



August 25, 2017

Mr. Stephen Fiala  
216 Riverwoods Drive  
New Hope, PA 18938

Dear Mr. Fiala,

Enclosed is a draft copy of the Association's proposed budget for 2018. The budget is based on an annual assessment of \$1,131 for the 208 single homes, an increase of \$18; and \$196 for the 21 townhomes, an increase of \$5. In addition to general inflation, the projected change in the assessment is primarily related to the increased cost of the updated and approved Reserve analysis, which is \$14 for the community reserve and \$3 for the townhomes.

The Board of Directors has full authority to establish the annual budget and assessment. Please feel free to make any changes or adjustments to the proposed amounts. If you would schedule the review and approval of the budget at your next Board meeting, it would be appreciated.

Upon your final approval, we will prepare the year 2018 assessment notices and mail them to each owner, along with a copy of the budget, during the last week of November.

If you have any questions concerning the enclosed budget, please feel free to contact us at any time.

Sincerely,



James Stevens, Executive Vice President  
CONTINENTAL PROPERTY MANAGEMENT, INC.

Enclosure:

cc: Board of Directors

JS/jh

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
COMMON AREA  
2018 BUDGET

DRAFT

	<b>2018</b>	<b>2017</b>
<b><u>INCOME</u></b>		
Assessments - Singles	\$235,250	\$231,500
Assessments - Townhomes	19,720	19,470
Interest	9,250	7,660
Resale Capital	6,250	6,250
Miscellaneous	1,500	1,500
Late Charges	600	850
<b>TOTAL INCOME</b>	<b>\$272,570</b>	<b>\$267,230</b>
<b><u>EXPENSES</u></b>		
Grounds Maintenance	\$61,720	\$64,100
Snow Removal	40,000	40,000
Trash Removal	39,860	38,690
Management Service	12,170	11,920
Pond Maintenance	5,250	5,250
Repairs & Maintenance	4,500	4,800
Insurance	3,120	3,030
Office & Administrative	2,740	2,870
Legal & Accounting	2,580	2,500
Corporate Tax	2,180	940
Site Lighting	1,500	1,500
<b>TOTAL EXPENSES</b>	<b>\$175,620</b>	<b>\$175,600</b>
<b><u>RESERVE &amp; CONTRIBUTED CAPITAL</u></b> (Includes Interest of \$8,950)	62,600	57,280
<b><u>ASH TREE REMEDIATION RESERVE</u></b>	34,350	34,350
<b>TOTAL EXPENSES &amp; RESERVE</b>	<b>\$272,570</b>	<b>\$267,230</b>

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
2018 BUDGET ANALYSIS

**INCOME**

**Assessments - Singles:** The annual assessment for each detached single home is \$1,131, an increase of \$18.

**Assessments – Townhomes:** The monthly townhome contribution to the Master Association is \$78.25, an increase of \$1. The townhomes will also be assessed for services provided solely to them; please refer to their separate budget.

**Interest:** Projected at 1.20% on the Association's operating, reserve and capital funds.

**Resale Capital:** It is projected that one townhome will be resold and pay a capital contribution of \$250 and eight single homes will be resold and pay a capital contribution of \$750. These funds will be transferred to the capital account.

**Miscellaneous:** The Association is reimbursed by New Hope Borough for electricity charges to ten streetlights.

**Late Charges:** It is anticipated that some owners will pay their assessment late and incur late charges.

**EXPENSES**

**Grounds Maintenance:** The Association is responsible for maintaining the common open space, comprised of 18 acres. The Association will mow these areas approximately 25 times per year. The grass areas will receive turf applications in the spring and fall. In addition, the Association owns other common areas that will remain in their original, natural condition or that contain wetlands, which may not be disturbed. The budget also provides \$5,000 for the non-contracted landscaping services.

**Snow Removal:** The Association is responsible for plowing snow on the roads and hand shoveling snow from the sidewalk along common ground. The budgeted amount is based on the average expense of the prior four years.

**Trash Removal:** The Association provides trash removal service for all homes. The monthly unit cost for the single-family homes is projected at \$15.97 and includes recycling service.

**Management Service:** In accordance with the existing Management Agreement.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
2018 BUDGET ANALYSIS  
- continued -

**Pond Maintenance:** Funds provided for applications to the pond.

**Repairs & Maintenance:** Projected at \$375 per month for general repairs of the common area not included in the grounds maintenance budget.

**Insurance:** The Association will maintain coverage on the common ground, directors' & officers' liability insurance, plus general liability insurance. Owners are responsible for insuring their homes, including building coverage, personal contents and liability coverage.

**Office & Administrative:** Includes the estimated cost of office stationery, lockbox fees, postage, copying, court costs and other miscellaneous Association expenses.

**Legal & Accounting:** The Association will employ an accountant to prepare an independent financial statement and tax return annually. Funds are also provided for routine legal services.

**Corporate Tax:** The Association is responsible for paying tax on its net interest income.

**Site Lighting:** The Association is responsible for electricity to the ten site lights, at a projected monthly cost of \$125.

**RESERVE & CONTRIBUTED CAPITAL:** In accordance with the updated and approved Reserve Analysis, each unit will contribute \$207 annually to the fund, an increase of \$14. In addition, all interest earned on the capital reserve fund, projected at \$8,190, will be retained in the account.

The Association has a total Capital Contribution Assessment of \$6,250 budgeted for all resales of homes within the community. Any assessments received for resale Capital Contributions will be placed in the Capital account. All interest earned on the Capital funds, projected at \$760, will be retained in the account.

**ASH TREE REMEDIATION RESERVE:** Funds being reserved for the future anticipated removal and/or treatment of the community's many common area ash trees due to the impending Emerald Ash Borer infestation. The annual unit contribution for the 2018 budget is \$150.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
TOWNHOME AREA  
2018 BUDGET

DRAFT

	<b>2018</b>	<b>2017</b>
<b><u>INCOME</u></b>		
Assessments	\$29,670	\$28,670
Interest	980	750
Miscellaneous	<u>300</u>	<u>320</u>
<b>TOTAL INCOME</b>	<b><u><u>\$30,950</u></u></b>	<b><u><u>\$29,740</u></u></b>
<b><u>EXPENSES</u></b>		
Grounds Maintenance	\$9,900	\$9,970
Management Service	6,100	5,990
Trash Removal	4,020	3,910
Snow Removal	2,500	2,500
Site Lighting	300	320
Repairs & Maintenance	300	240
Corporate Tax	<u>50</u>	<u>10</u>
<b>TOTAL EXPENSES</b>	<b>\$23,170</b>	<b>\$22,940</b>
<b><u>RESERVE</u></b>	<b><u>7,780</u></b>	<b><u>6,800</u></b>
(Includes Interest of \$980)		
<b>TOTAL EXPENSES &amp; RESERVE</b>	<b><u><u>\$30,950</u></u></b>	<b><u><u>\$29,740</u></u></b>

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
TOWNHOME AREA  
2018 BUDGET ANALYSIS

### INCOME

**Assessments:** The total monthly assessment, including each owner's share of the Master Association expenses, is \$196, an increase of \$5. Each owner's share of the Master Association's annual assessment is \$939 or \$78.25 per month, for maintenance of the entire community's common ground, excluding trash removal.

**Interest:** Projected at 1.20% on the Association's reserve fund.

**Miscellaneous:** The Association is reimbursed by New Hope Borough for electricity charges for four street lights.

### EXPENSES

**Grounds Maintenance:** Service to the private lots includes 25 mowings per year, regular edging of sidewalks, spring and fall cleanup, turf applications to all lawn areas plus remulching and edging of the shrubbery beds in the spring. Individual homeowners are responsible for insect control and replacement of their shrubbery and trees. Maintenance of the common ground beyond the individual lots is the responsibility of the Master Association.

**Management Service:** In accordance with the existing Management Agreement.

**Trash Removal:** The Association is responsible for twice weekly curbside trash removal and once weekly recycling service. The budget is based on a projected monthly cost of \$15.97 per home.

**Snow Removal:** Parking areas will be plowed when there is an accumulation of two or more inches of snow. Homeowners are responsible for shoveling their entrance walks and the sidewalk in front of their homes. The budgeted amount is based on the average expense of the prior four years.

**Site Lighting:** The Association is responsible for electricity to the four parking lot lights, at a projected monthly cost of \$25.

**Repairs and Maintenance:** Projected at \$25 per month.

**Corporate Tax:** The Association is responsible for paying tax on its net interest income.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION  
TOWNHOME AREA  
2018 BUDGET ANALYSIS  
- continued -

**RESERVE:** In accordance with the updated and approved Reserve Analysis, the monthly unit contribution is \$27, an increase of \$3. In addition, the interest earned on the reserve fund, projected at \$980, will be retained in the account.

In accordance with the Association's documents, the Association is also responsible for replacement of siding. It is anticipated that the vinyl siding will last for the life of the building, so funds have not been reserved for its replacement.