

**Fairlington Villages, A Condominium Association
FY 2022 BUDGET**

Acct #	Line Item	FY18 Actual (Audited)	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Budget Final	FY21 Actual Oct - April	FY21 Projected Year-End	FY22 Budget DRAFT	\$ Budget Variance '21 vs '22	% Budget Variance '21 vs '22
EXPENSES										
	<i>TOTAL ADMINISTRATIVE</i>	\$718,159	\$658,204	\$707,251	\$635,007	\$380,264	\$633,611	\$681,141	\$46,134	7.3%
	<i>TOTAL PAYROLL</i>	\$909,351	\$918,246	\$956,579	\$975,924	\$565,433	\$983,216	\$1,002,238	\$26,314	2.7%
	<i>TOTAL UTILITIES</i>	\$916,903	\$929,283	\$997,457	\$1,120,000	\$600,103	\$1,028,748	\$1,100,000	-\$20,000	-1.8%
	<i>TOTAL GENERAL MAINTENANCE</i>	\$578,740	\$679,995	\$537,394	\$0	\$377,147	\$651,561	\$655,338	\$19,558	3.1%
	<i>TOTAL SERVICE CONTRACTS</i>	\$1,032,762	\$1,085,377	\$1,001,767	\$1,113,579	\$590,716	\$1,090,343	\$1,139,360	\$25,781	2.3%
	<i>TOTAL PROFESSIONAL SERVICES</i>	\$340,591	\$371,410	\$339,266	\$363,364	\$211,561	\$356,569	\$370,946	\$7,582	2.1%
	<i>TOTAL TAXES & CONTINGENCY</i>	\$15,352	\$28,871	\$27,134	\$40,171	\$0	\$40,171	\$42,740	\$2,569	6.4%
	TOTAL OPERATING EXPENSES	\$4,511,858	\$4,671,386	\$4,566,850	\$4,883,825	\$2,725,224	\$4,784,219	\$4,991,763	\$107,938	2.2%
RESERVE CONTRIBUTIONS										
	TOTAL RESERVE CONTRIBUTIONS	\$3,166,887	\$3,197,148	\$3,263,875	\$3,125,642	\$1,823,291	\$3,125,642	\$3,157,367	\$31,725	1.0%
	TOTAL EXPENDITURES	\$7,678,745	\$7,868,534	\$7,830,726	\$8,009,467	\$4,548,515	\$7,909,861	\$8,149,130	\$139,662	1.7%
INCOME										
	TOTAL OTHER INCOME	\$141,782	\$191,916	\$185,804	\$164,518	\$88,547	\$144,911	\$185,788	\$21,270	12.9%
ASSESSMENTS										
	TOTAL ASSESSMENTS	\$7,564,637	\$7,661,382	\$7,848,492	\$7,844,949	\$4,578,287	\$7,844,949	\$7,963,342	\$118,393	1.5%
	TOTAL INCOME	\$7,706,419	\$7,853,298	\$8,034,296	\$8,009,467	\$4,666,834	\$7,989,860	\$8,149,130	\$139,663	1.7%
	SURPLUS/DEFICIT	\$27,675	-\$15,236	\$203,570	\$0	\$118,319	\$79,999	\$0	\$0	

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FY 2022 BUDGET

Acct #	Line Item	FY18 Actual (Audited)	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Budget Final	FY21 YTD Actual Oct-April	FY21 Projected Year-End	FY22 Budget Draft	\$ Budget Variance '21 vs '22	% Budget Variance '21 vs '22
EXPENSES										
ADMINISTRATIVE										
5000	Misc. Office Expenses	\$25,157	\$28,795	\$20,516	\$28,000	\$10,789	\$18,495	\$28,000	\$0	0.0%
5010	Bad Debt / Uncollectible	\$12,202	\$24,192	\$25,199	\$5,500	\$0	\$0	\$10,500	\$5,000	90.9%
5020	Minutes	\$3,300	\$3,500	\$3,500	\$3,250	\$2,250	\$3,857	\$3,250	\$0	0.0%
5085	Office Equipment	\$28,761	\$27,900	\$30,143	\$22,000	\$15,748	\$26,997	\$23,000	\$1,000	4.5%
5090	Office Supplies	\$6,557	\$10,201	\$7,521	\$6,000	\$4,068	\$6,973	\$6,500	\$500	8.3%
5195	Parking Decals & ID Cards	\$7,398	\$2,801	\$1,071	\$3,300	\$6,478	\$3,250	\$3,300	\$0	0.0%
5205	Community Activities	\$12,947	\$11,216	\$4,611	\$12,000	\$275	\$6,700	\$13,000	\$1,000	8.3%
5210	Printing & Stationery	\$9,509	\$5,949	\$11,323	\$5,500	\$4,344	\$7,447	\$6,500	\$1,000	18.2%
5215	Postage	\$12,139	\$12,011	\$19,624	\$7,000	\$6,845	\$11,735	\$11,500	\$4,500	64.3%
5225	Newsletter	\$25,599	\$26,413	\$30,355	\$27,000	\$6,536	\$11,205	\$27,000	\$0	0.0%
5400	Insurance	\$414,375	\$430,609	\$450,861	\$420,457	\$255,874	\$422,000	\$448,591	\$28,134	6.7%
5475	Non-Insurance Loss	\$160,215	\$74,617	\$102,527	\$95,000	\$67,055	\$114,951	\$100,000	\$5,000	5.3%
TOTAL ADMINISTRATIVE		\$718,159	\$658,204	\$707,251	\$635,007	\$380,264	\$633,611	\$681,141	\$46,134	7.3%

PAYROLL										
5095	Payroll Admin Fee	\$26,269	\$27,626	\$27,007	\$27,000	\$15,792	\$27,071	\$27,000	\$0	0.0%
5302	Administrative Staff	\$116,286	\$174,106	\$150,527	\$150,050	\$91,432	\$156,740	\$158,385	\$8,335	5.6%
5304	Maintenance Staff	\$381,813	\$376,006	\$384,036	\$408,431	\$245,133	\$420,229	\$418,516	\$10,085	2.5%
5306	Management Staff	\$224,269	\$176,377	\$227,072	\$205,516	\$119,112	\$204,192	\$210,720	\$5,203	2.5%
5322	Accrued Vacation	\$2,537	\$5,031	\$1,308	\$3,000	\$0	\$3,000	\$3,000	\$0	
5330	Group Health Insurance	\$70,343	\$70,597	\$75,486	\$84,529	\$51,172	\$79,612	\$84,529	\$0	0.0%
5355	Federal Payroll Taxes	\$51,499	\$50,774	\$56,520	\$58,446	\$32,827	\$53,231	\$60,253	\$1,807	3.1%
5375	Unemployment Taxes	\$1,259	\$1,406	\$1,378	\$1,027	\$1,877	\$1,850	\$1,327	\$300	29.2%
5385	Retirement Fund Expense	\$21,467	\$23,233	\$19,741	\$23,425	\$0	\$23,425	\$24,009	\$583	2.5%
5390	Workers Comp Insurance	\$13,609	\$13,090	\$13,505	\$14,500	\$8,088	\$13,866	\$14,500	\$0	0.0%
TOTAL PAYROLL		\$909,351	\$918,246	\$956,579	\$975,924	\$565,433	\$983,216	\$1,002,238	\$26,314	2.7%

UTILITIES										
6000	Electricity	\$80,154	\$84,958	\$67,412	\$85,000	\$39,095	\$67,020	\$85,000	\$0	0.0%
6025	Water & Sewer	\$827,217	\$834,636	\$915,032	\$1,020,000	\$552,541	\$947,212	\$1,000,000	-\$20,000	-2.0%
6050	Telephone	\$9,532	\$9,689	\$15,013	\$15,000	\$8,468	\$14,516	\$15,000	\$0	0.0%
TOTAL UTILITIES		\$916,903	\$929,283	\$997,457	\$1,120,000	\$600,103	\$1,028,748	\$1,100,000	-\$20,000	-1.8%

GENERAL MAINTENANCE										
6140	Grounds Non-Contract	\$49,696	\$46,722	\$57,417	\$47,000	\$1,156	\$1,982	\$47,940	\$940	2.0%
6145	Grounds Improvements	\$64,070	\$72,663	\$70,490	\$69,500	\$19,496	\$33,422	\$70,890	\$1,390	2.0%
6150	Contractor Planting	\$10,108	\$5,753	\$9,851	\$11,000	\$3,999	\$6,855	\$11,220	\$220	2.0%
6155	Volunteer Planting	\$1,041	\$939	\$0	\$900	\$0	\$0	\$900	\$0	0.0%
6160	Tree Maintenance	\$100,023	\$88,888	\$128,592	\$105,000	\$68,479	\$117,393	\$107,100	\$2,100	2.0%
6515	Building Repairs	\$50,824	\$30,862	\$37,541	\$45,900	\$25,419	\$43,575	\$46,818	\$918	2.0%
6525	Community Center	\$3,398	\$5,113	\$2,780	\$3,500	\$107	\$184	\$3,500	\$0	0.0%
6565	Fire Safety Equipment	\$6,715	\$3,332	\$3,372	\$5,200	\$3,955	\$3,956	\$4,000	-\$1,200	-23.1%
6575	Carpet Cleaning	\$13,870	\$13,870	\$13,870	\$13,870	\$0	\$13,870	\$13,870	\$0	0.0%
6600	General Supplies	\$23,600	\$17,877	\$18,092	\$18,000	\$11,379	\$19,508	\$18,360	\$360	2.0%
6620	Gutter Cleaning	\$1,784	\$3,619	\$3,199	\$4,000	\$3,248	\$3,249	\$4,000	\$0	0.0%
6640	Lighting Supplies	\$18,186	\$18,516	\$16,742	\$12,240	\$15,977	\$17,600	\$17,240	\$5,000	40.8%
6650	Maintenance Equip. & Supplies	\$6,496	\$2,542	\$3,775	\$3,060	\$582	\$997	\$3,060	\$0	0.0%
6680	Painting - Exterior	\$23,582	\$130,180	\$0	\$74,700	\$70,430	\$137,955	\$70,000	-\$4,700	-6.3%
6695	Plumbing Repairs	\$42,199	\$54,037	\$57,160	\$50,000	\$44,613	\$76,479	\$55,000	\$5,000	10.0%
6700	Pool Repairs and Supplies	\$67,667	\$65,683	\$42,603	\$65,000	\$30,166	\$51,713	\$65,000	\$0	0.0%
6725	Roofing Repairs	\$53,628	\$71,694	\$49,767	\$63,550	\$43,719	\$74,946	\$66,550	\$3,000	4.7%
6750	Snow Removal Supplies	\$11,823	\$13,240	\$281	\$13,770	\$17,451	\$16,895	\$14,300	\$530	3.8%
6765	Tennis Courts	\$474	\$2,129	\$805	\$2,040	\$81	\$2,029	\$2,040	\$0	0.0%
6775	Vehicle Repairs	\$25,684	\$29,471	\$18,822	\$25,000	\$16,350	\$28,029	\$31,000	\$6,000	24.0%
9914	Painting - Miscellaneous	\$3,872	\$2,865	\$2,235	\$2,550	\$539	\$925	\$2,550	\$0	0.0%
TOTAL GENERAL MAINTENANCE		\$578,740	\$679,995	\$537,394	\$635,780	\$377,147	\$651,561	\$655,338	\$19,558	3.1%

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Acct #	Line Item	FY18 Actual (Audited)	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Budget Final	FY21 YTD Actual Oct-April	FY21 Projected Year-End	FY22 Budget Draft	\$ Budget Variance '21 vs '22	% Budget Variance '21 vs '22
SERVICE CONTRACTS										
6035	Trash Removal	\$313,667	\$321,442	\$318,762	\$321,955	\$186,476	\$319,673	\$326,765	\$4,810	1.5%
6100	Grounds Maintenance	\$401,725	\$407,495	\$411,384	\$411,384	\$239,974	\$411,384	\$411,384	\$0	0.0%
6315	Uniform Rental Service	\$7,783	\$5,889	\$6,263	\$6,600	\$3,377	\$5,789	\$6,600	\$0	0.0%
6430	Janitorial Service	\$120,608	\$132,001	\$125,390	\$136,998	\$68,305	\$117,094	\$128,839	-\$8,159	-6.0%
6434	Exterminator Non-Contract	\$9,721	\$7,512	\$8,939	\$10,170	\$3,848	\$6,597	\$10,170	\$0	0.0%
6438	Pool Contract	\$114,998	\$137,609	\$77,328	\$138,700	\$23,579	\$141,474	\$162,635	\$23,935	17.3%
6440	Patrol Service	\$53,554	\$53,854	\$53,702	\$59,772	\$32,445	\$55,619	\$60,967	\$1,195	2.0%
6442	Snow Removal	\$10,706	\$19,575	\$0	\$28,000	\$32,712	\$32,712	\$32,000	\$4,000	14.3%
TOTAL SERVICE CONTRACTS		\$1,032,762	\$1,085,377	\$1,001,767	\$1,113,579	\$590,716	\$1,090,343	\$1,139,360	\$25,781	2.3%
PROFESSIONAL SERVICES										
7000	Auditor	\$10,100	\$10,575	\$14,850	\$12,750	\$12,750	\$12,750	\$14,000	\$1,250	9.8%
7010	Planning & Engineering	\$11,862	\$35,175	\$3,450	\$9,000	\$0	\$3,000	\$9,000	\$0	0.0%
7020	Legal Services	\$14,309	\$14,904	\$10,560	\$25,000	\$14,120	\$24,205	\$25,000	\$0	0.0%
7040	Management Contract	\$304,320	\$310,756	\$310,406	\$316,614	\$184,692	\$316,614	\$322,946	\$6,332	2.0%
TOTAL PROFESSIONAL SERVICES		\$340,591	\$371,410	\$339,266	\$363,364	\$211,561	\$356,569	\$370,946	\$7,582	2.1%
TAXES										
9000	Income Taxes	\$9,770	\$23,289	\$21,552	\$34,589	\$0	\$34,589	\$37,158	\$2,569	7.4%
9834	Depreciation	\$5,582	\$5,582	\$5,582	\$5,582	\$0	\$5,582	\$5,582	\$0	0.0%
TOTAL TAXES & CONTINGENCY		\$15,352	\$28,871	\$27,134	\$40,171	\$0	\$40,171	\$42,740	\$2,569	6.4%
TOTAL OPERATING EXPENSES		\$4,511,858	\$4,671,386	\$4,566,850	\$4,883,825	\$2,725,224	\$4,784,219	\$4,991,763	\$107,938	2.2%
RESERVE CONTRIBUTIONS										
9105	Repair & Replacement Reserve	\$3,144,000	\$3,175,440	\$3,207,194	\$3,078,977	\$1,796,070	\$3,078,977	\$3,109,767	\$30,790	1.0%
9966	Reserve Interest Income, Net Taxes	\$22,887	\$21,708	\$56,681	\$46,665	\$27,221	\$46,665	\$47,600	\$935	2.0%
TOTAL RESERVE CONTRIBUTIONS		\$3,166,887	\$3,197,148	\$3,263,875	\$3,125,642	\$1,823,291	\$3,125,642	\$3,157,367	\$31,725	1.0%
TOTAL EXPENDITURES		\$7,678,745	\$7,868,534	\$7,830,726	\$8,009,467	\$4,548,515	\$7,909,861	\$8,149,130	\$139,662	1.7%
INCOME										
4200	Fairlington Court H.O.A.	\$11,050	\$11,000	\$11,220	\$11,220	\$8,415	\$11,220	\$11,320	\$100	0.9%
4215	Resale Packets Income	\$28,930	\$21,200	\$21,805	\$23,000	\$20,097	\$23,000	\$25,000	\$2,000	8.7%
4250	ID/Parking	\$4,627	\$1,025	\$350	\$1,250	\$70	\$500	\$1,250	\$0	0.0%
4405	Rental Income	\$17,228	\$23,280	\$11,035	\$10,000	\$6,000	\$8,500	\$15,000	\$5,000	50.0%
4710	Late Fees	\$19,300	\$19,775	\$17,350	\$18,000	\$6,255	\$10,723	\$18,000	\$0	0.0%
4720	Attorneys Fees	\$58	\$875	\$0	\$2,000	\$2,588	\$4,436	\$2,000	\$0	0.0%
4835	Miscellaneous	\$3,538	\$7,575	\$591	\$6,000	\$714	\$1,225	\$5,000	-\$1,000	-16.7%
4900	Interest Income	\$53,504	\$103,638	\$106,867	\$89,500	\$46,298	\$85,000	\$85,000	-\$4,500	-5.0%
4903	Cable Income	\$3,548	\$3,548	\$3,548	\$3,548	\$0	\$3,548	\$10,218	\$6,670	
4920	Unrealized Investment Gain	\$0	\$0	\$13,038	\$0	-\$1,890	-\$3,241	\$13,000	\$13,000	
TOTAL OTHER INCOME		\$141,782	\$191,916	\$185,804	\$164,518	\$88,547	\$144,911	\$185,788	\$21,270	12.9%
ASSESSMENTS										
4000	Condominium Fees	\$7,564,637	\$7,661,382	\$7,848,492	\$7,844,949	\$4,578,287	\$7,844,949	\$7,963,342	\$118,393	1.5%
TOTAL ASSESSMENTS		\$7,564,637	\$7,661,382	\$7,848,492	\$7,844,949	\$4,578,287	\$7,844,949	\$7,963,342	\$118,393	1.5%
TOTAL INCOME		\$7,706,419	\$7,853,298	\$8,034,296	\$8,009,467	\$4,666,834	\$7,989,860	\$8,149,130	\$139,663	1.7%
SURPLUS/DEFICIT		\$27,675	-\$15,236	\$203,570	\$0	\$118,319	\$79,999	\$0	\$0	

**Fairlington Villages, A Condominium Association
FY 2022 BUDGET**

**Fairlington Villages, A Condominium Association
FY22 Budget
EXPENSE ACCOUNTS**

ADMINISTRATIVE

Account #5000 - Admin. Miscellaneous

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$25,157	\$28,795	\$20,516	\$28,000	\$18,495	\$28,000

This line item covers those administrative expenses not covered elsewhere, such as web site fees, internet access fees, electronic election fees, the annual Department of Professional and Occupational Regulation license fee, membership in the Community Associations Institute, and staff development.

Account #5010 - Bad / Uncollectible Debt

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$12,202	\$24,192	\$25,199	\$5,500	\$0	\$10,500

This account estimates annual loss of assessments and other charges determined to be uncollectible by the Association's counsel and authorized for write-off by the Board. We have written off \$0 thus far in FY21.

Account #5020 - Recording Secretary

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,300	\$3,500	\$3,500	\$3,250	\$3,857	\$3,250

Covers cost of a recording secretary to prepare minutes of monthly Board meetings, special Board meetings and the annual meeting.

Account #5085 - Office Equipment

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$28,761	\$27,900	\$30,143	\$22,000	\$26,997	\$23,000

Allowance for purchase and rental of office equipment, repair and related service contracts, IT monthly monitoring contract, software and related technology needs.

Account #5090 - Office Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$6,557	\$10,201	\$7,521	\$6,000	\$6,973	\$6,500

Anticipated cost of basic office supplies. FY21 costs are over budget due to increased expenditures for community mailing supplies.

Account #5195 - Parking Decals & ID Cards

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$7,398	\$2,801	\$1,071	\$3,300	\$3,250	\$3,300

Cost covers annual parking decals, and materials for pool IDs and annual stickers. The bulk of this expenditure occurs in August.

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Account #5205 - Community Activities

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$12,947	\$11,216	\$4,611	\$12,000	\$6,700	\$13,000

Funds to pay for the Association's community activities, including holiday, children-oriented, and sports-related parties and events, the pool opening party, 4th of July parade, and the yard sales Budget assumes the Board authorizes a return to a full calendar of community activities in FY22.

Account #5210 - Printing & Stationery

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$9,509	\$5,949	\$11,323	\$5,500	\$7,447	\$6,500

Estimated cost of office printing and paper needs, including the annual meeting notice, draft budget, and the final budget. FY21 expenditures are slightly over budget due to additional Meeting Notices for one Ward.

Account #5215 - Postage

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$12,139	\$12,011	\$19,624	\$7,000	\$11,735	\$11,500

Postage for hard copy mailings. The Association has three routine annual first-class mailings for the annual meeting, draft budget and final budget package with payment coupons. FY21 projections are over budget due to additional Meeting notices for one Ward.

Account #5225 - Newsletter

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$25,599	\$26,413	\$30,355	\$27,000	\$11,205	\$27,000

Production and distribution costs based on layout, printing, labeling and bulk rate postage of eight-page issues plus inserts, issued monthly, to all residents and unit owners who have not selected e-mail distribution. It also includes an amount for the paid editor of the newsletter.

Account #5400 - Insurance

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$414,375	\$430,609	\$450,861	\$420,457	\$422,000	\$448,591

Latest Association renewal policy insures community from 7/15/20 until 7/15/21, and coverage includes all the Association's required insurance policies, including master building and personal property, general liability, auto; and directors and officers liability, crime coverage, and fidelity insurance. FY22 assumes an increase of 6.7% in premiums when the policies renew on 7/15/21. FY22 coverage will including a new cybersecurity policy.

Account #5475 - Non-Insurance Loss

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$160,215	\$74,617	\$102,527	\$95,000	\$114,951	\$100,000

Line item covers expenses to repair damaged units and buildings that are the Association's responsibility but below the \$15,000 "per occurrence" policy deductible. Generally, these losses are the result of water intrusion or sewer backups and include carpet repair or replacement, mold remediation, and painting. Maintenance staff performs these jobs to limit expenses when feasible.

Fairlington Villages, A Condominium Association
FY 2022 BUDGET

EXPENSE ACCOUNTS - PAYROLL

Account #5095 - Payroll Administration

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$26,269	\$27,626	\$27,007	\$27,000	\$27,071	\$27,000

The management company assesses a flat, contract-based fee for payroll administration for our employees. This line also includes out-of-pocket payroll expenses (e.g. security printing stock for checks, postage, etc.).

Account #5302 - Administrative Staff

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$116,286	\$174,106	\$150,527	\$150,050	\$156,740	\$158,385

Line item is the estimated compensation for the Office Manager, the Office Administrator, and an Administrative Assistant. FY22 budget allows for a 2.7% increase in wages.

Account #5304 - Maintenance Staff

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$381,813	\$376,006	\$384,036	\$408,431	\$420,229	\$418,516

Line item is the estimated compensation for the maintenance staff comprised of eight employees. FY21 Projections are over budget due to overtime for the maintenance staff unanticipated by the budget. FY22 budget allows for a 2.7% increase in wages.

Account #5306 - Management Staff

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$224,269	\$176,377	\$227,072	\$205,516	\$204,192	\$210,720

Line item is the estimated compensation for the Facilities Manager and Operations Manager. FY22 budget allows for a 2.7% increase in wages.

Account #5322 - Accrued Vacation

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$2,537	\$5,031	\$1,308	\$3,000	\$3,000	\$3,000

The value of the total amount employees have earned as of December 31st of each year but have not yet taken as of that date. It is an earned benefit for which there is a liability until paid out in full either through use or upon separation from employment.

Account #5330 - Group Health Insurance

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$70,343	\$70,597	\$75,486	\$84,529	\$79,612	\$84,529

Kaiser group health insurance is offered at no cost to all full-time employees. Employees may elect dental and vision insurance at their own expense. The Association also offers life insurance and long-term disability coverage to full-time staff. Contracts renew January 1st of each year. The FY21 budget amount carried over should be sufficient to cover any annual increase in coverage costs and assumes participation by 13 employees.

Account #5355 - Federal Payroll Taxes

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$51,499	\$50,774	\$56,520	\$58,446	\$53,231	\$60,253

Fairlington Villages' federal payroll taxes on the wages paid as employer to 13 full-time employees.

Fairlington Villages, A Condominium Association
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Account #5375 - Unemployment Taxes

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$1,259	\$1,406	\$1,378	\$1,027	\$1,850	\$1,327

The federal unemployment tax rate is 0.9% on the first \$7,000 of wages for each employee. The state unemployment tax rate is 0.05% on the first \$8,000 in wages for each employee.

Account #5385 - Retirement Fund Expense

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$21,467	\$23,233	\$19,741	\$23,425	\$23,425	\$24,009

The Association offers a Simplified Employee Pension (SEP) Individual Retirement Account (IRA) through MetLife to employees with three or more years of service. For FY22, ten employees qualify for the plan. Budget is based upon 4% of total estimated compensation for funding of an employer discretionary contribution.

Account #5380- Workers Comp Insurance

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$13,609	\$13,090	\$13,505	\$14,500	\$13,866	\$14,500

Budget reflects cost of workers compensation insurance for all employees. Projected costs are based on the current policy premium. Workers Compensation Insurance Premiums fluctuate annually based upon actual payroll and the Association's individual experience rating.

Fairlington Villages, A Condominium Association
FY 2022 BUDGET

EXPENSE ACCOUNTS - UTILITIES

Account #6000 - Electricity

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$80,154	\$84,958	\$67,412	\$85,000	\$67,020	\$85,000

Estimated cost of providing electrical service to the common elements of the community, including common hallways, carriage lights, pool lights, tennis court lights, operation of the Community Center and the Management Office

Account #6025 - Water & Sewer

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$827,217	\$834,636	\$915,032	\$1,020,000	\$947,212	\$1,000,000

Estimated cost of providing water and sewer service to the common areas and units based on published service rates from Arlington County and the City of Alexandria. Prior to FY20, water and sewer consumption averaged an estimated 63,500 thousand gallons per year based on the Association's recent historical average. Covid-19, however, has temporarily increased consumption and costs. Arlington County, which provides water to the entire Association and sewage service (55,900 gallons per year) for most of the Association, currently charges \$4.91 per thousand gallons of water, and \$9.29 per thousand gallons of sewer use. From July 1 through December 31, 2021, the county's water rate will remain unchanged, but the sewer rate will increase by 1.6% to \$9.44 per thousand gallons. On January 1, 2022, Arlington County will institute a new rate structure that may result in a slight reduction in water/sewer costs because of the Association's classification as a multi-family customer. Beginning on July 1, 2021 City of Alexandria sewer rates will increase by 6.9%, and then by another 6.5% on July 1, 2022. These increases, which are required by the city's multi-year program to reduce sewage pollution in the Potomac River and Chesapeake Bay, will add approximately \$11,000 to FY22's water and sewer costs.

Account #6050 - Telephone

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$9,532	\$9,689	\$15,013	\$15,000	\$14,516	\$15,000

Cost for provision of mobile communication devices to all managers and maintenance staff. The budget line also includes the Voice over Internet Protocol (VoIP) telephone services for the Management Office and Community Center, and 8 traditional copper "land lines." Six are required for phones at the six swimming pools each summer and two are used to monitor sewer ejection pump alarms for units near the 28th Street entrance.

Fairlington Villages, A Condominium Association
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EXPENSE ACCOUNTS - GENERAL MAINTENANCE

Account #6140 - Grounds Non-Contract

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$49,696	\$46,722	\$57,417	\$47,000	\$1,982	\$47,940

Grounds care, maintenance materials and supplies used by contractors or maintenance staff, such as mulch, chemicals, fertilizers, seeds and hoses.

Account #6145 - Grounds Improvements

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$64,070	\$72,663	\$70,490	\$69,500	\$33,422	\$70,890

Rejuvenation pruning and planting; drainage and erosion prevention; and emergency projects. FY22: This includes (1) \$19,000 for Drainage and Erosion, (2) \$20,000 for Renovation Planting in Ward I. (3) \$18,000 for replacement plants; and (4) \$13,890 for special grounds projects.

Account #6150 - Contractor Planting

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$10,108	\$5,753	\$9,851	\$11,000	\$6,855	\$11,220

Landscape focal bed planting at the S. 30th St. entrance; the S. 31st & Woodrow St. sign; the S. 30th St. circle; Ward II Park; the corner of S. Columbus & S. 29th Streets; the planters along the pool deck and the Community Center parking lot; and plant beds around the Community Center and the Management Office.

Account #6155 - Volunteer Planting

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$1,041	\$939	\$0	\$900	\$0	\$900

Cost for acquisition of summer flowers installed around the community by members of the Grounds Committee and other resident volunteers. Flowers are typically sold to residents at a discount at the yard sale. About 60% of costs are recouped.

Account #6160 - Tree Maintenance

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$100,023	\$88,888	\$128,592	\$105,000	\$117,393	\$107,100

Estimated cost of annual tree removals, major pruning, and replacements necessitated by age, disease and storm damage. When any tree is removed in a landscaped area, the tree stump is also removed and the area restored. Estimate based on aggregate of recent historical costs. As the tree canopy has continued to age, many older trees are in decline that will require removal for infrastructure and resident safety. This budget includes \$15,000 specifically allocated to this purpose and will necessarily increase in coming fiscal years as the canopy ages.

Fairlington Villages, A Condominium Association
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Account #6515 - Building Repairs

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$50,824	\$30,862	\$37,541	\$45,900	\$43,575	\$46,818

Expenses include maintenance and minor repairs to masonry and concrete; balcony caulking and sealing; rotten wood replacement; electrical repairs; common area window repairs; site wiring of carriage lights; minor fence repairs; and purchase of replacement slats for fences. This account as well as the General Supplies and Maintenance Equipment and Supplies accounts are interrelated.

Account #6525 - Community Center

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,398	\$5,113	\$2,780	\$3,500	\$184	\$3,500

Estimated cost for routine maintenance of the Community Center, including professional cleaning of the carpet, furniture and drapes; repairs to the terrace awning; plumbing; and appliance and electrical repairs. The actual expenses for this account vary greatly and are dependent on the number of private rentals during the year. Major repairs to the Community Center would be funded from reserves.

Account #6565 - Fire Safety Equipment

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$6,715	\$3,332	\$3,372	\$5,200	\$3,956	\$4,000

This line item covers inspecting, maintaining and replacing of fire extinguishers in the multistory buildings.

Account #6575 - Carpet Cleaning

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$13,870	\$13,870	\$13,870	\$13,870	\$13,870	\$13,870

Cost of the annual cleaning of all hallway carpets for 173 multistory buildings in six wards, the Management Office, Community Center, and other locations as required.

Account #6600 - General Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$23,600	\$17,877	\$18,092	\$18,000	\$19,508	\$18,360

Supplies for general maintenance and repair of buildings, such as locks, masonry supplies, signs, and other items not specifically covered in another budget line. This account and the Building Repairs and the Maintenance Equipment & Supplies accounts are interrelated.

Account #6620 - Gutter Cleaning

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$1,784	\$3,619	\$3,199	\$4,000	\$3,249	\$4,000

Costs of gutter cleaning performed by the maintenance staff, generally occurring in early spring and fall to reduce water leaks into units, and includes rental cost of man-lifts.

Fairlington Villages, A Condominium Association
FY 2022 BUDGET

Account #6640 - Lighting Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$18,186	\$18,516	\$16,742	\$12,240	\$17,600	\$17,240

Lighting supplies for over 800 carriage lights, common canopy lights, flood lamps and stairwell light fixtures. Carriage light fixtures are being upgraded with LED's on a phased basis.

Account #6650 - Maintenance Equip. & Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$6,496	\$2,542	\$3,775	\$3,060	\$997	\$3,060

Funds to purchase, maintain and repair various Association equipment and tools, including those used by the maintenance staff. This account and the General Supplies and Building Repairs and Maintenance accounts are interrelated.

Account #6680 - Painting - Exterior

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$23,582	\$130,180	\$0	\$74,700	\$137,955	\$70,000

The line item covers the cost of exterior building painting. The annual cycles were off schedule between FY20 and FY21 as was invoicing for the projects. FY21 will include the costs of *two years* of the exterior painting project (FY20 & FY21). The phased project is expected to be back in line with its annual performance and billing schedule in FY22.

Account #6695 - Plumbing Repairs

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$42,199	\$54,037	\$57,160	\$50,000	\$76,479	\$55,000

Plumbing repairs listed in the master Chart of Maintenance Responsibilities and for which the Association is responsible for maintaining. These repairs include sewer lines, broken water mains serving buildings and clearing back-to-back drain lines. This budget line is not intended to fund major infrastructure repairs, like relining sewer lines, which are not covered under this line item, but funded from reserves.

Account #6700 - Pool Repairs & Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$67,667	\$65,683	\$42,603	\$65,000	\$51,713	\$65,000

Basic pool supplies, such as lifeguard safety equipment and testing chemicals, routine repairs and maintenance of pool equipment, and cost of government permits. Start-up expenses for pool season, such as caulking, scupper repairs, and tile repair, are also covered. Pool chemicals are included in the pool contract cost. New pool furniture is not covered by this line item, but is funded from reserves.

Account #6725 - Roofing Repairs

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$53,628	\$71,694	\$49,767	\$63,550	\$74,946	\$66,550

Budget estimate is for preventive maintenance to evaluate and repair roofs in two wards each year and to repair leaks in all wards, as needed. Slate and flat roof replacement is covered under the roof reserve account. FY21 Projections are over budget due to invoicing delays from FY20.

Fairlington Villages, A Condominium Association
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Account #6750 - Snow Removal Supplies

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$11,823	\$13,240	\$281	\$13,770	\$16,895	\$14,300

Costs covers maintenance of snow removal supplies and equipment.

Account #6765 - Tennis Courts

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$474	\$2,129	\$805	\$2,040	\$2,029	\$2,040

Budgeted costs to maintain and repair the tennis courts, purchase nets and other supplies. Cost for tennis court surface replacement would be funded from reserves.

Account #6775 - Vehicle Repairs

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$25,684	\$29,471	\$18,822	\$25,000	\$28,029	\$31,000

Fuel, repair and maintenance of maintenance vehicles, which includes one Cushman mini-truck, seven Nissan pick-up trucks, a GMC and a Ford Ranger, a skid-steer loader, a multi-purpose vehicle, a mini-tractor, and associated implements and equipment for these vehicles. Maintenance costs for newer vehicles are generally higher.

Account #9914 - Painting - Miscellaneous

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,872	\$2,865	\$2,235	\$2,550	\$925	\$2,550

Cost of supplies for isolated painting projects performed by maintenance staff on an as-needed basis.

Fairlington Villages, A Condominium Association
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EXPENSE ACCOUNTS - SERVICE CONTRACTS

Account #6035 - Trash Removal

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$313,667	\$321,442	\$318,762	\$321,955	\$319,673	\$326,765

Annual cost for trash removal six days a week, recycling one day a week, and one day for removal of large items of bulk trash. Includes "tipping fee" charged by landfill operator. Current multi-year agreement allows contractor to pass increases to Arlington County's 'tipping' and other operating fees through to Fairlington. An increase of 1% has been programmed for FY22 beginning April 2022.

Account #6100 - Grounds Maintenance

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$401,725	\$407,495	\$411,384	\$411,384	\$411,384	\$411,384

Costs for grounds care, including maintenance and management of plant beds, pesticide application, tree care and consultation with the Grounds Committee and Management. The multi-year agreement was extended in 2017 for an additional five years from March 1, 2018 to February 28, 2023. The annual cost will remain \$411,384 for the remaining renewal on March 1st next fiscal year (FY22). It will be up for renewal and taken to market for competitive bids with its replacement effective March 1, 2023.

Account #6315 - Uniform Rental Service

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$7,783	\$5,889	\$6,263	\$6,600	\$5,789	\$6,600

The amount is based on terms of current agreement. Cost covers uniform rentals for those staff members who wear uniforms. The line item shows no increase for the renewal agreement.

Account #6430 - Janitorial Service

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$120,608	\$132,001	\$125,390	\$136,998	\$117,094	\$128,839

Weekly cleaning of the hallways in multistory buildings, the Management Office and Community Center as needed. A three-year fixed renewal Agreement with Corporate Cleaning Solutions began March 1, 2020 and runs through February 28, 2023. The Agreement renewed at a base cost of \$123,891 March 1, 2020. The amount increased to \$126,999 (2%) March 1, 2021 through February 28, 2022, and will increase 2% March 1, 2022 through February 28, 2023. The Budget was increased \$10,000 in FY21 for anticipated COVID-related deep-cleaning and sanitation costs. That additional funding was not needed and has been removed for FY22.

Account #6434 - Exterminator Non-Contract

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$9,721	\$7,512	\$8,939	\$10,170	\$6,597	\$10,170

Professional exterminator services providing primarily rodent and termite prevention; but available for other infestations at his standard rate. [Management recommends the same provider to unit owners when asked for a recommendation, which promotes uniformity in treatment regimens and generally provides a greater likelihood of success.]

Fairlington Villages, A Condominium Association
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Account #6438 - Pool Contract

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$114,998	\$137,609	\$77,328	\$138,700	\$141,474	\$162,635

Cost for Professional Management Services Agreement to operate the Association's six seasonal swimming pools. Current three-year agreement, entered in FY19 expires in October 2021 . The contract was rebated in FY20 due to COVID-19. There may be additional rebates from the Vendor associated with COVID-19 in FY21 that will be offset by the first of 3 programmed increases to the Virginia minimum wage beginning in June 2021. The Agreement is up for renewal in FY22 and will be competitively bid. The cost is expected to increase significantly because of the impact of Virginia's minimum wage increases on the pool service industry.

Account #6440 - Patrol Service

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$53,554	\$53,854	\$53,702	\$59,772	\$55,619	\$60,967

The patrol service is the chief instrument of enforcement of the Association's parking policy. The service also responds to resident complaints and monitors the property campus for suspicious activity. The contract has been allowed to come out of its term and continue on a month-to-month basis. Agreement provides 8 hours of daily patrol service 365 days per year. 2% of the current agreement has been programmed for rate increases if requested and agreed to in FY22.

Account #6442 - Snow Removal

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$10,706	\$19,575	\$0	\$28,000	\$32,712	\$32,000

In addition to serving as the association's waste disposal and hauler, Capitol Services also provides supplemental labor during winter snow events to assist with snow removal on an as-needed basis. Costs vary each year depending on the severity of winter each year. Budget is an aggregated average of historical expenses from the past several years with an allowance in FY22 for increased labor costs..

Fairlington Villages, A Condominium Association
FY 2022 BUDGET

EXPENSE ACCOUNTS - PROFESSIONAL SERVICES

Account #7000 - Auditor

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$10,100	\$10,575	\$14,850	\$12,750	\$12,750	\$14,000

Audit and tax preparation services contracted annually. Budget is based on terms of agreement for services associated with FY21 audit and calendar year 2021 tax return preparation.

Account #7010 - Planning & Engineering

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$11,862	\$35,175	\$3,450	\$9,000	\$3,000	\$9,000

Estimated costs for engineering consulting services not associated with capital reserve replacement projects,

Account #7020 - Legal Services

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$14,309	\$14,904	\$10,560	\$25,000	\$24,205	\$25,000

Estimated costs for collection services on delinquent accounts, advice and counsel, and opinion letters.

Account #7040 - Management Contract

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$304,320	\$310,756	\$310,406	\$316,614	\$316,614	\$322,946

Legum & Norman, Inc. is the Association's Management Agent. In addition to the standard back-office accounting and asset management services, the Association's Agreement with L&N includes: 1) a full-time General Manager responsible for day-to-day operations and financial oversight, 2) 24-hour emergency services, and 3) professional advice and assistance to the Board on a variety of industry subjects and matters. The current Agreement provides services over a three-year term, effective September 2019 through September 2022. A 2% increase has been programmed for renewal in FY22.

EXPENSE ACCOUNTS - TAXES & DEPRECIATION

Account #9000 - Income Taxes

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$9,770	\$23,289	\$21,552	\$34,589	\$34,589	\$37,158

The Association pays federal and state taxes on its interest income and any other unrelated business income. Like FY20, FY22 anticipates a modest increase in taxes due to increased revenue.

Account #9834 - Depreciation

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$5,582	\$5,582	\$5,582	\$5,582	\$5,582	\$5,582

Certain purchases are capitalized and depreciated over the useful life of the item. Examples include the electric charging station, the copier, and office computers.

Fairlington Villages, A Condominium Association
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RESERVES

Account #9105 - Repair and Replacement Reserves

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,144,000	\$3,175,440	\$3,207,194	\$3,078,977	\$3,078,977	\$3,109,767

The Association's standing policy is to contribute fully to its Capital Reserve Fund in accordance with the recommendations in its 2019 Reserve Study update in FY20. The contribution is increased 1% each year adjust for inflation. Due to the economic impact of the COVID-19 pandemic, the Association did not budget the 1% inflation hedge in FY21. The contribution to the Capital Reserve Fund in FY22 will be increased 1% from the level established in FY 21.

Account #9966 - Reserve Interest Income Net of Taxes

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$22,887	\$21,708	\$56,681	\$46,665	\$46,665	\$47,600

Income on investments in long-term CDs and T-bills. The yields of these secure investments rose significantly in FY19 and the beginning of FY20. COVID-19 negatively affected these investments which levelled off in FY21. The Association's investment advisor has recommended a conservative estimated yield in FY22 for budget purposes. Roughly two-thirds of the earnings net of taxes is re-invested in the replacement reserve fund as an additional contribution.

INCOME ACCOUNTS

Account #4000 - Condo Fees

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$7,564,637	\$7,661,382	\$7,848,492	\$7,844,949	\$7,844,949	\$7,963,342

Condominium fees are the largest part of assessments, which fund the operation of the property and reserve funds. Condo fees for each unit are determined based on expectations of each line item expense, plus a percentage allocated for reserves to fund major infrastructure repair and replacement projects.

Account #4200 - Fairlington Court HOA

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$11,050	\$11,000	\$11,220	\$11,220	\$11,220	\$11,320

This income is based on a pro rata share of expenses for services provided to Fairlington Court HOA, plus a 10% administrative fee, under a contractual agreement with Fairlington Court HOA, for use of pools, tennis courts, Community Center, patrol service, grounds contractor, trash contractor and for snow removal. The agreement between Fairlington Villages and Fairlington Court HOA states "that the annual payment shall be an amount determined, in its sole discretion, by Fairlington Villages, based upon its review of its budget for the year. The increase in any one year shall not exceed by more than ten percent (10%) the amount of the previous year's annual fee."

Fairlington Villages, A Condominium Association
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Account #4215 - Resale Packet Income

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$28,930	\$21,200	\$21,805	\$23,000	\$23,000	\$25,000

Preparation of resale packets and management letters required when Units are sold and purchased. Hard copy Resale Disclosure packages generate \$293.42; electronic copies \$264.08; Cond/Lender Questionnaires \$25.00. Additional charges are authorized for expedition, updates, and additional inspections.

Account #4250 - I.D./Parking

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$4,627	\$1,025	\$350	\$1,250	\$500	\$1,250

Income generated by charges for new and replacement ID cards. The majority of this income is collected during the months of June to August.

Account #4405 - Rental Income

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$17,228	\$23,280	\$11,035	\$10,000	\$8,500	\$15,000

Fees gathered from community center and pool rentals. For Fairlington Villages residents, CC rates are \$100 for M-TH for seven hours (8:00 am - 3:00 pm or 3:00 pm - 10:00 pm); \$150 M-TH for the entire day; and \$250/day F-Sun. For South Fairlington residents, rates are \$150 M-TH for seven hours (8:00 am - 3:00 pm or 3:00 pm - 10:00 pm); \$250 M-TH for the entire day; and \$300/day F-Sun. Pool rentals are available seasonally for \$50, plus \$25 per hour for life guard services; but only during non-scheduled operational pool hours. This also includes the income from the lease of 15 parking spaces to Arlington Public Schools. Income is projected to increase in FY22 over FY21 as operations begin to recover from COVID-19 restrictions.

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Account #4710 - Late Fees

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$19,300	\$19,775	\$17,350	\$18,000	\$10,723	\$18,000

Late fee penalties and interest are assessed on delinquent accounts. A late fee penalty of \$25.00 is assessed against unit owners who do not pay monthly condo fees within 15 days of the payment due date.

Account #4720 - Attorney's Fees

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$58	\$875	\$0	\$2,000	\$4,436	\$2,000

Attorney's fees passed on to unit owners to collect delinquent assessments.

Account #4835 - Miscellaneous

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,538	\$7,575	\$591	\$6,000	\$1,225	\$5,000

All income not provided elsewhere in the budget is applied to this account, such as rule violation assessments.

Account #4900 - Interest Income

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$53,504	\$103,638	\$106,867	\$89,500	\$85,000	\$85,000

Income from reserve funds in secure investments, such as long-term CDs and T-bills. The yields of these secure investments rose significantly in FY19 and the beginning of FY20. COVID-19 negatively affected these investments which levelled off in FY21. The Association's investment advisor has recommended a conservative estimated yield in FY22 for budget purposes. Roughly two-thirds of the earnings are re-invested in the repair and replacement reserve fund as an additional contribution.

Account #4903 - Cable Easement Income

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$3,548	\$3,548	\$3,548	\$3,548	\$3,548	\$10,218

In 2021, the Association entered into a 10-year agreement with Comcast Cablevision of DC, LLC (Comcast). This agreement allows Comcast to install, maintain and operate broadband communication within the Association. The Association received \$102,180 in 2021 for the entire 10-year period, which will be amortized for tax purposes.

Account #4920 - Unrealized Gain on Investments

FY18 (Audited)	FY19 (Audited)	FY20 (Audited)	FY21 Budgeted	FY21 Projected	FY22 DRAFT
\$0	\$0	\$13,038	\$0	-\$3,241	\$13,000

Increases in the value of securities and investments that the Association continues to hold and has not yet sold for cash.

**Fairlington Villages, A Condominium Association
FY 2022 BUDGET**

FY 2022 Reserve Expenses

	FY22 Budget
3700- 6150- Parking Lot Pavement Renovation	\$538,850
An allowance for continued large-scale renovation and recurbing (as/where needed) of parking lots, repairs to pavement and cast-in-place concrete sidewalks, steps and leadwalks.	
3700- 7000- Pools, Fixtures and Equipment	\$128,000
An allowance for pool house refurbishment and reconfiguration.	
3700- 6100- Exterior Site Replacements	\$987,500
An allowance for partial perimeter fence replacement, continuation of backyard fence replacement, limited retaining wall repairs, tot lot expansions, and turf repair where required.	
3700- 1230- Condominium Interior Upgrades Ward IV	\$650,000
For interior upgrades and window replacements to common areas of multi-unit buildings.	
3700- 2100- Slate Roof Replacement	\$400,000
For the continuing replacement of slate roofs in accordance with the approved schedule.	
3700- 2000- Exterior Structural Replacements	\$520,000
Includes Masonry Project, porch concrete and brick repairs, and rotten wood replacement.	
3700- Shutter Replacements	\$140,000
Replacement of all shutters in one ward.	
3700- 4590- Water Sewer Line Replacement	\$54,000
The lining of the sanitary drainage piping and stack replacements as needed.	
TOTAL RESERVE EXPENSES FY2021	
As recommended in Current Reserve Study (2019)	\$3,418,350
Adjusted 2.5% per year for inflation (2022)	\$3,681,189

Fairlington Villages, A Condominium Association
FY 2022 BUDGET

RESERVE CASH FLOW SUMMARY

Revised for FY 2022 Budget based on FY 2019 Reserve Study Update
and Fairlington Villages' response in FY 2021 to the COVID-19 crisis

FAIRLINGTON VILLAGES						
Beginning Balance:	\$3,720,682				Begin Study Period:	2019
Annual Increase:	See Notes				End Study Period:	2038
Initial Contribution:	\$3,175,440					
Fiscal Year (FY)	Beginning Reserve Balance	Yearly Contribution	Reserve Interest Income Net of Taxes	Capital Expenditures	Ending Reserve Balance	Increase in Contribution
2018	\$1,697,290	\$3,144,000	\$22,887	\$1,143,495	\$3,720,682	\$31,129
2019	\$3,720,682	\$3,175,440	\$21,708	\$3,073,129	\$3,844,700	\$31,440
2020	\$3,844,700	\$3,207,194	\$56,681	\$1,372,854	\$5,735,722	\$31,754
2021	\$5,735,722	\$3,078,977	\$46,665	\$2,104,271	\$6,757,093	-\$128,217
2022	\$6,757,093	\$3,109,767	\$47,600	\$3,681,189	\$6,233,270	\$30,790
2023	\$6,233,270	\$3,140,864	\$39,665	\$4,194,870	\$5,218,930	\$31,098
2024	\$5,218,930	\$3,172,273	\$39,665	\$4,617,469	\$3,813,399	\$31,409
2025	\$3,813,399	\$3,203,996	\$32,665	\$3,993,094	\$3,056,966	\$31,723
2026	\$3,056,966	\$3,236,036	\$32,665	\$3,121,765	\$3,203,902	\$32,040
2027	\$3,203,902	\$3,268,396	\$32,665	\$2,957,767	\$3,547,195	\$32,360

Notes:

1. The Virginia Condominium Act requires condominium associations to have reserve studies conducted by a professional engineering consultant every five years to evaluate major replacement needs. The cash flow summary represents the most recent 2019 Reserve Study Update. (Revised by Fairlington Villages to address the impacts of the 2020 COVID-19 crisis.)

2. The above-shown column for yearly contributions represents the amount collected annually as part of assessments. The amount of capital expenditures for FY2021 projected on year-to-date expenditures and projections is \$2,104,271. After decreasing in FY21 as a result of Fairlington Villages' efforts to address the impacts of the 2020 COVID-19 crisis, the annual contribution will increase in FY 2022 at the programmed rate of 1.00% per year in accordance with the recommendations of the 2019 Reserve Study Update.