

**St. John's Golf & Country Club Community Association Inc.**  
**Adopted Operating 2017 Budget**

| Based on 799 Homes                   | Adopted<br>2016<br>Budget | Actuals<br>as of<br>9/30/16 | Estimated<br>2016   | Adopted<br>2017<br>Budget |
|--------------------------------------|---------------------------|-----------------------------|---------------------|---------------------------|
| <b>INCOME:</b>                       |                           |                             |                     |                           |
| 4010 ASSESSMENT INCOME               | 459,577.29                | 344,688.60                  | 368,179.70          | 61,577.29                 |
| 4020 CABLE/INTERNET INCOME           | 815,000.00                | 611,235.00                  | 814,980.00          | 847,522.00                |
| 4050 ARC REVIEW FEES                 | 2,500.00                  | 2,125.00                    | 2,833.33            | 2,500.00                  |
| 4055 VIOLATION INCOME                | 0.00                      | (4,900.00)                  | (6,533.33)          | 0.00                      |
| 4065 INTEREST ON DELINQUENT ACCTS    | 2,500.00                  | 4,760.17                    | 6,346.89            | 2,500.00                  |
| 4180 INTEREST ON OPERATING ACCT      | 100.00                    | 55.95                       | 74.60               | 100.00                    |
| 4190 INTEREST ON RESERVE ACCT        | 100.00                    | 38.14                       | 50.85               | 100.00                    |
| 4200 ALLOCATE RESERVE INTEREST       | (100.00)                  | (38.14)                     | (50.85)             | (100.00)                  |
| <b>Subtotal Income</b>               | <b>1,279,677.29</b>       | <b>957,964.72</b>           | <b>1,185,881.19</b> | <b>914,199.29</b>         |
| <b>General &amp; Administrative</b>  |                           |                             |                     |                           |
| 6010 MANAGEMENT FEES                 | 41,516.04                 | 31,137.03                   | 41,516.04           | 41,516.04                 |
| 6020 AUDIT / ACCOUNTING              | 5,000.00                  | 4,000.00                    | 4,000.00            | 4,000.00                  |
| 6040 LEGAL FEES/COLLECTIONS OTHER    | 5,000.00                  | (2,235.00)                  | (2,980.00)          | 5,000.00                  |
| 6090 OFFICE/POSTAGE/COPIES/ENVLEOPES | 12,000.00                 | 10,730.17                   | 14,306.89           | 12,000.00                 |
| 6110 INSURANCE D & O                 | 3,600.00                  | 2,776.24                    | 3,701.65            | 3,700.00                  |
| 6220 CORPORATE ANNUAL REPORT         | 61.25                     | 61.25                       | 61.25               | 61.25                     |
| 6240 BAD DEBT                        | 7,000.00                  | 3,499.98                    | 4,666.64            | 0.00                      |
| 6250 ARC REVIEW FEES EXPENSE         | 500.00                    | 0.00                        | 0.00                | 400.00                    |
| <b>General &amp; Administrative</b>  | <b>74,677.29</b>          | <b>49,969.67</b>            | <b>65,272.48</b>    | <b>66,677.29</b>          |
| <b>Recreational</b>                  |                           |                             |                     |                           |
| 7210 CABLE SERVICE AGREEMENT         | 815,000.00                | 598,965.26                  | 798,620.35          | 847,522.00                |
| <b>Recreational</b>                  | <b>815,000.00</b>         | <b>598,965.26</b>           | <b>798,620.35</b>   | <b>847,522.00</b>         |
| <b>Contingency</b>                   |                           |                             |                     |                           |
| GENERAL CONTINGENCY                  | 30,000.00                 | 22,500.00                   | 30,000.00           | 0.00                      |
| LEGAL FEES ARBITRATION               | 360,000.00                | 270,000.00                  | 270,000.00          | 0.00                      |
| <b>Contingency</b>                   | <b>390,000.00</b>         | <b>292,500.00</b>           | <b>300,000.00</b>   | <b>0.00</b>               |
| <b>TOTAL EXPENSES</b>                | <b>1,279,677.29</b>       | <b>941,434.93</b>           | <b>1,163,892.82</b> | <b>914,199.29</b>         |
| <b>NET INCOME (LOSS)</b>             | <b>0.00</b>               | <b>16,529.79</b>            | <b>21,988.37</b>    | <b>0.00</b>               |
| 2016 Association Fee                 | 143.80                    | 2017 Association Fee        | 19.27               |                           |
| 2016 Cable/ Internet Fee             | 255.00                    | 2017 Cable/Internet         | 265.18              |                           |
| Total Quarterly Fee 2016             | 398.80                    | Total Quarterly Fee 2017    | 284.45              |                           |

**St. Johns Golf & Country Club  
2017 Adopted Budget Assumptions**

**INCOME**

**Assessment Income**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$459,577.29                  | \$344,688.60                   | \$61,577.29                   |

Assessments are based upon the total operating expenses. It is estimated that the annual operating expense for the development will be \$915,199.29 payable at \$19.27 per month per closed lot. (799 lots contributing) (Association fees are paid quarterly at \$58.74 plus \$265.18 per quarter for cable/internet assessment) \* see below.

**Benefited Cable/Internet Assessments**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$815,000.00                  | \$611,235.00                   | \$847,522.00                  |

Assessments collected for Bulk Rate Cable/Internet service with Comcast. Paid at \$88.39 per month, per owner paid quarterly at \$265.18. Includes projected 5% escalation in fees at contract anniversary date.

**ARC Review Fees**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$2,500.00                    | \$2,125.00                     | \$2,500.00                    |

A flat fee of \$25.00 is charged to owners for review by a committee of owners to make changes or alterations to the exterior of their home or lot. These fees off set the expense as may be required by the ARC to engage professionals such as architects and engineers in order to render a decision.

**Violation Income**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$0.00                        | (\$4,900.00)                   | \$0.00                        |

Fees are imposed against owners who violate the covenant and restriction in accordance with the Florida Statutes. This income is not always collectable and therefore is not included as income to the association for budgeting purposes.

**Interest on Delinquent Accounts**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| <b>\$2,500.00</b>             | <b>\$4,760.17</b>              | <b>\$2,500.00</b>             |

Interest penalties are charged to accounts whose assessment payment is not received on or before the due date.

**Interest on Operating Account**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| <b>\$100.00</b>               | <b>\$55.95</b>                 | <b>\$100.00</b>               |

Interest on funds in the operating account

**Interest on Reserve Account**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| <b>\$100.00</b>               | <b>\$38.14</b>                 | <b>\$100.00</b>               |

Interest on funds in the reserve account

**EXPENSES**

**Management and Administration**

**Management Fees**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| <b>\$41,516.04</b>            | <b>\$31,137.03</b>             | <b>\$41,516.04</b>            |

Management services include financial reporting, assessment collection, and covenant and restriction enforcement. Proposed 2017 fee is \$4.33 per lot per month. (799 X \$4.33= \$3,459.67 x 12 = \$41 516.04).

Audit / Accounting

| <u>2016</u><br><u>Budget</u> | <u>Thru</u><br><u>9/30/16</u> | <u>2017</u><br><u>Budget</u> |
|------------------------------|-------------------------------|------------------------------|
| \$5,000.00                   | \$4,000.00                    | \$4,000.00                   |

To cover expenses of income tax preparation and audit by an independent CPA, Tyndall & Company CPA, of the financial records of the association as required by association documents at a cost of \$4,000.00.

Legal Fees

| <u>2016</u><br><u>Budget</u> | <u>Thru</u><br><u>9/30/16</u> | <u>2017</u><br><u>Budget</u> |
|------------------------------|-------------------------------|------------------------------|
| \$5,000.00                   | \$(2,235.00)                  | \$5,000.00                   |

Legal services as may be required to pursue past due collection accounts and review documents as needed. All of the collection costs, including attorney fees, are charges back to the delinquent owner and some are collected at some point, however the attorney must be paid in advance for services rendered. YTD includes legal expense for collections which has been charged back to the delinquent owner.

Office Expenses

| <u>2016</u><br><u>Budget</u> | <u>Thru</u><br><u>9/30/16</u> | <u>2017</u><br><u>Budget</u> |
|------------------------------|-------------------------------|------------------------------|
| \$12,000.00                  | \$10,730.17                   | \$12,000.00                  |

Includes bank charges, printing, copying, postage, membership mail outs to include, newsletters, meeting notices, quarterly assessment billing and items sent for collections and violation hearings which are required to be sent Certified Return/Receipt.

Insurance

| <u>2016</u><br><u>Budget</u> | <u>Thru</u><br><u>9/30/16</u> | <u>2017</u><br><u>Budget</u> |
|------------------------------|-------------------------------|------------------------------|
| \$3,700.00                   | \$2,776.24                    | \$3,700.00                   |

Directors Officers Liability Insurance with Liberty at \$3,339.00 policy period 04/30/2016-04/30/2017. Crime and Fidelity Bond with Liberty at \$284.00.

**Corporate Annual Report**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$61.25                       | \$61.25                        | \$61.25                       |

**Annual Corporate Report \$61.25**

**Bad Debt**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$7,000.00                    | \$3,499.98                     | \$0.00                        |

**Due to collection efforts resulting in a reduction of delinquent association accounts and sufficient bad debt allowance reserved, this line item has been eliminated for 2017**

**ARC Review Expense**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$500.00                      | \$0.00                         | \$400.00                      |

**Any expense as may be required by ARC to engage professionals such as architects and engineers in order to render a decision in reviewing owners request to make changes or alterations to the exterior of their residence.**

**RECREATIONAL**

**Cable Service Agreement**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$815,000.00                  | \$598,965.26                   | \$847,522.00                  |

**Assessments collected for Bulk Rate Cable/Internet service at rate of \$265.18 per quarter for 2017. \$88.39 per month per owner paid quarterly at \$265.18.**

**RESERVES**

**General Contingency**

| <b><u>2016<br/>Budget</u></b> | <b><u>Thru<br/>9/30/16</u></b> | <b><u>2017<br/>Budget</u></b> |
|-------------------------------|--------------------------------|-------------------------------|
| \$30,000.00                   | \$22,500.00                    | \$0.00                        |

**General contingency fund to be utilized for legal fees, as needed in excess of budget amount. The arbitration having been resolved; a budget surplus anticipated to be carried over from 2016; the Board anticipating that the contingency fund is adequately funded and there being no infrastructure to maintain has resulted in this line item being deleted for 2017.**

**Legal Litestream**

| <b><u>2016</u></b>   | <b><u>Thru</u></b>    | <b><u>2017</u></b>   |
|----------------------|-----------------------|----------------------|
| <b><u>Budget</u></b> | <b><u>9/30/16</u></b> | <b><u>Budget</u></b> |
| <b>\$360,000.00</b>  | <b>\$270,000.00</b>   | <b>\$0.00</b>        |

**Estimated legal fees budgeted for arbitration with Litestream. The arbitration was resolved and therefore, this line item has been eliminated for 2017 as it is no longer required.**