

## 2023-2024 Proposed Budget

Enclosed is the proposed budget for the FGHA fiscal year September 2023 – August 2024 (FY2024). The FGHA Board has reviewed and approved the proposed budget. The Frequently Asked Questions pertaining to the budget can be found here: ([link to Frequently Asked Questions FY2024 Budget on FGHA website](#))

### Budget Adoption Process

On July 1, 2018, Washington State law changed the budget approval process described in FGHA CC&R ([link to CC&R Article VII on FGHA website](#)). The FGHA Board proposes the budget to the homeowners at the September annual meeting for voting. The budget is passed, unless a majority (>50%) of all homeowners vote to reject it. A detailed explanation can be found in the July 2023 meeting notes Executive Summary ([link to meeting notes on FGHA website](#)).

### Proposed Budget

There are two elements of the proposed budget for this coming year.

1. One- time Special Assessment for park updates and repairs (Allen Park and Toddler Park), included as a line item in the proposed budget.
2. The overall yearly operational budget.

### Special Assessment

Two sub-committees composed of volunteer FGHA homeowners were formed in 2021 for each park. They evaluated the current status of the parks and conducted surveys of FGHA homeowners. Extensive long overdue maintenance and repair work was done in Allen Park in 2021/2022. This special assessment is required to complete and fund replacement of play equipment in both parks. The sub-committees extensively researched available and affordable playground solutions, again surveyed homeowners and are finalizing the best value and optimum solutions to update both Allen Park and Toddler Park. Allen Park is budgeted for \$305,500 and Toddler Park is budgeted for \$227,000, for a combined budget of \$532,500. Details of these studies and proposals can be found in Park Improvement documents on the FGHA website ([link to parks presentations on FGHA website](#)). Beginning in Jan 2024, a one-time, special assessment of \$355 per homeowner will be due, payable in one payment or two installments of \$177.50, January and July 2024. Any unspent funds will be held for ongoing parks maintenance. This special assessment is in addition to the yearly dues assessment which is explained in the Operational Budget section below.

### Operational Budget

The proposed operational budget contains a 7.5% increase of \$28.50 to annual dues. The new yearly dues assessment, which is separate and in addition to the special assessment, will be \$406.50, payable in one payment or billed bi-annually in January and July 2024.

Several budget line items decreased and the following budget line items contribute increases of note:

- Security contract - contract with Pacific Coast Security. 7.2% increase, and includes the increased cost of fuel
- Security other –King County Sheriff patrol 17.6% cost increases, 1 officer & patrol car, six 4 hr shifts per month. Included is a safety evaluation of 4 months of an additional officer & patrol car, planned for Spring 2024.
- Special events/community – 96% increase year over year. Planned budget savings did not occur in the current year, due to the timing of August concerts and September Last Splash billings and deposits. Proposed level consistent with actual spending and anticipated costs increase.
- HO mailings – 21% increase, proposed level consistent with actual spending. Current year spending included production and handling of mailings of updated R&Rs to all 1500 homeowners
- Postage – 108% increase, proposed level consistent with actual spending. USPS postage cost increases. Includes USPS mailings/postage from Property Maintenance monitoring violations and using HOALife management programs. Homeowners opting in for General Authorization for Electronic Communication are helping to keep mailings and postage costs down.
- Insurance – 5% increase, anticipating premium increase. Actual premium expense may be higher.
- Accounting/audit – 22% increase, proposed level consistent with actual spending and anticipated increase.
- Legal fees/counsel advice – 20% increase, proposed level consistent with actual spending.

**What this means for homeowners**

Year	Yearly Dues Assessment*	Special Assessment for Parks*	Total Assessment*
Current FY2023	\$378	NA	\$378
Proposed FY2024	\$406.50	\$355	\$761.50

\*payments may be made once in January 2024 or two halves in January and July 2024

<b>Proposed budget - FY2024</b>				
24 August 2023				
assessment increase (1 Jan) =				
7.5%				
	2022-2023	2022-2023	2023-2024	Comments
	YEAR END	Prelim year end	YEAR END	
	Budget	Actual	Budget	
<b>ORDINARY INCOME</b>				
Assessments	535,396	535,396	595,350	Yearly assessment increase from \$378 to \$406.50 in Jan 2024; \$28.50 yearly, 7.5% increase
Penalties, Fees & Other	66,000	50,649	57,600	Reduced to \$4,800 mnth from \$5,500 mnth; following current year trend down
Interest Income	240	385	240	
Special Assessment	N/A	N/A	532,504	\$355 per HO estimate; \$532,500 proposed budget
<b>Total Ordinary Income</b>	<b>601,636</b>	<b>586,430</b>	<b>1,185,694</b>	
<b>OPERATING EXPENSE:</b>				
<b>ADMINISTRATIVE EXPENSES</b>				
Security - Contract	360,000	366,708	386,040	7.2% overall increase. Includes fuel costs.
Security - Other	24,480	26,714	34,400	17.6% KC Sheriff cost increase; 1 officer + patrol car. Increased safety evaluation approved 4 months additional 1 officer + patrol car Spring 2024
Common Properties - Contract	35,748	35,612	36,828	Contract with Green Effects landscape
Common Properties - Other	15,600	6,056	15,600	Ongoing maintenance and repairs of parks, culdesacs, FGHA common spaces. Seasonal flowers, flags, holiday lights, PortaPotti, etc.
Accounting Bookkeeping - Office Mgr	30,000	30,000	30,000	
Recording Secretary - Office Mgr	30,000	30,000	30,000	
Special Events/Community	10,200	16,800	20,004	Increase 96%. August concerts, Last Splash event, etc.
Utilities	15,600	15,334	16,040	Electric, irrigation water, phone, etc.
Special Assessment	N/A	N/A	532,504	Parks Updates and Repairs; \$355 per HO estimate.
Bad Debt Expense	24,000	24,000	24,000	
<b>Total Administration</b>	<b>545,628</b>	<b>551,224</b>	<b>1,125,416</b>	
<b>OFFICE EXPENSES</b>				
HO Mailings	4,440	12,670	5,400	21% increase. Production & handling by mailing contractor.
Postage	1,440	6,017	3,000	108% increase
Supplies	2,400	765	2,400	
Dues/Subscriptions	9,924	5,021	8,100	Website service, Quicken accounting program, Prop Maint HOALife programs, Email service, PO Box rental, etc.
Computer Software/Hardware	240	0	240	Replacement costs accrual
Taxes - Property/IRS	1,570	1,677	1,700	
<b>TOTAL OFFICE</b>	<b>20,014</b>	<b>26,150</b>	<b>20,840</b>	
<b>PROFESSIONAL FEES</b>				
Insurance	17,940	17,823	18,840	5% increase; anticipating premium increase
Accounting/Audit	4,100	1,540	5,000	22% increase
Legal Fees-Counsel/Advice	12,000	29,354	14,400	20% increase; due to increasing legal costs
<b>TOTAL PROFESSIONAL FEES</b>	<b>34,040</b>	<b>48,717</b>	<b>38,240</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>599,682</b>	<b>626,091</b>	<b>1,184,496</b>	
<b>NET INCOME (LOSS)</b>	<b>394</b>	<b>(39,661)</b>	<b>1,198</b>	