



PCHOA

Prairie Crossing
Homeowners
Association

December 4, 2020

Dear Prairie Crossing Homeowners:

This mailing contains a copy of our Proposed Homeowners Association Budget for 2021.

The budget was reviewed and approved by the Association's Board of Directors in its meeting of December 3, 2020. The Declaration of Covenants for Prairie Crossing and the Association's By-Laws require that the Board estimate a budget and mail a copy of the proposed budget to homeowners by December 15 for review and comment.

Pages 1 and 2 of the budget show the Association's income from homeowner assessments and other related sources, and how that income is applied to cover regular, annual administrative and maintenance expenses, and the required funding of reserves. These data taken together help the Board to determine the amount of the assessment to be paid by homeowners. Please note that the budget has some significant shifts in amounts being allocated but does not require an increase in the assessment.

Page 3 shows other income and expense items that have to be accounted for but do not factor into the calculation of the assessment. "Project and Other Expenses" shows how we plan to spend those funds on major maintenance projects occurring at irregular intervals. These projects are identified in the Reserve Study that was updated in May 2020.

Included with the budget are two pages of notes explaining specific line items from the budget. They correspond to the footnotes in the budget.

The Board intends to adopt this budget at its regularly scheduled meeting on January 7, 2021.

If you have questions about any part of the 2021 Budget, please send an e-mail to board@pchoa.com.

Best regards,

The PCHOA Board

John Breen, Treasurer
Rick Cummisford, Secretary
Tom Herrera
Jenny Krill
Scott Lara, President

Prairie Crossing Homeowners Association
Income and Expense
Budget for 2021
(Dollars)

Final Draft for
Resident Review
Dec 3, 2020

	Budget		Forecast		Actual		Budget	
	Year 2021		Year 2020		10 mos Year 2020		Year 2020	
Income								
Association Fees - P C Homeowners								
less Uncollectible Fees	423,620	a	420,000		384,757		423,620	
License Fees - Station Square	42,480	b	42,480		42,480		42,480	
Fitness Center Income			470		642			
Operating Interest			500		622			
NSF Charges Collected			123		123			
Administrative Fees Collected								
Work Orders Collected								
Legal Fee Reimbursements	2,000	c	6,000		3,904		2,000	
Homeowner Repairs/Fines			1,000					
Insurance Reimbursements			450		442			
Total Income	468,100		471,023		432,969		468,100	
Expense								
Administration								
Management	65,820	d	32,400		27,135		32,400	
Environmental Management	12,000	e	46,500		23,180		46,500	
Recording Secretary	6,500	f	6,500		3,887		7,000	
Accounting	3,300	g	3,225		3,225		3,200	
Real Estate Taxes	100		84		84		0	
Legal Services	12,000		20,000		18,115		10,000	
Legal Services - Collections	2,000		5,000		3,248		2,000	
Postage and Mail	10,000		12,000		8,274		9,000	
Printing, Reproduction	6,000		6,000		3,360		6,000	
Newsletter Distribution	5,000	h	5,900		5,175		4,000	
Newsletter Editorial	2,400	h	2,400		1,998		2,400	
Newsletter Printing	4,500	h	4,700		3,751		5,000	
Website Maintenance	1,000		1,000				1,200	
Telephone, Fax, Supplies	1,300		1,300		1,288		1,300	
Insurance	10,000	i	10,000		547		10,000	
Bank/Service Fees	850		850		743		850	
Miscellaneous Admin. Costs	3,000		2,200		2,426		3,000	
Total Administration	145,770		160,059		106,436		143,850	

**Prairie Crossing Homeowners Association
Income and Expense
Budget for 2021
(Dollars)**

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	Budget Year 2021	Forecast Year 2020	Actual 10 mos Year 2020	Budget Year 2020
Maintenance of Amenities				
Beach	8,000	12,300	5,870	8,000
Libby Prairie Foundation Services	0	5,800	5,000	10,000
Fitness Center Equipment	1,000	500	493	1,000
Fitness Center Operation	16,000	15,000	11,307	14,000
Fitness Center Rent	21,000	20,000	16,500	17,000
Gazebo and Pavillion	1,500	3,600	0	1,500
Playgrounds	6,000	6,000	4,619	6,000
Tennis/Skating/Volleyball	1,500	3,700	3,651	1,500
Trails	9,000	9,000	8,528	8,500
Snow Removal Common Areas	2,800	2,700	1,499	4,000
Miscellaneous			925	
Storage/Transportation	5,500			
Total Maintenance of Amenities	72,300	78,600	58,392	71,500
Maintenance of Infrastructure				
Fences	4,000	0	0	2,000
Lighting System	1,000	1,600	0	1,000
Lighting Utilities	1,100	1,100	875	1,000
Signs	2,000	2,000	1,715	2,000
Total Maintenance of Infrastructure	8,100	4,700	2,590	6,000
Maintenance of Common Area				
Lake and Ponds	14,000	14,000	13,606	12,000
Lakeshore	4,000	3,000	1,538	4,000
Plantings and Edible Landscape	9,000	16,000	15,682	9,000
Prairies, Meadows, Wetlands	40,000	36,000	34,065	32,000
Trees	8,500	8,500	8,184	8,500
Turf	45,000	46,000	45,559	40,000
Concrete Sidewalks		4,912	4,912	
Total Maintenance - Common Area	120,500	128,412	123,546	105,500
Operation				
Equipment Maintenance, Supplies	4,000	3,000	2,132	3,000
Labor	15,000	1,000	637	15,000
Total Operation	19,000	4,000	2,769	18,000
Transfer to Replacement Reserves				
Common Facilities (Amenities, Infrastructure, Common Area, Other)	51,000	84,935	74,719	61,300
Lake and Pond Preservation	51,000	84,935	74,719	61,300
Total Transfer to Reserves	102,000	169,870	149,437	122,600
Total Expense and Transfers	467,670	545,641	443,170	467,450
Operational Income Over/(Under) Expense	430	(74,618)	(10,202)	650

**Prairie Crossing Homeowners Association
Income and Expense
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(Dollars)**

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	<u>Budget</u> <u>Year 2021</u>	<u>Forecast</u> <u>Year 2020</u>	<u>Actual</u> <u>10 mos Year 2020</u>	<u>Budget</u> <u>Year 2020</u>
Other Income				
Late Payment Fees	4,000	2,900	3,020	4,000
Earnings on Reserve Investments	10,000	30,000	21,969	15,000
Other Income	1,000	200	151	1,000
Total Other Income	15,000	33,100	25,140	20,000
Projects and Other Expenses				
Expenditures for Projects				
Restore Trails				
Conduct Reserve Study		4,950	4,950	4,000
Clear Invasives from Hedgerows	7,500	300	291	0
Tennis Court Color	12,626			15,000
Buy Playground Equipment	10,450	32,751	32,751	9,000
Beach Changing Station				
Sediment Removal - Lakes	350,000	80,000	69,804	21,000
Shoreline Stabilization				270,000
Terrestrial Invasives	8,000	7,000		35,000
Aquatic Invasives	2,500			12,500
Prairie Vegetation Monitoring	4,500			7,500
Wetlands Waterflow (Shooting Star)				
XFER NOS				6,000
Mulching of Trees	7,000	9,000	9,000	9,000
New Fitness Center Moving		5,443	5,443	
Annual Landscaping (Trees)	7,000			
Repair Street Signs				43,000
State Income Taxes	0	975	975	0
Federal Income Taxes	0	3,371	3,371	0
Total Other Expense	409,576	143,790	126,584	432,000
Total Income Over/(Under) Expense	15,430	(41,518)	14,939	20,650

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<u>Summary of Reserve Funding</u>				
Investment in Replacement Reserves at Beginning of Year	1,187,498	1,113,629	1,113,629	1,113,629
Additions, incl. earnings	112,000	199,870	171,406	137,600
Withdrawals	409,576	143,790	122,238	432,000
Investment in Replacement Reserves at End of Year	889,922	1,169,709	1,162,797	819,229

Expected Reserve Expenditures from 2020 Reserve Study

2021	\$33,311
2022	\$191,497
2023	\$372,406
2024	\$300,496
2025	\$486,529

December 3, 2020

Prairie Crossing Homeowners Association
Notes to Budget for 2021

- 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 (36).
- 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 accounting services, oversee maintenance contracts, pay bills, keep records, furnish information required for closing real estate transactions, and provide other management services. This includes a new \$31,800 charge for Environmental Contract Management.
- e) As we move to Ala Carte Environmental Management, this is for the work product to be produced. In this budget, it is the difference between the 2020 Environmental Consulting budget and the rider on the Premier contract.
- f) Cost of an arrangement with a secretarial service to record and prepare minutes of meetings and to provide other recordkeeping services to the Board and to Board Committees.
- g) Fee paid to an Independent Accountant for an annual review of Association accounts and financial records along with preparation of the Association's tax returns.
- h) Cost of compiling, editing, printing, and distributing monthly newsletter to Prairie Crossing homeowners.
- i) Cost of liability, property and fidelity bond insurance.
- j) In previous years, there was agreement with Liberty Prairie Foundation to provide 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 and open areas for activities such as walking and skiing
 - 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

During 2020, due to the pandemic and staffing, only some of these items were provided by the Foundation. There is no blanket agreement in place for 2021 and any services requested will be "ala carte" and charged to the specific budget category.

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December 3, 2020

- k) Cost of operating the Fitness Center includes regular cleaning, maintenance of equipment, and rent for the space occupied by the Center. This number includes \$1,750/mo rent and an anticipated \$200/mo utilities (we only had 2 months of bills so far and no winter with the electric heat). This also includes an anticipated **\$475/week** thru **April 2021** to deal with Covid-19 sanitation and then \$475/mo for the remainder of the year. If Illinois Phase IV extends past the end of April 2021, this number will change.
- l) Snow Removal of Association owned sidewalks.
- m) Specific items for storage (burn equipment, lake raft, split rail fence supplies) and transportation as needed to bring the items to/from the Association lands.
- n) Lake treatments
- o) Bundled the Edible Landscape (Prairie Orchid) into plantings.
- p) Cost of turf mowing. Part of a multi-year agreement with Apex Landscaping.
- q) Concrete sidewalks owned by the Association in Station Village that needed repair in 2020.
- r) Casual labor as needed for repairs/maintenance not covered by specific budget categories, during the course of the year.
- s) 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. Last revision 2020.
- t) Interest on the NEW CDs has dropped less than 1% range. Our current money for this year is roughly \$1.1M with some still maturing above 1%.
- u) Based on the 2020 Reserve Study and the Land Management plan for 2021, these items are due for replacement in 2021. The Board will review and evaluate the replacement of these items as each project becomes.
- v) Based on the Bathymetric study performed in 2017, the decision was made to push off the project for the removal of sediment from Lake Leopold to 2019 (from 2018). Planning and, more importantly, permitting began in 2018. Due to permitting delays, this is now pushed to 2021.
- w) In 2016, the Board approved reserving an additional \$15,000 per year for 5 years for the purposes of Major Environmental projects not already covered by specific line items in the Reserve Study.
- x) As the Association lands have aged, on the recommendation of our landscape consultants, a line item has been added to the capital budget for tree replacement/maintenance above and beyond the operating budget line item.

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