

Lafayette Village Community Association

2020 BUDGET (Board Adopted)

Working with our management company, the Finance Committee has prepared and the Board of Directors has adopted the following budget for the fiscal year starting January 1, 2020. This budget assumes that HOA fees will remain the same from 2019, \$338 per quarter for town homes and \$172 per quarter for detached homes on Merrimac Trail. *This budget includes a revised Replacement Reserve Fund contribution of \$93,400, in accordance with the recommendation in our reserve study and audit.* The percentages provided in this budget refer to the variance between 2019 and 2020.

LINE ITEM		2018 Actuals	2019 YTD Aug 31	2019 Final Budget	2020 FINAL BUDGET		
					Budget Amount	% increase	Difference
HOA OPERATING BUDGET							
Revenue							
Single Family Assessments		\$ 14,028	\$ 10,836	\$ 14,448	\$ 14,448	0.0%	\$ -
Townhome Assessments		\$ 385,728	\$ 298,116	\$ 397,488	\$ 397,488	0.0%	\$ -
Late Fees		\$ 1,102	\$ 37	\$ 500	\$ 500	0.0%	\$ -
Interest-Reserves*		\$ 6,705	\$ 8,326	\$ 4,000	\$ 11,000	175.0%	\$ 7,000
Legal Fee Reimbursements		\$ 717	\$ -	\$ 500	\$ 500	n/a	\$ -
Miscellaneous Income		\$ 150	\$ 305	\$ 300	\$ 300	0.0%	\$ -
Garden Plot Income		\$ 700	\$ 631	\$ 700	\$ 700	0.0%	\$ -
Total Revenue		\$ 409,130	\$ 318,251	\$ 417,936	\$ 424,936	1.7%	\$ 7,000
Administrative Expenses							
Miscellaneous Administrative		\$ 1,762	\$ 1,022	\$ 2,500	\$ 2,500	0.0%	\$ -
Community Events		\$ 1,178	\$ 973	\$ 1,500	\$ 1,500	0.0%	\$ -
Management Fees*		\$ 48,360	\$ 33,530	\$ 50,294	\$ 46,500	-7.5%	\$ (3,794)
Website/Newsletter		\$ 2,591	\$ 2,105	\$ 2,500	\$ 2,100	-16.0%	\$ (400)
Legal Fees		\$ 4,687	\$ 4,622	\$ 9,000	\$ 6,000	-33.3%	\$ (3,000)
Audit/Tax Preparation		\$ 4,500	\$ 4,400	\$ 4,800	\$ 4,800	0.0%	\$ -
Reserve Study/Professional Fees		\$ -	\$ -	\$ 2,700	\$ -	n/a	\$ (2,700)
Bad Debts		\$ 1,036	\$ -	\$ 1,000	\$ 2,400	140.0%	\$ 1,400
Neighborhood Watch		\$ -	\$ -	\$ 200	\$ -	-100.0%	\$ (200)
Meeting Support		\$ 1,655	\$ 1,050	\$ 2,500	\$ 2,000	-20.0%	\$ (500)
Total Administrative Expenses		\$ 65,769	\$ 47,702	\$ 76,994	\$ 67,800	-11.9%	\$ (9,194)
Contract & Maintenance Expenses							
Trash Removal (Contract)*		\$ 51,474	\$ 36,071	\$ 52,151	\$ 58,200	11.6%	\$ 6,049
Grounds Maintenance & Repair		\$ 972	\$ 5,059	\$ 20,000	\$ 22,000	10.0%	\$ 2,000
Landscaping Contract		\$ 73,302	\$ 49,071	\$ 73,000	\$ 73,709	1.0%	\$ 709
Tree Maintenance		\$ 23,180	\$ 1,115	\$ 18,000	\$ 17,000	-5.6%	\$ (1,000)
Emergency Tree Fund		\$ 2,850	\$ -	\$ 4,000	\$ 4,000	0.0%	\$ -
Snow Removal/Spring Sweep		\$ 5,428	\$ 14,848	\$ 15,000	\$ 17,000	13.3%	\$ 2,000
Garden Expense		\$ 21	\$ 1,522	\$ 1,500	\$ 1,000	-33.3%	\$ (500)
Tot Lot Maintenance		\$ -	\$ 780	\$ 500	\$ 780	56.0%	\$ 280
General Maintenance		\$ 2,916	\$ 1,380	\$ 2,700	\$ 3,000	11.1%	\$ 300
Total Contract & Maintenance Expenses		\$ 160,143	\$ 109,846	\$ 186,851	\$ 196,689	5.3%	\$ 9,838

LINE ITEM	2018 Actuals	2019 YTD Aug 31	2019 Final Budget	2020 FINAL BUDGET		
				Budget Amount	% increase	Difference
HOA OPERATING BUDGET						
<i>Pool Expenses</i>						
Pool Contract*	\$ 33,660	\$ 34,333	\$ 34,333	\$ 37,450	9.1%	\$ 3,117
Pool Telephone	\$ 631	\$ 406	\$ 500	\$ 500	0.0%	\$ -
Pool Electricity	\$ 3,585	\$ 1,933	\$ 3,000	\$ 4,000	33.3%	\$ 1,000
Pool Water	\$ 2,757	\$ 2,626	\$ 2,000	\$ 3,100	55.0%	\$ 1,100
Pool Gas	\$ 135	\$ 111	\$ 200	\$ 200	0.0%	\$ -
Pool Supplies	\$ 3,033	\$ 3,561	\$ 1,200	\$ 2,000	66.7%	\$ 800
Pool Maintenance	\$ 3,223	\$ 2,181	\$ 4,000	\$ 4,000	0.0%	\$ -
Total Pool Expenses	\$ 47,022	\$ 45,152	\$ 45,233	\$ 51,250	13.3%	\$ 6,017
<i>Utility Expenses</i>						
Street Light Electricity	\$ 4,694	\$ 2,870	\$ 5,000	\$ 5,000	0.0%	\$ -
Total Utility Expenses	\$ 4,694	\$ 2,870	\$ 5,000	\$ 5,000	0.0%	\$ -
<i>Fixed Expenses</i>						
Taxes & Licenses	\$ 1,055	\$ 1,799	\$ 2,800	\$ 1,800	-35.7%	\$ (1,000)
Insurance	\$ 8,500	\$ 6,000	\$ 8,913	\$ 8,913	0.0%	\$ -
Total Fixed Expenses	\$ 9,555	\$ 7,799	\$ 11,713	\$ 10,713	-8.5%	\$ (1,000)
<i>Replacement Reserve Contributions</i>						
Replacement Reserve Contribution	\$ 89,800	\$ 61,067	\$ 91,600	\$ 93,400	2.0%	\$ 1,800
Total Replacement Reserve Contributions	\$ 89,800	\$ 61,067	\$ 91,600	\$ 93,400	2.0%	\$ 1,800
Total Operating Expenses	\$ 376,983	\$ 274,436	\$ 417,392	\$ 424,852	1.8%	\$ 37,260
Surplus / (Deficit)	\$ 32,147	\$ 43,815	\$ 544	\$ 84		

LINE ITEM	2018 Actuals	2019 YTD Aug 31	2019 Final Budget	2020 FINAL BUDGET		
				Budget Amount	% increase	Difference
HOA OPERATING BUDGET						
CAPITAL RESERVE BUDGET						
Reserve Fund Balance						
Replacement Reserve Balance			\$ 654,352	\$ 625,870		
Equity Surplus Transfer			\$ -	\$ -		
Reserve Fund Balance (Jan 1 of budget year)			\$ 654,352	\$ 625,870		
Planned Reserve Fund Projects (Per Study)						
Property Site Elements						
Basketball & Multipurpose Court Resurfacing				\$ 26,000		
Light Poles, Benches & Fixtures			\$ 10,000			
Retaining Walls, etc.				\$ 40,000		
Erosion Control*			\$ 20,000	\$ 50,000		
Playground				\$ 50,000		
Asphalt Rejuvenation			\$ 43,266			
Pool Elements						
Pool Furniture			\$ 8,327	\$ 3,000		
White Coat / Resurfacing / Tile / Pump			\$ 38,489			
Total Planned Projects			\$ 120,082	\$ 169,000		
Annual Reserve Contribution			\$ 91,600	\$ 93,400		
Reserve Fund Balance (Projected as of Dec. 31)			\$ 625,870	\$ 550,270		
Reserve Study Requirement			\$ 436,075	\$ 416,563		
Surplus / (Deficit)*			\$ 189,795	\$ 133,707		

The Replacement Reserve Fund is managed in accordance with the Reserve Study published October 11, 2016. 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 has adopted this capital reserve budget as a part of the annual budget process as revised.

Operating Budget Notes

- * Interest Income: most CDs are earning 2%-3% and will continue to do so throughout 2020
- * The Management Contract with Sequoia was renegotiated and resulted in a decrease of \$3,800 for 2020 vs 2019.
- * Pool Contract: An extra week of summer in 2020 adds a \$2,200 surcharge.
- * Pool Contract: Additional bids have been solicited, so expenditures may be less than budgeted.
- * Trash Contract: Increase in Fairfax County disposal fees (\$352/mo), in addition to 2% contractual increase

Capital Budget Notes

- * Reserve Study makes no allowance for Erosion Control, but is a necessary expenditure to maintain the community
- * The Surplus is the difference projected balance (after planned expenses) and the Reserve Study recommended balance.
- * The Surplus is a result of variances between actual expenditures and those which were estimated and/or postponed.