

**VOTING ITEM #2 - Approval of 2013 Administrative Assessment and Budget**

**2013 Administrative Assessment Budget**

The Board of Trustees has developed a proposed budget for 2013. If the new indentures are approved, the Board would like to propose the 2013 Administrative Assessment be **\$50.00 per lot**. The HOA would collect \$19,450.00 at 100% collection rate. Any funds remaining from 2013 will be carried over to 2014 and would be in consideration for 2014's budget. If the indentures are approved, but the proposed \$50/lot is not approved by the lot owners, the budget below will be dramatically reduced in order to remain on-budget with the "no less than \$25/lot assessment" covered in the new indentures. If the new indentures are not passed by the lot owners, the \$0.65 per linear front foot would remain in place and both the Administrative and Street Assessment Budgets will be drastically reduced to remain on-budget. The Board would like the lot owners to realize this would mean there would be ZERO road repair and only MINIMAL snow removal.

<u>EXPENSES</u>	<u>Year-To-Date (9/14/12)</u>	<u>2013 Administrative Assessment Budget</u>
Legal Fees	\$3,500.00	\$2,000.00
Legal Judgment	\$6,800.00	\$6,350.00
Office Expenses	\$1,182.53	\$1,200.00
Website	\$321.77	\$0.00
Postage	\$761.60	\$1,200.00
Street Lights	\$131.43	\$150.00
P.O. Box	\$76.00	\$80.00
Miscellaneous	\$741.02	\$1,000.00
Insurance	\$1,018.00	\$1,100.00
Lake Maintenance	\$473.77	\$500.00
Common Ground Maintenance	\$450.00	\$2,000.00
General Meeting	\$293.64	\$400.00
Emergency Fund (10% of Admin. Budget)	\$0.00	\$1,598.00
Refund	\$195.00	\$0.00
	<b>Total \$15,944.76</b>	<b>\$17,578.00</b>

- Legal Fees - The HOA has spent \$3500 YTD in 2012, with most of the expense for the re-write of the indentures. The Board would like to leave \$2000 in the 2013 budget for legal representation.
- Legal Judgment - The payment for the legal judgment against Hermitage Hills from NB West was \$6800 in 2012. The payment will be \$6350 in 2013.
- Office Expenses - This category includes the printer, ink, paper, and envelopes required by the Board.
- Website - The expense incurred in 2012 was for a 2 year renewal, so there will be no cost in 2013.
- Postage- For 2012, there will be more spent on postage to send out a fall newsletter, accounts statements, 2012 Assessment billing, and General Meeting notice. For 2013, we are planning on 2 newsletter mailings, a 2013 assessment billing, past due billings, general meeting notice, and potentially information regarding the NID.
- Street Lights - Budget to pay for the street light at the entrance to the subdivision on Hermitage Dr. The Board would like to put additional street lights throughout the subdivision, but that project is not planned for 2013.
- P.O. Box - Budget to pay for the Home Owner's Association P.O. Box.
- Miscellaneous - So far in 2012, the Board used this budget to rent a brush hog to clear the common ground area by the dam, paint supplies for the entrance sign, registration with the Secretary of State, and (2) Type III Barriers to close a section of Summerland Dr. this coming fall.
- Insurance - The subdivision has to maintain liability insurance coverage.
- Lake Maintenance - The subdivision has to apply minimal chemicals to maintain the lake.
- Common Ground Maintenance - The Board has selected Pro-Care Landscaping to maintain the common ground areas on Hermitage Dr. and Westbourne Way. In 2013, there will need to be some repair done below the dam so this area can be maintained by the landscaping company. This budget will allow all 3 common ground areas to be maintained and to repair the area below the dam.
- General Meeting - The Board will host 1 General meeting in the fall of 2013. This budget covers facility rental, hiring a police officer for security, and legal fees if the subdivision lawyer needs to be present.
- Emergency Fund - Currently, there is ZERO emergency budget. The Board would like to put 10% of the Administrative Budget aside to slowly build an emergency fund.
- Refund - In 2012, there was a mistake on the charges at one of the closings. The HOA had to deposit the check and then refund the amount back to the seller. All residents will receive a copy of the Income & Expense Statement in the spring newsletter that will detail this transaction.