

Newington Community Association

2008 Budget

The attached 2008 budget was approved by the NCA Board of Directors on November 7, 2007.

The pool contract, accounting contract, grounds contract and trash contract have been increased to include expected cost of living increases stated in our contracts. The snow removal budget was increased by \$1,250 but still only covers about 5 snow removals in a season. Both the payroll service and office mailings budgets needed to be increased based on the switch from Koger Management to Summit Management. The two lines combined required a \$2,500 increase to our budget. The Board was able to reduce the Newsletter budget with this year's change to a new newsletter typist. Both Youth Activities and Kids Trash Pick Up lines were reduced due to lack of use. Another change to the operating expenses was to separate out the collections attorney from the general counsel budget line. This will give the Board a better understanding of how NCA monies allocated for legal expenses are spent. Overall, the affect of the operating expense changes on the 2008 budget was a \$10.50 per quarter increase.

The reserve allocations had a much more significant impact on the 2008 assessment increase. Based on the 2007 Replacement Reserve Study for NCA, it was recommended that NCA increase its common ground reserves allocations from \$20,000 to \$46,000 each year and its street reserves from \$25,000 to \$81,000 each year. The NCA Board understands the need to improve and maintain this important asset but feels such an instant increase would be too cumbersome for many residents. Therefore, the Board has decided to increase the reserve allocations for 2008 to \$30,000 and \$50,000 respectively. Overall, the affect of the reserve allocation changes on the 2008 budget was a \$4 per quarter increase in the single families and \$16 per quarter increase in the townhouses. Single family homes do not contribute to the street reserves since they are located on state-owned streets.

In summary . . .

	<u>2007 Annual Assessment</u>	<u>2008 Proposed Assessment</u>
Single Family	\$175.49	\$190.17
Townhouses	\$194.57	\$221.19

<u>Account Description</u>	<u>2007 Budget</u>	<u>% Change</u>	<u>Amount</u>	<u>2008 Budget</u>	<u>Notes</u>
<u>OPERATING EXPENSES:</u>					
<u>Swimming Pool Expenditure</u>					
07110 Contract - Pool	\$45,000.00	6.7	\$3,000.00	\$48,000.00	
07130 Supplies & Exp. - Pool/Rec	\$2,000.00	0.0	\$0.00	\$2,000.00	
07170 Utilities-Electricity-Pool/Re	\$5,000.00	0.0	\$0.00	\$5,000.00	
07180 Utilities-Telephone-Pool/Rec	\$550.00	0.0	\$0.00	\$550.00	
07190 Utilities-Water-Pool/Rec	\$2,650.00	0.0	\$0.00	\$2,650.00	
Swimming Pool Expenditures	\$55,200.00			\$58,200.00	
<u>Common Area Maintenance</u>					
TBD Grounds Maintenance Contract	\$99,525.00	2.0	\$1,990.00	\$101,515.00	
07220 Common Grounds Improvement	\$7,500.00	0.0	\$0.00	\$7,500.00	
07290 Materials/Supplies	\$200.00	0.0	\$0.00	\$200.00	
07310 New/Replacement Trees & Shrub	\$2,500.00	0.0	\$0.00	\$2,500.00	
07360 Storage Lot Lighting	\$550.00	0.0	\$0.00	\$550.00	
07370 Tree Maintenance/Labor	\$18,000.00	0.0	\$0.00	\$18,000.00	
Common Area Maintenance	\$128,275.00			\$130,265.00	
<u>Street Lts/Snow Rem/Trash</u>					
07410 Private Trash Hauling service	\$2,250.00	0.0	\$0.00	\$2,250.00	
07420 Snow Removal	\$5,000.00	25.0	\$1,250.00	\$6,250.00	cover 5 removals
07430 Street Lighting	\$15,000.00	0.0	\$0.00	\$15,000.00	TH-only expense
07440 Trash Clean up Day	\$200.00	0.0	\$0.00	\$200.00	
07450 Trash Collection	\$125,000.00	12.8	\$16,000.00	\$141,000.00	contract increase
07460 Trash-Kids Pick Up	\$200.00	-50.0	-\$100.00	\$100.00	
Street Lts/Snow Rem/Trash	\$147,650.00			\$164,800.00	
<u>Committee Expenses</u>					
07510 Architectural Control: Expenses	\$150.00	0.0	\$0.00	\$150.00	changed names IAW By-Laws
07515 Architectural Control: Inspections	\$1,000.00	0.0	\$0.00	\$1,000.00	
07520 Publicity: Newsletter Printing	\$4,000.00	0.0	\$0.00	\$4,000.00	
07525 Publicity: Newsletter Typing	\$3,300.00	-27.3	-\$900.00	\$2,400.00	
07550 Recreation: Activities	\$1,700.00	0.0	\$0.00	\$1,700.00	
07570 Recreation: Youth Activities	\$1,000.00	-50.0	-\$500.00	\$500.00	
Committee Expenses	\$11,150.00			\$9,750.00	

Account Description	2007 Budget	% Change	Amount	2008 Budget	Notes
Administration Expenses					
07603 Accounting & Bookkeeping	\$14,000.00	5.0	\$700.00	\$14,700.00	
07605 ADP Service	\$700.00	190.0	\$1,330.00	\$2,030.00	150% used by mid-year
07607 Assistant Community Managers	\$7,500.00	0.0	\$0.00	\$7,500.00	
07610 Audit & Tax Preparation	\$2,500.00	0.0	\$0.00	\$2,500.00	
07612 Bad Debt Expense	\$0.00	0.0	\$0.00	\$0.00	
07615 Bank Service Charges	\$100.00	15.0	\$15.00	\$115.00	
07620 Community Manager	\$20,000.00	0.0	\$0.00	\$20,000.00	
07625 Delinquency Processing	\$0.00	0.0	\$0.00	\$0.00	
07630 Insurance and Bonds	\$9,785.00	0.0	\$0.00	\$9,785.00	
07632 Internet Service	\$600.00	0.0	\$0.00	\$600.00	
07640 Collections Attorney	\$20,000.00	0.0	\$0.00	\$20,000.00	Formerly titled "Legal Services"
TBD General Counsel	N/A	N/A	\$2,000.00	\$2,000.00	New for 2008
07650 Mileage Reimbursement	\$300.00	42.0	\$126.00	\$426.00	
07655 NCA Annual Board Reg in VA	\$25.00	0.0	\$0.00	\$25.00	
07660 Office Equipment & expenses	\$1,000.00	0.0	\$0.00	\$1,000.00	
07662 Office Mailings/Postage (Summit)	\$1,200.00	66.7	\$800.00	\$2,000.00	120% used by mid-year
07665 Office Security Sys Monitoring	\$300.00	8.3	\$25.00	\$325.00	
07667 Office & Web Page Supplies/Ex	\$1,000.00	0.0	\$0.00	\$1,000.00	
07670 P.O. Box	\$48.00	45.8	\$22.00	\$70.00	
07672 Postage (office)	\$1,300.00	0.0	\$0.00	\$1,300.00	
07674 Printing (office)	\$1,000.00	0.0	\$0.00	\$1,000.00	
07675 Rent-Meeting Room	\$50.00	0.0	\$0.00	\$50.00	
07677 Returned Checks	\$150.00	0.0	\$0.00	\$150.00	
07680 Taxes - Income	\$3,800.00	0.0	\$0.00	\$3,800.00	
07683 Taxes - Other	\$50.00	0.0	\$0.00	\$50.00	
07685 Taxes - Payroll	\$1,850.00	0.0	\$0.00	\$1,850.00	
07687 Taxes - Unemployment	\$50.00	0.0	\$0.00	\$50.00	
07690 Telephone (office and cell)	\$1,400.00	0.0	\$0.00	\$1,400.00	
Administration Expenses	\$88,708.00			\$93,726.00	
TOTAL OPERATING EXPENSES	\$430,983.00	6.0	\$25,758.00	\$456,741.00	

Account Description	2007 Budget	% Change	Amount	2008 Budget	Notes
<u>RESERVES</u>					
<u>Contributions</u>					
08000 Common Area Reserve Contribution	\$20,000.00			\$30,011.52	
609 Residences (quarterly)	\$8.21	50.1	\$4.11	\$12.32	
08005 Street/Curb Reserve Contribution	\$25,000.00			\$50,010.56	
524 Town homes (quarterly)	\$11.93	100	\$11.93	\$23.86	
08010 Interest Contribution	\$0.00			\$0.00	
Reserve Contribution	\$45,000.00			\$80,022.08	

Account Description	2007 Budget	% Change	Amount	2008 Budget	Notes
INCOME:					
06000 Assessment Income	\$467,483.00			\$528,263.08	
524 Town homes (quarterly)	\$194.57	13.7	\$26.62	\$221.19	
85 Single Family Homes (quarterly)	\$175.49	8.4	\$14.68	\$190.17	
06210 Late Fees	\$0.00	0.0	\$0.00	\$0.00	Other Income
06212 Legal Fee Reimbursement	\$5,000.00	0.0	\$0.00	\$5,000.00	Other Income
06220 Miscellaneous Income	\$0.00	0.0	\$0.00	\$0.00	Other Income
06235 Newsletter Ad Income	\$600.00	0.0	\$0.00	\$600.00	Other Income
06254 Pool Fees	\$2,000.00	0.0	\$0.00	\$2,000.00	Other Income
06280 Storage Lot Fees	\$900.00	0.0	\$0.00	\$900.00	Other Income
06400 Interest Income	\$0.00	0.0	\$0.00	\$0.00	Other Income
Total Income	\$475,983.00			\$536,763.08	

Total Operating Expenses	\$456,741.00				Annual Common Operating Expenses per Residence
- Other Income	\$8,500.00				
- Street Lighting	\$15,000.00				
Common Operating Expenses	\$433,241.00	divided by	609	=	\$711.40 = 177.85/qtr
				Total NCA residences	

	TH	SFH
Quarterly Common Operating Expenses per Residence	\$177.85	\$177.85
Quarterly Common Area reserve contributions (total NCA residences)	\$12.32	\$12.32
Quarterly Street/Curb reserve contribution (TH only)	\$23.86	N/A
Quarterly street lighting (TH only)	\$7.16	N/A
Quarterly assessment	\$221.19	\$190.17