

PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.

RESERVE FUNDS YEAR END REPORT ENDING DECEMBER 31, 2017

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In 2015, the Parkside Board of Directors (BOD) commissioned Association Reserves to do a 'Full' Reserve Study to determine the projected life, cost and repair and/or replacement of major common area items in future years for Parkside Place. The Study recommended 25 items with corresponding repair/replace estimates over the next 30 years. This also provides the BOD an in-depth review of the various capital items for consideration when preparing annual budgets. The PSP BOD adopted the 2015 Reserve Study with a beginning date of January 1, 2016. The Board also adopted a 'pooled' approach to the Reserve Account. That means tracking just the total of the Reserves without strictly adhering to various amounts and years for items listed in the Study. This provides flexibility to the BOD using Reserve funds to maintain PSP. The complete Reserve Study is on the Parkside Place website. This year-end report provides detailed information on the income and expenditures of the Reserve Account for budget year 2017. This data is from the 2017 CPA audited financial reports of Parkside Place for the 2017 accounting year.

INCOME: The Reserve Study recommends an annual deposit into the Reserve Account by owners. The Study recommends a 3% annual increase in deposits. The recommended amount for 2017 was \$42,457.00. Actual deposit from our Operating Account was \$42,800.00 for the Reserve Account plus \$12,000.00 to repay borrowed funds for Hurricane Matthew repair expenses. Both Hurricane Matthew in 2016 and Hurricane Irma in 2017 have related expenses paid in the year of the hurricane and the following year – for Matthew 2016 and 2017, for Irma 2017 and 2018. This is due to the timing of getting bids on repairs, waiting 'in line' for vendors as well as not paying invoices until the vendor has completed the work and the work inspected by someone from the BOD, the appropriate Committee or Leland Management. Note: Owners voted to increase Operating Budget for one year to cover hurricane expenses rather than decrease the Reserve Fund since the Fund had no specific line items for hurricane repair. 2017 Interest on the Reserve Account added an additional \$410.00 for a total 2017 Reserve Account Income of \$55,210.00.

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EXPENSES: The PSP BOD must approve all Reserve Account expenses. 2017 Reserve Account Expenses total \$56,930.00 as detailed below: (Note – invoice dates show when paid. This is not necessarily when the work was completed.)

<u>Category</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
2139 - Site Fencing Rpr	04/24/17	A List Tree Service	Rpr East Fence	\$ 2,314
2139 - Site Fencing Rpr	04/24/17	A List Tree Service	Rpr South Fence	\$ 513
2139 - Site Fence Repl	08/14/17	East Coast Fence	Replace W Fence	\$ 19,152
2139 - Site Fence Repl	11/20/17	Natural Harmony	Prep W Fence Repl	\$ 2,415
2139 - Site Fence Rpr	12/07/17	A List Tree Service	Rpr East Fence	\$ 1,642
2139 - Site Fence Repl	12/27/17	East Coast Fence	Replace W Fence	\$ 15,854
2139 - Site Fence Rpr	12/31/17	Gault Elec	Elec Rpr W Fence	\$ 1,265
2139 - Site Fence Rpl	11/20/17	Paradise Lawn	Clear fence for repl	\$ 2,400
2175 - Site Pole Repl	10/31/17	Mel North Co	Rpl 3 lampposts	\$ 1,981
2185 - Pond & Drainage	10/31/17	Jim Lawson - reimb	Pump Rpr parts	\$ 46
2185 - Pond & Drainage	12/31/17	Paradise Lawn	Hurricane cleanup	\$ 8,200
2787 - Pool Equip Rpr	10/31/17	Spectrum Pool	Pool pump repair	\$ 1,150
Total 2017 Reserve Account Expenditures				\$ 56,930

NOTE: 2017 Reserve Fund expenses are incorrect. See above Category 2185 – Pond & Drainage, 12/31/17, Hurricane cleanup for \$8,200. That expense is an Operations account expense, not a Reserve expense. Accounting will make an entry in 2018 to move this invoice along with \$8,200 from Reserves back to Operations.

Beginning Reserve Fund Balance 01/01/2017	\$193,200.00
2017 Income	\$ 55,210.00
2017 Expenditures	<u>(\$ 56,930.00)</u>
Ending Reserve Fund Balance 12/31/2017	\$191,480.00