

Island Creek Residents,

The Island Creek Community Association (ICCA) Board of Directors (Board) approved the 2023 budget. Last year, we identified challenges associated with reduced income and higher costs due to the pandemic and record inflation. As we adjust to a new normal in the face of persistent inflation, ICCA is faced with managing necessary expenses to maintain the outstanding service levels its residents **have come to expect.**

ICCA's largest source of income to provide resident services and fund our budget comes from assessments to the owners of 607 townhomes, 102 single family homes, and 332 condominiums **in Island Creek.** A summary of the current and previous year's assessments is below:

Section	2023 Quarterly Assessments	2022 Quarterly Assessments	Difference	% Change
Townhome (S1, S4)	<b>\$364.05</b>	\$330.96	\$33.09	10.0%
Single Family Home (S2)	<b>388.31</b>	356.28	32.03	9.0%
Condominium (S3)	<b>99.60</b>	90.56	9.04	10.0%

To avoid budget deficits, we are no longer relying on non-assessment revenue to offset assessments. Non-assessment revenue includes income from clubhouse rental fees, interest, and late fees. This income can be difficult to estimate. Our new approach will be to account for non-assessment revenue as unappropriated members' equity. Unappropriated equity can pay for unplanned emergency expenses or be added to our reserves which have been underfunded in the past due to budget deficits. The unfortunate consequence of this is that certain capital improvement projects must be delayed to avoid insufficient funds in our reserves.

ICCA commissioned a Reserve Study in December 2020. The Reserve Study estimated a Community components replacement value of approximately \$2.3 million but only included an inflation projection of 2.74 percent – which wasn't unreasonable at the time. Our Reserve balances were \$0.9 million as of the date of the study. Our current Reserve balances are approximately \$1.3 million; however, we have projected expenditures in excess of \$1 million over the next three years.

Our vision is to gradually reduce the share of our assessments going to reserve contributions as we refill our reserve accounts back to recommended levels. Additionally, the Board continues to work with our management company to identify potential sources of income that can help us reach our goals faster. The Board is committed to allocating funds for property maintenance, operations, and improvement projects to protect your home's value. This Board will not fund any project that does not support the community in its entirety.

To help residents better understand ICCA's expenditures, we have included a pie chart that will allow you to quickly see the Community's largest cost drivers. Additionally, we have included a new section in our budget that breaks down, by percentage, what your assessments pay for whether you live in a townhome, single family home, or condominium. We believe this is necessary because expenses are not always evenly distributed for various reasons.

The Board believes that the 2023 budget fairly represents ICCA's needs for 2023. As fellow homeowners we continue to be committed to managing expenses, performing effective stewardship, and maintaining or improving our beautiful community.

In service,



Denise Gentile, President  
Island Creek Community Association  
Board of Directors



Reynaldo Gonzales, Treasurer  
Island Creek Community Association  
Board of Directors

2023 ICCA Budget Allocations

			<b>2023 Budget</b>		
<b>Revenue</b>					<b>1,260,325</b>
Assessments			\$ 1,174,604		
Townhome (S1, S4)	607	883,902			
Single Family (S2)	102	158,431			
Condominium (S3)	332	132,271			
	1041				
Other					24,860
T-Mobile Tower Rental		10,560			
Clubhouse Rental Income		3,000			
Interest Income		2,000			
NSF and Late Charges		8,000			
Finance Charges		100			
Miscellaneous Income		500			
Resale Package		700			
Reimbursements					60,861
Condo Reimbursement		48,861			
Legal Reimbursements - Collections		12,000			
<b>Expenses</b>			<b>\$ 971,009</b>		
Community Services			\$ 551,850		TH
Landscaping			261,600		SF
Landscaping contract (HLS)	S	143,000	44.50	44.50	12.64
Tree work (Sav-A-Tree)	S	55,250	17.19	17.19	4.88
Grounds projects (Grounds committee)	S	20,000	6.22	6.22	1.77
Landscape service projects (HLS options)	S	19,000	5.91	5.91	1.68
Pond service contract (Solitude)	G	11,000	2.64	2.64	2.64
Irrigation service contract (KT Irrigation)	G	5,250	1.26	1.26	1.26
Irrigation system - Other (KT Irrigation)	G	5,000	1.20	1.20	1.20
Watering and cleanup (HLS)	G	2,000	0.48	0.48	0.48
Pest control (Orkin)	G	1,100	0.26	0.26	0.26
Waste Removal					245,500
Townhome (Bates)	S	194,000	79.90	-	-
Single family (Bates)	S	42,500	-	104.17	-
Dog stations (RL Hughes)	G	9,000	2.16	2.16	2.16
Common area trash cans (Bates - incl.)	G	-	-	-	-
Snow Removal					21,500
Roads (HLS)	S	20,000	7.05	7.05	-
Clubhouse and bus stops (HLS)	G	1,500	0.36	0.36	0.36
Maintenance					19,000
General maintenance (Misc.)	G	6,000	1.44	1.44	1.44
Pool - Repair and Maintenance	S	6,500	2.02	2.02	0.57
Entrance maintenance (Belfiore & HLS)	G	3,500	0.84	0.84	0.84
Wildlife management (Windchazer)	G	3,000	0.72	0.72	0.72

2023 ICCA Budget Allocations

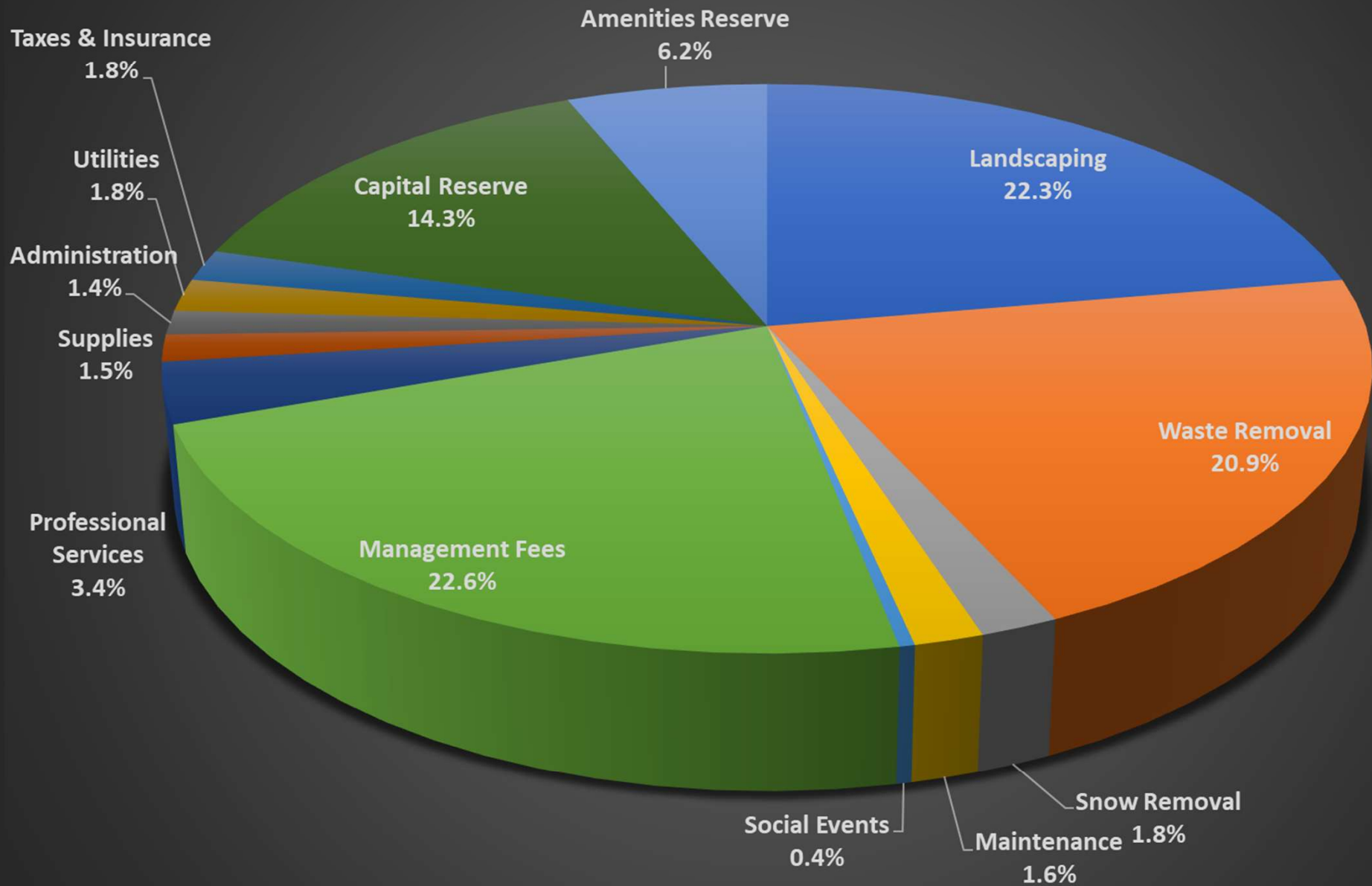
<b>Social Events</b>			<b>4,250</b>			
<i>Social committee</i>	G	<u>4,250</u>		1.02	1.02	1.02
<b>Management &amp; Professional Services</b>			<b>305,500</b>			
<b>Management Fees</b>			<b>265,000</b>			
<i>Community management company (-----)</i>	S	195,000		68.76	68.76	-
<i>Pool management - Main pool (High Sierra)</i>	S	70,000		21.79	21.79	6.19
<b>Professional Services</b>			<b>40,500</b>			
<i>Legal - Collections (Segan, Mason, &amp; Mason)</i>	G	20,000		4.80	4.80	4.80
<i>Legal - Consults (Segan, Mason, &amp; Mason)</i>	G	11,500		2.76	2.76	2.76
<i>Audit and Tax Preparation (Goldklang)</i>	G	6,500		1.56	1.56	1.56
<i>Consulting Fees</i>	G	2,500		0.60	0.60	0.60
<i>Reserve Study</i>	S	<u>-</u>		-	-	-
<b>Supplies &amp; Administration</b>			<b>34,020</b>			
<b>Supplies</b>			<b>18,000</b>			
<i>Printing</i>	G	7,500		1.80	1.80	1.80
<i>Postage</i>	G	6,000		1.44	1.44	1.44
<i>Pool supplies</i>	S	4,000		1.24	1.24	0.35
<i>Pool furniture</i>	S	500		0.16	0.16	0.04
<b>Administration</b>			<b>16,020</b>			
<i>BOD expenses</i>	G	4,000		0.96	0.96	0.96
<i>Licenses</i>	G	600		0.14	0.14	0.14
<i>Newsletter (Constant Contact)</i>	G	500		0.12	0.12	0.12
<i>Website (HOASpace)</i>	G	620		0.15	0.15	0.15
<i>Other Internet services (Dropbox, GoDaddy)</i>	G	1,600		0.38	0.38	0.38
<i>Welcoming/Resident services</i>	G	100		0.02	0.02	0.02
<i>Pool pass system (CellBadge)</i>	G	2,000		0.48	0.48	0.48
<i>Pool permits (Fairfax County)</i>	G	600		0.14	0.14	0.14
<i>Bad debt - Write-off</i>	G	1,000		0.24	0.24	0.24
<i>Miscellaneous expenses</i>	G	<u>5,000</u>		1.20	1.20	1.20
<b>Utilities</b>			<b>21,688</b>			
<b>Electric</b>			<b>7,526</b>			
<i>Clubhouse (Dominion)</i>	G	5,000		1.20	1.20	1.20
<i>Entrance (Dominion)</i>	G	1,600		0.38	0.38	0.38
<i>Pond (Dominion)</i>	G	926		0.22	0.22	0.22
<b>Water and Sewer</b>			<b>11,262</b>			
<i>Clubhouse (Fairfax Water)</i>	G	6,000		1.44	1.44	1.44
<i>Entrance (Fairfax Water)</i>	G	3,000		0.72	0.72	0.72
<i>John Thomas (Fairfax Water)</i>	G	2,262		0.54	0.54	0.54
<b>Communications</b>			<b>2,900</b>			
<i>Clubhouse - Phone &amp; Internet (Verizon)</i>	S	1,900		0.59	0.59	0.17
<i>Pool - Phone (Verizon)</i>	G	1,000		0.24	0.24	0.24
<i>Answering Service</i>	G	<u>-</u>		-	-	-

2023 ICCA Budget Allocations

Taxes & Insurance		21,000			
	Income Taxes	5,000			1.20
	Insurance	16,000			3.84
Reimbursables		36,951			
CIC Reimbursable Expenses		36,951			
	Pool Management - Condo Reimb. (High Sierra)	R	24,000		
	Condo Pool Supplies, Permits, Repairs	R	8,000		
	Condo Pool - Electric Reimbursable	R	1,951		
	Condo Pool - Water and Sewer	R	1,900		
	Condo Pool - Phone & Internet	R	1,100		
<b>Reserves</b>				<b>252,456</b>	
	Capital Reserve	S	167,800		52.22
	Amenities Reserve	G	72,746		17.47
	Condo Pool Reserve (Reimbursable)	R	11,910		14.83
					<b>364.05</b>
					<b>388.31</b>
					<b>99.60</b>
Revenue less Condo reimbursements				\$	<b>1,211,464</b>
Expenses less reimbursables					<b>934,058</b>
Reserve contribution less reimbursable					<b>240,546</b>
Unappropriated Members' Equity				\$	<b>36,860</b>

Quarterly Assessments	2023	2022	Difference	% Change
Townhome (S1, S4)	364.05	330.96	33.09	10.0%
Single Family Home (S2)	388.31	356.28	32.03	9.0%
Condominium (S3)	99.60	90.56	9.04	10.0%

# Island Creek Community Association 2023 Expenditures



2023 ICCA Budget YoY Comparison

	2023 Budget		2022 Budget		Budget Increase (Decrease)	
<b>Revenue</b>		<b>1,260,325</b>		<b>\$ 1,095,363</b>		
Assessments		1,174,604		\$ 1,069,203		
Townhome (S1, S4)	607	883,902		\$ 803,577	80,325	10.0%
Single Family (S2)	102	158,431		145,362	13,069	9.0%
Condominium (S3)	332	132,271		120,264	12,007	10.0%
	1041					
Other		24,860		26,160		
T-Mobile Tower Rental		10,560		10,560	-	0.0%
Clubhouse Rental Income		3,000		1,500	1,500	100.0%
Interest Income		2,000		5,500	(3,500)	-63.6%
NSF and Late Charges		8,000		8,000	-	0.0%
Finance Charges		100		100	-	0.0%
Miscellaneous Income		500		500	-	0.0%
Resale Package		700		-	700	
Reimbursements		60,861				
Condo Reimbursement		48,861		43,233	5,628	13.0%
Legal Reimbursements - Collections		12,000		12,000	-	0.0%
<b>Expenses</b>		<b>\$ 971,009</b>		<b>\$ 923,698</b>		
Community Services		\$ 551,850		517,164		
Landscaping		261,600		279,100		
Landscaping contract (HLS)	S	143,000		130,000	13,000	10.0%
Tree work (Sav-A-Tree)	S	55,250		70,000	(14,750)	-21.1%
Grounds projects (Grounds committee)	S	20,000		30,000	(10,000)	-33.3%
Landscape service projects (HLS options)	S	19,000		35,000	(16,000)	-45.7%
Pond service contract (Solitude)	G	11,000		-	11,000	
Irrigation service contract (KT Irrigation)	G	5,250		-	5,250	
Irrigation system - Other (KT Irrigation)	G	5,000		10,000	(5,000)	-50.0%
Watering and cleanup (HLS)	G	2,000		3,000	(1,000)	-33.3%
Pest control (Orkin)	G	1,100		1,100	-	0.0%
Waste Removal		245,500		180,814		
Townhome (Bates)	S	194,000		137,692	56,308	40.9%
Single family (Bates)	S	42,500		33,442	9,058	27.1%
Dog stations (RL Hughes)	G	9,000		9,680	(680)	-7.0%
Common area trash cans (Bates - incl.)	G	-		-	-	
Snow Removal		21,500		18,000		
Roads (HLS)	S	20,000		15,000	5,000	33.3%
Clubhouse and bus stops (HLS)	G	1,500		3,000	(1,500)	-50.0%
Maintenance		19,000		35,000		
General maintenance (Misc.)	G	6,000		13,000	(7,000)	-53.8%
Pool - Repair and Maintenance	S	6,500		3,000	3,500	116.7%
Entrance maintenance (Belfiore & HLS)	G	3,500		3,500	-	0.0%
Wildlife management (Windchazer)	G	3,000		15,500	(12,500)	-80.6%
Social Events		4,250		4,250		
Social committee	G	4,250		4,250	-	0.0%
Management & Professional Services		305,500		294,656		
Management Fees		265,000		243,356		
Community management company (-----)	S	195,000		193,356	1,644	0.9%
Pool management - Main pool (High Sierra)	S	70,000		50,000	20,000	40.0%
Professional Services		40,500		51,300		
Legal - Collections (Segan, Mason, & Mason)	G	20,000		25,000	(5,000)	-20.0%
Legal - Consults (Segan, Mason, & Mason)	G	11,500		20,000	(8,500)	-42.5%
Audit and Tax Preparation (Goldklang)	G	6,500		6,000	500	8.3%
Consulting Fees	G	2,500		-	2,500	
Reserve Study	S	-		300	(300)	-100.0%

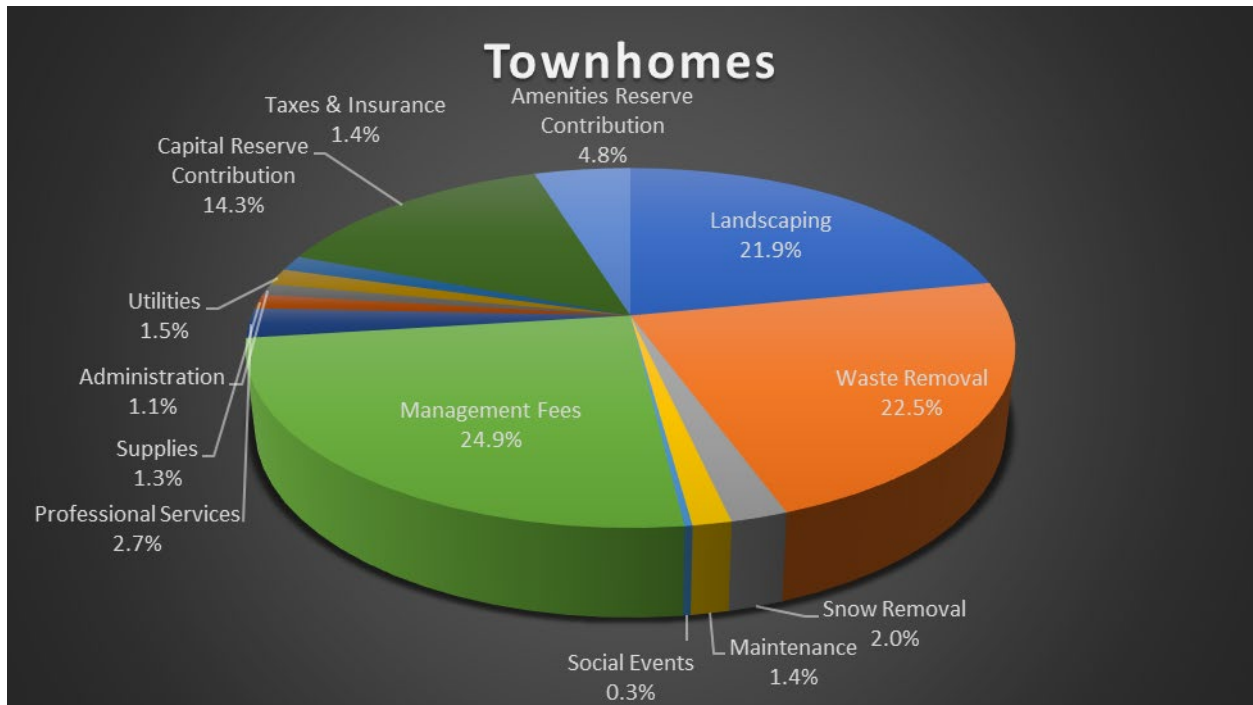
2023 ICCA Budget YoY Comparison

Supplies & Administration			34,020		36,815		
Supplies			18,000		18,000		
	Printing	G	7,500		7,500	-	0.0%
	Postage	G	6,000		6,000	-	0.0%
	Pool supplies	S	4,000		4,000	-	0.0%
	Pool furniture	S	500		500	-	0.0%
Administration			16,020		18,815		
	BOD expenses	G	4,000		4,000	-	0.0%
	Licenses	G	600		600	-	0.0%
	Newsletter	G	500		500	-	0.0%
	Website (HOASpace)	G	620		620	-	0.0%
	Other Internet services (Dropbox, GoDaddy)	G	1,600		3,895	(2,295)	-58.9%
	Welcoming/Resident services	G	100		100	-	0.0%
	Pool pass system (CellBadge)	G	2,000		2,000	-	0.0%
	Pool permits	G	600		1,100	(500)	-45.5%
	Bad debt - Write-off	G	1,000		1,000	-	0.0%
	Miscellaneous expenses	G	5,000		5,000	-	0.0%
Utilities			21,688		22,450		
Electric			7,526		9,500		
	Clubhouse (Dominion)	G	5,000		7,000	(2,000)	-28.6%
	Entrance (Dominion)	G	1,600		2,500	(900)	-36.0%
	Pond (Dominion)	G	926		-	926	
Water and Sewer			11,262		10,000		
	Clubhouse (Fairfax Water)	G	6,000		6,000	-	0.0%
	Entrance (Fairfax Water)	G	3,000		4,000	(1,000)	-25.0%
	John Thomas (Fairfax Water)	G	2,262		-	2,262	
Communications			2,900		2,950		
	Clubhouse - Phone & Internet (Verizon)	S	1,900		1,900	-	0.0%
	Pool - Phone (Verizon)	G	1,000		400	600	150.0%
	Answering Service	G	-		650	(650)	-100.0%
Taxes & Insurance			21,000		20,613		
	Income Taxes		5,000		5,000	-	0.0%
	Insurance		16,000		15,613	387	2.5%
Reimbursables			36,951		32,000		
CIC Reimbursable Expenses			36,951		32,000		
	Pool Management - Condo Reimb. (High Sierra)	R	24,000		-	24,000	
	Condo Pool Supplies, Permits, Repairs	R	8,000		32,000	(24,000)	-75.0%
	Condo Pool - Electric Reimbursable	R	1,951		-	1,951	
	Condo Pool - Water and Sewer	R	1,900		-	1,900	
	Condo Pool - Phone & Internet	R	1,100		-	1,100	
<b>Reserves</b>			<b>252,456</b>		<b>226,898</b>		
	Capital Reserve	S	167,800		\$ 144,000		
	Amenities Reserve	G	72,746		71,662		
	Condo Pool Reserve (Reimbursable)	R	11,910		11,236		

Revenue less CIC reimbursements	\$ 1,211,464
Expenses less reimbursables	934,058
Reserve contribution less reimbursable	240,546
Unappropriated Members' Equity	\$ 36,860

# Where are your HOA dues going?

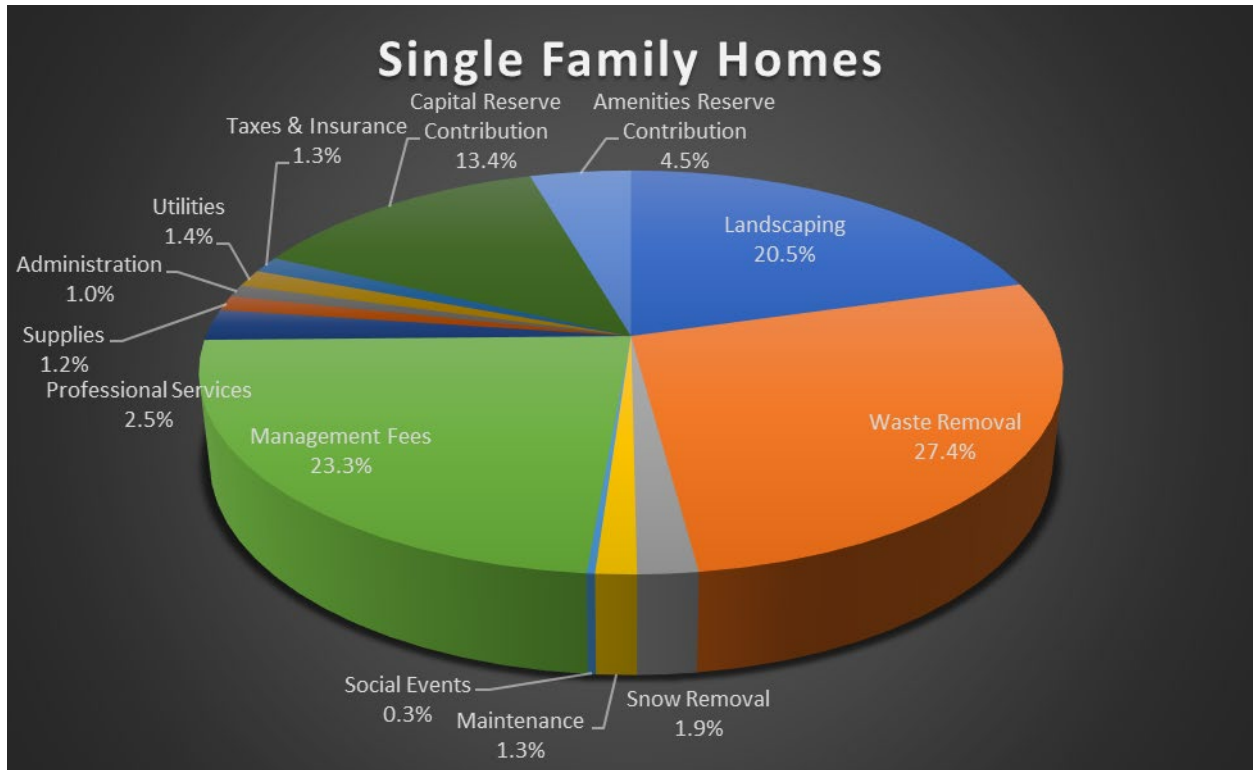
The 3 charts below break down where your quarterly assessments are spent based on whether you live in a townhome, single family home, or a condominium.



## 2023 Quarterly Assessment \$364.05 (▲ \$33.09; 10.0 percent)

There were significant increases in costs associated with waste removal (▲\$23.19; 40.9 percent) as a result of our switch from American Disposal Services to Bates Trucking. Townhome residents also saw cost increases due to our pool management contract renewal (▲\$6.12; 39.1 percent) with High Sierra pools. We have kept our discretionary expenses at prior years' levels to contain assessment increases while ensuring we have sufficient funds for ongoing maintenance and response to weather events. We are also continuing our efforts to get our Reserve funds back to recommended levels and reduce Administration costs.

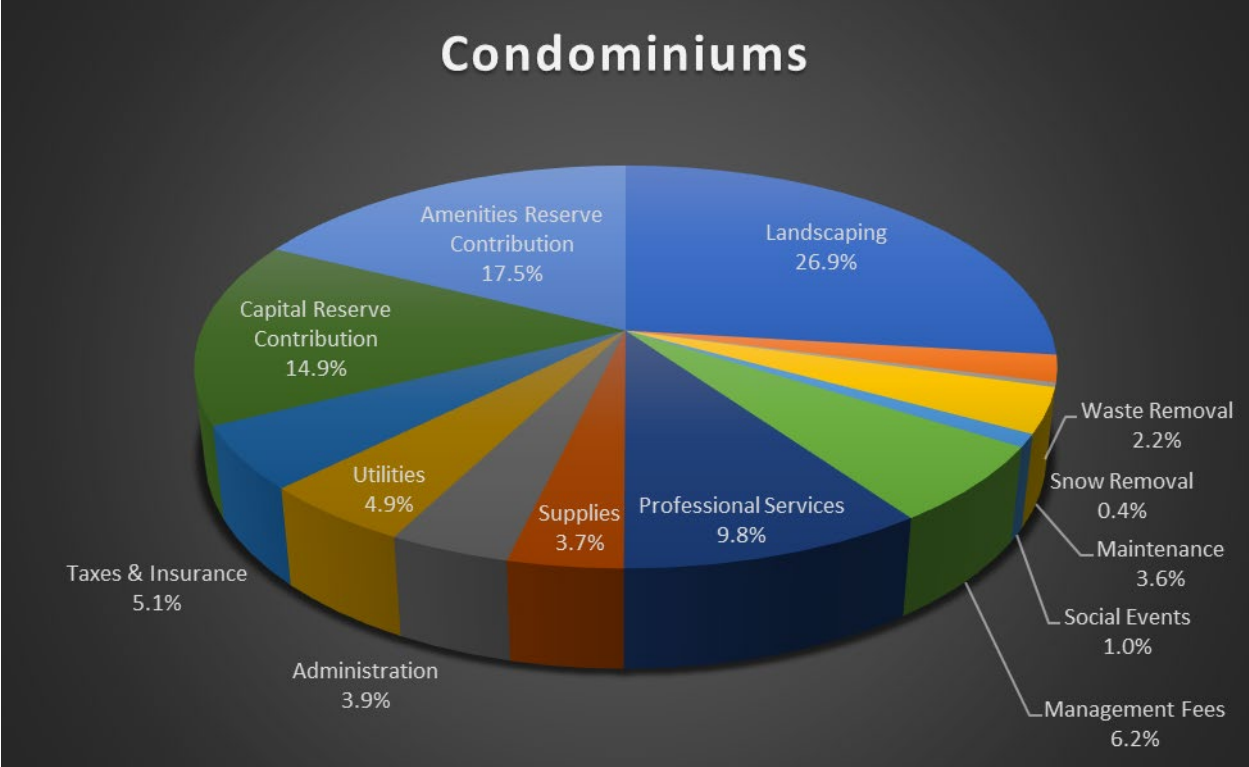




ended levels and reduce Administration costs.

### 2023 Quarterly Assessment \$388.31 (▲ \$32.03; 9.0 percent)

The largest cost driver for assessment increases to single family homeowners was our switch from American Disposal Services to Bates Trucking (▲ \$17.75; 20.5 percent) for waste removal. Our pool management contract renewal (▲ \$6.12; 39.1 percent) also resulted in a larger increase. Both of these increases are attributed to the increased costs of labor and, in the case of our waste removal contract, increased fuel costs. We have kept our discretionary expenses at prior years' levels to contain assessment increases while ensuring we have sufficient funds for ongoing maintenance and response to weather events. We are also continuing our efforts to get our Reserve funds back to recommended levels and reduce Administration costs.



**2023 Quarterly Assessment \$99.60 (▲ \$9.04; 10.0 percent)**

Previously, condominium residents were charged reduced rates for the Amenities Reserve contribution and for the use of Island Creek’s pool pass management system. This year, both items were changed to a “General” account so all Island Creek households are charged the same rate (Amenities Reserve ▲\$11.47, 192.2 percent; CellBadge ▲\$0.31, 182.4 percent). Condominium residents saw assessment increases due to our main pool management contract renewal (▲\$2.01; 48.1 percent). We have kept our discretionary expenses at prior years’ levels to contain assessment increases while ensuring we have sufficient funds for ongoing maintenance and response to weather events. We are also continuing our efforts to get our Reserve funds back to recommended levels and reduce Administration costs.