

# Fund Accounting Policy

Three funds have been established to account for expenditures considered by the Parkview Hills Community Association Board of Directors (Board) as being outside the normal ongoing operations of the Association.

## **Major Repairs and Replacement Fund**

The MR&R Fund is intended to provide for *major planned* repair and maintenance projects. The Board decides which projects should be planned and budgeted for in the ensuing year. Projects can not be implemented during the year until there is specific Board approval. Individual project budgets can be revised during the year and the total MR&R fund may be overdrawn if actual expenditures for approved projects exceed expectations.

## **Contingency Reserve Fund**

The Contingency Reserve Fund is intended to provide for *relatively minor unplanned* repair and maintenance projects (generally less than \$5,000). Use of this fund allows the comparisons between actual and budgeted operating expenses to be on a comparable basis. The desired fund balance is currently \$25,000 (based on history) and charges require Board approval. At year end the fund is replenished to the desired balance.

## **Environmental Fund**

The Environmental Fund is intended to provide a reserve for costs of Board-approved activities to enhance and preserve the natural environment. This could include activities such as tree service, water or erosion control devices, activities to control invasive species, etc. The desired fund balance is currently \$4,000 and may be augmented by fees from residents for services requested and by gifts that owners and residents may wish to make. At year end the fund is replenished to the desired balance.

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Amended March 2007