



December 2013

Dear Riverwoods Townhome Homeowner,

The Association Board of Directors approved the 2014 Budget, which provides for a monthly assessment of \$170, a decrease of \$8. The reduction includes the removal of the additional \$5 monthly contribution to the reserve fund, which was assessed for only a four-year period from 2010 through 2013.

Enclosed is your 2014 coupon booklet. Prior to mailing, please place your name and the address of the unit you own on each coupon and ensure that the coupon is for the appropriate month you are paying. As a cross check, also place the month of your payment on the face of each check. If you use an online banking service, please use the address of the unit you are paying for as your account number.

IMPORTANT NOTE: Due to heightened financial security restrictions, the Association can only accept checks made payable to the Association. Checks made payable to the Management Company will not be accepted and will be returned to you. If you use an on-line payment vendor, please ensure that they have the proper payment information.

If you wish to pre-pay your account, you may do so, however post-dated checks will not be accepted. Any post dated checks received will be returned to the owner for proper dating. In addition, **payments ARE NOT accepted at the management office**, and must be mailed to the P.O. Box indicated in your coupon booklet.

We would like to remind everyone that the Association payments are due on the FIRST of each month. If your payment is not **RECEIVED** by the 15th of the month, an automatic late charge is assessed. Postmarks are not used to determine the time of payments. If you mail your payment late, please automatically include this \$15 late charge with the monthly payment.

A copy of the Association's 2014 Budget is enclosed for your information.

Sincerely,

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION

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RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
COMMON AREA
2014 BUDGET

INCOME

Assessments - Singles	\$184,080
Assessments - Townhomes	14,680
Resale Capital	6,250
Interest	5,630
Miscellaneous	1,500
Late Charges	<u>1,000</u>
TOTAL INCOME	<u><u>\$213,140</u></u>

EXPENSES

Grounds Maintenance	\$62,610
Trash Removal	38,690
Snow Removal	26,000
Management Service	11,290
Pond Maintenance	5,250
Office & Administrative	3,180
Insurance	2,950
Repairs & Maintenance	2,700
Legal & Accounting	2,500
Site Lighting	1,560
Corporate Tax	<u>680</u>
TOTAL EXPENSES	\$157,410

CAPITAL RESERVE & CONTRIBUTED CAPITAL

(Includes Interest of \$5,280)

55,730

TOTAL EXPENSES & RESERVE

\$213,140

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
2014 BUDGET ANALYSIS

INCOME

Assessments - Singles: The annual assessment for each detached single home is \$885, the same as charged since 2012.

Assessments – Townhomes: The monthly townhome contribution to the Master Association is \$58.25. The townhomes will also be assessed for services provided solely to them; please refer to their separate budget.

Resale Capital: It is projected that one townhome will be resold and pay a capital contribution of \$250 and 12 single homes will be resold and pay a capital contribution of \$500. These funds will be transferred to the capital account.

Interest: Projected at 1.0% on the Association's operating, reserve and capital funds.

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 \$8,200 for the non-contracted landscaping services.

Trash Removal: The Association provides trash removal service for all homes. The monthly unit cost for the single-family homes is projected at \$15.50 and includes recycling service.

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.

Management Service: In accordance with the existing Management Agreement.

Pond Maintenance: Funds provided for applications to the pond.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
2014 BUDGET ANALYSIS

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Office & Administrative: Includes the estimated cost of office stationery, bank service charges, postage, copying, court costs and other miscellaneous Association expenses.

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

Repairs & Maintenance: Projected at \$225 per month for general repairs of the common area not included in the grounds maintenance budget.

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.

Site Lighting: The Association is responsible for electricity to the ten site lights, at a projected monthly cost of \$130.

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

CAPITAL RESERVE & CONTRIBUTED CAPITAL: In accordance with the updated and approved Capital Reserve Analysis, each unit will contribute \$193 annually to the fund. In addition, all interest earned on the capital reserve fund, projected at \$4,880, will be retained in the account.

The Association has a Capital Contribution Assessment of \$6,250 budgeted for all re-sales of homes within the community. Any assessments received for re-sale Capital Contributions will be placed in the Capital account. All interest earned on the Capital funds, projected at \$400, will be retained in the account.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2014 BUDGET

INCOME

Assessments	\$28,160
Interest	600
Miscellaneous	<u>320</u>
TOTAL INCOME	<u><u>\$29,080</u></u>

EXPENSES

Grounds Maintenance	\$10,290
Management Service	5,670
Trash Removal	3,910
Snow Removal	2,000
Site Lighting	320
Repairs & Maintenance	<u>240</u>
TOTAL EXPENSES	\$22,430

CAPITAL RESERVE

(Includes Interest of \$600)

TOTAL EXPENSES & RESERVE

<u>6,650</u>
<u><u>\$29,080</u></u>

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2014 BUDGET ANALYSIS

INCOME

Assessments: The total monthly assessment, including each owner's share of the Master Association expenses, is \$170, a decrease of \$8. Each owner's share of the Master Association's annual assessment is \$699 or \$58.25 per month, for maintenance of the entire community's common ground, excluding trash removal.

Interest: Projected at 1.0% 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 mulching 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. An additional \$750 is budgeted for non-contracted landscaping services.

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 \$15.50 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 \$27.

Repairs and Maintenance: Projected at \$20 per month.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2014 BUDGET ANALYSIS
- continued -

CAPITAL RESERVE: In accordance with the updated and approved Capital Reserve Analysis, the monthly unit contribution is \$24. This is an increase of \$1 per month, but is offset by the completion of the four-year additional funding of \$5 per unit per month. This results in a net decrease of \$4 per unit per month. In addition, the interest earned on the reserve fund, projected at \$600, 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.

Note: The Association's projected interest income is not sufficient enough to budget for corporate tax.