



Fairlington Villages

***2021 Annual Meeting:
FY 2020 - 2022 BUDGET REVIEW***

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FY 2020 - 2022 Budget Review

- FY 2020 Performance Review
- FY 2021 Budget Summary
- FY 2021 Reserve Budget
- FY 2020 Audit
- FY 2022 Budget Cycle Highlights



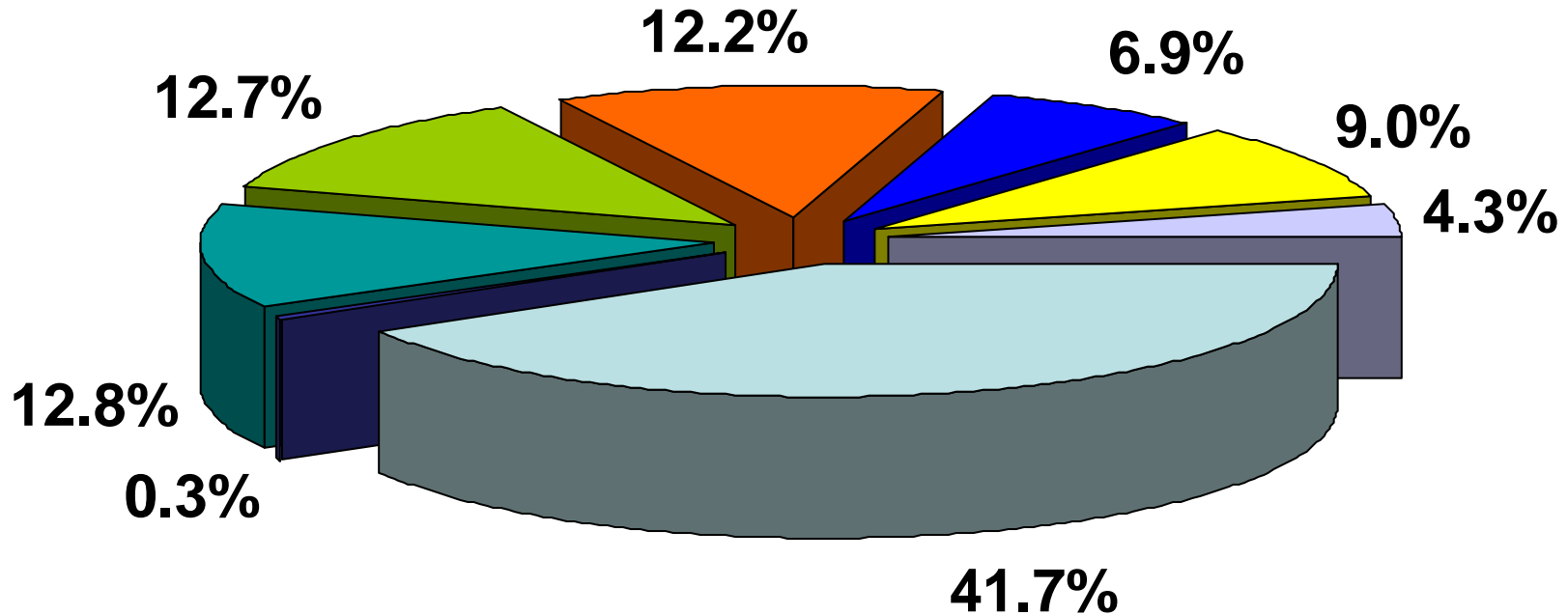
FY2020 Actual Expenditures

Administrative	\$707,251
Payroll	\$956,580
Utilities	\$997,457
General Maintenance	\$537,394
Service Contracts	\$1,001,768
Professional Services	\$339,266
Taxes & Depreciation	\$27,134

Operating Expenses	\$4,566,850
Reserve Contribution	+ \$3,263,875
Total Expenditures	\$7,830,725



FY2020 Actual Expenditures By Category Percentages



- | | |
|----------------------|-----------------------|
| Reserve Contribution | Taxes & Depreciation |
| Service Contracts | Utilities |
| Payroll | General Maintenance |
| Administrative | Professional Services |



FY2020 Performance Summary

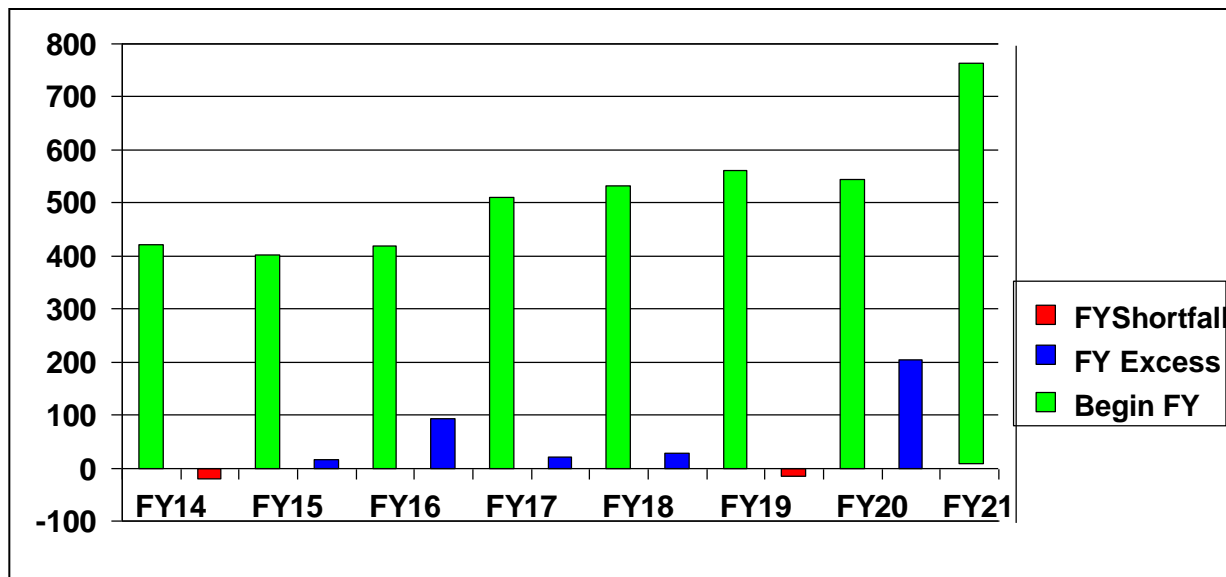
Final Actual Income & Expenditures	
Condo Fees	\$7,848,492
Interest Income	\$106,867
“Other Income”	\$78,937
Total Income	\$8,034,296
Total Expenditures	\$7,830,725

Due pandemic’s impact, in FY2020 the Association had operating revenue of **\$203,571** in excess of expenses, which was added to Association’s Operating Reserves.



Operating Reserves

- Consist of cumulative total of previous fiscal years' excess revenue.
- Used to pay for unbudgeted operating expenses (e.g., snow removal and FY21 COVID-related costs).
- Totaled \$754,286 at end of FY20/beginning of FY21, including \$203,571 in excess FY20 operating revenue.



Operating Reserves Cash Flow (\$ Thousands)

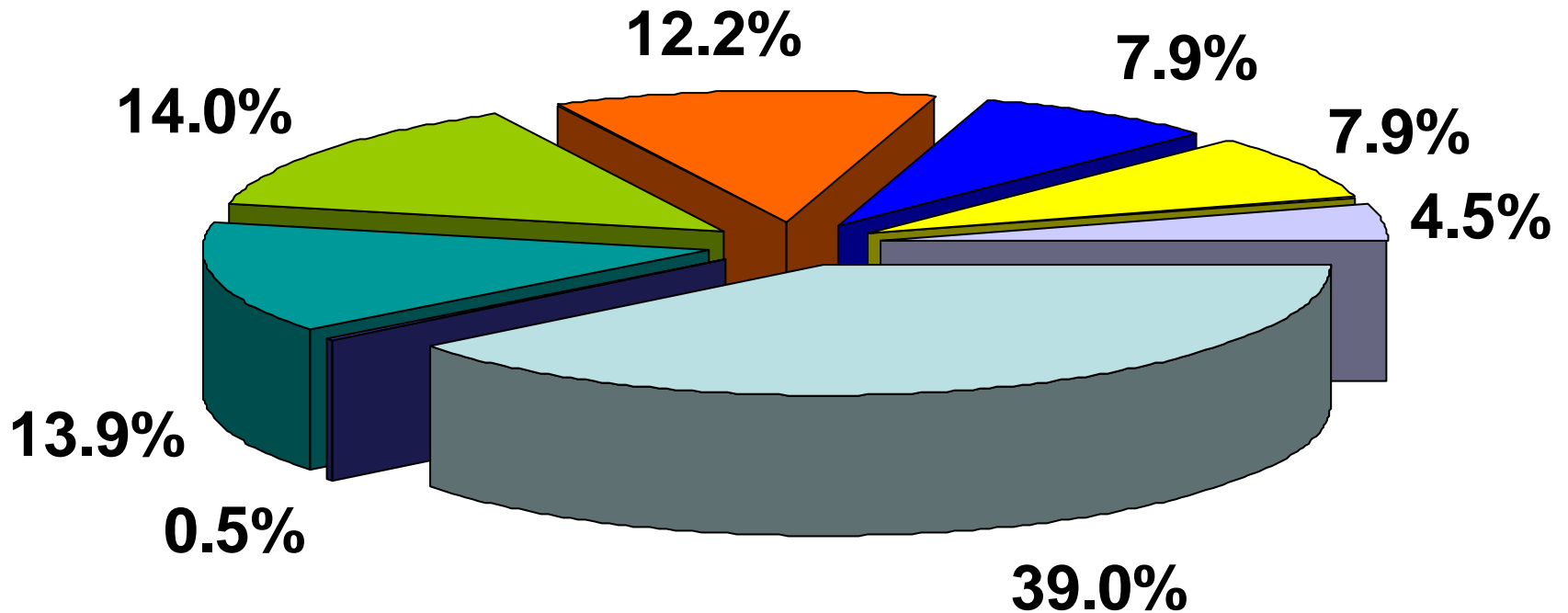


FY2021 Budget Summary

Operating Expenses	
Administrative	\$635,007
Payroll	\$975,924
Utilities	\$1,120,000
General Maintenance	\$635,780
Service Contracts	\$1,113,579
Professional Services	\$363,364
Taxes & Depreciation	\$40,171
Operating Expenses	\$4,883,825
Reserve Contribution	+ \$3,125,642
Total Expenditures	\$8,009,467



FY2021 Budgeted Expenditures By Category Percentages



- | | |
|----------------------|-----------------------|
| Reserve Contribution | Taxes & Depreciation |
| Service Contracts | Utilities |
| Payroll | General Maintenance |
| Administrative | Professional Services |



FY2021 Budget Summary

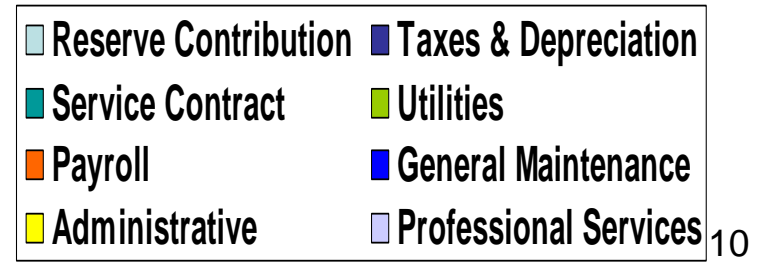
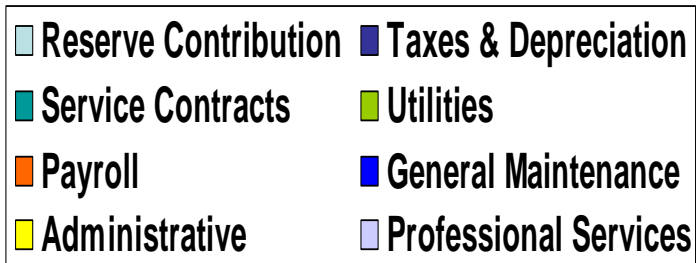
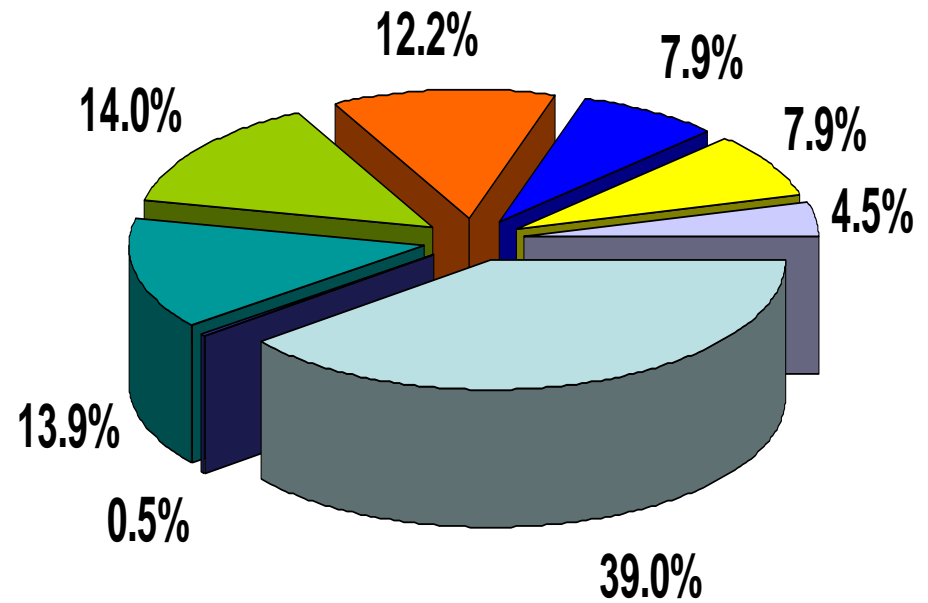
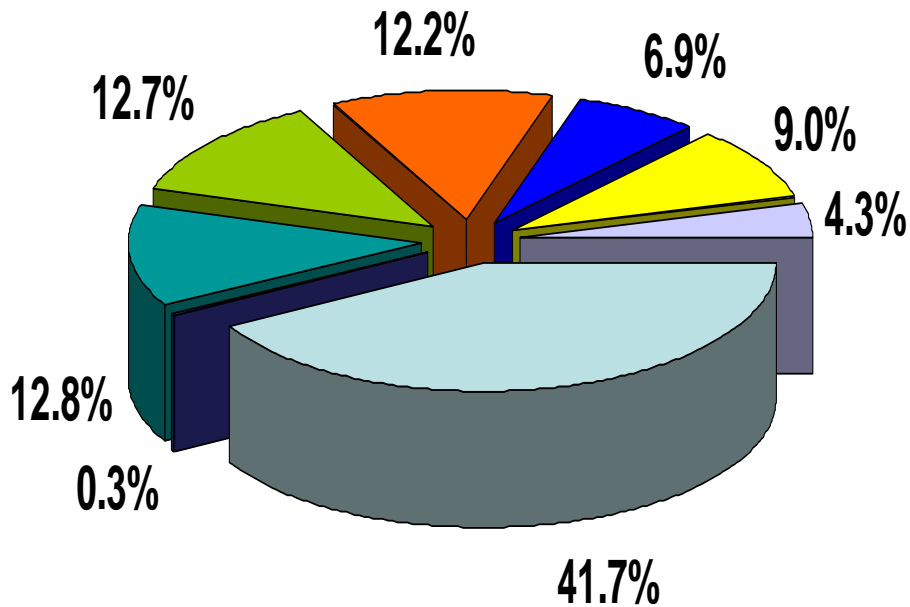
Income Offset	
Total Expenditures	\$8,009,467
Interest Income	-\$89,500
“Other Income”	-\$75,018
Condo Fees to Balance Budget	\$7,844,949

- FY21 Budget does not increase condo fees during COVID pandemic.
- 1.5% increase in FY21 operating expenditures offset by 2.7% decrease in total reserve contributions (condo fees and reserve interest).⁹



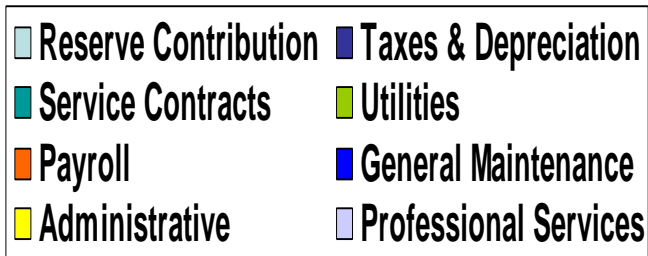
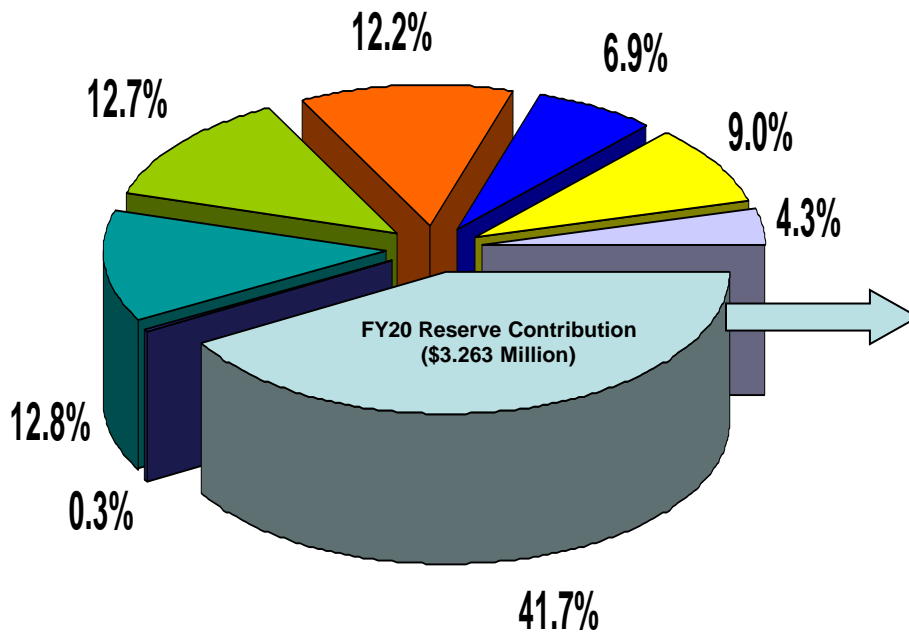
Comparative Expenditures by Category Percentages

FY20 Actual vs FY21 Budgeted

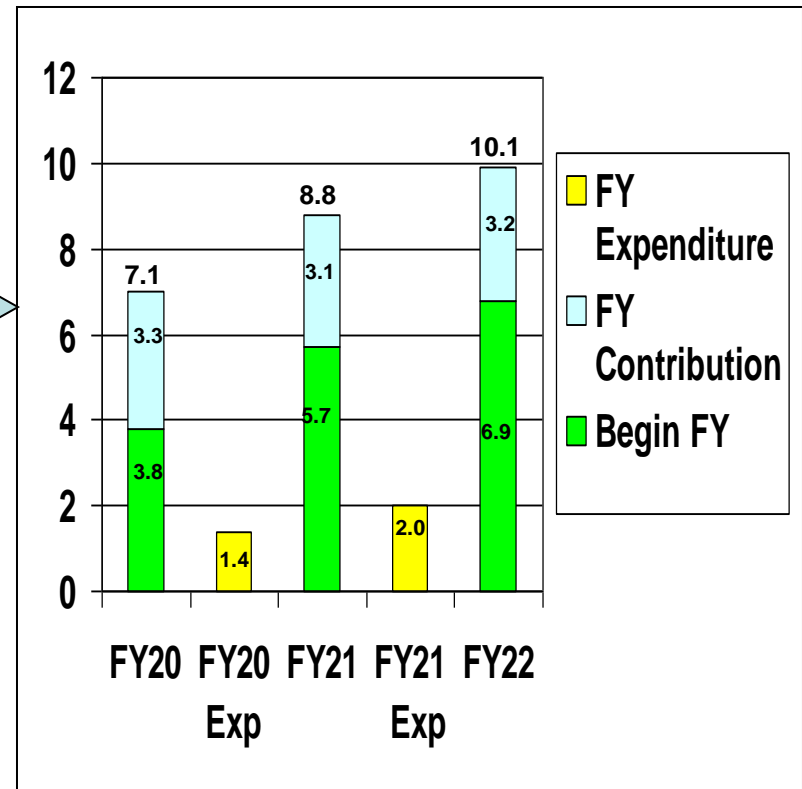




Repair and Replacement Reserves



FY20 Actual Expenditures



**Repair and Replacement Reserves
Cash Flow (\$ Millions)**



Reserve Cash Flow

Fiscal Year	Beginning Reserve Balance	Yearly Contribution (Fees & Interest)	Capital Expenditures	Ending Reserve Balance
2020	\$3,844,701	\$3,263,875	\$1,372,854	\$5,735,722
2021	\$5,735,722	\$3,125,642	\$1,955,213	\$6,905,971
2022	\$6,905,971	\$3,156,432	\$4,404,477	\$5,657,926

- Capital spending reduced in FY20 & FY21 due to pandemic.
- Accelerated spending programmed to resume in late FY21 and in FY22.



FY2021 Reserve Budget

Due to pandemic only critical reserve projects funded

Parking Lot Pavement Renovation	\$27,500
Pools, Fixtures, and Equipment	\$48,000
Backyard Fences (1 Ward) & Tot Lot Upgrades	\$662,000
Vehicle Replacements (1)	\$20,000
Slate Roof Replacement	\$400,000
Masonry and Porch Repairs & Rotten Wood	\$485,000
Shutter Replacement (Ward 5)	\$140,000
Maintenance Equipment & HVAC Systems	\$24,500
Sanitary Drain Relining & Stack Pipe Repairs	\$54,000
TOTAL – 2019 RESERVE STUDY	\$1,861,000
Total – 2021 (2.5%/Yr Inflation Adjustment)	\$1,955,213



Major FY21 Reserve Projects Parking Lot Pavement Renovation





Major FY21 Reserve Projects Backyard Fence Replacement





Major FY21 Reserve Projects Vehicle Replacement





Major FY21 Reserve Projects

Slate Roof Replacement





Major FY21 Reserve Projects

Masonry Repair Project – Phase 7





Major FY21 Reserve Projects Rotten Wood Replacement





Major FY21 Reserve Projects Shutter Replacement – Ward 5





Major FY21 Reserve Projects

Stack Pipe Repairs





FY2020 AUDIT

- Conducted by Johnson, Bremer & Ignacio, CPAs, P.C.
- FY 2020 operating revenue of \$203,571 in excess of expenses due to pandemic impact
- Conclusions:
 - >Financial statements very good.
 - >Operating Reserves (\$754,286) are satisfactory.
 - >Funded Repair and Replacement Reserves.
 - >Low delinquencies.



FY2022 Budget Cycle Highlights

May 2021:

- Board members/committee chairs submit inputs to Treasurer.

June 2021:

- Treasurer and General Manager prepare draft budget.

July 2021:

- Draft budget presented to board after board/committee review.
- Draft budget as approved/amended by board mailed to homeowners.
- Homeowners' budget forum held to discuss budget.
- Final draft budget sent to board members.

August 2021:

- Final budget approved at board meeting.
- Final budget and payment coupons mailed to homeowners.