



Fairlington Villages A Condominium Association

August 9, 2022

Dear Fairlington Villages Unit Owner,

In accordance with Article VI, Section 1 (c) of the By-Laws of Fairlington Villages, A Condominium Association, enclosed is the fiscal year 2023 (FY23) budget, effective October 1, 2022, approved by the Board of Directors August 3, 2022. Assessments will increase by an average of 3.96% in FY23 (fees are rounded to the nearest dollar). This increase will fund a 5.8% rise in operating spending required to maintain the current level of community services, and a 1.0% increase in the contribution to the Reserve Fund. Because interest and other income is projected to decrease by 2.0%, overall FY23 spending rises by 3.8% while condominium fees increase by 3.96%. In addition to a budget spread detail of the FY23 budget, you will also find a list of anticipated reserve expenses and a projected cash flow summary for the reserve fund in FY23.

Condominium fees are due on the first day of each month. A late fee is assessed for payments that are not received by the 15th day of the month. An assessment payment is considered received when it is deposited, regardless of payment method, in sufficient time for Union Bank to post the payment to your Unit Account Ledger on or before the 15th day of the month. Please note the following methods of payment to ensure prompt handling:

- L&N/Associa ACH Direct Debit. No additional action is required on your part for accounts paid through Associa/L&N's ACH direct debit program. Direct debit payments adjust automatically in October of each year. The direct debit form can be found at <https://fairlingtonvillages.com/forms/>
- On-line bank bill payer accounts. Please remember to notify your bank of the new amount of your payment effective October 1, 2022, it is especially important that the memo section of your payment references your seven (7) digit account number.
- Credit Card or E-Check. You may pay your assessment through Associa/L&N's *TownSq* by credit card or E-Check. Use of this option will incur a fee from ATG Pay, the third-party provider used by the Association to encrypt and secure your transaction with Union Bank. You may need to renew this payment option with your personal bank and update your account with the new amount of your payment effective October 1, 2022.
- Coupon Payments by check. Mail lock box payments by check to:
Fairlington Villages
c/o Legum & Norman Inc.
P.O. Box 105771
Atlanta, GA 30348-5771

Payment by check must be accompanied by a payment coupon. Please also include your seven (7) digit FVAC Unit Account number from the coupon on your check.

If you have any questions, please call (703) 379-1440 or contact us by e-mail at office@fairlingtonvillages.com.

Sincerely,

Gregory D. Roby, General Manager
Fairlington Villages, A Condominium Association
Legum & Norman, Inc., Managing Agent

**Fairlington Villages, A Condominium Association
FY 2023 BUDGET**

**Schedule of Condominium Fees by Type of Unit
FISCAL YEAR 2022 & 2023 (effective October 1, 2022)**

TOWNHOUSE UNITS	% of Ownership	Condo Fee FY22	Condo Fee FY23
Georgetown	.0514915	\$342	\$355
Edgewood	.0638990	\$424	\$441
Clarendon II	.0620376	\$412	\$428
Clarendon	.0663770	\$440	\$458
Dominion II	.0800294	\$531	\$552
Dominion	.0856077	\$568	\$591
Arlington	.0893306	\$593	\$616
APARTMENT UNITS			
Braddock	.0421257	\$280	\$291
Braddock II	.0428068	\$284	\$295
Braddock III	.0371580	\$247	\$256
Braddock IV	.0371580	\$247	\$256
Braddock V	.0378391	\$251	\$261
Fairfax	.0527305	\$350	\$364
Richmond	.0514915	\$342	\$355
Staunton	.0545273	\$362	\$376
Bradford	.0539695	\$358	\$372
Berkeley	.0589372	\$391	\$407
Ashlawn	.0681797	\$452	\$470
Ashlawn II	.0570112	\$378	\$393
Sherwood	.0557722	\$370	\$385
Barcroft	.0619730	\$411	\$428
Barcroft II	.0582501	\$387	\$402
Barcroft III	.0594950	\$395	\$410
Hermitage	.0638990	\$424	\$441
Monticello	.0719025	\$477	\$496
Mt. Vernon	.0763065	\$506	\$526
Buckingham	.0594950	\$395	\$410

Fairlington Villages, A Condominium Association FY 2023 BUDGET

Acct #	Line Item	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Actual (Audited)	FY22 Budget Final	FY22 Actual Oct - April	FY22 Projected Year-End	FY23 Budget DRAFT	\$ Budget Variance '22 vs '23	% Budget Variance '22 vs '23
EXPENSES										
	TOTAL ADMINISTRATIVE	\$658,204	\$707,251	\$668,217	\$681,141	\$414,249	\$697,814	\$764,624	\$83,483	12.3%
	TOTAL PAYROLL	\$918,246	\$956,579	\$1,008,587	\$1,002,238	\$560,145	\$993,053	\$1,081,784	\$79,547	7.9%
	TOTAL UTILITIES	\$929,283	\$997,457	\$1,033,749	\$1,100,000	\$588,466	\$1,046,800	\$1,095,376	-\$4,624	-0.4%
	TOTAL GENERAL MAINTENANCE	\$679,995	\$537,394	\$696,839	\$0	\$215,732	\$615,703	\$715,881	\$60,543	9.2%
	TOTAL SERVICE CONTRACTS	\$1,085,377	\$1,001,767	\$1,112,507	\$1,139,360	\$600,182	\$1,127,661	\$1,193,578	\$54,218	4.8%
	TOTAL PROFESSIONAL SERVICES	\$371,410	\$339,266	\$354,011	\$370,946	\$239,017	\$387,744	\$386,446	\$15,500	4.2%
	TOTAL TAXES & CONTINGENCY	\$28,871	\$27,134	\$21,918	\$42,740	\$16,857	\$37,298	\$41,910	-\$830	-1.9%
	TOTAL OPERATING EXPENSES	\$4,671,386	\$4,566,850	\$4,895,829	\$4,991,763	\$2,634,647	\$4,906,073	\$5,279,599	\$287,837	5.8%
RESERVE CONTRIBUTIONS										
	TOTAL RESERVE CONTRIBUTIONS	\$3,197,148	\$3,263,875	\$3,115,420	\$3,157,367	\$1,841,795	\$3,157,364	\$3,181,465	\$24,098	0.8%
	TOTAL EXPENDITURES	\$7,868,534	\$7,830,726	\$8,011,249	\$8,149,130	\$4,476,440	\$8,063,437	\$8,461,064	\$311,935	3.8%
INCOME										
	TOTAL OTHER INCOME	\$191,916	\$185,804	\$179,836	\$185,788	\$95,869	\$187,792	\$181,989	-\$3,799	-2.0%
ASSESSMENTS										
	TOTAL ASSESSMENTS	\$7,661,382	\$7,848,492	\$7,848,492	\$7,963,342	\$4,646,446	\$7,965,336	\$8,279,075	\$315,733	3.96%
	TOTAL INCOME	\$7,853,298	\$8,034,296	\$8,028,328	\$8,149,130	\$4,742,315	\$8,153,128	\$8,461,064	\$311,934	3.8%
	SURPLUS/DEFICIT	(\$15,236)	\$203,570	\$17,079	\$0	\$265,875	\$89,691	\$0	\$0	

Fairlington Villages, A Condominium Association
FY 2023 BUDGET

Acct #	Line Item	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Actual (Audited)	FY22 Budget Final	FY22 YTD Actual Oct-April	FY22 Projected Year-End	FY23 Budget Draft	\$ Budget Variance '22 vs '23	% Budget Variance '22 vs '23
EXPENSES										
ADMINISTRATIVE										
5000	Misc. Office Expenses	\$28,795	\$20,516	\$23,854	\$28,000	\$13,007	\$24,669	\$45,000	\$17,000	60.7%
5010	Bad Debt / Uncollectible	\$24,192	\$25,199	(\$410)	\$10,500	\$0	\$4,375	\$10,500	\$0	0.0%
5020	Minutes	\$3,500	\$3,500	\$3,500	\$3,250	\$2,050	\$3,404	\$3,250	\$0	0.0%
5085	Office Equipment	\$27,900	\$30,143	\$30,290	\$23,000	\$16,350	\$25,933	\$30,000	\$7,000	30.4%
5090	Office Supplies	\$10,201	\$7,521	\$8,756	\$6,500	\$5,500	\$8,208	\$9,000	\$2,500	38.5%
5195	Parking Decals & ID Cards	\$2,801	\$1,071	\$7,531	\$3,300	\$170	\$3,470	\$3,500	\$200	6.1%
5205	Community Activities	\$11,216	\$4,611	\$4,457	\$13,000	\$539	\$3,789	\$15,000	\$2,000	15.4%
5210	Printing & Stationery	\$5,949	\$11,323	\$10,900	\$6,500	\$7,612	\$10,320	\$13,000	\$6,500	100.0%
5215	Postage	\$12,011	\$19,624	\$15,238	\$11,500	\$9,615	\$14,407	\$13,000	\$1,500	13.0%
5225	Newsletter	\$26,413	\$30,355	\$23,944	\$27,000	\$20,460	\$31,710	\$30,000	\$3,000	11.1%
5400	Insurance	\$430,609	\$450,861	\$429,558	\$448,591	\$287,795	\$474,708	\$484,374	\$35,783	8.0%
5475	Non-Insurance Loss	\$74,617	\$102,527	\$110,599	\$100,000	\$51,149	\$92,816	\$108,000	\$8,000	8.0%
TOTAL ADMINISTRATIVE		\$658,204	\$707,251	\$668,217	\$681,141	\$414,249	\$697,814	\$764,624	\$83,483	12.3%
PAYROLL										
5095	Payroll Admin Fee	\$27,626	\$27,007	\$27,021	\$27,000	\$15,670	\$26,920	\$27,810	\$810	3.0%
5302	Administrative Staff	\$174,106	\$150,527	\$141,324	\$158,385	\$76,873	\$142,867	\$160,804	\$2,418	1.5%
5304	Maintenance Staff	\$376,006	\$384,036	\$410,884	\$418,516	\$216,431	\$390,813	\$414,898	-\$3,618	-0.9%
5306	Management Staff	\$176,377	\$227,072	\$242,033	\$210,720	\$136,402	\$224,202	\$217,023	\$6,304	3.0%
5322	Accrued Vacation	\$5,031	\$1,308	(\$954)	\$3,000	\$0	\$3,000	\$3,000	\$0	0.0%
5330	Group Health Insurance	\$70,597	\$75,486	\$89,654	\$84,529	\$73,280	\$108,500	\$153,382	\$68,854	81.5%
5355	Federal Payroll Taxes	\$50,774	\$56,520	\$57,133	\$60,253	\$31,975	\$57,080	\$60,643	\$390	0.6%
5375	Unemployment Taxes	\$1,406	\$1,378	\$1,927	\$1,327	\$848	\$954	\$1,339	\$12	0.9%
5385	Retirement Fund Expense	\$23,233	\$19,741	\$25,444	\$24,009	\$0	\$24,009	\$28,385	\$4,377	18.2%
5390	Workers Comp Insurance	\$13,090	\$13,505	\$14,122	\$14,500	\$8,666	\$14,708	\$14,500	\$0	0.0%
TOTAL PAYROLL		\$918,246	\$956,579	\$1,008,587	\$1,002,238	\$560,145	\$993,053	\$1,081,784	\$79,547	7.9%
UTILITIES										
6000	Electricity	\$84,958	\$67,412	\$78,097	\$85,000	\$35,197	\$70,614	\$90,950	\$5,950	7.0%
6025	Water & Sewer	\$834,636	\$915,032	\$940,030	\$1,000,000	\$545,201	\$961,868	\$988,526	-\$11,474	-1.1%
6050	Telephone	\$9,689	\$15,013	\$15,622	\$15,000	\$8,068	\$14,318	\$15,900	\$900	6.0%
TOTAL UTILITIES		\$929,283	\$997,457	\$1,033,749	\$1,100,000	\$588,466	\$1,046,800	\$1,095,376	-\$4,624	-0.4%
GENERAL MAINTENANCE										
6140	Grounds Non-Contract	\$46,722	\$57,417	\$48,011	\$47,940	\$482	\$47,940	\$49,940	\$2,000	4.2%
6145	Grounds Improvements	\$72,663	\$70,490	\$89,703	\$70,890	\$21,571	\$70,890	\$81,390	\$10,500	14.8%
6150	Contractor Planting	\$5,753	\$9,851	\$10,259	\$11,220	\$4,250	\$9,860	\$11,669	\$449	4.0%
6155	Volunteer Planting	\$939	\$0	\$0	\$900	\$900	\$900	\$900	\$0	0.0%
6160	Tree Maintenance	\$88,888	\$128,592	\$95,559	\$107,100	\$29,605	\$107,100	\$121,084	\$13,984	13.1%
6515	Building Repairs	\$30,862	\$37,541	\$49,366	\$46,818	\$8,655	\$28,162	\$46,818	\$0	0.0%
6525	Community Center	\$5,113	\$2,780	\$107	\$3,500	\$0	\$1,591	\$3,500	\$0	0.0%
6565	Fire Safety Equipment	\$3,332	\$3,372	\$3,955	\$4,000	\$3,989	\$7,989	\$5,000	\$1,000	25.0%
6575	Carpet Cleaning	\$13,870	\$13,870	\$14,045	\$13,870	\$0	\$16,157	\$16,480	\$2,610	18.8%
6600	General Supplies	\$17,877	\$18,092	\$20,035	\$18,360	\$7,852	\$15,502	\$18,360	\$0	0.0%
6620	Gutter Cleaning	\$3,619	\$3,199	\$3,248	\$4,000	\$3,288	\$5,288	\$4,000	\$0	0.0%
6640	Lighting Supplies	\$18,516	\$16,742	\$23,696	\$17,240	\$6,579	\$13,762	\$17,240	\$0	0.0%
6650	Maintenance Equip. & Supplies	\$2,542	\$3,775	\$6,935	\$3,060	\$1,878	\$3,269	\$3,060	\$0	0.0%
6680	Painting - Exterior	\$130,180	\$0	\$112,683	\$70,000	\$25,464	\$72,000	\$80,000	\$10,000	14.3%
6695	Plumbing Repairs	\$54,037	\$57,160	\$62,082	\$55,000	\$38,986	\$61,903	\$70,000	\$15,000	27.3%
6700	Pool Repairs and Supplies	\$65,683	\$42,603	\$44,218	\$65,000	\$3,477	\$49,906	\$65,000	\$0	0.0%
6725	Roofing Repairs	\$71,694	\$49,767	\$55,114	\$66,550	\$37,879	\$65,608	\$66,550	\$0	0.0%
6750	Snow Removal Supplies	\$13,240	\$281	\$17,451	\$14,300	\$7,702	\$7,702	\$14,300	\$0	0.0%
6765	Tennis Courts	\$2,129	\$805	\$81	\$2,040	\$0	\$850	\$2,040	\$0	0.0%
6775	Vehicle Repairs	\$29,471	\$18,822	\$37,754	\$31,000	\$13,262	\$27,353	\$36,000	\$5,000	16.1%
9914	Painting - Miscellaneous	\$2,865	\$2,235	\$2,537	\$2,550	\$812	\$1,971	\$2,550	\$0	0.0%
TOTAL GENERAL MAINTENANCE		\$679,995	\$537,394	\$696,839	\$655,338	\$215,732	\$615,703	\$715,881	\$60,543	9.2%

**Fairlington Villages, A Condominium Association
FY 2023 BUDGET**

Acct #	Line Item	FY19 Actual (Audited)	FY20 Actual (Audited)	FY21 Actual (Audited)	FY22 Budget Final	FY22 YTD Actual Oct-April	FY22 Projected Year-End	FY23 Budget Draft	\$ Budget Variance '22 vs '23	% Budget Variance '22 vs '23
SERVICE CONTRACTS										
6035	Trash Removal	\$321,442	\$318,762	\$321,950	\$326,765	\$192,360	\$328,512	\$338,153	\$11,388	3.5%
6100	Grounds Maintenance	\$407,495	\$411,384	\$411,384	\$411,384	\$239,974	\$411,384	\$425,782	\$14,398	3.5%
6315	Uniform Rental Service	\$5,889	\$6,263	\$6,604	\$6,600	\$2,610	\$5,360	\$6,996	\$396	6.0%
6430	Janitorial Service	\$132,001	\$125,390	\$127,608	\$128,839	\$76,767	\$130,450	\$133,960	\$5,121	4.0%
6434	Exterminator Non-Contract	\$7,512	\$8,939	\$14,768	\$10,170	\$3,215	\$10,000	\$10,524	\$354	3.5%
6438	Pool Contract	\$137,609	\$77,328	\$140,891	\$162,635	\$26,264	\$157,560	\$175,000	\$12,365	7.6%
6440	Patrol Service	\$53,854	\$53,702	\$56,591	\$60,967	\$37,586	\$62,989	\$69,243	\$8,276	13.6%
6442	Snow Removal	\$19,575	\$0	\$32,712	\$32,000	\$21,406	\$21,406	\$33,920	\$1,920	6.0%
TOTAL SERVICE CONTRACTS		\$1,085,377	\$1,001,767	\$1,112,507	\$1,139,360	\$600,182	\$1,127,661	\$1,193,578	\$54,218	4.8%
PROFESSIONAL SERVICES										
7000	Auditor	\$10,575	\$14,850	\$12,750	\$14,000	\$14,595	\$14,595	\$15,500	\$1,500	10.7%
7010	Planning & Engineering	\$35,175	\$3,450	\$0	\$9,000	\$16,433	\$20,183	\$18,000	\$9,000	100.0%
7020	Legal Services	\$14,904	\$10,560	\$24,647	\$25,000	\$19,603	\$30,020	\$30,000	\$5,000	20.0%
7040	Management Contract	\$310,756	\$310,406	\$316,614	\$322,946	\$188,385	\$322,946	\$322,946	\$0	0.0%
TOTAL PROFESSIONAL SERVICES		\$371,410	\$339,266	\$354,011	\$370,946	\$239,017	\$387,744	\$386,446	\$15,500	4.2%
TAXES										
9000	Income Taxes	\$23,289	\$21,552	\$17,510	\$37,158	\$16,857	\$35,436	\$36,328	-\$830	-2.2%
9834	Depreciation	\$5,582	\$5,582	\$4,408	\$5,582	\$0	\$1,862	\$5,582	\$0	0.0%
TOTAL TAXES & CONTINGENCY		\$28,871	\$27,134	\$21,918	\$42,740	\$16,857	\$37,298	\$41,910	-\$830	-1.9%
TOTAL OPERATING EXPENSES		\$4,671,386	\$4,566,850	\$4,895,829	\$4,991,763	\$2,634,647	\$4,906,073	\$5,279,599	\$287,837	5.8%
RESERVE CONTRIBUTIONS										
9105	Repair & Replacement Reserve	\$3,175,440	\$3,207,194	\$3,078,977	\$3,109,767	\$1,814,030	\$3,109,766	\$3,140,865	\$31,098	1.0%
9966	Reserve Interest Income, Net Taxes	\$21,708	\$56,681	\$36,443	\$47,600	\$27,765	\$47,598	\$40,600	-\$7,000	-14.7%
TOTAL RESERVE CONTRIBUTIONS		\$3,197,148	\$3,263,875	\$3,115,420	\$3,157,367	\$1,841,795	\$3,157,364	\$3,181,465	\$24,098	0.8%
TOTAL EXPENDITURES		\$7,868,534	\$7,830,726	\$8,011,249	\$8,149,130	\$4,476,440	\$8,063,437	\$8,461,064	\$311,935	3.8%
INCOME										
4200	Fairlington Court H.O.A.	\$11,000	\$11,220	\$11,220	\$11,320	\$8,490	\$11,320	\$11,770	\$450	4.0%
4215	Resale Packets Income	\$21,200	\$21,805	\$35,322	\$25,000	\$14,842	\$25,259	\$25,000	\$0	0.0%
4250	ID/Parking	\$1,025	\$350	\$2,784	\$1,250	\$0	\$1,042	\$2,500	\$1,250	100.0%
4405	Rental Income	\$23,280	\$11,035	\$16,470	\$15,000	\$13,606	\$28,606	\$28,000	\$13,000	86.7%
4710	Late Fees	\$19,775	\$17,350	\$11,575	\$18,000	\$8,985	\$16,485	\$18,000	\$0	0.0%
4720	Attorneys Fees	\$875	\$0	\$4,757	\$2,000	\$1,816	\$2,649	\$2,000	\$0	0.0%
4835	Miscellaneous (Including Grant Revenue)	\$7,575	\$591	\$9,321	\$5,000	\$2,486	\$5,736	\$5,000	\$0	0.0%
4900	Interest Income	\$103,638	\$106,867	\$79,937	\$85,000	\$43,919	\$79,336	\$72,500	-\$12,500	-14.7%
4903	Cable Income	\$3,548	\$3,548	\$886	\$10,218	\$0	\$10,218	\$10,218	\$0	0.0%
4920	Unrealized Investment Gain	\$0	\$13,038	\$7,564	\$13,000	\$1,724	\$7,141	\$7,000	-\$6,000	-46.2%
TOTAL OTHER INCOME		\$191,916	\$185,804	\$179,836	\$185,788	\$95,869	\$187,792	\$181,989	-\$3,799	-2.0%
ASSESSMENTS										
4000	Condominium Fees	\$7,661,382	\$7,848,492	\$7,848,492	\$7,963,342	\$4,646,446	\$7,965,336	\$8,279,075	\$315,733	3.96%
TOTAL ASSESSMENTS		\$7,661,382	\$7,848,492	\$7,848,492	\$7,963,342	\$4,646,446	\$7,965,336	\$8,279,075	\$315,733	3.96%
TOTAL INCOME		\$7,853,298	\$8,034,296	\$8,028,328	\$8,149,130	\$4,742,315	\$8,153,128	\$8,461,064	\$311,934	3.8%
SURPLUS/DEFICIT		(\$15,236)	\$203,570	\$17,079	\$0	\$265,873	\$89,691	\$0	\$0	

Fairlington Villages, A Condominium Association
FY 2023 BUDGET

EXPENSE ACCOUNTS

ADMINISTRATIVE

Account #5000 - Admin. Miscellaneous

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$28,795	\$20,516	\$23,854	\$28,000	\$24,669	\$45,000

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. Increase by \$17,000 in FY 23 (\$10,000 for website upgrade; \$7,500 for full Votenet management of annual meeting elections, including potential Bylaws revision voting.)

Account #5010 - Bad / Uncollectible Debt

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$24,192	\$25,199	-\$410	\$10,500	\$4,375	\$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 FY22

Account #5020 - Recording Secretary

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$3,500	\$3,500	\$3,500	\$3,250	\$3,404	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$27,900	\$30,143	\$30,290	\$23,000	\$25,933	\$30,000

Allowance for purchase and rental of office equipment, repair and related service contracts, IT monthly monitoring contract, software and related technology needs. Given recent trends, increase by \$7,000 in FY23 to address increased technology costs.

Account #5090 - Office Supplies

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$10,201	\$7,521	\$8,756	\$6,500	\$8,208	\$9,000

Anticipated cost of basic office supplies. FY22 costs are over budget due to increased expenditures for community mailing supplies. Given recent trends, increase by \$2,500 in FY23 to address increased costs.

Fairlington Villages, A Condominium Association
FY 2023 BUDGET

Account #5195 - Parking Decals & ID Cards

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$2,801	\$1,071	\$7,531	\$3,300	\$3,470	\$3,500

Cost covers annual parking decals, and materials for pool IDs and annual stickers. The bulk of this expenditure occurs in August. Raise by \$200 in FY23 to address increased production costs.

Account #5205 - Community Activities

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$11,216	\$4,611	\$4,457	\$13,000	\$3,789	\$15,000

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. Increase by \$2,000 to cover increased costs of post-pandemic social events. Account will be divided into the following three subaccounts: General (\$12,350); Book Club (\$650); and Tennis (\$2,000).

Account #5210 - Printing & Stationery

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,949	\$11,323	\$10,900	\$6,500	\$10,320	\$13,000

Estimated cost of office printing and paper needs, including the annual meeting notice, draft budget, and the final budget. FY22 expenditures are slightly over budget due to additional meeting notices for one Ward. Given recent trends raised by \$6,500 in FY23 to cover increased costs, including \$1,500 for potential Bylaws revision and \$3,000 for printing the updated Fairlington Villages' Handbook.

Account #5215 - Postage

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$12,011	\$19,624	\$15,238	\$11,500	\$14,407	\$13,000

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. FY22 projections are over budget due to additional meeting notices for one Ward. Increased by \$1,500 to cover the cost of distributing the updated Fairlington Villages' Handbook.

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Account #5225 - Newsletter

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$26,413	\$30,355	\$23,944	\$27,000	\$31,710	\$30,000

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. Given recent trends, raise by \$3,000 in FY23 to address increased costs.

Account #5400 - Insurance

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$430,609	\$450,861	\$429,558	\$448,591	\$474,708	\$484,374

Latest Association renewal policy insures community from 7/15/21 until 7/15/22, and coverage includes all the Association's required insurance policies, including master building and personal property, general liability, and auto; and directors and officers liability, crime coverage, cybersecurity, and fidelity insurance. FY23 budgets an increase of 8.0% in premiums when the policies renew on 7/15/22, per Holden & Company proposal dated 6/28/2022.

Account #5475 - Non-Insurance Loss

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$74,617	\$102,527	\$110,599	\$100,000	\$92,816	\$108,000

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. Given recent trends, raise by \$8,000 in FY23 to address increased costs.

Fairlington Villages, A Condominium Association
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EXPENSE ACCOUNTS - PAYROLL

Account #5095 - Payroll Administration

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$27,626	\$27,007	\$27,021	\$27,000	\$26,920	\$27,810

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.). Given recent trends, raise by 3% in FY23 to address increased costs.

Account #5302 - Administrative Staff

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$174,106	\$150,527	\$141,324	\$158,385	\$142,867	\$160,804

Line item is the estimated compensation for the Office Manager and two Office Administrators. FY23 budget allows for a 4.1% COLA.

Account #5304 - Maintenance Staff

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$376,006	\$384,036	\$410,884	\$418,516	\$390,813	\$414,898

Funds full staff of 8 maintenance positions. FY23 budget allows for a 4.1% COLA.

Account #5306 - Management Staff

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$176,377	\$227,072	\$242,033	\$210,720	\$224,202	\$217,023

Line item is the estimated compensation for the Facilities Manager and Operations Manager. FY23 budget allows for a 4.1% COLA.

Account #5322 - Accrued Vacation

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,031	\$1,308	-\$954	\$3,000	\$3,000	\$3,000

The value of the total amount employees have earned as of September 30th 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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$70,597	\$75,486	\$89,654	\$84,529	\$108,500	\$153,382

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. The FY23 budget amount is anticipated to cover 8 maintenance and 5 administrative positions, and rises by \$68,853 due to increases in premiums and changes in health insurance cost accounting.

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Account #5355 - Federal Payroll Taxes

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$50,774	\$56,520	\$57,133	\$60,253	\$57,080	\$60,643

Fairlington Villages' federal payroll taxes on wages paid. Tied to pay raises and increases proportionately.

Account #5375 - Unemployment Taxes

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$1,406	\$1,378	\$1,927	\$1,327	\$954	\$1,339

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. Tied to pay raises and increases proportionately.

Account #5385 - Retirement Fund Expense

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$23,233	\$19,741	\$25,444	\$24,009	\$24,009	\$28,385

The Association offers a Simplified Employee Pension (SEP) Individual Retirement Account (IRA) through MetLife to employees with three or more years of service. For FY23, eleven 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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$13,090	\$13,505	\$14,122	\$14,500	\$14,708	\$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
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EXPENSE ACCOUNTS - UTILITIES

Account #6000 - Electricity

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$84,958	\$67,412	\$78,097	\$85,000	\$70,614	\$90,950

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. Tentative 7% increase in FY23 to reflect initial year of Dominion Energy's anticipated three-year 20% rate increase due to increased fuel costs.

Account #6025 - Water & Sewer

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$834,636	\$915,032	\$940,030	\$1,000,000	\$961,868	\$988,526

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. Decrease in FY23 by \$10,000. FY23 usage should remain approximately flat and estimated \$25,000 in savings due to correction of Alexandria Renew billing should offset Arlington County (approximately 2.2%) and Alexandria Renew (6.5%) FY23 rate increases while providing for an approximate 4% buffer to absorb unanticipated costs due to water leaks, etc.

Account #6050 - Telephone

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$9,689	\$15,013	\$15,622	\$15,000	\$14,318	\$15,900

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. Increase by \$900 in FY23.

Fairlington Villages, A Condominium Association
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EXPENSE ACCOUNTS - GENERAL MAINTENANCE

Account #6140 - Grounds Non-Contract

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$46,722	\$57,417	\$48,011	\$47,940	\$47,940	\$49,940

Grounds care, maintenance materials and supplies used by contractors or maintenance staff, such as mulch, chemicals, fertilizers, seeds and hoses. Raise by \$2,000 in FY23 to cover increase to the costs of mulch. Savings in Ward I fertilizer costs offset by increased costs for other Wards.

Account #6145 - Grounds Improvements

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$72,663	\$70,490	\$89,703	\$70,890	\$70,890	\$81,390

Rejuvenation pruning and planting; drainage and erosion prevention; and emergency projects. Raise by \$10,500 to address increased drainage and erosion costs (\$6,000); renovation planting costs (\$2,500); and replacement plant costs, especially for natives (\$2,000). For FY23: \$25,000 for Drainage and Erosion, (2) \$22,500 for Renovation Planting, (3) \$20,000 for replacement plants; and (4) \$13,890 for other grounds projects.

Account #6150 - Contractor Planting

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,753	\$9,851	\$10,259	\$11,220	\$9,860	\$11,669

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. Increase by 4% to cover rise in costs of plantings for all focal beds.

Account #6155 - Volunteer Planting

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$939	\$0	\$0	\$900	\$900	\$900

Cost for acquisition of summer flowers planted 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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$88,888	\$128,592	\$95,559	\$107,100	\$107,100	\$121,084

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. Increase by \$13,984 in FY23 -- \$4,284 to cover rise in maintenance costs and \$9,700 to fund a survey/database documenting the health of 274 of the Association's mature trees.

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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$30,862	\$37,541	\$49,366	\$46,818	\$28,162	\$46,818

Expenses include maintenance and minor repairs to masonry and concrete; balcony caulking and sealing; 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 & Supplies accounts are interrelated.

Account #6525 - Community Center

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,113	\$2,780	\$107	\$3,500	\$1,591	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$3,332	\$3,372	\$3,955	\$4,000	\$7,989	\$5,000

This line item covers inspecting, maintaining and replacing of fire extinguishers in the multistory buildings. Increase by \$1,000 in FY23 per bid received from vendor.

Account #6575 - Carpet Cleaning

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$13,870	\$13,870	\$14,045	\$13,870	\$16,157	\$16,480

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. Increase by \$2,610 in FY23 per estimate received from CMR Alliance. New cost is 2% over FY22 cost of \$16,157.

Account #6600 - General Supplies

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$17,877	\$18,092	\$20,035	\$18,360	\$15,502	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$3,619	\$3,199	\$3,248	\$4,000	\$5,288	\$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
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Account #6640 - Lighting Supplies

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$18,516	\$16,742	\$23,696	\$17,240	\$13,762	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$2,542	\$3,775	\$6,935	\$3,060	\$3,269	\$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 accounts are interrelated.

Account #6680 - Painting - Exterior

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$23,582	\$0	\$112,683	\$70,000	\$72,000	\$80,000

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 included the costs of *two years* of the exterior painting project (FY20 & FY21). The phased project is back in line with its annual performance and billing schedule in FY22. Increase by \$10,000 due to the large number of three-story buildings in Ward V, which is scheduled for painting in FY23.

Account #6695 - Plumbing Repairs

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$54,037	\$57,160	\$62,082	\$55,000	\$61,903	\$70,000

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. Increase by \$15,000 in FY23 to fund additional plumbing repairs in accordance with the updated Chart of Maintenance Responsibilities.

Account #6700 - Pool Repairs & Supplies

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$65,683	\$42,603	\$44,218	\$65,000	\$49,906	\$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.

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Account #6725 - Roofing Repairs

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$71,694	\$49,767	\$55,114	\$66,550	\$65,608	\$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.

Account #6750 - Snow Removal Supplies

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$13,240	\$281	\$17,451	\$14,300	\$7,702	\$14,300

Costs covers purchase of snow removal supplies and maintenance of removal equipment.

Account #6765 - Tennis Courts

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$2,129	\$805	\$81	\$2,040	\$850	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$29,471	\$18,822	\$37,754	\$31,000	\$27,353	\$36,000

Fuel, repair and maintenance of maintenance vehicles, which includes six Nissan pick-up trucks, a GMC, a Ford F-250 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. Increase \$5,000 in FY23 due to the current rise in fuel costs.

Account #9914 - Painting - Miscellaneous

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$2,865	\$2,235	\$2,537	\$2,550	\$1,971	\$2,550

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

Fairlington Villages, A Condominium Association
FY 2023 BUDGET

EXPENSE ACCOUNTS - SERVICE CONTRACTS

Account #6035 - Trash Removal

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$321,442	\$318,762	\$321,950	\$326,765	\$328,512	\$338,153

Annual cost for trash removal six days a week, recycling one day a week, and one day per week 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. \$11,388 FY23 increase due to 2% in monthly contract cost effective 4/1/23 and \$540 per month increase in cost of Arlington County dump fees.

Account #6100 - Grounds Maintenance

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$407,495	\$411,384	\$411,384	\$411,384	\$411,384	\$425,782

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. \$14,398 FY23 increase to reflect tentative 6% monthly increase in cost when contract is competitively bid effective March 1, 2023.

Account #6315 - Uniform Rental Service

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,889	\$6,263	\$6,604	\$6,600	\$5,360	\$6,996

The amount is based on terms of current agreement. Cost covers uniform rentals for those staff members who wear uniforms. Tentative 6% increase to reflect inflation and full staff of 8 maintenance personnel in FY23.

Account #6430 - Janitorial Service

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$132,001	\$125,390	\$127,608	\$128,839	\$130,450	\$133,960

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 runs through February 28, 2023. The Agreement increased 2% March 1, 2022 through February 28, 2023. \$5,121 FY23 increase due to estimated 6% increase in monthly contract cost when contract renews on March 1, 2023. Assumes any COVID-related deep cleaning will be performed by maintenance staff.

Account #6434 - Exterminator Non-Contract

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$7,512	\$8,939	\$14,768	\$10,170	\$10,000	\$10,524

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.] \$354 FY23 increase due to estimated 4.5% increase in monthly contract cost when contract renews 1/1/2023 together with additional allowance for special rodent abatement services.

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Account #6438 - Pool Contract

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$137,609	\$77,328	\$140,891	\$162,635	\$157,560	\$175,000

Cost for Professional Management Services Agreement to operate the Association's six seasonal swimming pools. \$12,365 FY23 increase based on 2023 optional year figures for pools 1-6 contained in 2022 High Sierra pool contract. Does not include cost of additional lifeguards to provide continuous coverage and eliminate life guard breaks at lap swim pools.

Account #6440 - Patrol Service

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$53,854	\$53,702	\$56,591	\$60,967	\$62,989	\$69,243

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. Agreement provides 8 hours of daily patrol service 365 days per year. \$8,276 increase due to estimated 5% increase in contract cost when contract renews on 10/1/2022. Cost of current contract greater than estimated in FY22 budget.

Account #6442 - Snow Removal

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$19,575	\$0	\$32,712	\$32,000	\$21,406	\$33,920

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 a tentative 6% FY23 increase to reflect inflation and rising labor costs.

Fairlington Villages, A Condominium Association
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EXPENSE ACCOUNTS - PROFESSIONAL SERVICES

Account #7000 - Auditor

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$10,575	\$14,850	\$12,750	\$14,000	\$14,595	\$15,500

Audit and tax preparation services contracted annually. Budget is based on terms of agreement for services associated with FY22 audit and calendar year 2022 tax return preparation with \$1,500 FY23 increase per 1/5/2022 Board Resolution.

Account #7010 - Planning & Engineering

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$35,175	\$3,450	\$0	\$9,000	\$20,183	\$18,000

Estimated costs for engineering consulting services not associated with capital reserve replacement projects. Given recent trends, add \$9,000 in FY23.

Account #7020 - Legal Services

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$14,904	\$10,560	\$24,647	\$25,000	\$30,020	\$30,000

Estimated costs for collection services on delinquent accounts, advice and counsel, and opinion letters. Given recent trends and potential legal costs of Bylaws revision, add \$5,000 in FY23.

Account #7040 - Management Contract

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$310,756	\$310,406	\$316,614	\$322,946	\$322,946	\$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 October 2019 through September 2022.

EXPENSE ACCOUNTS - TAXES & DEPRECIATION

Account #9000 - Income Taxes

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$23,289	\$21,552	\$17,510	\$37,158	\$35,436	\$36,328

The Association pays federal and state taxes on its interest income and any other unrelated business income. FY23 tax liability estimated at 20% of projected income.

Account #9834 - Depreciation

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$5,582	\$5,582	\$4,408	\$5,582	\$1,862	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$3,175,440	\$3,207,194	\$3,078,977	\$3,109,767	\$3,109,766	\$3,140,865

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 to 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 was increased 1% from the level established in FY 21. FY23 increase of \$31,098 based on Reserve Study/FY22 Budget.

Account #9966 - Reserve Interest Income Net of Taxes

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$21,708	\$56,681	\$36,443	\$47,600	\$47,598	\$40,600

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, but levelled off in FY21-22. The Association's investment advisor has recommended a continued conservative estimated yield in FY23 for budget purposes. Roughly two-thirds of the earnings net of taxes are re-invested in the replacement reserve fund as an additional contribution.

INCOME ACCOUNTS

Account #4000 - Condo Fees

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$7,661,382	\$7,848,492	\$7,848,492	\$7,963,342	\$7,965,336	\$8,279,075

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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$11,000	\$11,220	\$11,220	\$11,320	\$11,320	\$11,770

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." Increase by \$450 in FY23

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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$21,200	\$21,805	\$35,322	\$25,000	\$25,259	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$1,025	\$350	\$2,784	\$1,250	\$1,042	\$2,500

Income generated by charges for new and replacement ID cards. The majority of this income is collected during the months of June to August. Increase \$1,250 in FY23 due to increased requests for replacement cards as residents resume activities following pandemic.

Account #4405 - Rental Income

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$23,280	\$11,035	\$16,470	\$15,000	\$28,606	\$28,000

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 lifeguard 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. Increased by \$13,000 in FY23 as rentals increase following pandemic.

Fairlington Villages, A Condominium Association
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Account #4710 - Late Fees

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$19,775	\$17,350	\$11,575	\$18,000	\$16,485	\$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

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$875	\$0	\$4,757	\$2,000	\$2,649	\$2,000

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

Account #4835 - Miscellaneous

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$7,575	\$591	\$9,321	\$5,000	\$5,736	\$5,000

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

Account #4900 - Interest Income

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$103,638	\$106,867	\$79,937	\$85,000	\$79,336	\$72,500

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 and FY22. The Association's investment advisor has recommended a conservative estimated yield in FY23 (\$72,500) for budget purposes. Roughly two-thirds of the earnings net of taxes are re-invested in the repair and replacement reserve fund as an additional contribution.

Account #4903 - Cable Easement Income

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$3,548	\$3,548	\$886	\$10,218	\$10,218	\$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 anticipates \$102,180 in 2022 for the entire 10-year period, which will be amortized for tax purposes.

Account #4920 - Unrealized Gain on Investments

FY19 (Audited)	FY20 (Audited)	FY21 (Audited)	FY22 Budgeted	FY22 Projected	FY23 DRAFT
\$0	\$13,038	\$7,564	\$13,000	\$7,141	\$7,000

Increases in the value of securities and investments that the Association continues to hold and has not yet sold for cash. Decreased by \$7,000 in FY23 to reflect changes in CD/Treasury market values.

**Fairlington Villages, A Condominium Association
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FY 2023 Reserve Expenses

	FY23 Budget
3700- 6150- Parking Lot Pavement Renovation	\$568,845
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	\$360,000
An allowance for Pools 1, 4 and 6 renovation and Pool House 1 refurbishment and reconfiguration.	
3700- 6100- Exterior Site Replacements	\$1,273,500
An allowance for perimeter fence replacement, continuation of backyard fence replacement, limited retaining wall repairs, tot lot expansions, tennis court repairs, front porch railings, additional electric charging station, and turf repair where required.	
3700- 1230- Condominium Interior Upgrades	\$736,500
For interior upgrades and window & door 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	\$620,000
Includes Masonry Project, porch concrete and brick repairs, and rotten wood replacement.	
3700- IT Equipment Upgrades	\$30,500
Upgrade to office IT equipment, cloud storage, and desktop workstations, Virtual Meeting Equipment & Heat Pumps for Community Center.	
3700- 4590- Water Sewer Line Replacement	\$61,000
The lining of the sanitary drainage piping and stack replacements as needed.	
TOTAL RESERVE EXPENSES FY2023	
2019 Reserve Study Recommendations (2022 prices)	\$4,050,345
Adjusted 3% per year for inflation (2023)	\$4,171,855

Fairlington Villages, A Condominium Association FY 2023 BUDGET

RESERVE CASH FLOW SUMMARY

Revised for FY 2023 Budget based on FY 2019 Reserve Study Update
and Fairlington Villages' response in FY 2021 to the COVID-19 crisis

FAIRLINGTON VILLAGES							Begin Study Period: 2019	End Study Period: 2038
Beginning Balance:	\$3,720,682						Ending Reserve Balance	Increase in Contribution
Annual Increase:	See Notes						Capital Expenditures	Contribution
Initial Contribution:	\$3,175,440						Reserve Interest Income Net of Taxes	Contribution
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	\$36,443	\$2,559,302	\$6,291,840	-\$128,217		
2022	\$6,291,840	\$3,109,767	\$47,600	\$3,102,789	\$6,346,417	\$30,790		
2023	\$6,346,417	\$3,140,864	\$40,600	\$4,171,855	\$5,356,026	\$31,098		
2024	\$5,356,026	\$3,172,273	\$40,600	\$4,527,571	\$4,041,329	\$31,409		
2025	\$4,041,329	\$3,203,996	\$40,600	\$3,966,307	\$3,319,618	\$31,723		
2026	\$3,319,618	\$3,236,036	\$40,600	\$3,645,222	\$2,951,032	\$32,040		
2027	\$2,951,032	\$3,268,396	\$40,600	\$3,602,534	\$2,657,494	\$32,360		

Notes:

- 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.)
- The above-shown column for yearly contributions represents the amount collected annually as part of assessments. The amount of capital expenditures for FY2022 projected on year-to-date expenditures and projections is \$3,075,789. After decreasing in FY21 as a result of Fairlington Villages' efforts to address the impacts of the 2020 COVID-19 crisis, the annual contribution increased in FY 2022 at the programmed rate of 1.00% per year in accordance with the recommendations of the 2019 Reserve Study Update.