

Lafayette Village Community Association

2015 BUDGET (Board Adopted)

Working with our management company, the Finance Committee has prepared the following budget for the fiscal year starting January 1, 2015. This budget assumes that HOA fees will remain unchanged in 2015 - \$328 per quarter for town homes and \$167 per quarter for detached homes on Merrimac Trail. This budget keeps our reserve funds contribution to \$80,000, per the recommendation of our reserve study. The percentages provided in this budget refer to the amount each item represents in the total budget.

LINE ITEM	2013	2014	2015 Approved		
			Budget	% of Total	Difference
HOA OPERATING BUDGET					
Revenue					
Single Family Assessments	\$ 14,028	\$ 14,028	\$ 14,028	3.5%	\$ -
Townhome Assessments	\$ 385,728	\$ 385,728	\$ 385,728	96.1%	\$ -
Pool Passes	\$ -	\$ -	\$ -	0.0%	\$ -
Late Fees	\$ 1,500	\$ 1,500	\$ 1,000	0.2%	\$ (500)
Interest-Reserves	\$ 500	\$ 500	\$ 250	0.1%	\$ (250)
Miscellaneous Income	\$ 300	\$ 300	\$ 300	0.1%	\$ -
Hot Lanes Grant	\$ 5,000	\$ -	\$ -	0.0%	\$ -
Garden Plot Income	\$ 250	\$ 250	\$ 250	0.1%	\$ -
NEPP Grant	\$ 4,000	\$ -	\$ -	0.0%	\$ -
Total Revenue	\$ 411,306	\$ 402,306	\$ 401,556	100%	\$ (750)
Administrative Expenses					
Miscellaneous Administrative	\$ 3,000	\$ 3,000	\$ 2,500		\$ (500)
Community Events	\$ 1,500	\$ 1,500	\$ 1,500		\$ -
Management Fees	\$ 39,936	\$ 41,533	\$ 43,200		\$ 1,667
Website/Newsletter	\$ 2,500	\$ 2,500	\$ 2,500		\$ -
Legal Fees	\$ 12,000	\$ 10,000	\$ 10,000		\$ -
Audit/Tax Preparation	\$ 4,100	\$ 4,100	\$ 4,100		\$ -
Reserve Study/Professional Fees	\$ 3,000	\$ -	\$ -		\$ -
Bad Debts	\$ 8,000	\$ 4,000	\$ 4,000		\$ -
Neighborhood Watch	\$ 500	\$ 500	\$ 500		\$ -
Meeting Support	\$ 2,700	\$ 2,200	\$ 2,500		\$ 300
Total Administrative Expenses	\$ 77,236	\$ 69,333	\$ 70,800	18.2%	\$ 1,467

LINE ITEM	2013	2014	2015 Approved		
			Budget	% of Total	Difference
HOA OPERATING BUDGET					
<i>Contract & Maintenance Expenses:</i>					
Trash Removal	\$ 46,544	\$ 46,544	\$ 47,118		\$ 574
Grounds Maintenance & Repair	\$ 20,000	\$ 20,000	\$ 20,000		\$ -
Landscaping Contract	\$ 72,000	\$ 73,500	\$ 75,000		\$ 1,500
Tree Maintenance	\$ 20,000	\$ 20,000	\$ 20,000		\$ -
Emergency Tree Fund	\$ 7,000	\$ 5,000	\$ 5,000		\$ -
Snow Removal/Spring Sweep	\$ 10,000	\$ 10,000	\$ 10,000		\$ -
Garden Expense	\$ 250	\$ 250	\$ 250		\$ -
Tot Lot Maintenance	\$ 500	\$ 500	\$ 500		\$ -
General Maintenance	\$ 2,000	\$ 2,000	\$ 1,500		\$ (500)
Contingency	\$ 2,700	\$ -	\$ -		\$ -
Mailboxes	\$ -	\$ -	\$ -		\$ -
Lights	\$ -	\$ -	\$ -		\$ -
<i>Total Contract & Maintenance Expenses</i>	\$ 180,994	\$ 177,794	\$ 179,368	46.2%	\$ 1,574
<i>Pool Expenses</i>					
Pool Contract	\$ 34,000	\$ 40,000	\$ 31,595		\$ (8,405)
Pool Telephone	\$ 350	\$ 350	\$ 350		\$ -
Pool Electricity	\$ 3,000	\$ 3,000	\$ 3,000		\$ -
Pool Water	\$ 1,500	\$ 1,500	\$ 1,500		\$ -
Pool Gas	\$ 225	\$ 225	\$ 200		\$ (25)
Pool Supplies	\$ 3,000	\$ 1,500	\$ 1,000		\$ (500)
Pool Maintenance	\$ 4,500	\$ 4,500	\$ 4,000		\$ (500)
<i>Total Pool Expenses</i>	\$ 46,575	\$ 51,075	\$ 41,645	10.7%	\$ (9,430)
<i>Utility Expenses</i>					
Street Light Electricity	\$ 5,200	\$ 5,000	\$ 5,000		\$ -
<i>Total Utility Expenses</i>	\$ 5,200	\$ 5,000	\$ 5,000	1.3%	\$ -
<i>Fixed Expenses</i>					
Taxes & Licenses	\$ 2,800	\$ 2,800	\$ 2,800		\$ -
Insurance	\$ 5,000	\$ 8,100	\$ 8,500		\$ 400
<i>Total Fixed Expenses</i>	\$ 7,800	\$ 10,900	\$ 11,300	2.9%	\$ 400
<i>Special Projects</i>					
NEPP Grant Expenses	\$ 4,000	NA	NA		NA
Hot Lanes Grant Expenses	\$ 5,000	NA	NA		NA
<i>Total Special Projects</i>	\$ 9,000	NA	NA		NA

LINE ITEM	2013	2014	2015 Approved		
			Budget	% of Total	Difference
HOA OPERATING BUDGET					
<i>Replacement Reserve Contributions</i>					
Replacement Reserve Contribution	\$ 72,000	\$ 80,000	\$ 80,000		\$ -
Total Replacement Reserve Contributions	\$ 72,000	\$ 80,000	\$ 80,000	20.6%	\$ -
Total Operating Expenses	\$ 398,805	\$ 394,102	\$ 388,113	100%	\$ (5,989)
Surplus / (Deficit)	\$ 12,501	\$ 8,204	\$ 13,443	3.3%	
CAPITAL RESERVE BUDGET					
Reserve Fund Balance (As of January 1, 2015)					
Reserve Balance (As of October 31, 2014)		\$ 250,641			
Contributions (Through December 31, 2014)		\$ 13,333			
Community Maintenance/Improvement Fund		\$ 75,282			
Current Year End Surplus (As of October 31, 2014)		\$ 90,984			
Reserve Fund Balance (As of January 1, 2015)			\$ 430,240		
Planned Reserve Fund Projects (Per Study)					
Property Site Elements					
Light Poles, Benches & Fixtures			\$ 6,000		
Retaining Walls, etc.			\$ 21,548		
Pool House Elements					
Roof			\$ -		
Pool Elements					
Cover			\$ -		
Fence			\$ 8,214		
Other (Held-Over/Contingency)			\$ 5,200		
Total Planned Projects			\$ 40,962		
Annual Reserve Contribution			\$ 80,000		
Reserve Fund Balance (As of December 31, 2015)			\$ 469,278		Surplus
Reserve Study Requirement			\$ 452,824		\$ 16,454

The Replacement Reserve Fund is managed in accordance with the Reserve Study published in December, 2012. The Study recommends annual contributions from the operating budget to sustain the infrastructure and capital property in the community. The projects outlined above are in line with recommended improvements and maintenance within the study, and the board will approve this capital reserve budget as a part of the annual budget process.

Reserve Advisors, Inc.

RESERVE EXPENDITURES

for
Lafayette Village
Community Association
Annandale, Virginia

Line Item	Reserve Component Inventory	21 2033	22 2034	23 2035	24 2036	25 2037	26 2038	27 2039	28 2040	29 2041	30 2042
Property Site Elements											
4.020	Asphalt Pavement, Crack Repair, Patch and Seal Coat						55,323				59,884
4.040	Asphalt Pavement, Mill and Overlay										
4.045	Asphalt Pavement, Total Replacement		988,128								
4.081	Basketball and Multi-Purpose Courts, Color Coat					10,188					
4.082	Basketball and Multi-Purpose Courts, Surface Replacements										47,494
4.091	Bridge, Wood				13,993						
4.100	Catch Basins, Inspections and Capital Repairs		27,209								
4.110	Concrete Curbs and Gutters, Partial		71,888								
4.140	Concrete Sidewalks, Partial		20,871				22,591				24,453
4.245	Fence, Metal										
4.560	Light Poles and Fixtures, Phased		11,904		12,385		12,885	13,143	13,406	13,674	
4.600	Mailbox Stations, Phased	19,401				21,000					
4.660	Playground Equipment								54,842		
4.760	Retaining Walls, Timber, Phased (Replace With Masonry)										
4.800	Signage, Renovation										
Pool House Elements											
5.500	Interior Renovations, Complete				24,127						
5.600	Roof, Asphalt Shingles (Includes Gutters and Downspouts)	9,321									
5.800	Windows and Doors										
Pool Elements											
6.200	Concrete Deck, Inspections, Partial Replacements and Repairs				7,656						
6.300	Covers (2013 Includes Initial Installation)		7,365							8,460	
6.400	Fence, Chain Link										
6.500	Furniture									21,310	
6.600	Mechanical Equipment										8,151
6.800	Plaster Finishes				33,205						
6.900	Structures, Total Replacement										1,006,755
Reserve Study Update with Site Visit											
Anticipated Expenditures, By Year		28,722	1,127,365	0	91,366	31,188	90,799	13,143	68,248	43,444	1,146,737

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS		Individual Reserve Budgets & Cash Flows for the Next 30 Years																
Lafayette Village Community Association		Annandale, Virginia																
		FY2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Reserves at Beginning of Year (Note 1)		669,605	675,868	720,980	389,109	462,824	482,584	524,096	521,426	608,744	601,102	692,227	695,463	790,669	888,156	988,035	1,028,729	
Total Recommended Reserve Contributions (Note 2)	5,983	72,000	76,500	78,000	79,600	81,200	82,800	84,500	86,200	87,900	89,700	91,500	93,300	95,200	97,100	99,000		
Plus Estimated Interest Earned, During Year (Note 3)	280	3,483	2,768	2,100	2,333	2,510	2,607	2,818	3,017	3,225	3,461	3,706	4,187	4,679	5,029	5,354		
Less Anticipated Expenditures, By Year	0	(30,371)	(411,139)	(16,385)	(52,173)	(42,198)	(98,077)	0	(96,869)	0	(89,925)	0	0	0	(61,435)	(14,770)		
Anticipated Reserves at Year End		\$675,868	720,980	389,109	462,824	482,584	524,096	521,426	608,744	601,102	692,227	695,463	790,669	888,156	988,035	1,028,729	1,118,313	
Predicted Reserves based on 2012 funding level of:		\$71,791	675,868	721,000	384,000	441,000	463,000	495,000	481,000	555,000	533,000	608,000	593,000	668,000	743,000	819,000	833,000	894,000

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Reserves at Beginning of Year		1,118,313	1,190,196	1,268,275	1,292,239	1,397,405	1,493,244	1,583,695	575,414	694,581	725,055	818,416	854,890	971,903	1,036,764	1,129,422
Total Recommended Reserve Contributions		101,000	103,000	105,100	107,200	109,300	111,500	113,700	116,000	118,300	120,700	123,100	125,600	128,100	130,700	133,300
Plus Estimated Interest Earned, During Year		5,757	6,106	6,360	6,707	7,209	7,673	5,384	3,167	3,540	3,849	4,173	4,556	5,009	5,402	3,114
Less Anticipated Expenditures, By Year		(34,874)	(41,027)	(77,496)	(8,741)	(20,670)	(28,722)	(1,127,365)	0	(91,365)	(31,188)	(90,799)	(13,143)	(68,248)	(43,444)	(1,146,737)
Anticipated Reserves at Year End		1,190,196	1,268,275	1,292,239	1,397,405	1,493,244	1,583,695	575,414	694,581	725,055	818,416	854,890	971,903	1,036,764	1,129,422	1,190,099
Predicted Reserves based on 2012 funding level of:		\$71,791	935,000	971,000	970,000	1,038,000	1,094,000	1,143,000	91,000	163,000	144,000	185,000	167,000	227,000	232,000	262,000

- Explanatory Notes:**
- 1) Year 2012 reserves are as of November 30, 2012. FY 2012 starts January 1 and ends December 31.
 - 2) Reserve Contributions for 2012 are the remaining budgeted 1 month; 2013 is budgeted; 2014 is the first year of recommended contributions.
 - 3) 0.5% is the estimated annual rate of return on invested reserves; 2012 is a partial year of interest earned.
 - 4) Accumulated Year 2042 ending reserves consider the age, size, overall condition and complexity of the property.
 - 5) Threshold Funding Year (reserve balance at critical point).