



WELLINGTON

COMMUNITY ASSOCIATION

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c/o Sequoia Management Company

Email:

cmorrob@wellingtonca.org

MEMORANDUM

TO: Wellington Community Association Homeowners

FROM: Board of Directors

DATE: October 13, 2021

SUBJECT: FY 2022 Assessment Notice, Operating Budget, Reserve Info

The Board of Directors has adopted the budget for the upcoming fiscal year. Enclosed, you will find a copy of the approved 2022 Operating Budget for Wellington Community Association.

After careful consideration of the financial obligations of the Association, the Board has approved the budget which establishes the monthly assessments for Wellington Community Association at:

**\$64.80 for the condominiums and single-family homes,
\$107.04 for townhomes without lights,
and \$108.95 for townhomes with lights.**

This represents a 4% increase in the monthly assessment amount from FY 2021.

When looking at the Wellington Community Association 2022 please note that the first column represents the adopted budget for 2021, the second column represents the projected actuals for 2021, and **the third column is the 2022 adopted operating budget.**

Payment coupon books will be mailed to each homeowner before the beginning of the year. Failure to receive a coupon book does not alleviate an owner from their obligation to make timely payments. If you have not received your coupon book by January 1, please reach out to the office at wellington@wellingtonca.org.

If you have any questions concerning the above assessment notice, please do not hesitate to contact Candy Morrob, Community Manager, at (703) 330-5019 or email at cmorrob@wellingtonca.org

Wellington Community Association
Board of Directors

**WELLINGTON COMMUNITY ASSOCIATION
DRAFT OPERATING BUDGET
January 1, 2022 - December 31, 2022**

Adopted 2021	Projected 2021	Approved 2022
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Single Family Assessments	\$62.17	\$64.80
Condo Assessments	\$62.17	\$64.80
Townhomes w/out Lights	\$102.70	\$107.04
Townhomes with Lights	\$104.53	\$108.95

INCOME

GENERAL ASSESSMENTS	\$ 620,715	\$ 620,705	\$ 646,955
TOWNHOUSE ASSESSMENTS	\$ 303,175	\$ 303,170	\$ 315,992
TH STREET LIGHT ASSESSMENT	\$ 400,147	\$ 400,141	\$ 417,062
PRIOR YEAR CARRYFORWARD	\$ 62,284	0	0
LATE FEES	\$ 12,000	\$ 5,300	\$ 12,000
COVENANTS CHARGES	\$ 3,000	\$ 2,464	\$ 3,000
CLUBHOUSE RENTAL	\$ 5,200	\$ 3,700	\$ 6,000
INTEREST INCOME	\$ 2,500	\$ 13,402	\$ 2,500
POOL PASS REPLACEMENT	0	\$ 1,450	\$ 800
SOCIAL EVENTS/ACTIVITIES INCOME	\$ 8,118	\$ 694	\$ 600
SWIM TEAM INCOME	\$ 657	\$ 657	\$ 657
RECREATION FEES - NON-RESIDENT	\$ 55,333	\$ 86,825	\$ 55,000
LEGAL FEE REIMBURSEMENTS	\$ 1,800	\$ (886)	\$ 1,800
ACTIVITIES / MISC. INCOME	\$ 1,000	\$ 1,519	\$ 1,000
TOTAL INCOME	\$ 1,475,929	\$ 1,439,143	\$ 1,463,365

EXPENSES

GENERAL & ADMINISTRATIVE EXPENSES			
AUDIT AND TAX PREPARATION	\$ 9,500.00	\$ 9,029	\$ 9,529
COPYING	\$ 19,000.00	\$ 11,212	\$ 15,000
POSTAGE	\$ 13,000.00	\$ 10,655	\$ 12,000
DUES & SUBSCRIPTIONS	\$ 134.00	\$ 255	\$ 300
BANK CHARGES	\$ 26.00	0	0
INCOME TAXES	\$ 1,150.00	\$ 7,172	\$ 3,000
INSURANCE	\$ 33,880.00	\$ 36,086	\$ 37,200
LEGAL FEES - GENERAL	\$ 21,000.00	\$ 48,092	\$ 30,000
MANAGEMENT FEES	\$ 63,654.00	\$ 63,654	\$ 65,564
PAYROLL/ONSITE STAFF/INSPECTOR	\$ 183,750.00	\$ 207,559	\$ 188,750
PAYROLL TAXES & BENEFITS	\$ 16,000.00	\$ 22,941	\$ 16,000
ADMIN MISCELLANEOUS	\$ 14,000.00	\$ 8,263	\$ 12,000
OFFICE SUPPLIES	\$ 2,500.00	\$ 1,874	\$ 2,500
LEGAL FEES - COLLECTIONS	\$ 21,000.00	\$ 39,345	\$ 24,000
BAD DEBT WRITE-OFF	\$ 1,500.00	\$ 1,500	\$ 1,500
WEB PAGE	\$ 2,665.00	\$ 905	\$ 950
TOTAL GENERAL & ADMINISTRATIVE	\$ 402,759	\$ 468,543	\$ 418,293

POOL			
POOL CONTRACT	\$ 125,000	\$ 103,570	\$ 115,900
POOL FURNITURE	\$ 11,000	0	\$ 11,000

POOL REPAIRS & MAINTENANCE	\$ 33,350	\$ 14,939	\$ 33,350
POOL SUPPLIES	\$ 16,000	\$ 3,299	\$ 13,000
POOL SECURITY - COVID 19 RULE ENFORCEM	\$ 26,000	\$ 560	\$ 2,500
WATER - POOL	\$ 8,377	\$ 4,738	\$ 8,689
TOTAL POOL	\$ 219,727	\$ 127,107	\$ 184,439

CLUBHOUSE			
CLUBHOUSE ELECTRICITY	\$ 16,459	\$ 11,005	\$ 13,100
TELEPHONE	\$ 10,800	\$ 7,534	\$ 10,800
CLUBHOUSE REPAIR & MAINTENANCE	\$ 1,000	\$ 1,776	\$ 1,500
CLUBHOUSE CLEANING	\$ 3,000	\$ 6,773	\$ 3,000
WATER & SEWER - CLUBHOUSE	\$ 4,768	\$ 2,097	\$ 2,275
TOTAL CLUBHOUSE	\$ 36,027	\$ 29,184	\$ 30,675

UTILITIES			
ELECTRICITY - SIGNAGE	\$ 2,102	\$ 2,061	\$ 2,102
WATER-IRRIGATION SYSTEMS	\$ 850	\$ 489	\$ 850
TOTAL UTILITIES	\$ 2,952	\$ 2,550	\$ 2,952

GENERAL MAINTENANCE			
GROUNDS IMPROVEMENT	\$ 41,000	\$ 19,380	\$ 41,000
TREE & STUMP REMOVAL	\$ 60,000	\$ 62,486	\$ 60,000
IRRIGATION REPAIRS	\$ 900	\$ 110	\$ 900
POND REPAIRS	\$ 5,000	\$ 9,145	\$ 5,000
ELEVATOR REPAIRS	\$ 500	\$ 998	\$ 1,000
FENCE/WALL REPAIRS	\$ 1,500	\$ 875	\$ 1,500
GENERAL BUILDING MATERIALS	\$ 1,200	0	\$ 1,200
SPECIAL TRASH PICKUP	\$ 200	0	\$ 200
HVAC REPAIRS	\$ 1,500	0	\$ 1,500
DRAINAGE/EROSION REPAIRS	\$ 3,000	\$ 8,164	\$ 9,000
PLUMBING REPAIRS	\$ 550	0	\$ 550
SOCIAL ACTIVITIES (EVENTS)	\$ 24,000	\$ 11,588	\$ 24,000
CHARITABLE CONTRIBUTIONS	\$ 5,000	0	\$ 5,000
GENERAL REPAIRS	\$ 25,000	\$ 23,561	\$ 25,000
TOTAL GENERAL MAINTENANCE	\$ 169,350	\$ 136,307	\$ 175,850

CONTRACT SERVICES			
GROUNDS MAINTENANCE CONTRACT	\$ 155,401	\$ 157,401	\$ 161,401
POND MAINTENANCE CONTRACT	\$ 5,969	\$ 5,223	\$ 5,969
RECREATION SECURITY	\$ 600	\$ 1,411	\$ 600
EXTERMINATING/PEST CONTROL	\$ 990	\$ 1,815	\$ 990
TRASH REMOVAL CONTRACT	\$ 1,824	\$ 1,889	\$ 1,866
SNOW & SAND REMOVAL	\$ 34,350	\$ 2,544	\$ 34,350
TOTAL CONTRACT SERVICES	\$ 199,134	\$ 170,283	\$ 205,176

TOWNHOUSE MAINTENANCE & SERVICES			
TOWNHOUSE STREET LIGHTS	\$ 5,968	\$ 5,909	\$ 5,968
TOWNHOUSE LANDSCAPING	\$ 70,307	\$ 70,307	\$ 70,307
SNOW & SAND REMOVAL	\$ 50,232	\$ 12,527	\$ 50,232
TOTAL TOWNHOUSE MAINT. & SERVICES	\$ 126,507	\$ 88,743	\$ 126,507

TOTAL OPERATING EXPENSES	\$ 1,156,456	\$ 1,022,717	\$ 1,143,892
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RESERVE CONTRIBUTIONS			
REPLACEMENT RESERVE CONTRIBUTION	\$ 173,878	\$ 173,878	\$ 173,878
TOWNHOUSE REPLACE RESERVE CONT	\$ 123,595	\$ 123,595	\$ 123,595
OPERATING CONTINGENCY	\$ 12,000	\$ 12,000	\$ 12,000
CAPITAL IMPROVEMENTS	\$ 10,000	\$ 22,164	\$ 10,000
TOTAL RESERVE CONTRIBUTIONS	\$ 319,473	\$ 331,637	\$ 319,473

TOTAL EXPENSES	\$ 1,475,929	\$ 1,354,354	\$ 1,463,365
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SURPLUS / (DEFICIT) FUNDS \$ - \$ 84,788 \$ -

Reserve Funding Disclosure

The Virginia Code requires community associations to provide information about the funding of reserves as part of the annual budget.

A copy of the Association's reserve study prepared in 2020 can be found on the community website, www.wellingtoncommunity.nabrnetwork.com. The reserve study contains data on the estimated remaining useful life and cost of replacement of the Association's capital components.

The 2020 reserve study recommends an annual contribution to the Association's reserve account for fiscal year 2022 in the amount of \$171,733. The 2022 budget includes an annual reserve contribution of \$173,878.

Procedures used for estimation and accumulation of cash reserves, reported:

The reserve accumulation is calculated and managed according to recommended funding based on the Association's reserve study, which uses two generally accepted methods, the Cash Flow Method, and the Component Method. Both calculations are based upon the same financial data, including the costs of the replacements of Wellington Community Association's Common Elements, and the Wellington Common Reserves reported to be on deposit at the start of the Study. The Cash Flow Method and Component Method calculations and Replacement Reserve funding recommendations in 2020, the Study Year, are discussed below:

Cash Flow Method - Minimum Recommended Funding of the Wellington Common Reserve in the Study Year (\$12.96 per unit per month). This has been calculated using the Cash Flow Method (also called the Straight Line or Threshold Method). This method calculates a constant annual funding between peaks in cumulative expenditures, while maintaining a Minimum Balance (threshold) in the Peak Years.

Component Method - Recommended Funding of the Wellington Common Reserve in the Study Year (\$14.68 per unit per month). The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 255 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements.

These procedures and definitions are taken from the Association's Miller+Dodson June 2020 study, MillerDodson Capital Reserve Consultants, pages A1.1 and CMI (2020).