

Prairie Crossing Homeowners Association
Notes to Budget for 2016

- a) Homeowners Association Fees are the source of income for the Association.
- b) The Station Square Condo Association pays a license fee to our Association for the use of our amenities and common areas by condo owners. Payment is equivalent to the Association monthly assessment multiplied by the number of condos.
- c) Reimbursements to the Association for costs billed to other parties; principally collection costs.
- d) Contract with a property management firm, Premier Residential Management, to bill and collect assessments, provide complete accounting services, oversee maintenance contracts, pay bills, keep records, furnish information required for closing real estate transactions, and provide other management services.
- e) Cost of an arrangement with a secretarial service to prepare minutes of meetings and to provide other recordkeeping services to the Board and to Board Committees.
- f) Fee paid to an Independent Auditor for an annual review of Association accounts and financial records, and for preparation of the Association's tax returns.
- g) Cost of liability, property and fidelity bond insurance.
- h) Cost of compiling, editing, printing, and distributing monthly newsletter to Prairie Crossing homeowners.
- i) Contract with an environmental management consultant to assist the Board and our property manager in developing environmental management plans for the year. The plans, among other things, identify prairies to be burned, trees and plantings to be maintained, actions and precautions to be taken to maintain water quality in ponds and the lake, invasive weed control measures to be used, and provide for systematic evaluation of environmental measures taken. The consultant assists in drafting specifications for work to be done, evaluating proposals and work performed, and keeping environmental management related records. The consultant also contributes to educating interested homeowners about managing and maintaining our local environment.
- j) An agreement with Liberty Prairie Foundation provides the Association and its members with services such as:
 - access to and use of the yellow farm house for meetings of the Board, the Architectural Review Committee, the Environmental Stewardship Committee, the PC Volunteer Corps, book clubs , and others
 - access to and occasional use of LPF owned facilities such as the Byron Colby Barn
 - access to farmland open areas for activities such as walking and skiing
 - access to the farm for educational opportunities
 - a destination for families, young children and guests to learn about farm animals, plants and plantings in a farm setting
 - up to two acres of farmland subdivided into garden plots for use by residents for growing flowers and vegetables
 - a place to store composted piles of soil and woodchip mulch for the non-commercial use of residents
 - a place to dispose of kitchen-type compost, grass clippings and other yard waste

- a permanently protected open space and landscape buffer
 - The \$5,000 overrun for 2015 was due to a carry over from an underpayment of \$5,000 in 2014.
- k) Cost of operating the Fitness Center includes regular cleaning, maintenance of equipment, and rent to Byron Colby Barn for the space occupied by the Center.
- l) Cost of lake management such as monitoring lake water quality, fish and wild life management, and selected weed management in Lake Aldo Leopold and associated ponds.
- m) Cost of environmental management services for projects such as control of invasive weeds and brush,, prescribed burns, selected mowing of restored prairies, and care for wetland areas.
- n) Includes cost of a contract with a landscaping company (Landscape Concepts Mgmt.) for mowing, fertilization, weed control, etc. of turf in the Common Area, and for maintaining trees and plantings.
- o) Cost of contract labor to perform a variety of small but important maintenance services such as, among other things, emergency watering of landscapes, maintenance of trails, playgrounds, and beach, selected mowing in native areas, and fence repair.
- p) Annual money transfer to build or replenish reserve funds for the periodic restoration or replacement of Common Area features such as playgrounds, ornamental lighting, fences, trails, beach, and other Common Area features. The amounts transferred are determined by a reserve study prepared for the Association by Reserve Advisors Inc., a consultant to the Association.
- q) Funds withdrawn from reserves to pay for periodic major replacement or repair projects of Association-owned common areas or facilities. Details about planned projects for 2016 are given in the section headed "Expenditures for Projects" in the section below.
- r) Interest, dividends and other earnings on the Association's reserves investment, and changes in the value of investments. Earnings and changes are added to reserves.

Prairie Crossing Homeowners Association
Income and Expense
Budget for 2016
(Dollars)

November 23, 2015

	<u>Budget</u>		<u>Forecast</u>	<u>Actual</u>	<u>Budget</u>
	<u>Year 2016</u>		<u>Year 2015</u>	<u>10 months 2015</u>	<u>Year 2015</u>
<u>Income</u>					
Association Fees - P C Homeowners	387,700	a	387,700	333,831	387,700
less Uncollectible Fees					
License Fees - Station Square	38,900	b	38,900	29,160	38,900
Operating Interest				13	
Administrative Fees Collected				58	
Reimbursements	2,000	c	3,000	2,428	4,000
Homeowner Repairs/Fines				400	
Insurance Reimbursements				512	
Fitness Center Income				176	
Total Income	428,600		429,600	366,578	430,600
<u>Expense</u>					
Administration					
Management	30,000	d	32,000	26,807	32,000
Recording Secretary	6,000	e	5,500	3,470	6,000
Accounting	3,000	f	2,900	2,925	3,000
Legal Services	12,000		12,000	8,073	12,000
Legal Services - Collections	2,000		2,000	2,287	2,000
Postage and Mail	4,000		4,300	3,717	4,000
Insurance	7,500	g	9,000	2,226	7,500
Printing, Reproduction	5,000		5,000	3,727	5,000
Real Estate Taxes	0		53	53	0
Newsletter Distribution	6,000	h	5,800	2,606	6,000
Newsletter Editorial	2,400	h	2,400	2,200	2,400
Newsletter Printing	6,000	h	6,000	4,050	6,000
Website Maintenance	2,000		1,000	918	2,000
Miscellaneous Admin. Costs	3,000		6,000	5,762	3,000
Telephone, Fax, Supplies	500		700	723	500
Reserve Study			300	300	0
Bank/Service Fees	800		850	605	
Environmental Management	45,000	i	45,500	45,230	45,000
Total Administration	135,200		141,303	115,679	136,400

Prairie Crossing Homeowners Association
Income and Expense
Budget for 2016
(Dollars)

November 23, 2015

	<u>Budget</u>		<u>Forecast</u>		<u>Actual</u>		<u>Budget</u>
	<u>Year 2016</u>		<u>Year 2015</u>		<u>10 months 2015</u>		<u>Year 2015</u>
Maintenance of Amenities							
Beach	14,000		17,000		16,829		14,000
Libty Prairie Foundation Services	10,000	j	15,000		15,000		10,000
Fitness Center Equipment	2,000	k	2,700		2,625		2,000
Fitness Center Operation	8,000	k	8,000		7,253		8,000
Fitness Center Rent	10,000	k	10,000		10,000		10,000
Gazebo and Pavillion	2,000		3,800		3,643		2,000
Maintenance of Amenities, continued							
Playgrounds	6,000		7,000		6,499		6,000
Tennis/Skating/Volleyball	2,000		700		686		2,000
Trails	5,000		34,000		33,759		5,000
Snow Removal Common Areas	4,000		5,500		4,979		0
Total Maintenance of Amenities	<u>63,000</u>		<u>103,700</u>		<u>101,273</u>		<u>59,000</u>
Maintenace of Infrastructure							
Fences	2,000		0		0		2,000
Lighting System	1,000		0		0		1,000
Lighting Utilities	1,000		1,000		750		1,000
Signs	2,000		500		450		2,000
Total Maintenance of Infrastructure	6,000		1,500		1,200		6,000
Maintenance of Common Area							
Lake and Ponds	7,500	l	12,000		11,851		7,500
Lakeshore	2,000		8,100		8,029		2,000
Plantings	10,000		5,500		5,133		10,000
Prairies, Meadows, Wetlands	30,000	m	28,000		27,342		30,000
Trees	12,000		46,000		46,404		12,000
Turf	40,000	n	38,000		37,458		40,000
Total Maintenance - Common Area	<u>101,500</u>		<u>137,600</u>		<u>136,217</u>		<u>101,500</u>
Operation							
Equipment Maintenance, Supplies	4,000		1,500		1,136		4,000
Labor	15,000	o	15,000		9,600		15,000
Total Operation	<u>19,000</u>		<u>16,500</u>		<u>10,736</u>		<u>19,000</u>

November 23, 2015

Page 3 of 4

Prairie Crossing Homeowners Association
Income and Expense
Budget for 2016
(Dollars)

November 23, 2015

	<u>Budget</u>		<u>Forecast</u>	<u>Actual</u>	<u>Budget</u>
	<u>Year 2016</u>		<u>Year 2015</u>	<u>10 months 2015</u>	<u>Year 2015</u>
Projects and Other Expenses					
Expenditures for Projects		q			
Restore Trails	25,000		40,000	0	0
Conduct Reserve Study	4,400		0	0	0
Replace Playground Borders	0		0	0	0
Renew Street Signs			0	0	5,000
Repair Shoreline Erosion	50,000		85,000	0	85,000
Buy Fitness Center Equipment	5,000		0	0	5,000
Sediment Removal - Lakes					
State Income Taxes	0		0	0	0
Federal Income Taxes	0		0	0	0
Transfer of Earnings to Reserves	2,000	r	-20,000	-22,048	10,000
Total Other Expense	<u>86,400</u>		<u>105,000</u>	<u>-22,048</u>	<u>105,000</u>
 Other Income Over/(Under) Expense	 5,000		 11,000	 136,048	 6,000
 Total Income Over/(Under) Expense	 <u>(5,700)</u>		 <u>(72,003)</u>	 <u>97,521</u>	 <u>2,700</u>

Summary of Reserve Funding

Investment in Replacement Reserves at Beginning of Year	846,000	est.	886,626	886,626	975,800
 Additions, incl. earnings	 116,600	 q, s	 90,000	 18,000	 119,500
 Withdrawals	 84,400	 r	 130,000	 130,000	 225,000
 Investment in Replacement Reserves at End of Year	 878,200	 est.	 846,626 est.	 774,626	 870,300