

RVOP FIVE-YEAR BUDGET 2022 TO 2026 (Budget projects 5% annual increases in expenses and 5% annual assessment)

	ITEM	2021 Actual	2022-Base	2023	2024	2025	2026
5101	Electricity	\$ 1,333.65	\$ 1,500.00	\$ 1,575.00	\$ 1,653.75	\$ 1,736.44	\$ 1,823.26
5348	Supplies	\$ 667.03	\$ 200.00	\$ 210.00	\$ 220.50	\$ 231.53	\$ 243.10
5349	Monthly PMC maintenance-ended 2021	\$ 2,009.78					
5401	Trash removal	\$ 5,596.72	\$ 6,000.00	\$ 6,300.00	\$ 6,615.00	\$ 6,945.75	\$ 7,293.04
5501	Landscaping	\$ 10,488.00	\$ 11,500.00	\$ 12,075.00	\$ 12,678.75	\$ 13,312.69	\$ 13,978.32
5530	Snow & ice treatment	\$ 24,748.00	\$ 20,000.00	\$ 21,000.00	\$ 22,050.00	\$ 23,152.50	\$ 24,310.13
5585	Common area repairs	\$ 6,419.69	\$ 10,000.00	\$ 10,500.00	\$ 11,025.00	\$ 11,576.25	\$ 12,155.06
5590	Individual unit repairs	\$ 6,467.25	\$ 5,000.00	\$ 5,250.00	\$ 5,512.50	\$ 5,788.13	\$ 6,077.53
5595	Roof & parking upkeep	\$ 8,337.00	\$ 2,000.00	\$ 2,100.00	\$ 2,205.00	\$ 2,315.25	\$ 2,431.01
5601	Management services	\$ 4,238.00	\$ 4,200.00	\$ 4,410.00	\$ 4,630.50	\$ 4,862.03	\$ 5,105.13
5620	Financial services	\$ 1,250.00	\$ 1,500.00	\$ 1,575.00	\$ 1,653.75	\$ 1,736.44	\$ 1,823.26
5730	Insurance expenses	\$ 9,159.00	\$ 10,000.00	\$ 10,500.00	\$ 11,025.00	\$ 11,576.25	\$ 12,155.06
6101	Miscellaneous expenses	\$ 329.90	\$ 1,000.00	\$ 1,050.00	\$ 1,102.50	\$ 1,157.63	\$ 1,215.51
6500	Total budget expenses	\$ 81,044.02	\$ 72,900.00	\$ 76,545.00	\$ 80,372.25	\$ 84,390.86	\$ 88,610.41

INCOME AND EXPENSE, ACTUAL AND PROJECTED

7000	Assessment income	\$ 134,095.27	\$ 141,619.97	\$ 148,700.97	\$ 156,136.02	\$ 163,942.82	\$ 172,139.96
7101	Other income	\$ 1.00					
7100	Total income	\$ 134,096.27	\$ 141,619.97	\$ 148,700.97	\$ 156,136.02	\$ 163,942.82	\$ 172,139.96
6500	Total expenses	\$ 81,044.02	\$ 72,900.00	\$ 76,545.00	\$ 80,372.25	\$ 84,390.86	\$ 88,610.41
7110	Net income/loss	\$ 53,052.25	\$ 68,719.97	\$ 72,155.97	\$ 75,763.77	\$ 79,551.96	\$ 83,529.55

RESERVE ACCOUNT AND EXPENSES

7120	Year-end cash on hand	\$ 52,580.72	\$ 68,719.97	\$ 72,155.97	\$ 75,763.77	\$ 79,551.96	\$ 83,529.55
8000	Less operating reserve (3 mos)	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
8010	Addition to reserves	\$ 42,580.72	\$ 58,719.97	\$ 62,155.97	\$ 65,763.77	\$ 69,551.96	\$ 73,529.55
8030	Available reserve funds	\$ 142,553.66	\$ 99,972.94	\$ 72,900.00	\$ 176,545.00	\$ 80,372.25	\$ 84,390.86
8100	Roofing reserve expenses	\$ 59,201.79	\$ 0.00		\$ 0.00		
8200	Parking lot reserve expenses	\$ 0.00	\$ 20,000.00		\$ 100,000.00		
8300	Total expenses from reserves	\$ 59,201.79	\$ 20,000.00		\$ 100,000.00		
8400	Year-end reserve balance	\$ 41,252.97	\$ 79,972.94	\$ 72,900.00	\$ 76,545.00	\$ 80,372.25	\$ 84,390.86

LINE ITEM DEFINITIONS

REMARKS

5101	Electricity:	Dominion Energy or other electrical expenses	<p><u>Assessments:</u> Quarterly RVOP assessments were increased three times and two special assessment were levied in 2018 and 2019. To keep pace with the future expenses and to allow for replacement of depleted reserves, in 2020 the RVOP Board of Directors approved an annual 5% increase in assessments, effective January 2021 and each January thereafter.</p> <p><u>Projections:</u> The RVOP budget projects between \$42,000 and \$73,000 addition to reserves over the budget period. Addition to reserves each year is calculated as cash-on-hand at the end of each calendar year, minus three months operating reserves, \$10,000. For example, end of year cash-on-hand 2021 was \$52,580.72, when reduced by \$10,000 allows an addition to reserves of \$42,580.72, to be added to the 2020 reserve balance.</p> <p><u>Reserve expenses:</u> Reserve account demands in next several years have been mitigated by 2018-2020 roof replacements on all three RVOP buildings. The \$59,201.79 shows amount paid for roof replacements on Building 9308 and the 9310-9318 Building.</p> <p><u>Reserve projections:</u> Line 8300 shows projected reserve expenses and 8400 is the projected reserves balance, after actual or projected expenses. Unexpected, major expenses, such as those experienced in excessive snow removal requirements and recurring water-intrusion repairs could adversely impact the RVOP five year budget levels and force additional increases in assessments and/or levy of special assessment(s).</p> <p><u>Prior-year expenses:</u> The 2014 and 2018 expenses over income (parking lots, \$76,000 and roof replacement on building 9300-9306, \$45,000) were paid from accumulate reserves. Expense levels in 2015 and 2016 remained sufficiently low to allow very limited replenishment of the RVOP reserves; however, the extraordinary expense levels of 2018 and 2019 for water intrusion projects completely depleted reserves available for major expenses.</p>
5348	Supplies:	Office supplies and postage	
5349	Monthly R&M:	PMC monthly-removed effective 2022	
5401	Trash removal:	ADS contact & Sarah Scott regular monthly charges	
5501	Landscaping:	Lancaster contract & other landscaping services	
5530	Snow & ice treatment:	Suburban snow & ice management/removal services	
5585	Common-area repairs:	Common-area repairs/maintenance	
5590	Individual unit repairs:	Repair & replace individual unit damages	
5595	Roof & parking upkeep:	Minor, short-term roof and parking lot repairs	
5601	Management svcs:	Norma & Naveed services and expenses	
5620	Financial services:	Fritz & Co fees & bank charges/fees	
5730	Insurance expense:	The Hartford RVOP policy premium	
6101	Misc expenses:	Unallocated minor miscellaneous expenses	
6500	Total expense:	Total budget/expense	
7000	Assessments:	Income from regular quarterly assessments	
7001	Other income:	Special assessments and reimbursements	
7100	Total income:	Total income from all sources	
7110	Net income/loss:	Year-end net income/loss after non-reserve expenses	
7120	Year-end cash:	Year-end cash on hand	
8000	Operating reserve:	Estimated three months operating expenses	
8010	Added to reserves:	Estimated annual funds to add to reserves	
8030	Available reserve funds:	Projected annual available reserve funds	
8100	Roof replacement:	Roof replacements/major repairs from reserve funds	
8200	Parking lot repairs:	Parking area major repairs/expenses from reserves	
8300	Reserve expenses:	Total actual/projected expenses from reserves	
8400	Year-end reserve balance:	Projected year-end reserve funds balance	

RVOP TABLE OF INCOME AND EXPENSES 2011 TO 2021

YEAR	INCOME	EXPENSES	YEAR-END NET OPERATING INCOME
2011	\$ 73,883.00	\$ 57,291.00	\$ 16,592.00
2012	\$ 84,234.00	\$ 46,190.00	\$ 38,044.00
2013	\$ 87,176.00	\$ 61,377.00	\$ 25,799.00
2014	\$ 84,407.00	\$ 149,986.00	\$ -65,579.00
2015	\$ 80,909.00	\$ 80,994.00	\$ -85.00
2016	\$ 77,485.00	\$ 72,664.00	\$ 4,821.00
2017	\$ 89,345.00	\$ 91,932.00	\$ -2,587.00
2018	\$ 91,997.00	\$ 168,419.00	\$ -76,422.00
2019	\$ 203,185.99	\$ 223,057.97	\$ -19,871.98
2020	\$ 148,364.79	\$ 88,005.36	\$ 60,359.43
2021	\$ 134,096.27	\$ 81,044.02	\$ 53,052.25