

Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	—	

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1 Committee/Subcommittee hearing bill: Regulatory Affairs  
 2 Committee

3 Representative Bracy offered the following:

4  
 5 **Amendment (with title amendment)**

6 Between lines 1148 and 1149, insert:

7 Section 46. Paragraph (b) of subsection (13) of section  
 8 718.111, Florida Statutes, is amended to read:

9 718.111 The association.—

10 (13) FINANCIAL REPORTING.—Within 90 days after the end of  
 11 the fiscal year, or annually on a date provided in the bylaws,  
 12 the association shall prepare and complete, or contract for the  
 13 preparation and completion of, a financial report for the  
 14 preceding fiscal year. Within 21 days after the final financial  
 15 report is completed by the association or received from the  
 16 third party, but not later than 120 days after the end of the  
 17 fiscal year or other date as provided in the bylaws, the

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18 association shall mail to each unit owner at the address last  
19 furnished to the association by the unit owner, or hand deliver  
20 to each unit owner, a copy of the financial report or a notice  
21 that a copy of the financial report will be mailed or hand  
22 delivered to the unit owner, without charge, upon receipt of a  
23 written request from the unit owner. The division shall adopt  
24 rules setting forth uniform accounting principles and standards  
25 to be used by all associations and addressing the financial  
26 reporting requirements for multicondominium associations. The  
27 rules must include, but not be limited to, standards for  
28 presenting a summary of association reserves, including a good  
29 faith estimate disclosing the annual amount of reserve funds  
30 that would be necessary for the association to fully fund  
31 reserves for each reserve item based on the straight-line  
32 accounting method. This disclosure is not applicable to reserves  
33 funded via the pooling method. In adopting such rules, the  
34 division shall consider the number of members and annual  
35 revenues of an association. Financial reports shall be prepared  
36 as follows:

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

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

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44           ~~3.~~ A report of cash receipts and disbursements must  
45 disclose the amount of receipts by accounts and receipt  
46 classifications and the amount of expenses by accounts and  
47 expense classifications, including, but not limited to, the  
48 following, as applicable: costs for security, professional and  
49 management fees and expenses, taxes, costs for recreation  
50 facilities, expenses for refuse collection and utility services,  
51 expenses for lawn care, costs for building maintenance and  
52 repair, insurance costs, administration and salary expenses, and  
53 reserves accumulated and expended for capital expenditures,  
54 deferred maintenance, and any other category for which the  
55 association maintains reserves.

56           Section 47. Paragraph (c) of subsection (4) of section  
57 719.104, Florida Statutes, is amended to read:

58           719.104 Cooperatives; access to units; records; financial  
59 reports; assessments; purchase of leases.—

60           (4) FINANCIAL REPORT.—

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

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

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

80       Section 48. Paragraph (b) of subsection (7) of section  
81 720.303, Florida Statutes, is amended to read:

82       720.303 Association powers and duties; meetings of board;  
83 official records; budgets; financial reporting; association  
84 funds; recalls.—

85       (7) FINANCIAL REPORTING.—Within 90 days after the end of  
86 the fiscal year, or annually on the date provided in the bylaws,  
87 the association shall prepare and complete, or contract with a  
88 third party for the preparation and completion of, a financial  
89 report for the preceding fiscal year. Within 21 days after the  
90 final financial report is completed by the association or  
91 received from the third party, but not later than 120 days after  
92 the end of the fiscal year or other date as provided in the  
93 bylaws, the association shall, within the time limits set forth  
94 in subsection (5), provide each member with a copy of the annual  
95 financial report or a written notice that a copy of the

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96 financial report is available upon request at no charge to the  
97 member. Financial reports shall be prepared as follows:

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

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

106 ~~3.~~ A report of cash receipts and disbursement must  
107 disclose the amount of receipts by accounts and receipt  
108 classifications and the amount of expenses by accounts and  
109 expense classifications, including, but not limited to, the  
110 following, as applicable: costs for security, professional, and  
111 management fees and expenses; taxes; costs for recreation  
112 facilities; expenses for refuse collection and utility services;  
113 expenses for lawn care; costs for building maintenance and  
114 repair; insurance costs; administration and salary expenses; and  
115 reserves if maintained by the association.

116  
117 -----  
118 **T I T L E A M E N D M E N T**

119 Remove line 118 and insert:  
120 by the act; amending s. 718.111, F.S.; providing certain  
121 associations may no longer prepare a report of cash receipts and

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1187 (2016)

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122 expenditures in lieu of a financial statement; amending s.  
123 719.104, F.S.; providing certain associations may no longer  
124 prepare a report of cash receipts and expenditures in lieu of a  
125 financial statement; amending s. 720.303, F.S.; providing  
126 certain associations may no longer prepare a report of cash  
127 receipts and expenditures in lieu of a financial statement;  
128 providing an effective date.