

HANOVER LAKES HOMEOWNERS ASSOCIATION, INC.
OPERATING BUDGET - BASED ON BUILD OUT OF 541 UNITS - WITH RESERVES
INCOME AND EXPENSES BASED ON 12 -MONTH PERIOD JANUARY 1 - DECEMBER 31

Category	2019 PROPOSED BUDGET		
	\$2,019.00	2018	VARIANCE
INCOME(1)			
ASSESSMENTS - Class A (541 lots)	\$564,804.00	\$541,000.00	\$23,804.00
TOTAL INCOME	\$564,804.00	\$541,000.00	\$23,804.00
EXPENSES			
MANAGEMENT & ADMIN.			
Annual Corporate Report/Fees/Licenses	\$97.00	\$97.00	\$0.00
Bad Debt	\$3,100.00	\$688.00	\$2,412.00
Payment Coupons	\$3,800.00	\$3,300.00	\$500.00
Contingency	\$2,482.00	\$1,500.00	\$982.00
CPA Services (Tax Preparation/Audit)	\$5,000.00	\$4,800.00	\$200.00
Insurance	\$27,000.00	\$30,000.00	-\$3,000.00
Legal Services	\$4,500.00	\$3,250.00	\$1,250.00
Management Services	\$50,000.00	\$40,000.00	\$10,000.00
Office Supplies/Expenses	\$5,000.00	\$5,950.00	-\$950.00
Security Monitoring	\$7,100.00	\$4,200.00	\$2,900.00
Reserve Study (Every Two Years)	\$2,400.00	\$2,400.00	\$0.00
TOTAL MANAGEMENT & ADMIN	\$110,479.00	\$96,185.00	\$14,294.00
GROUPS/BLDG MAINTENANCE			
General Maintenance	\$19,000.00	\$18,000.00	\$1,000.00
Irrigation Repairs	\$7,000.00	\$9,000.00	-\$2,000.00
Landscape Contract	\$115,000.00	\$120,000.00	-\$5,000.00
Landscape Replacement/Mulch/Annuals	\$22,000.00	\$24,000.00	-\$2,000.00
Lake/Pond Aquatic Maintenance	\$0.00	\$0.00	\$0.00
Pressure Washing	\$10,000.00	\$12,000.00	-\$2,000.00
Gate Maintenance	\$600.00	\$340.00	\$260.00
Boat Lift Maintenance/Inspections	\$20,500.00	\$0.00	\$20,500.00
Dock & Ramp Maintenance/Repairs	\$4,000.00	\$0.00	\$4,000.00
Water Sampling Reporting	\$3,400.00	\$0.00	\$3,400.00
TOTAL GROUNDS/BLDG MAINTENANCE	\$201,500.00	\$183,340.00	\$18,160.00
RECREATIONAL EXPENSES			
Pool Maintenance/Janitorial Contract	\$23,250.00	\$22,500.00	\$750.00
Pool Permits/Licenses	\$375.00	\$375.00	\$0.00
Pest Control Contract	\$1,800.00	\$3,600.00	-\$1,800.00
Pool Equipment/Furniture Repairs	\$6,500.00	\$4,500.00	\$2,000.00
Amenity General Maintenance	\$9,000.00	\$9,000.00	\$0.00
TOTAL RECREATIONAL EXPENSES	\$40,925.00	\$39,975.00	\$950.00
UTILITIES			
Electric - Street Lights	\$85,000.00	\$77,000.00	\$8,000.00
Electric - Boat Lift	\$10,500.00	\$6,000.00	\$4,500.00
Electric - Common Areas/Entry	\$11,000.00	\$6,000.00	\$5,000.00
Electric - Entry Lighting	\$0.00	\$3,600.00	-\$3,600.00
Electric - Amenity/Pool	\$14,000.00	\$13,000.00	\$1,000.00
Reclaim Irrigation	\$52,100.00	\$65,000.00	-\$12,900.00
Water & Sewer	\$15,000.00	\$18,000.00	-\$3,000.00
Internet Service/IP	\$4,800.00	\$3,600.00	\$1,200.00
TOTAL UTILITIES EXPENSES	\$192,400.00	\$192,200.00	\$200.00
Total Operating Expenses	\$545,304.00	\$511,700.00	\$33,604.00
RESERVES(2)			
Pool Cabana Bathroom Remodel	\$0.00	\$2,000.00	-\$2,000.00
Pool Cabana Roof	\$0.00	\$1,400.00	-\$1,400.00
Swimming Pool	\$0.00	\$6,000.00	-\$6,000.00
Tennis Court	\$0.00	\$4,000.00	-\$4,000.00
Tot Lot/Accessory Structures	\$0.00	\$7,400.00	-\$7,400.00
Boat Lift Replacement (\$50k - 20 yr)	\$5,500.00	\$2,500.00	\$3,000.00
Wall/Landscape Buffer	\$5,000.00	\$4,000.00	\$1,000.00
General Reserve	\$5,000.00	\$2,000.00	\$3,000.00
Dock Repairs/Maintenance	\$4,000.00	\$0.00	\$4,000.00
Total Reserves	\$19,500.00	\$29,300.00	-\$9,800.00
TOTAL EXPENSES	\$564,804.00	\$541,000.00	\$23,804.00
NUMBER OF CLASS A UNITS:	541	541	
ANNUAL ASSESSMENT PER UNIT:	\$1,044.00	\$1,000.00	
QUARTERLY ASSESSMENT PER UNIT:	\$261.00	\$250.00	
MONTHLY ASSESSMENT PER UNIT:	\$87.00	\$83.33	

Capital Contribution: \$700.00 (payable at closing by Buyer)

Resale Capital Contribution: \$700.00 (payable at closing by subsequent Buyer)

(1) THIS OPERATING BUDGET IS PREPARED BASED ON A TOTAL BUILD-OUT OF 541 UNITS. THEREFORE, ACTUAL INCOME AND EXPENSES MAY BE LESSER OR GREATER THAN PROJECTED. THE BUDGET AND FIGURES ARE A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF PREPARATION.

(2) THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

