

MALVERN CLUB, INC. – APPROVED 2015 BUDGET

Line items	2012 Actual	2013 Actual	2014 Budget ¹	2014 YTD ²	2015 Budget	Comments
Income and other fund sources						
1. Regular assessment	\$118,157	\$119,325	\$122,850	\$112,689	\$128,700	234 lots at \$550 per lot for 2015
2. Special assessment						Not currently necessary
3. Banking interest (all accounts)	\$580	\$390	\$400	\$336	\$400	
4. Boat fees	\$135	\$135	\$135	\$120	\$135	9 lots at \$15 per lot
5. Clubhouse fees	\$2,880	\$3,140	\$3,000	\$2,755	\$3,000	
6. Interest from legal issues	\$44					
7. Late fees	\$527	\$858	\$450	\$673	\$450	15 lots at \$30 per lot
8. Legal fees	\$785	1,356		\$1,023		Recoupable and return of legal fees
9. Insurance claim reimbursements	\$1,600					
10. Packets	\$250	\$400	\$325	\$390	\$325	5 lots at \$65 per lot
11. Road impact fee						0 lots at \$1,000 per lot
12. Road impact fee non-refundable	\$500					
13. Vacant lot bush hogging	\$1,400	\$1,680	\$1,500	\$1,150	\$1,400	11 lots bush hogging
14. Pool income	\$2,420	\$2,500	\$2,500	\$2,375	\$2,500	125 keys at \$20 per key
15. Dues from previous year(s)		\$2,753		\$2,046		
16. Carry-over from previous year			\$3,750			
17. Sale of materials / other	\$1,500	\$1,033		\$1,069		
18. Totals	\$130,778	\$133,570	\$134,910	\$124,626	\$136,910	Total predicted income and funds
Expenses						
19. Accounting		\$2,400	\$1,000		\$6,000	Services including invoicing, financial reports
20. Administration	\$2,698	\$2,518	\$2,750	\$701	\$2,750	Postage, printing, ads, bank charges, supplies
21. Bad debt			\$2,625	\$444	\$2,750	Lost revenue from assessments
22. Building & grounds	\$6,943	\$21,815	\$9,005	\$3,110	\$8,450	Repairs, maintenance, mowing, signs, supplies
23. Licenses & permits	\$203	\$200	\$230	\$201	\$250	SCC as corporation in VA, CIC as HOA in VA
24. Insurance	\$3,906	\$3,598	\$4,100	\$4,073	\$4,350	Liability, fidelity, officers
25. Legal fees	\$7,416	\$7,756	\$4,000	\$2,691	\$4,000	Consulting and collections
26. Vacant lot bush hogging	\$1,550	\$1,325	\$1,600	\$625	\$1,400	Once in June and again in October
27. Clubhouse	\$8,826	\$8,837	\$6,350	\$2,561	\$9,600	Cleaning, management, supplies, renovations ³
28. Pool	\$4,847	\$5,280	\$8,640	\$6,127	\$13,100	Chemicals, keys, passes, service, furniture ⁴
29. Playground	\$23,643		\$750	\$709	\$750	Maintenance, mulch
30. Roads	\$30,486	\$13,107	\$42,000	\$12,247	\$55,000	Maintenance, easement, snow ⁵
31. Security		\$10,440	\$13,000	\$10,921	\$14,200	Contract services, equipment, lights
32. Social events	\$1001	\$1,500	\$1,500	\$984	\$1,500	Periodic social events and welcome baskets
33. Electric	\$3,576	\$4,589	\$4,800	\$4,415	\$6,600	Clubhouse, mail and entrance area
34. Telephone, cable, internet	\$395	\$1,081	\$1,560	\$1,068	\$1,800	At clubhouse
35. Taxes	\$1,014		\$1,000		\$0	IRS and State, if required
36. Reserves	\$50,000	\$30,000	\$30,000	\$30,000	\$4,410	Into reserve
37. Totals	\$146,504	\$114,446	\$134,910	\$80,877	\$136,910	Total predicted annual expenses

¹ Incorporates 2014 capital improvements into corresponding expense line item

² Year-to-date is through September 29, 2014

³ For 2015, \$7,000 budgeted for furnishings, fixtures, renovations

⁴ For 2015, \$6,500 budgeted for furniture and repairs to upper deck

⁵ For 2015, \$5,000 budgeted for snow removal, \$25,000 for easements, \$25,000 other road repairs

This budget was approved by the membership on October 18, 2014. **Note that the budget includes a proposed dues increase of \$25 per lot effective in 2015.** This would mean annual dues would increase from \$525 per year per lot to \$550 per year per lot. Members who pay in 2 installments would pay \$325 in their first installment and the remaining \$225 in their second installment.

5-year plan

Item	2015	2016	2017	2018	2019
Yearly fixed expenses	\$67,800	\$69,500	\$71,200	\$73,000	\$74,800
(above increases 2.5% per year)					
Clubhouse					
Renovate 2nd bedroom	\$3,000				
Renovate bathrooms	\$2,000				
Bedroom Furniture	\$2,000				
Replace roof					
Replace HVAC					
Pool					
Repair Concrete	\$5,000				
Patio Furniture	\$1,500				
Lake					
Security Lighting	\$1,200				
Roads					
Slurry treatment				\$155,000	
Easement maintenance	\$25,000				
Road repairs	\$25,000	\$30,000	\$30,000	\$0	\$15,000
Deposit/Withdraw from Reserve	\$4,400	\$9,630	\$12,260	(\$110,110)	\$32,520
Totals Expenses *	\$136,900	\$109,130	\$113,460	\$117,890	\$122,320
Income dues	\$128,700	\$128,700	\$128,700	\$128,700	\$128,700
Income other	\$8,200	\$8,200	\$8,200	\$8,200	\$8,200
Total income *	\$136,900	\$136,900	\$136,900	\$136,900	\$136,900
Reserve fund balance	\$176,900	\$186,530	\$198,790	\$88,680	\$121,200
Annual dues	\$550	\$550	\$550	\$550	\$550

* Note that total Expenses are less than total income in years 2016 through 2019. This difference allows the Board some flexibility to plan for future repairs, replacement and maintenance of the various common components that fall within the operational budget threshold established in the Reserve Study as needs and priorities arise. Reference the Reserve Study at: <http://malvernofmadison.org/DocForm/ReserveStudy.pdf> for information about our common components and the definition of such terms as "operational budget threshold".

LINE ITEM DETAIL FOR PROPOSED 2015 EXPENSES

Accounting	\$6,000	Services, including invoicing, financial reports
Administrative	\$2,750	
General	\$1,000	Advertising, collection costs, bank charges
Postage	\$750	Newsletters, bills
Printing	\$500	Newsletters, disclosure packets
Supplies	\$500	Envelopes, ink, paper
Bad debt	\$2,750	
Grounds	\$8,450	
Dock repairs	\$500	As needed
Landscaping	\$1,500	Entrance, common areas
Maintenance	\$200	Mailbox area
Mowing	\$4,500	Clubhouse, median, bridge, Ashlawn dock
Signs	\$500	Replacement, repairs, maintenance
Supplies	\$250	Lights and misc for mail area, bulletin board
Tree services	\$1,000	Removal when necessary
Licenses	\$250	
CIC renewal	\$220	Required annual renewal as HOA in VA
SCC renewal	\$30	Required annual renewal as corporation in VA
Insurance	\$4,350	
Fidelity	\$500	
General liability	\$3,250	Clubhouse, officers
Umbrella	\$600	
Legal fees	\$4,000	Collections and consulting
Vacant lot mowing	\$1,400	
Clubhouse	\$9,600	
Capital Expenditures	\$7,000	Furnishings, fixtures, renovations
Cleaning	\$750	
Maintenance	\$1,000	As needed
Management	\$350	
Supplies	\$500	

LINE ITEM DETAIL FOR PROPOSED 2015 EXPENSES (continued)

Pool	\$13,100	
Capital Expenditures	\$6,500	Furniture, upper deck repairs
Chemicals	\$1,800	
Keys	\$600	
Maintenance	\$2,700	7 days/week x \$20 per day x 16 weeks + opening
Passes	\$500	
Repairs	\$1,000	Sand filter, deck grouting
Playground	\$750	
Equipment		
Maintenance	\$750	
Roads	\$55,000	
Easement	\$25,000	Trees, drainage, repairs
Maintenance	\$0	Culvert repairs as needed, tree and debris removal
Repaving (CIP)	\$25,000	
Snow removal	\$5,000	
Security	\$14,200	
Equipment	\$2,200	Clubhouse security cameras, light at dock
Contract services	\$12,000	\$7,000 summer, \$5,000 rest of year
Social events	\$1,500	Yard sales, Easter, winter social, picnic, Halloween
Electric	\$6,600	Clubhouse, entrance and mail area \$550 x 12
Telephone, cable, internet	\$1,800	\$150 per month x 12 months
Taxes	\$0	IRS and VA
Reserve	\$4,410	Roads (30,000), pool (\$5,000), Docks (\$2,000)
	\$136,910	

30 Year Component and Maintenance Summary

Inflation factor	2.50%
Future cost factor: roads	75%
Future cost factor: other	100%

Component	Useful life	Remaining life	Current \$	Future \$	Future cost
Roads:					
Main roads (slurry)		6			\$155,000
Side Roads (slurry)		10			\$140,000
Main roads (slurry)		15			\$175,000

Side Roads (slurry)		19			\$175,000
Main roads (slurry)		24			\$210,000
Side Roads (slurry)		28			\$185,000
Other:					
Road maintenance		2			
Road maintenance		3			\$32,600
Road maintenance		4			\$30,000
Road maintenance		5			\$30,000
Road maintenance		6			\$0
Road maintenance		7			\$15,000
Road maintenance		8			\$15,000
Road maintenance		9			\$15,000
Road maintenance		10			\$0
Road maintenance		11			\$15,000
Road maintenance		12			\$15,000
Road maintenance		13			\$15,000
Road maintenance		14			\$15,000
Road maintenance		15			\$0
Road maintenance		16			\$15,000
Road maintenance		17			\$0
Road maintenance		18			\$15,000
Road maintenance		19			\$0
Road maintenance		20			\$0
Road maintenance		21			\$15,000
Road maintenance		22			\$15,000
Road maintenance		23			\$15,000
Road maintenance		24			\$0
Road maintenance		25			\$15,000
Road maintenance		26			\$15,000
Road maintenance		27			\$0
Road maintenance		28			\$0
Road maintenance		29			\$15,000
Road maintenance		30			\$15,000
Pool	15	12	\$25,000	\$33,620	\$33,620
Pool	30	27	\$25,000	\$48,700	\$48,700
HVAC	18	17	\$20,000	\$30,430	\$30,430
Roof	20	12	\$15,000	\$20,170	\$20,170
Siding	30	22	\$15,000	\$25,820	\$25,820
Dock	60	20	\$40,000	\$65,540	\$65,540

Table 3 - 30-year Reserve Fund Summary

Year	Year #	Annual Contribution	Annual Expenditures	Into/Out of Reserve	Reserve Fund Balance	Task
2013	1				\$142,449	
2014	2				\$172,500	
2015	3	\$37,000	(\$32,600)	\$4,400	\$176,900	Road and tree
2016	4	\$39,630	(\$30,000)	\$9,630	\$186,530	Road
2017	5	\$42,260	(\$30,000)	\$12,260	\$198,790	Road
2018	6	\$44,890	(\$155,000)	(\$110,110)	\$88,680	Slurry Malvern, CB, Liberty, Ashlawn
2019	7	\$47,520	(\$15,000)	\$32,520	\$121,200	Road
2020	8	\$50,150	(\$15,000)	\$35,150	\$156,350	Road
2021	9	\$52,780	(\$15,000)	\$37,780	\$194,130	Road and tree
2022	10	\$55,410	(\$140,000)	(\$84,590)	\$109,540	Slurry side streets
2023	11	\$58,040	(\$15,000)	\$43,040	\$152,580	Road
2024	12	\$60,670	(\$68,790)	(\$8,120)	\$144,460	Road, pool, roof
2025	13	\$63,300	(\$15,000)	\$48,300	\$192,760	Road
2026	14	\$65,930	(\$15,000)	\$50,930	\$243,690	Road
2027	15	\$68,560	(\$175,000)	(\$106,440)	\$137,250	Slurry Malvern, CB, Liberty, Ashlawn
2028	16	\$71,190	(\$15,000)	\$56,190	\$193,440	Road
2029	17	\$73,820	(\$30,430)	\$43,390	\$236,830	HVAC
2030	18	\$76,450	(\$15,000)	\$61,450	\$298,280	Road
2031	19	\$79,080	(\$175,000)	(\$95,920)	\$202,360	Slurry side streets
2032	20	\$81,710	(\$65,540)	\$16,170	\$218,530	Docks
2033	21	\$84,340	(\$15,000)	\$69,340	\$287,870	Road
2034	22	\$86,970	(\$40,820)	\$46,150	\$334,020	Road, siding
2035	23	\$89,600	(\$15,000)	\$74,600	\$408,620	Road
2036	24	\$92,230	(\$210,000)	(\$117,770)	\$290,850	Slurry Malvern, CB, Liberty, Ashlawn
2037	25	\$94,860	(\$15,000)	\$79,860	\$370,710	Road
2038	26	\$97,490	(\$15,000)	\$82,490	\$453,200	Road
2039	27	\$100,120	(\$48,700)	\$51,420	\$504,620	Pool
2040	28	\$102,750	(\$185,000)	(\$82,250)	\$422,370	Slurry side streets
2041	29	\$105,380	(\$15,000)	\$90,380	\$512,750	Road
2042	30	\$108,010	(\$15,000)	\$93,010	\$605,760	Road