

**Budget Assumptions for 2019 Operating Budget for
Whispering Pines Homeowners Association of Jacksonville, Inc.**

INCOME

Assessments

The total expense budget for 2019 is \$458,638 and based upon 456 homeowners the annual assessment will be \$70. We anticipate receiving 98% of the total assessments during the year; therefore, a category entitled "Uncollected Assessments" has been added to the expense portion of the budget to take into account the reduction in income that we are anticipating due to non-payment and foreclosures.

Miscellaneous Income

This income is budgeted based upon the collection of late fees which is charged at 18% interest from the due date until the date paid and includes the collection of NSF fees and any other miscellaneous type income.

EXPENSES

Administrative

Insurance

The current fidelity bond policy renews in June and the general and directors' liability insurance coverage renews in August. Both policies are currently written through Auto-Owners Insurance. The liability policy is in the amount of \$1,000,000 with a \$2,000,000 aggregate limit.

Legal/Professional Fee

Legal fees for the filing of liens and foreclosures as necessary throughout the year and in accordance with the current "Collection Policy". Also anticipated cost for the filing of Form 1120H due to the IRS in March and our annual audit.

Management Fee

Based upon the current contract with Duval Realty, Inc.

Office/Printing/Postage

Postage, printing and/or office supplies that are not furnished by Duval Realty for the notices and mailings to the homeowners as required throughout the year.

Miscellaneous Administrative

that are not specifically attributable to any of the other "Administrative" categories as well as the required licenses and fees to the State of Florida for the annual corporation renewal due in March.

Repairs & Maintenance

Exterior Building

This expense category includes the estimated wood repairs to the buildings that are budgeted to have any rotten wood repaired/replaced this year. The exterior of the buildings is on a seven to ten-year repair/replacement schedule and is shown on the “Reserve Budget”.

Garage Doors

We can no longer get the panels for the old garage doors. The doors will have to be replaced and we will be responsible for the cost of two panels of the new doors.

Lake Maintenance

Monthly payment per the contract with Lakeside Aquatic Weed Control and is for the weed control in the two lakes. We have also budgeted cleaning both ponds at a cost of \$400 to be done in March and the purchase of Grass Carp fish in January in the amount of \$200.

Landscaping - \$150,000

Estimated cost for new landscape company that will provide for mowing of the property, trimming of shrubbery as needed, trimming of trees under 2½” caliper and/or 10’ to 12’ in height. There is an increase in the payment amount effective this year.

Painting

Painting of the buildings when we replace/repair the wood as outlined on our “Reserve Budget”. The painting is based upon the specifications provided by Sherwin-Williams which provides us with a seven-year warranty on the paint and is shown on the “Reserve Budget”.

Pest Control

The current pest control service is furnished by Massey Pest Control and provides for the spraying of approximately 70 units each visit (48 visits a year). We pay this annually and receive a 5% discount on the bill.

Roof Repair

Repairs to roofs as necessary.

Termite Bond

The termite bond and treatment is with Massey Pest Control.

Tree Trim/Removal

We have budgeted to trim the larger trees in fall. This would include any limb that is touching the roof and/or building.

620 Miscellaneous Repairs

This includes any repair that is not specifically attributable to any of the above “Repair and Maintenance” categories.