

**DEER CROSSING CONDOMINIUM ASSOCIATION
2010 OPERATING BUDGET**

EXPENSES

ADMINISTRATIVE EXPENSES

BAD DEBT

50400

Provision for possible uncollectible assessments and related expenses due to bankruptcies and/or foreclosures.

POSTAGE

51020

This category includes actual postage for newsletters, routine correspondence, and all other Association mailings (budgets, audit, annual meeting notice, etc.). Estimate based on historical averages.

OFFICE EXPENSE

51030

This category includes general office supplies, stationery, envelopes, labels, notices, printing charges, work orders, forms, meeting minutes transcription, miscellaneous office related expenses, website hosting, long distance for Board meetings and administrative charges to prepare mailings. Estimate based on historical averages.

FEES, LICENSES & REPORTS

51060

Fees paid to Collier County Health Department permits for swimming pool.

CONSULTING FEES

51062

Insurance appraisal update and reserve study updates.

WEBSITE EXPENSES

51065

Expenses related to the hosting of the Association website (www.DeerCrossing.biz.)

STATE CORP. FEE

51067

Corporate filing/registration to the State of Florida.

FEES TO DIVISION OF CONDOS

51069

Per Florida Statutes, the Association is to pay \$4.00 per unit annually to the state.

LEGAL

51090

Provision for collections as well as the other legal needs as determined by the Board of Directors.

AUDITING/TAX PREP

51110

Fee for accomplishment of fiscal year audit (or review) and tax return preparation.

MANAGEMENT FEES

51120

Fees for professional full-service management per the current agreement with Cardinal Management Group of South Florida, Inc.

MISCELLANEOUS

51500

This category provides funds for non-budgeted (unanticipated) administrative expenses.

MAINTENANCE EXPENSES

CLEANING CONTRACT

61050

Provision for weekly cleaning of the pool restrooms and furniture.

ELECTRICAL/LIGHT REPAIRS

61075

This category provides for the repair and replacement of spent light bulbs and miscellaneous light fixture repair throughout the community (building wall fixtures, street pole lights, photocells, monument lighting, ballast & transformer replacement etc.).

MAINTENANCE SUPPLIES

61090

This category provides for stocked maintenance supplies necessary to maintain the pool house, buildings and any other common areas (paint, drywall, lumber, gutters, trash bags, fire extinguishers, preventive maintenance, door hardware, general hardware, tools and equipment).

POOL MAINTENANCE

61145

Costs related to the Association's pool management contract with Stahlman Pool Service for the maintenance of the community swimming pool (skimming, brushing, filter cleaning, pump maintenance, chemicals, etc.) plus a small allowance for miscellaneous pool equipment and pool heater repairs and supplies. Collier County now requires a daily reading of chemical levels in the pool water.

POOL TELEPHONE

61152

Provision is for one emergency phone at the Association pool, restricted service (Embarq).

POOL FURNITURE

61156

Provision is for repairs, re-strapping or periodic replacement of pool chairs & tables.

POOL HEAT

61165

Provision is an estimate based on projected year-end expense for natural gas to heat the Association pool.

LANDSCAPE MAINT. CONTRACT

61180 & 61954

The provision for this category includes the cost of turf maintenance (mowing), sidewalk edging, shrub trimming, integrated pest management services (for turf & plants), fertilization and irrigation system testing, adjustment and minor repairs in accordance with the contract with Landscape Maintenance of Collier and Jay's Pest Control.

MULCHING

61182

Expenses related to the application of mulch throughout the community (complete application in the fall) and an allowance for a "touch up" application in the spring/summer.

TREE PRUNING

61183

Provision for as-needed palm and hardwood tree trimming & pruning/thinning.

PROPERTY REPAIRS

61200

Provision for facility/building repairs including, but not limited to replacement of broken windows, electrical, painting, carpentry, sheet metal, plumbing repairs, stucco repairs, drainage improvements, building lighting, minor roof or gutter repair, and replacement of several rotted door frames/sidelights.

FIRE EXTINGUISHERS

61228

Annual recertification/repair/replacement of all fire extinguishers by Safety-First.

PEST CONTROL

61240

Provision for contracted pest management services per the agreement with BugFree Services. The service provides for free treatments for roaches, silverfish, spiders and other common household insects. A small contingency is built in for rodents, bees and trapping.

FIRES SPRINKLER REPAIRS

61244

Expenses associated with repairs to the fire sprinkler system, including replacement of valves, meters, heads and required signage & labels as dictated by the results of the testing/inspections.

ABANDONED UNIT MAINT.

61355

Expenses associated with this category are for the inspection of abandoned/foreclosed units and for electricity to keep the unit humidity under control.

DAMAGE CLAIMS

61370

Expenses associated with this category do not reach the deductible amount per reported loss for storm damage, roof leaks and other repairs to common areas that the Association is responsible to maintain.

CONTRACT LABOR

61440

Expenses for labor for contracted handyman services provided by Management and others. Minor plumbing and electrical repairs (light bulb replacement etc.) and maintenance for the pool facility and buildings as well as regular policing of all common areas and storm drain upkeep.

PRESSURE WASHING

61470

Provision for cleaning of exterior surfaces annually (October/November) as needed. Should all roofs require pressure washing the annual cost for a one-time cleaning would be \$16,500.

MISC. MAINTENANCE & REPAIR

61500

Provision for repairs due to woodpecker damage.

FIRE ALARM TESTING

61503

Provision for inspections and testing of fire alarm systems and components as required by State and County authorities.

LANDSCAPE REPLACEMENT

61570

This category provides funds for the Association to purchase shrubs and trees to replace dead or damaged plant material and to fund any beautification projects the Association may want to undertake.

FIRE ALARM MONITORING

61631

Provision for 24 hour monitoring of all fire alarm systems as required by State & County authorities.

FIRE SPRINKLER TESTING

61632

Provision for inspections and testing of fire sprinkler systems and components as required by State and County authorities.

FIRE ALARM REPAIRS & MAINT.

61633

Provision for repairs to fire alarm systems and control panels and as dictated by the results of the required inspections.

FIRE ALARM TELEPHONES

61637

Provision for two telephone lines for each fire alarm panel (Embarq).

DRYER VENT CLEANING

61698

Provision for annual cleaning of all dryer vents by Lint-A-Way.

IRRIGATION REPAIRS

61771

This category provides for the repair and replacement of major irrigation system components. Contract with Landscape Maintenance of Collier covers expenses for minor sprinkler head repairs and maintenance.

UTILITIES/OTHER EXPENSES

WATER AND SEWER

71010

Amount budgeted in this line item is based upon the projected year-end total and estimations regarding future occupancy and increases in water/sewer rates.

ELECTRIC

71030

Provision based on projected year-end actual and historical averages.

MASTER INSURANCE POLICY

71050

This category includes the payment of all premiums related to insurance coverage maintained by the Association through SRMS. This includes broad form casualty, property damage, wind and flood coverage.

Owners need to note that coverage is NOT provided through the Association policy for the interior of your units (e.g., carpet, cabinets, appliances, light fixtures, etc.) and your personal property (furniture etc.). Owners are encouraged to discuss this matter with their insurance company and obtain appropriate amounts of coverage for all perils.

OTHER INSURANCE

71062

Required insurance coverage for General Liability, Commercial Umbrella, Directors and Officers liability, Workers Compensation (any/all) and Fidelity Bond. Based on actual expenses and estimations.

FLOOD INSURANCE

71056

Expenses for this category are now covered as part of the SRMS package policy.

INCOME TAXES

71140

The Association pays taxes on non-assessment income (late fees and interest earned). Estimation.

CONTINGENCY

79900

The Contingency line item allows the Association to meet cash flow shortages and to fund unanticipated and/or emergency expenses as well as deferred maintenance expenses without the need for “special assessments.”

REPLACEMENT RESERVES

Asphalt Pavement – The replacement cost for this asset was calculated to be \$53,314 with a life expectancy of 20 years; therefore, the annual budgeted contribution for this replacement item is \$2,951.

Roof Replacement – The actual replacement cost for all of the roofs within the community was calculated to be \$1,315,563 with a life expectancy of 60 years. As the tile roofs are very new and as the Board (as well as the appraiser) was unable to determine exactly how many of the roofs will last 60 years or perhaps more, the annual budgeted contribution for this replacement item is \$23,360.

Exterior Paint – The replacement cost for the repainting of the exterior of all of the buildings was calculated to be \$190,295. The 2009 budgeted contribution for this line item is \$30,849.

Pool – The replacement cost for the pool whitecoat (or pebble coat) was calculated at \$8,131 with a

life expectancy of 10 years; this line item is fully funded, therefore, the 2009 budgeted contribution for this line item is \$994.