

2024 - 2025 Proposed Budget

Enclosed is the proposed budget for the FGHA fiscal year September 2024 – August 2025 (FY2025). The FGHA Board has reviewed and approved the proposed budget. The Board will continue to review all expenses into next fiscal year and identify and implement cost savings, as it has been doing this past year.

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

This proposed budget is for only the overall yearly operational budget. The Special Parks assessment will continue to be closely tracked, separate from the new budget. These projects are still in progress, so all actual income and expenses associated with these projects will be tracked into late 2024.

Special Assessment Review

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 maintenance and repair work was done in Allen Park in 2021/2022. This special assessment was 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 finalized 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](#)). The plan is to complete both parks projects by the end of 2024. Any remaining funds will be held for ongoing parks and play equipment maintenance. For simplicity in preparation of next year's budget, the Special Parks assessment actual income is assumed to be equal to budget. The separate Special Parks Assessment Income/Expense tracking reports actual data. As of 8/20/2024, \$467,162 of Special Parks income has been collected.

Operational Budget

The proposed operational budget contains a 10.7% increase of \$43.50 to annual dues, or \$3.63 per month, per homeowner. The new yearly dues assessment will be \$450 starting 1 Jan 2025, payable in one payment or billed bi-annually in January and July 2024.

Rationale for 10.7% annual dues increase:

- Security contract - contract with Pacific Coast Security. 5.24% budget increase, and includes the increased cost of fuel
- Security other – in response to homeowner concerns of speeding and safety, increase to 2 King County officers & patrol cars, total of twelve x 4 hour shifts per month. KC Sheriff 1 Jan 2025 cost increase forecast = 7% budget increase.
- Common properties, other – Forecast 3% budget increase to \$16,070.
- HO mailings –Past year extra expense included production and handling of mailings of updated R&Rs to all 1500 homeowners. No budget increase.
- Postage – USPS postage cost increases and past year mailing of updated R&Rs. 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. No budget increase.
- Insurance – Insurance premium increases this past year; \$25,162 actual, \$18,840 budgeted, 33.5% increase. Forecast 5% budget increase over actual to \$26,420.
- Accounting/audit – Additional one time audit expense this past year to bring FGHA current with financial filings; \$11,655 actual, \$5,000 budgeted, 133% over budget. Forecast 27% budget increase to \$6,350, includes audit and tax preparation.
- Legal fees/counsel advice – greater than planned expenses this past year due to onetime legal review revision of existing and addition of new FGHA R&Rs. \$32,024 actual, \$14,400 budget, 122.4% over budget. Forecast 5% budget increase to \$15,120.
- Office supplies and Dues/Subscriptions budgets were reduced to reflect actual

What this means for homeowners

Year	Yearly Dues Assessment*
Current FY2024	\$406.50
Proposed FY2025	\$450

*payments may be made once in January 2025 or two halves in January and July 2025

Proposed budget - FY2025				
8-16-2024				
assessment increase (1 Jan) =				
10.7%	2023-2024	2023-2024	2024-2025	Comments
	YEAR END	Prelim year end	YEAR END	
	Budget	Actual	Budget	
ORDINARY INCOME				
Assessments	595,500	595,500	653,000	Increase 10.7%, 1 Jan 2025; \$406.50 to \$450 annual dues, increase \$43.50;
Penalties, Fees & Other	57,600	45,390	54,000	Reduced 6.3%; following current year trend down
Interest Income	240	271	240	
Special Parks Assessment	532,500	532,500	N/A	For simplicity, actual special assessment income is assumed to be budget. See budget narrative.
Total Ordinary Income	1,185,840	1,173,661	707,240	
OPERATING EXPENSE:				
ADMINISTRATIVE EXPENSES				
Security - Contract	386,040	386,000	406,264	5.24% overall budget increase. Includes fuel costs.
Security - Other	34,400	35,979	60,288	KC Sheriff 1 Jan 2025 cost increase forecast = 7%; Full year budgeted for 2 officers + patrol cars.
Common Properties - Contract	36,828	33,718	36,828	Change landscape supplier to Uyeta Landscaping. No budget increase.
Common Properties - Other	15,600	15,158	16,070	3% budget increase. 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	20,004	15,329	20,000	July, Garage sale, August concerts, Last Splash event, etc.
Utilities	16,040	13,845	16,040	Electric, irrigation water, phone, etc.
Special Assessment	532,500	532,500	N/A	For simplicity, actual special assessment expense is assumed to be budget. See budget narrative.
Bad Debt Expense	24,000	24,000	24,000	
Total Administration	1,125,412	1,116,529	639,494	
OFFICE EXPENSES				
HO Mailings	5,400	7,642	5,400	Production & handling by mailing contractor. Extra expense due to extra mailings of revised and new R&Rs..
Postage	3,000	3,419	3,000	
Supplies	2,400	707	1,000	Reduce to \$1,000, following actual trend down
Dues/Subscriptions	8,100	6,924	8,000	Website service, Quicken accounting program, Prop Maint HOALife programs, Email service, PO Box rental, etc.
Computer Software/Hardware	240	240	240	Replacement costs accrual
Taxes - Property/IRS	1,700	2,000	2,000	March 2024 actual = \$2,000
TOTAL OFFICE	20,840	20,932	19,640	
PROFESSIONAL FEES				
Insurance	18,840	24,798	26,420	Past year premium increases. Forecast 5% increase over actual
Accounting/Audit	5,000	11,655	6,350	Additional extra audit expense to bring current. 27% budget increase to include audit + tax prep
Legal Fees-Counsel/Advice	14,400	32,024	15,120	5% budget increase. Extra expense due to legal reviewof updated and new R&Rs.
TOTAL PROFESSIONAL FEES	38,240	68,477	47,890	
TOTAL OPERATING EXPENSE	1,184,492	1,205,938	707,024	
NET INCOME (LOSS)	1,348	(32,277)	216	