

**North Crossing Homeowners Association
Report for HOA Board
September 22, 2010
Budget Committee: Betty Ludwig & John Pressel**

Issues Budget Committee was asked to address:

- Are annual assessment fees equitable for SF and Towns
- Capital Reserve Study

Reviewed

- 2009, 2008, 2007 YTD Actuals (see attachments). 2010 YTD General Ledger as of 7/9/2010. This financial information is relevant since all homes were built by 2007. Looking at historical financial data and relying on accuracy of this information.
- Capital Reserve Study

Items to address (relates to 2009 & 2010 expenses)

- Expenses related to SF & Towns
 - Note: Management fees are $\$4.35 \times 12 \text{ months} \times 486 \text{ units} = \$25,369.20$. Same rate for SF & Towns
 - Mowing & lawn care, are we allocating expenses for SF & Towns accurately regarding mowing contracts? Request that future contracts spell out what areas are being serviced
 - Lawn & trees in median @ Christopher's Crossing, City or HOA responsibility?
- Expenses related to Towns only
 - Electricity-what area does this cover? Actual 2009 expense \$294.25; Actual 2010 expense as of 7/9/2010 \$707.16.
 - Mowing & Lawn Care-what areas does this cover? See SF & Towns comment
 - Bever Pond Alley- 2 street lights. Bill from Allegheny Power for electricity
- Is money being put in the Capital Reserve Fund each year ~\$15,000 (10% of HOA fees)? To facilitate that this is done each year, Tom Claggett mentioned could allocate a monthly amount for the Capital Reserve Fund expense. (Note: To fully fund the Capital Reserve Fund, ~\$30,000 is needed each year – sources, 10% allocation, interest earned, other?).

In the future:

- On proposed budgets, consider providing Capital Reserve information
- Establish a Capital Reserve Project Committee for monitoring purposes

**Capital Expenditure Reserve Total
Projected Total**

As of 12/31/2002	\$83,462
As of 12/31/2004	\$140,346
As of 12/31/2005	\$200,033.10 Note: in 2005 \$75,459.28 was transferred to Reserves
As of 12/31/2006	\$207,568.60 (3 CD's)
As of 12/31/2007	\$298,453.59 (5 CD's) Note: in 2007 closed \$55,223.40 CD; opened 3 CD's
As of 12/31/2008	\$310,535.27 (5CD's)
As of 12/31/2009	\$320,293.18 (5 CD's)Note: in 2009 closed \$55,404.84 1 CD; opened \$55,999.60 1 CD
7/28/2010	\$320,293.18 (5 CD's)

Total Future Costs of Replacement (over 20 years)	\$636,468
Expenditure for Capital Reserve Item	(3,600) Capital Reserve Study-paid 1/23/2007- Reserve Advisors
As of 7/28/2010 Reserve Fund Balance	<u>(\$320,293.18)</u>
Over next 11 years must fund	\$312,574.82
/ 11 years	\$28,415.90

Per the By-laws, "... maintain a ten percent (10%) contingency each year and to fund a capital asset replacement fund in an amount established by the Board; ..."