

# Arbor Ridge Condominium Association 2004 Annual Report

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## Financial Highlights

Association Dues/Fees (1)	\$	26,976.00
Other Income	\$	-
Late Fees	\$	2,925.15
Legal Fee Reimbursement	\$	3,468.05
Interest Income	\$	469.18
Total Income	\$	33,838.38

### Operating Expenses

Administrative		
Accounting	\$	-
Permits & Licenses	\$	20.00
Miscellaneous Expenses (2)	\$	169.95
Bank Charges	\$	-
Legal Fees	\$	2,151.05
Management Fees	\$	3,132.00
Postage/Print/Office Supply	\$	56.20
Taxes & Insurance		
Taxes	\$	-
Property Insurance	\$	715.98
Liability Insurance	\$	-
Utilities		
Electric	\$	103.88
Water/Sewer	\$	1,039.18
Grounds Expenses		
Grounds Supplies/Improvem.	\$	1,515.86
Fertilization	\$	2,346.00
Mowing	\$	8,013.00
Snow Removal	\$	5,405.00
Asphalt Seal/Repair	\$	1,170.00
Sprinkler Maintenance	\$	361.00
Maintenance		
Improvement Projects	\$	-
Repair Services	\$	306.43
Repair Supplies	\$	20.19
Total Operating Expenses	\$	26,525.72
<b>Net Operating Income</b>	\$	<b>7,312.66</b>

### Assets

Checking	\$	751.30
Reserves	\$	42,698.73
Total Assets	\$	43,450.03

## Notes to Financial Highlights

- (1) Approximately \$8350.00 of 2004CY dues were collected and reported in December 2003CY, which was documented in the 2003 Annual Report. The total amount of \$35,326 includes assessments owed from prior years.
- (2) "Miscellaneous" included door prizes and food costs for Association Meetings.

## From the Board of Directors

The Board is pleased to report good financial health of the Association. However, the Association total assets did not increase by the targeted amount. The Board thanks all of you who pay your dues on time, and encourages those who do not to please make sure you budget for timely payment of dues. To facilitate timely payments, co-owners can now utilize automatic payments. (See the ARCA web site for more information.)

On a positive note, interest income continued to increase. The Board has directed Pinnacle Condominium Management to aggressively pursue CD investment to maximize FDIC-insured interest income.

This year's expenditures fell from last year, primarily from far lower street maintenance costs. Recall that last year the Association re-sealed our streets. Hopefully, the winter of 2004-2005 will not create the large cracks in our streets that the winter of 2003-2004 did.

For next year, the Association needs to continue to build the reserves for future expenditures and unanticipated emergency outlays (possibly including ash tree replacement). The annual dues will remain at \$600 for 2005, as noted in a previous mailing. *Please review the Collection Policy or see the ARCA web site for payment options.*

Once again, the Annual Meeting held in December was poorly attended. Because a quorum of voters was not present, the Association could not conduct votes on Board member election. The current Board continues.

The Board has no new information on new construction on the remaining three phases of Arbor Ridge, but co-owners might observe a number of markers that were placed this past fall.

The Board is always open to help from individuals interested in their community. To date, and in addition to the Board, we have two active Committees (Website, and Landscaping). Please contact a Board member if you are interested in participating.

The Association is online at <http://www.arborridge.net> . Association Documents are available here, as well as email addresses to the Board.

Best wishes for a prosperous New Year!  
Arbor Ridge Condominium Association Board of Directors

## **Collection Policy**

*(effective 4-10-02)*

1. Assessments may be paid in a single payment on January 1<sup>1</sup> or they may be paid in two equal payments on January 1 and July 1. Arbor Ridge Condominium Bylaws provide for a 10-day grace period. [Article II, Section 2] During the grace period no late fees will be assessed.
2. A late fee of \$25 will be assessed, each and every month, beyond the grace period of ten (10) days. Assessments not paid by the close of business on January 10th (or the last business day immediately preceding the 10th) will incur a late fee. Thereafter, each month that assessments (including all late and legal fees) are not paid in full, another \$25 late fee will be assessed. If an outstanding balance of \$100 or more remains for sixty (60) days, a formal collection process will be initiated and a lien warning will be mailed. A copy of the warning will be sent to the Co-owner's mortgagee, per the Bylaws.
3. If full payment is not received within ninety (90) days of the original due date, a lien will be placed on the Co-owner's title. A copy of the lien will be sent to the delinquent Co-owner's mortgagee, per the Bylaws. Outstanding liens will incur an additional \$100 monthly assessment, plus the maximum allowable interest rate retroactive to the first missed due date, until the lien is satisfied.
4. If full payment has not been submitted within 180 days-of the original due date, foreclosure proceedings on the delinquent unit will begin, per the Bylaws [Article II, Section 5].
5. **The Board of Directors will not consider exceptions to this policy.**

The Directors wish to make it clear that if you are delinquent for more than 60 days (past the last business day in February or August), you will likely incur legal fees for which you will be held responsible AND which, if unpaid, will be treated as outstanding assessments (per the Bylaws). That means your balance continues to collect late fees, regardless of its amount. In other words, *make sure your assessment payments reach the Managing Agent on time.*

## **Examples of Application of the Collection Policy**

- 1) Unit 99 mails a check for six months' assessment on December 31. It reaches The Managing Agent on January 3, beyond the January 1 deadline. However, no late fee is assessed because of the 10-day grace period.
- 2) Unit 101 mails a check for six months' assessment on January 9. It reaches The Managing Agent on January 11. A late fee of \$25 is assessed bringing Unit 101's balance to \$25. Per the Bylaws, this is treated as \$25 of *assessment* owed. Unit 101 should get a reminder notice in the mail stating that there is a \$25 balance owed. Unit 101 ignores the reminder past January 31. \$25 additional late fee is assessed bringing the total balance to \$50. Unit 101 ignores the second

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<sup>1</sup> Where specific dates are mentioned, the deadline is on or before the close of business on the prior business day, if the date mentioned falls on a non-business day for the Association management.

reminder mailed in February. After February 28, The Managing Agent contacts the Board, which examines Unit 101's ledger. The Board may decide to pursue collection per the Policy. If the Board decides to pursue collection, the Association Counsel would be contacted to open a collection account on Unit 101 and mail a lien-warning letter in March. This incurs substantial legal fees and another \$25 fine, bringing the balance to over \$140 after legal fees are billed.

- 3) Unit 103 mails a check for six months' assessment, which reaches The Managing Agent on January 10. The Managing Agent submits the check for cashing, but the check bounces. This makes Unit 103 late because the grace period expired, incurring a \$25 late fee. The bounced check incurs a \$40 fee. Unit 103 must now write a new check for \$365 and get it to The Managing Agent prior to the close of business on the last business day in January.

## Reminders

- 1) Please remember that ***before starting a project or obtaining Township approval for a project*** you must clear any exterior modifications (for example, decks, fences, major landscaping, new exterior paint colors, satellite dishes, exterior lighting, grade changes) to your Unit with the Architectural Control Committee (currently the Board of Directors). This is basically a formality and not very painful, unless you do not seek approval before starting your project. Contact a Board member and review your Bylaws (Article VI) for further information.
- 2) Please park your vehicles in your driveway when the streets need plowing or when significant snowfall (three inches or more) is forecast. This will keep costs down.

## Budget Review

The 2005 budget, which was mailed separately, remains largely the same as the 2004 budget.