

By Senator Evers

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1 A bill to be entitled
2 An act relating to financial reporting; amending ss.
3 718.111, 719.104, and 720.303, F.S.; deleting
4 provisions with respect to the preparation by certain
5 condominium associations, cooperative associations,
6 and homeowners' associations of annual reports of cash
7 receipts and expenditures in lieu of certain financial
8 statements; providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Paragraph (b) of subsection (13) of section
13 718.111, Florida Statutes, is amended to read:

14 718.111 The association.—

15 (13) FINANCIAL REPORTING.—Within 90 days after the end of
16 the fiscal year, or annually on a date provided in the bylaws,
17 the association shall prepare and complete, or contract for the
18 preparation and completion of, a financial report for the
19 preceding fiscal year. Within 21 days after the final financial
20 report is completed by the association or received from the
21 third party, but not later than 120 days after the end of the
22 fiscal year or other date as provided in the bylaws, the
23 association shall mail to each unit owner at the address last
24 furnished to the association by the unit owner, or hand deliver
25 to each unit owner, a copy of the financial report or a notice
26 that a copy of the financial report will be mailed or hand
27 delivered to the unit owner, without charge, upon receipt of a
28 written request from the unit owner. The division shall adopt
29 rules setting forth uniform accounting principles and standards

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30 to be used by all associations and addressing the financial
31 reporting requirements for multicondominium associations. The
32 rules must include, but not be limited to, standards for
33 presenting a summary of association reserves, including a good
34 faith estimate disclosing the annual amount of reserve funds
35 that would be necessary for the association to fully fund
36 reserves for each reserve item based on the straight-line
37 accounting method. This disclosure is not applicable to reserves
38 funded via the pooling method. In adopting such rules, the
39 division shall consider the number of members and annual
40 revenues of an association. Financial reports shall be prepared
41 as follows:

42 (b)1. An association with total annual revenues of less
43 than \$150,000 shall prepare a report of cash receipts and
44 expenditures.

45 ~~2. An association that operates fewer than 50 units,~~
46 ~~regardless of the association's annual revenues, shall prepare a~~
47 ~~report of cash receipts and expenditures in lieu of financial~~
48 ~~statements required by paragraph (a).~~

49 2.3. A report of cash receipts and disbursements must
50 disclose the amount of receipts by accounts and receipt
51 classifications and the amount of expenses by accounts and
52 expense classifications, including, but not limited to, the
53 following, as applicable: costs for security, professional and
54 management fees and expenses, taxes, costs for recreation
55 facilities, expenses for refuse collection and utility services,
56 expenses for lawn care, costs for building maintenance and
57 repair, insurance costs, administration and salary expenses, and
58 reserves accumulated and expended for capital expenditures,

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59 deferred maintenance, and any other category for which the
60 association maintains reserves.

61 Section 2. Paragraph (c) of subsection (4) of section
62 719.104, Florida Statutes, is amended to read:

63 719.104 Cooperatives; access to units; records; financial
64 reports; assessments; purchase of leases.—

65 (4) FINANCIAL REPORT.—

66 (c)1. An association with total annual revenues of less
67 than \$150,000 shall prepare a report of cash receipts and
68 expenditures.

69 ~~2. An association in a community of fewer than 50 units,~~
70 ~~regardless of the association's annual revenues, shall prepare a~~
71 ~~report of cash receipts and expenditures in lieu of the~~
72 ~~financial statements required by paragraph (b), unless the~~
73 ~~declaration or other recorded governing documents provide~~
74 ~~otherwise.~~

75 2.3. A report of cash receipts and expenditures must
76 disclose the amount of receipts by accounts and receipt
77 classifications and the amount of expenses by accounts and
78 expense classifications, including the following, as applicable:
79 costs for security, professional, and management fees and
80 expenses; taxes; costs for recreation facilities; expenses for
81 refuse collection and utility services; expenses for lawn care;
82 costs for building maintenance and repair; insurance costs;
83 administration and salary expenses; and reserves, if maintained
84 by the association.

85 Section 3. Paragraph (b) of subsection (7) of section
86 720.303, Florida Statutes, is amended to read:

87 720.303 Association powers and duties; meetings of board;

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88 official records; budgets; financial reporting; association
89 funds; recalls.—

90 (7) FINANCIAL REPORTING.—Within 90 days after the end of
91 the fiscal year, or annually on the date provided in the bylaws,
92 the association shall prepare and complete, or contract with a
93 third party for the preparation and completion of, a financial
94 report for the preceding fiscal year. Within 21 days after the
95 final financial report is completed by the association or
96 received from the third party, but not later than 120 days after
97 the end of the fiscal year or other date as provided in the
98 bylaws, the association shall, within the time limits set forth
99 in subsection (5), provide each member with a copy of the annual
100 financial report or a written notice that a copy of the
101 financial report is available upon request at no charge to the
102 member. Financial reports shall be prepared as follows:

103 (b)1. An association with total annual revenues of less
104 than \$150,000 shall prepare a report of cash receipts and
105 expenditures.

106 ~~2. An association in a community of fewer than 50 parcels,~~
107 ~~regardless of the association's annual revenues, may prepare a~~
108 ~~report of cash receipts and expenditures in lieu of financial~~
109 ~~statements required by paragraph (a) unless the governing~~
110 ~~documents provide otherwise.~~

111 2.3. A report of cash receipts and disbursement must
112 disclose the amount of receipts by accounts and receipt
113 classifications and the amount of expenses by accounts and
114 expense classifications, including, but not limited to, the
115 following, as applicable: costs for security, professional, and
116 management fees and expenses; taxes; costs for recreation

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117 facilities; expenses for refuse collection and utility services;
118 expenses for lawn care; costs for building maintenance and
119 repair; insurance costs; administration and salary expenses; and
120 reserves if maintained by the association.

121 Section 4. This act shall take effect July 1, 2015.