

FOOTNOTES
PGA PROPERTY OWNERS ASSOCIATION
2010-2011 OPERATING BUDGET

INCOME

Each of the categories listed under “income” are used to off-set the total budget. Most of the line items under income (such as ARC fees, mailboxes, Resale/Rental/Fishing) relate to funds received from property owners to off-set expenses for same.

EXPENSES

UTILITIES

ELECTRIC – Relates to cost of street lights, landscape lights, irrigation pump stations, electricity for guardhouses and POA office.

TELEPHONE – Telephone service, including long distance, for the POA office.

TELEPHONE – SECURITY – Anticipated telephone expenses for Main Communications Center (guardhouse) as well as all other gates outgoing line used to verify guests.

SOFTWARE & SERVICES FOR GATE SYSTEM - With the 2008/09 fiscal year, the cost of adding DSL lines to each guardhouse was included to implement the access control program. This line item also includes the contract with the gate access company’s “Gold Plan” for servicing gate related equipment.

WATER/SEWER – Water and sewer expenses at guardhouses at Avenue of the Masters, Tournament Blvd, Ryder Cup Blvd North and South, and the Main Communications Center, as well as the POA office.

ADMINISTRATIVE EXPENSES

MEETING EXPENSE – Anticipated cost of room, microphones and seating for Annual Meeting, and other membership meetings held at the Resort or Members Club.

BANK FEES – Self-explanatory. Includes processing fees for lock box used to collect annual assessments when a “reject fee” is needed due to an assessment being returned to the POA office because a payment coupon was not included with the check; the check was post-dated; or the amount of the coupon and check do not match. This charge usually occurs when owners use a bill paying service and send their payment to the lockbox (with no coupon) instead of sending the payment to the POA office

LEGAL – Cost of opinions and direction from POA counsel (Gary Fields). Includes costs for enforcement of violations if not recoverable through courts. Costs for collection work are paid by the delinquent owner; however, if the bank forecloses, the POA is responsible for legal fees for collection incurred up to that date.

INSURANCE – General liability, umbrella policy, fidelity bond coverage, workers compensation coverage and Directors and Officers policy.

AUDIT – Cost to engage an independent CPA to annually audit the books and records of the POA and file annual tax return.

(Over)

TAXES, FEES AND DUES – Intangible and other applicable taxes, as well as the charge for filing the Annual Corporate Report with the State and the cost of the Bulk Rate mail permits and other similar fees and dues.

OFFICE SUPPLIES – Lang Management pays for all office supplies for the POA office within their contract price; however, the POA must pay for other paper goods (such as paper towels, trash bags, toilet paper, soap and similar products) for the four POA Guardhouses and the Communications Center.

POSTAGE – Self-explanatory. Includes postage charges for mailing Annual Meeting notices, assessment notices and budget, Annual Children’s Party in the Park invitation, and other community mailings and general correspondence. Last year’s line item included the cost of mailing revised rules to each owner so the 2010/11 line item was reduced since this was accomplished already.

PRINTING – Cost of printing stationary, forms, major mailings (such as those listed under “postage”) as well as printing the Design Review Manual, Rules Booklets and other POA materials.

BAD DEBT – Due to the number of foreclosures between 2008 and 2010, the Board created a “bad debt” line item in 2009 to help offset a portion of these expenses. In further explanation, when a bank takes title to a property, the POA cannot recover assessments the former hasn’t paid; we can only collect one prior year’s assessment pro-rated from the date of foreclosure. As the banks delay taking title for more than a year, the unrecoverable portion increases resulting in an increase to the total bad debt line item.

OPERATING EXPENSES

LANG CONTRACT – Lang was engaged as of February 1, 1998 to administer the day-to-day affairs of the Association, including preparing monthly financial statements; monitoring the budget and making recommendations regarding investments; conducting regular property inspections of each community for compliance; supervision and coordination of the Architectural Review process; and all exterior pest control, irrigation and landscape related maintenance services (including mowing, fertilization, mulching and annual tree trimming) for the common areas of the POA.

RIGHT OF WAY MAINT. – At the April, 1999 Council of Presidents meeting, the POA Board advised that the road rights-of-way (along Ryder Cup Blvd, Avenue of the Masters, Tournament Blvd, and Avenue of the Champions) would be maintained by the POA as of July 1, 1999. Maintenance includes mowing, edging and fertilization.

SECURITY – Annual contract with Wackenhut Corp. This is for the gate guards as well as a number of patrol units. Also includes cost for additional patrol on Halloween and other holidays when vandalism may occur.

OFFICE RENT – Lease of Office Suite #28 and 29, including taxes and common building maintenance for the POA office located in LA Fitness Plaza (f/k/a Shoppes on the Green).

CLEANING SERVICES – Contract for twice weekly cleaning of POA office and five guardhouses, as well as monthly window cleaning at the POA office. Despite the doubling of office space, we were able to keep the janitorial cost down by negotiating services and changing contractors.

PEST CONTROL – OFFICE – Monthly pest control contract for POA office and guardhouses as well as special ant eradication treatment in Masters Park for the April Children’s Party and December Art Festival. Also includes treatment of ficus white fly (infestation can kill infected trees and shrubs within 30 days).

EQUIPMENT RENTAL – Includes fax, copy machine, postage meter and scale.

GATE MAINTENANCE CONTRACT – Annual contract for routine maintenance of gate mechanisms at POA entry and exit gates (20 gates/mechanisms – 3 on entry side and two on exit side at each of the four POA guard houses). Does not include replacement arms and certain parts (which are covered within the “Gate Repairs” line item). There was no cost during the last fiscal year due to the equipment being under warranty.

ALARM MONITORING CONTRACT – Quarterly billing to monitor the security alarm at the POA office.

GENERAL EXPENSES

COMMUNICATIONS – The POA activated Channel 63 to broadcast announcements of community interest to the residents of PGA National. This line item covers the monthly cable charge as well as proposed equipment upgrades and the cost of maintaining the POA website (www.pga-poa.com) .

SIGNAGE – Maintenance and repair of POA common area signs and street signs.

TREE TRIMMING & REPLACEMENT– Cost for annual tree trimming is included in the Lang Management contract; however, any interim emergency removal or pruning is covered in this line item. Also includes the cost of additional trees or replacement trees.

LANDSCAPE IMPROVEMENTS/ANNUALS – Anticipated cost of summer and winter annuals in the common areas, as well as various replacements needed when plant material dies. This line item also covers funding of improvements recommended by the Maintenance Committee as approved by the Board. No substantial improvements are planned for the 2010/11 fiscal year due to economic considerations.

SPECIAL EVENTS – Cost of Holiday Lights, Annual Children’s Party in the Park and other POA sponsored events as planned by the Special Events Committee and approved by the Board of Governors.

IRRIGATION IMPROVEMENTS – Covers continuing improvements to the irrigation systems. Over the past few years, the POA implemented a long-term plan and is replacing antiquated hydraulic pumps with electric pumps and has installed irrigation where there was previously no coverage. No substantial improvements are planned for this fiscal year due to economic considerations. The long-term plans continue through future budget years.

(Over)

MASTERS PARK (M-37) IMPROVEMENT/REPAIR– A long-term plan was implemented to create a park without imposing a Special Assessment. During the 2000/01 fiscal year, the landscape buffer, walking path and exercise stations were constructed and the “Theme Gardens” were added during subsequent years, including the most recently added “Tropical Garden” with gazebo. This line item is for repairs and maintenance, including replacement of dead trees or shrubs, as well as the possibility of a future parking area and sod which may be accomplished in future years. No substantial improvements are planned for the 2010/11 fiscal year due to economic considerations.

LIGHTING IMPROVEMENTS – To cover the cost of additional or relocated street lights, and replacement or addition of landscape lights. No substantial improvements are planned for the 2010/11 fiscal year due to economic considerations.

REPAIRS & MAINTENANCE:

IRRIGATION REPAIRS – Regular, routine maintenance of irrigation. Lang Management’s contract covers the cost of head replacement; this line item covers the cost of maintaining pump stations, valves and repairs to the main irrigation lines (underground).

GATE REPAIRS – Repairs to the gates which are not covered under the maintenance agreement. These expenses include the cost of replacement gate arms. In 2010/11 we included \$20,000.00 to add cameras inside the gates with the ability to add cameras at the entry and exit lanes (to photograph drivers and/or license plates). The addition of cameras inside the gates was implemented due to two incidences where residents attacked the guards but it will allow the Board to check on the guards periodically.

FENCE REPAIRS – Repairs to the perimeter fencing in POA property (i.e.: along PGA Blvd).

LIGHTING REPAIRS – Cost of repairs to “Cobra” lights along Fairway Drive and Avenue of the Champions, as well as repairs to landscape lights in POA common areas and guardhouses.

GENERAL REPAIRS/MAINTENANCE – Miscellaneous maintenance and repairs to POA office and five guardhouses due to regular wear and tear and general repairs not covered under a specific line item above (such as air conditioner filters and repairs).

REIMBURSABLE EXPENSES

ARC FEES – This line item covers charges for architects and other consultants used to review requests when submission is made to the “ARC” (Architectural Review Committee) for modifications and/or new construction. The owner of the property is required to pay a fee to cover the cost of these professionals and that income off-sets this line item. (See Income portion of budget).

STREET LIGHT EXPENSE – The four original single family home communities in PGA (Marlwood, Burwick, Glengary and Thurston) pay for street light expenses in their communities. (See Income portion of budget).

MAILBOXES – The POA purchases mailboxes and posts for new homes and replacements due to damage and/or deterioration. Owners are charged the actual cost of the mailbox and installation (See Income portion of budget).