

Northern Heights North Townhomes Homeowner's Association 2021 Annual Report

Summary TBD

Membership

There are XX units in the community, each with one vote in the Association. The first unit was sold in XXX of 2003, and the last unit was closed on XXX, 2009.

Litigation/Judgments

There is no pending litigation and no legal judgments to which the Association is a party. The Annual Assessment for 2020 was \$2520.00 per home, collected in 12 equal, monthly installments of \$210 through ACH bank transfer. The assessment is allocated to operating expenses (\$145/month) and Reserve Fund (\$65/month).

Past Due Assessments

There are no past due assessments owed to the Association.

Reserve Fund Balance

The Board has identified those community items for which repair and replacement is a homeowner responsibility, and those items that will be repaired and replaced with Association funds. Further, the Board adopted a policy of "fully funding" replacement items whose useful life can be determined.

For all of 2020, \$65/month/unit was placed in the Reserve Fund for an annual total of \$57,720. Returns on investments were added to the fund, and expenses were deducted from the fund resulting in a balance of \$887,248.52 as of December 31, 2020. For 2021, the Board is expecting to add \$44,400 to the fund from regular assessments to members (\$50/month/townhome) plus returns on investment.

Capital Expenditures

In 2020, the Association made expenditures of \$81,647.63 for new blacktop road and drainage improvements. The funds for this expense came from the Reserve Fund and were budgeted.

Northern Heights North Townhomes Homeowner's Association

Insurance Coverage

American Family Mutual Insurance Company provides insurance for Stonehedge Townhomes Homeowner's Association, Inc. Coverage is provided in:

- SECTION I PROPERTY is a Special Form covering Risks of Direct Physical Loss except those specifically excluded. This policy includes Blanket Coverage on all buildings that are individually owned by association members up to \$24,045,562. A deductible of \$10,000 applies except wind/hail which will be 5% of building coverage. Glass breakage has a \$500 deductible. A Loss Assessment of at least \$25,000 is required on each members HO6 policy. Exclusions and full details of coverage are outlined in the policy. Policy updates due 6/15/21.
- SECTION II COMPREHENSIVE LIABILITY AND MEDICAL EXPENSES is provided with a liability limit of \$2,000,000 and a medical expense limit of \$5,000 per person.
- NON-PROFIT DIRECTORS AND OFFICERS LIABILITY is provided with a limit of \$2,000,000.
- CRIME AND FIDELITY coverage with a limit of \$375,000.
- COMPUTER FRAUD coverage with a limit of \$250,000.
- FUNDS TRANSFER FRAUD coverage with a limit of \$250,000.

The annual insurance premium per unit was approximately \$499.66.

Financial Report

Balance Sheet			
December 31, 2020			
Assets	Operating Fund	Reserve Fund	Total
Cash and Equivalents	\$13,943.00	\$887,248.52	\$901,191.52
Fees Receivable	0.00	0.00	0.00
Total Assets	<u>\$13,943.00</u>	<u>\$887,248.52</u>	<u>\$901,191.52</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	0.00	68,000.00	68,000.00
Funds Available	\$13,943.00	\$819,248.52	\$833,191.52

Northern Heights North Townhomes Homeowner's Association Statement of Operating Income and Expense

	2018	2019	2020
INCOME:			
Operating Assessment	111,350.00	111,300.00	128,270.00
Interest	95.24	127.55	43.71
Miscellaneous	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Income:	<u>\$111,445.24</u>	<u>\$111,427.55</u>	<u>\$128,457.87</u>
EXPENSE:			
Administrative Expense	2,307.16	3,214.27	8427.43
Bank Fees	120.00	120.00	120.00
Insurance	36,264.39	37,917.67	38,921.21
Landscaping	5,510.25	5,043.80	5,060.25
Lawn & Irrigation Service	22,425.58	24,083.78	24,803.89
Repairs	410.67	640.13	1,752.91
Snow Removal	16,454.00	17,610.00	24,229.00
Sprinkler Maintenance	4,429.94	3,976.56	3,840.60
Trash Removal	15,748.98	15,775.32	17,616.33
Utilities – Water/Elec	3,952.98	3,597.04	5,425.07
Taxes	4,921.00	5,084.00	4,365.00
Miscellaneous	<u>968.09</u>	<u>1,643.50</u>	<u>3,786.26</u>
Total Expense:	<u>\$113,513.04</u>	<u>\$118,706.07</u>	<u>\$138,347.95</u>
Net Income:	<u>\$(2,067.80)</u>	<u>\$(7,278.52)</u>	<u>\$(9,890.08)</u>
Beginning Fund Balance	<u>\$33,179.40</u>	<u>\$31,111.60</u>	<u>\$23,833.08</u>
Ending Fund Balance	<u>\$31,111.60</u>	<u>\$23,833.08</u>	<u>\$13,943.00</u>

Northern Heights North Townhomes Homeowner's Association

Statement of Reserve Fund Income and Expense

	2020
<u>INCOME</u>	
Reserve Assessment	57,720.00
Interest	10,192.31
Dividends	5,420.55
Capital gains	1,804.61
Total Income:	<u>\$75,137.47</u>
<u>EXPENSE</u>	
Road Maintenance/Replacement	79,830.00
Roof Replacement	0.00
Siding Replacement	0.00
Equipment Replacement	0.00
Drainage Issues	1,817.63
Total Expense:	<u>\$81,647.63</u>
Net Income:	<u>\$(6,510.16)</u>
Net Unrealized Gains:	<u>\$23,323.76</u>
Beginning Fund Balance	\$871,377.97
Ending Fund Balance	<u>\$887,111.64</u>

Respectfully submitted on XXX, 2022

Northern Heights North Townhomes Homeowner's Association Board of Directors for 2021

Greg Roeder, President
Charlie Perkins, Vice-President

Mary Ann Mullady, Secretary
Ken Simon, Treasurer