

<p>BASIS FOR THE BUDGET THE GALLERY @ RIDGEWOOD LAKES For Calendar Year 2026</p>

Management Expense is based on the contract terms of \$25.00 per unit per month. This includes the cost of negotiating contracts, overseeing fulfillment of the contract terms, and ensuring the Association receives the best value for the funds expended. The Manager will work with the designated Board Member, normally the President, to ensure the needs of the Association are met. As well as receiving and accounting for all revenues, preparing and documenting all disbursements and preparation of all financial reports (except the annual review and tax returns which must be done by an independent Certified Public Accountant). It does not include any collection efforts (this is the responsibility of the Association).

Common Area Expenses are broken down by line item for the total annual cost. Detail as to the process used in determining the individual line item cost follows:

- Trash Pickup This is for trash and recycle pickup services. Prior to September 21, 2010 you received service from Florida Refuse through the County but did not pay for this service (on your tax bills nor thru the association). This error was discovered when the County and Florida Refuse went to the one day per week pickup and the larger garbage totes.

It was discovered during an audit for Polk County that the County Charter does not allow the County to charge the Association for trash pickup. In August 2013 the Association entered into a contract with Florida Refuse for the trash pickup. Florida Refuse will bill the Association monthly. Florida Refuse is now Republic Services.
- Legal Service This is an estimate based upon past experiences.
- Electricity Actual consumption, fixed charges and current variable charges are considered in computing the budget for electricity.
- Water/Sewer This is an estimate based upon past experiences.
- Shrubbery This is an estimated cost to install annuals twice per year. If there are overages is other "required / non-elective" line items, this line item budget may be used to over the overages.
- Landscaping This is a contract service, which has been bid competitively. The landscaping includes mowing, edging, trimming shrubbery, weed control and removal of all debris.
- Tree Trimming This is an estimate to trim palm trees and other trees as necessary.
- Mulch This is an estimate based upon last years expenses. If there are overages is other "required / non-elective" line items, this line item budget may be used to over the overages.
- Licenses, Fees & Permits Those expenses incurred in complying with the Statutes regarding registration of Associations in the State of Florida. The known expenses are \$61.25 for annual corporation report and \$4.00 per unit for the Bureau of Condo's. This also includes the permitting through HRS of the pool at \$140.00.
- Pest Control This is a contract service for the spraying around the buildings and for bee removal (if necessary).
- Fertilizer Is included in the lawn maintenance.
- Termite Control This is a contractual service to protect against subterranean termites and is renewed yearly.
- Repairs and Maintenance This is an estimate developed from reviewing the actual expenses for 2025 and is for sub contractual labor. This estimate includes material and labor.
- Irrigation This is an estimate developed from reviewing the actual expenses for 2025 and is for sub contractual labor. This estimate includes materials and labor.

- Pool Maintenance
(Labor) This is a contract service for the regular maintenance of the pool and pool equipment.
- Pool Maintenance
(Repair) This is an estimate based upon past experiences for any necessary repairs to the pool equipment above and beyond normal maintenance.
- Bathhouse Supplies
& Repairs This line item is not funded.
- Bank Charges This is the expense for checks and deposit slips.
- Insurance
(Building) Basic coverage requirements necessary to provide adequate protection of the interests of the Association are detailed. Consideration is given to intangibles such as service and speed of processing claims but the lowest price generally gets the business. All insurance premiums have been moved into this line item.
- As per Florida Statutes, condo associations must have an independent insurance appraisal performed at a minimum of every 3 years. The last appraisal completed for the Association was completed in November 2025. A new / updated appraisal will be completed each year for four (4) additional years at the rate of \$400 per year.
- As everyone is aware, there has been a substantial increase in insurance premiums in recent years. The Association is no longer able to absorb the increase.
- Insurance
(D&O) This is coverage for the Board of Directors and Officers.
- Postage This is an estimate based upon past experiences and includes the mailing of monthly payments and other miscellaneous mailings.
- Website Now required by the Florida Statutes. This is for the initial setup and first year's hosting and costs. Future years will be approximately \$780.

THE GALLERY @ RIDGEWOOD LAKES
RESERVE SCHEDULES

Reserve for Paving

Estimated Cost to Replace: \$4,362.00

Estimated Useful Life: 10 years

Estimated Remaining Useful Life: 0 years (Last Completed 1997) (sealed 2023)

Estimated Reserve Balance at December 31, 2025: \$6,320.00

Annual reserve for resurfaces equals:

Estimated Cost to Replace (\$4,362.00) minus balance at December 31, 2025 (\$6,320.00) divided by remaining life (0 years).

\$0.00 – as reserve is fully funded

Reserve for Painting

Estimated Cost to Replaced: \$48,600.00

Estimated Cost to Clean Buildings every two (2) years: \$12,250.00

Estimated Useful Life: 14 years

Estimated Remaining Useful Life: 2 years (Last Completed 2013)

Estimated Reserve Balance at December 31, 2025: \$53,196.92

Annual reserve for painting equals:

Estimated Cost to Replace (\$48,600.00 + \$12,250.00) minus balance at December 31, 2025 (\$53,196.92) divided by remaining life (2 years).

\$3,826.54

Reserve for Roof

Estimated Cost to Replaced: \$250,000.00

Estimated Useful Life: 20 years

Estimated Remaining Useful Life: 11 years (Last Completed 2016 – insurance claim/hail storm)

Estimated Reserve Balance at December 31, 2025: \$36,377.48

Annual reserve for roof replacement equals:

Estimated Cost to Replace (\$250,000.00) minus balance at December 31, 2025 (\$36,377.48) divided by remaining life (11 years).

\$19,420.23 – new laws went into effect causing significant increases. This line item is being funded on the amount the roofs cost in 2016.

Reserve for Pool

Remarcite Pool Cost: \$14,000.00

Pool Equipment Replacement: \$you have never reserved for this – do you want to???

Pool Heater: \$4,500.00 (replaced 2021) \$ you have never reserved for this – do you want to???

Cool Decking Cost: \$you have never reserved for this – do you want to???

Pool Furniture Cost: \$you have never reserved for this – do you want to???

Estimated Useful Life: 8 years

Estimated Remaining Useful Life: 0 year (Last Completed 2009)

Estimated Reserve Balance at December 31, 2025: \$20,950.00

Annual reserve for other items equals:

Estimated Cost to Replace (\$14,000.00) minus balance at December 31, 2025 (\$20,950.00) divided by remaining life (0 years).

\$0.00 – as reserve is fully funded

Reserve for Well

Estimated Cost to Replaced: \$5,500.00

Estimated Useful Life: 14 years

Estimated Remaining Useful Life: 3 years (Last Completed 2014)

Estimated Reserve Balance at December 31, 2025: \$3,929.06

Annual reserve for well replacement equals:

Estimated Cost to Replace (\$5,500.00) minus balance at December 31, 2025 (\$3,929.06) divided by remaining life (3 years).

\$523.65 – major components of the well system were replaced in 2025

Reserve for Shrubbery

Estimated Cost to Replaced: unknown

Estimated Useful Life: 20 years

Estimated Remaining Useful Life: 20 years

Estimated Reserve Balance at December 31, 2025: \$0.00

Annual reserve for shrubbery replacement equals:

This is a reserve line item for replacing the “permanent” (i.e. old/dead shrubbery, tree’s, grass, etc.) landscaping NOT annual flowers.

\$Not funding in 2026

The Gallery @ Ridgewood Lakes

Budget for Calendar Year 2026

	By Number	Monthly	Quarterly	Annual	2025's Budget	2025's Budget	2024's Budget	2023's Budget
REVENUE	28	547.95	1,643.86	6,575.44	184,112.42	169,258.36	136,640.19	134,626.71
Budget Approved EXPENSES			\$1,650.00	\$6,600.00	\$184,800.00	\$169,344.00	\$136,640.19	\$134,400.00
Management Expenses								
Management Fee		25.00	75.00	300.00	8,400.00	8,400.00	8,400.00	7,728.00
TOTAL MANAGEMENT COMPANY		25.00	75.00	300.00	8,400.00	8,400.00	8,400.00	7,728.00
RESERVES								
Buildings - clean & paint		11.39	34.17	136.66	3,826.54	3,843.89	4,346.43	4,346.43
Parking area - resurface/reseal		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Roof Replacement		57.80	173.39	693.58	19,420.23	16,036.47	3,907.85	3,364.37
Well		1.56	4.68	18.70	523.65	0.00	400.00	400.00
Pool		0.00	0.00	0.00	0.00	0.00	3,468.91	3,468.91
Shrubbery		0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL RESERVES		70.75	212.24	848.94	23,770.42	19,880.36	12,123.19	11,579.71
COMMON AREA EXPENSES								
Trash Pickup		30.71	92.14	368.57	10,320.00	9,384.00	9,384.00	14,000.00
Legal Services		0.60	1.79	7.14	200.00	200.00	200.00	200.00
Electricity		22.32	66.96	267.86	7,500.00	7,500.00	6,900.00	6,000.00
Water & Sewer		3.57	10.71	42.86	1,200.00	1,200.00	1,010.00	1,010.00
Shrubbery		9.52	28.57	114.29	3,200.00	3,200.00	3,200.00	3,200.00
Landscaping		67.14	201.43	805.71	22,560.00	21,600.00	21,600.00	21,600.00
Tree Trimming		21.43	64.29	257.14	7,200.00	7,200.00	7,200.00	7,200.00
Mulch		12.20	36.61	146.43	4,100.00	4,100.00	4,100.00	4,100.00
Licenses, Fees & Permits		0.94	2.81	11.25	315.00	315.00	315.00	315.00
Pest Control		8.93	26.79	107.14	3,000.00	3,000.00	1,964.00	1,964.00
Fertilizer		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Termite Control		3.02	9.06	36.25	1,015.00	1,015.00	1,015.00	1,015.00
Repairs & Maintenance		29.76	89.29	357.14	10,000.00	10,000.00	10,000.00	10,000.00
Irrigation		4.46	13.39	53.57	1,500.00	1,500.00	1,500.00	1,500.00
Pool Maintenance (labor)		26.79	80.36	321.43	9,000.00	8,400.00	8,100.00	8,100.00
Pool Maintenance (repair)		2.98	8.93	35.71	1,000.00	1,000.00	1,000.00	1,000.00
Bathhouse Supplies/Repairs		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Annual Financial Reports		10.71	32.14	128.57	3,600.00	3,600.00	3,365.00	3,220.00
Bank Charges		0.15	0.45	1.79	50.00	50.00	50.00	50.00
Insurance (Building)		182.14	546.43	2,185.71	61,200.00	56,000.00	33,500.00	30,245.00
Insurance (D&O)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance (Workmans Compensation)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage		1.93	5.80	23.21	650.00	650.00	650.00	600.00
Website		9.73	29.18	116.71	3,268.00			
Contingency		3.17	9.50	38.00	1,064.00	1,064.00	1,064.00	0.00
TOTAL COMMON AREAS		452.21	1,356.63	5,426.50	151,942.00	140,978.00	116,117.00	115,319.00
TOTAL EXPENSES		547.95	1,643.86	6,575.44	184,112.42	136,640.19	136,640.19	134,626.71