

## **MONEY MATTERS**

### **THE BASICS**

The money required to run our community comes from the Unit Owners, mainly in the form of a monthly assessment. On occasion (thankfully, rarely), a one-time special assessment may be levied to meet some totally unforeseen major need.

The money collected is distributed among three funds: the Operating Fund, the Contingency Fund, and the Capital Reserve Fund.

The Operating Fund is used for paying all anticipated, annually recurring costs. The list is extensive, but it includes landscaping, building maintenance, water, and insurance, among others.

The Contingency Fund is used to cover unanticipated costs and is maintained in a separate interest bearing account.

The Capital Reserve Fund is used to cover large ticket items that occur less than annually, such as roof replacement and repaving of roads and parking areas. The amount set aside in this account is developed by the Long Range Planning Committee, which annually reviews and establishes a thirty-year rolling projection, subject to Board approval.

For each year, the particulars of the above three funds are reflected in the annual budget. This budget percolates upward from projections made by all the committees (Building Maintenance, Landscape, Pest Control, Clubhouse, etc). The Long Range Planning Committee submits projections based upon its deliberations. All this input is then reviewed by the Finance Committee and then the Board, and a preliminary draft budget is distributed to the Owners. Then, at the annual meeting in October, the preliminary budget is discussed, and questions are answered. The proposed budget is then finalized by the newly elected Board, distributed in November, and voted upon following rules set down in the Bylaws. The monthly assessment for the following year is the amount needed to meet the spending particulars in the budget.

The Finance Committee advises the Board on all financial matters.

The Association's Treasurer is in charge of maintaining the accounts for all the funds, tracking deposits to be sure that the contributions of all Owners are accounted for, and making disbursements following the presentation of appropriately documented invoices. He/she also prepares, on a monthly basis, a report showing actual disbursements vs. the budget. This is reviewed by the Board and distributed to appropriate committee leaders.

Everyone associated with the finances of our community is charged with making sure that expenditures are sufficient to maintain our community at the superior level it has historically enjoyed – both for the gratification of our Owners and for optimizing the value of our investments as Owners. At the same time, our leaders are charged with budgeting wisely and keeping our assessments at a level that give us value for money.

## Money Matters continued

### MONTHLY ASSESSMENT: WHAT DOES IT COVER?

The monthly assessment includes costs that homeowners and other condominium owners must typically bear themselves.

The largest portion of the monthly assessment goes to the Operating Fund, which is disbursed as needed to annual operating costs, such as the following:

**Landscaping:** Your share of our 115 acres is about three quarters of an acre, but you also see and enjoy much of the rest of the lawns, trees and plantings. The Association becomes your lawn service.

**Clubhouse:** The Association maintains and upgrades your Fitness Room, locker rooms, saunas, heated and covered pool (including chemicals and cleaning), and Club Room with kitchen.

**Tennis Courts:** We have two, one of which is also lined for pickleball.

**Water:** You don't have your own meter anymore, so part of your assessment replaces the expense you had as a homeowner for your water and sewer use.

**Insurance:** The association pays for coverage of your unit, except for the furnishings and other personal items within your unit. You insure much less than you did as a homeowner, and at a much lower cost.

**Your Unit:** Your monthly assessment also goes towards all repair and maintenance of most of the exterior of your unit, including repairing and replacing the roof; repair, maintenance and re-staining of your deck and siding; and maintenance of your gutters and downspouts; and other items.

**Roads:** All the roads within our community, beginning at the entrance from the street, are our property. So we maintain them. Think of them as your very long driveway. Care for your unit's driveway and front walk are also included. The Association also pays for snow removal as necessary.

**Recycling & Solid Waste:** The Association pays the City of Asheville for recycling and solid waste removal. At this writing, we are charged \$14/month for each solid waste container, and recycling is free.

Beyond all that, part of the monthly assessment goes into the Capital Reserve Fund for long-range major capital expenses, much like money you put aside as a homeowner to have available for infrequent costs like roof replacement. Part of the money goes into the Contingency Fund to cover any unforeseen expense.