

FOOTNOTES
PGA PROPERTY OWNERS ASSOCIATION
2008-09 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 Guardhouse (i.e.: Main Communications Center). As of 2005/06 includes additional services (such as caller I.D.). With the 2008/09 fiscal year, the cost of adding DSL lines to each guardhouse as well as a regular phone to call owners/tenants to authorize guests is included to implement the new access control program.

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, Council of Presidents meetings and other membership meetings held at the Resort or Members Club. Due to the increase in POA office space, we have reduced this line item. Only the Annual meeting should need to be held at the Resort or Members Club.

BANK FEES – Self-explanatory. Includes processing fees for lock box used to collect annual assessments. These fees include a “reject fee” related to assessments returned to the POA office because a payment coupon was not included with the check. This happens 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.

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, toilet paper, soap and similar products) for the four POA Guardhouses and the Communications Center. With the 2008/09 new janitorial contract, the trash bags for all offices and guardhouses will be included in this line item.

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. The 2007/08 postage line included a number of “extra” mailings explaining the access control procedures. The 2008/09 line item includes the planned cost of mailing revised rules to each owner.

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. The 2008/08 line item also includes the cost of printing 5,000 copies of the revised Rules to be mailed to each owner.

BAD DEBT – Due to the number of foreclosures in 2008 and anticipated foreclosures in 2009, the Board has created a “bad debt” line item 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 pro-rated assessments from the date of foreclosure or sale forward.

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. 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 Shoppes on the Green. During the 2007/08 fiscal year, the POA expanded into Suite 28. In order to continue to maintain files and plans for each home in PGA National and to administer the daily affairs of the POA, more space is needed.

The contract with the storage facility on Burns Road where many records are currently kept has been cancelled and all records moved into the office. Increasing this office allowed a reduction in the cost of meeting expenses and storage of files/records.

STORAGE – Cost of storage facility located on Burns Road. Used to store POA records required to be kept in accordance with State Statutes. As indicated above, records have been moved to the office so this line item has been removed and is shown for comparison to last year only.

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.

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

GATE MAINTENANCE CONTRACT – Annual contract for routine maintenance of gate mechanisms at POA entry gates. Does not include replacement arms and certain parts (which are covered within the “Gate Repairs” line item). Because the new gates were installed in 2008, they will be under warranty and the gate maintenance contract will not be executed until the beginning of the next fiscal year.

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.

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.

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. The long-term plans continue through the coming budget year.

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.

LIGHTING IMPROVEMENTS – To cover the cost of additional or relocated street lights, and replacement or addition of landscape lights.

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.

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).

