and many items had inaccurate or severely underestimated replacement costs. **Per FL Statute, as an Association we are required to fully fund our Reserve accounts**, unless a membership vote is taken to reduce them. As this is not fiscally sound policy, the Board has created a funding plan to fully fund our reserve accounts based on the required 30 year plan for anticipated expenses. We strongly believe this is the best solution to ensure our community is on a solid financial footing and significantly reduce any surprise special assessments which can cause hardships on our fellow neighbors, or result in needed repairs being delayed or deferred, which in almost all cases increases the costs in the end.



FOR THE FULL 30-YEAR PLAN WITH ITEMIZED COSTS AND REMAINING LIFE ESTIMATES OF ALL ASSOCIATION ASSETS, PLEASE VIEW THE RESERVE FUNDING PLAN AVAILABLE AT WWW.RESERVEATSAGGRASS.COM/BUDGET

DID YOU KNOW?

You can access monthly financial reports, view your own HOA account balance, make payments, update your contact information and more at the FirstService Resident Portal.

LOG IN OR SIGN UP HERE: RESERVEATSAWGRASS.CONNECTRESIDENT.COM



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