

Treasurer Brief for 2017 NCA Annual Meeting

Authority and Requirements

- Virginia Property Owners Association Act (Title 55, Chapter 26)
- Virginia Nonstock Corporation Act (Title 13.1, Chapter 10)
- NCA Article of Incorporation with Amendments
- NCA Covenants
- NCA ByLaws (revised 08/11/2016)
- NCA Policies
- Generally Accepted Accounting Principles (GAAP)

Budget Schedule

- July - Assess Performance based on mid-year Financials
- Initial Draft Budget to Board at August Meeting
- Update and Discuss at September Meeting
- Provisional Approval at October Meeting to Publish in November Newsletter
- Update Assessments per October CPI-U for Final Approval at November Meeting
- Approve Assessment Letter at November Meeting
- Mail Assessment Letters by December 1st
- Implement Budget Effective January 1st
- Monitor Performance and Report Status at Monthly Board Meetings

Budget Structure

- Two Types of Expenses – Operating Funds & Reserve Funds
- Two Categories of Revenue/Expenses – Common Area & Town House Area
- Assessment Calculations and Other Income

Operating Expenses per 2017 Budget

- Swimming Pool - \$65,600
- Common Area Maintenance - \$141,450
- Street Lights, Snow Removal, Trash - \$143,450
 - Includes \$19,250 street lights, curb & street repair in town house area
- Committee Expenses - \$6,700
- Administrative Expenses - \$127,965

Reserve Contributions

- Common Area - \$38,450
- Town House Area - \$78,950

Quarterly Assessments

	Single Family	Town Houses
• Common Operations	\$185.63	\$185.63
• Common Area Reserves	\$15.78	\$15.78
• Town House Area Reserves	n/a	\$37.67
• Town House Lights/Curbs	n/a	\$9.18
• Total	\$201.42	\$248.27

Constraints & Concerns

- Annual Assessment increases limited to CPI-U
- Investment limited to U.S. Treasury Obligations or FDIC insured Bank Accounts
- Some Expense Increases Exceed CPI-U, e.g. trash collection increase is approximately twice CPI-U
- Projected Reserve Contributions don't fully support Projected Long-Term Requirements
- Need Improved Reserve Fund Projection and Reporting
- Next Reserve Study Required in 2019 – \$4,650 in 2014
- Rate of Delinquent Assessments is 5% to 9%

NCA Financial Status and Oversight

- NCA Finances are sound and projections are acceptable
- Member Equity increased annually since 2011 from (\$25,000) to \$95,000
- Annual Audit by CPA firm
- Income Tax Returns prepared by audit firm
- Accounting by Independent Management Firm
- Finance/Budget Committee and Monthly Treasurer Reports to Board
- Report to Membership at Annual Meeting
- Board Minutes & Annual Budget published in Newsletter and on Website
- Board Members and CM are Fiduciaries – annual Conflict of Interest Certification
- Insurance & Bonding
- Evaluation and Oversight of Reserves being increased – special software
- Need Members for Finance/Budget Committee