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### Independent Auditor's Report

To the Board of Directors of  
Council of Co-Owners of Fairlington Glen

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Council of Co-Owners of Fairlington Glen, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council of Co-Owners of Fairlington Glen as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Budget vs. Actual Comparison on pages 13 to 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Except for that portion marked "Unaudited", on which we expressed no opinion, the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Goldklang Group CPAs, P.C.*

Reston, Virginia  
October 7, 2021

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 798,772	\$ 924,898
Interest-Bearing Deposits	3,273,000	2,500,000
Assessments Receivable - Net	10,341	4,270
Accounts Receivable - Other	-	19,537
Income Taxes Receivable	5,263	-
Accrued Interest Receivable	6,798	6,798
Prepaid Expenses	<u>37,038</u>	<u>31,493</u>
Total Assets	<u>\$ 4,131,212</u>	<u>\$ 3,486,996</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable	\$ 343,917	\$ 330,142
Income Taxes Payable	-	1,537
Prepaid Assessments	<u>59,367</u>	<u>60,760</u>
Total Liabilities	<u>\$ 403,284</u>	<u>\$ 392,439</u>
Contingency Reserve	<u>\$ 102,053</u>	<u>\$ 125,880</u>
Replacement Reserves	\$ 3,235,575	\$ 2,752,195
Replacement Reserves Unallocated Interest	<u>170,642</u>	<u>136,871</u>
Total Replacement Reserves	<u>\$ 3,406,217</u>	<u>\$ 2,889,066</u>
Prior Year Unappropriated Members' Equity	\$ 111,838	\$ 111,838
Current Year Net Income (Loss)	<u>107,820</u>	<u>(32,227)</u>
Total Unappropriated Members' Equity	<u>\$ 219,658</u>	<u>\$ 79,611</u>
Total Members' Equity	<u>\$ 3,727,928</u>	<u>\$ 3,094,557</u>
Total Liabilities and Members' Equity	<u>\$ 4,131,212</u>	<u>\$ 3,486,996</u>

See Accompanying Notes to Financial Statements

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<u>INCOME:</u>		
Assessments	\$ 1,696,442	\$ 1,651,296
Interest	42,749	53,192
Bad Debt Recovery	9,504	-
Late Fees	1,150	1,175
Pool	-	429
Miscellaneous	11	-
Total Income	\$ 1,749,856	\$ 1,706,092
<u>EXPENSES:</u>		
Administrative	\$ 120,347	\$ 168,253
Insurance	88,207	78,286
Payroll and Related	174,867	143,076
Utilities	202,218	199,895
Pool Complex	47,789	48,885
Landscaping	104,259	111,974
Repairs and Maintenance	150,484	211,768
Service Contracts	71,002	80,410
Bad Debt	-	1,258
Income Taxes	8,737	12,137
Total Expenses	\$ 967,910	\$ 1,055,942
Net Income before Contribution to Reserves	\$ 781,946	\$ 650,150
Contribution to Reserves	(674,126)	(682,377)
Net Income (Loss)	\$ 107,820	\$ (32,227)

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
STATEMENTS OF MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Contingency Reserve</u>	<u>Replacement Reserves</u>	<u>Unappropriated Members' Equity</u>	<u>Total Members' Equity</u>
Balance as of December 31, 2018 (Restated)	\$ 146,936	\$ 2,717,615	\$ 82,382	\$ 2,946,933
Addition:				
Contribution to Reserves	8,400	673,977		682,377
Inter-Equity Transfer	(29,456)		29,456	
Deductions:				
Canopy		(3,100)		(3,100)
Carpet		(40,850)		(40,850)
Copper Strip		(1,625)		(1,625)
Drainage		(6,026)		(6,026)
Grill		(267)		(267)
Hallway		(1,747)		(1,747)
Lights		(12,256)		(12,256)
Masonry		(15,400)		(15,400)
Stoop and Masonry Phase II		(128,893)		(128,893)
Painting		(53,300)		(53,300)
Pipe		(20,650)		(20,650)
Plywood		(1,100)		(1,100)
Pool		(66)		(66)
Reserve Study		(3,465)		(3,465)
Slate Roof		(58,085)		(58,085)
Roof		(151,861)		(151,861)
Unit B		(1,085)		(1,085)
Water Heater		(2,750)		(2,750)
Net Loss			(32,227)	(32,227)
Balance as of December 31, 2019	\$ 125,880	\$ 2,889,066	\$ 79,611	\$ 3,094,557
Additions:				
Contribution to Reserves	8,400	665,726		674,126
Net Income			107,820	107,820
Inter-Equity Transfer	(32,227)		32,227	
Deductions:				
Flooring		(2,150)		(2,150)
Pool		(5,850)		(5,850)
Lights		(7,693)		(7,693)
Stoops		(25,017)		(25,017)
Paving		(6,629)		(6,629)
Roof		(91,791)		(91,791)
Sewer		(9,445)		(9,445)
Balance as of December 31, 2020	<u>\$ 102,053</u>	<u>\$ 3,406,217</u>	<u>\$ 219,658</u>	<u>\$ 3,727,928</u>

See Accompanying Notes to Financial Statements

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Income (Loss)	\$ 107,820	\$ (32,227)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Bad Debt Expense (Recovery)	(9,504)	1,258
Decrease (Increase) in:		
Assessments Receivable	3,433	(2,381)
Accounts Receivable - Other	19,537	-
Income Taxes Receivable	(5,263)	-
Prepaid Expenses	(5,545)	(7,952)
Increase (Decrease) in:		
Accounts Payable	(5,679)	19,137
Income Taxes Payable	(1,537)	(3,946)
Prepaid Assessments	(1,393)	8,376
Net Cash Flows from Operating Activities	<u>\$ 101,869</u>	<u>\$ (17,735)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Received from Assessments (Reserves)	\$ 631,955	\$ 631,956
Received from Assessments (Contingency)	8,400	8,400
Received from Interest (Reserves)	33,771	42,021
Current Year Cash Paid for Reserve Expenditures	\$ (148,574)	\$ (502,526)
Less: Prior Year Reserve Expenditures Payable	(267,127)	(75,581)
Add: Current Year Reserve Expenditures Payable	286,580	267,127
Disbursed for Reserve Expenditures	<u>\$ (129,121)</u>	<u>\$ (310,980)</u>
Received from Interest-Bearing Deposits	\$ 1,875,000	\$ 2,865,000
Disbursed for Interest-Bearing Deposits	<u>(2,648,000)</u>	<u>(3,390,000)</u>
Net Cash Flows from Investing Activities	<u>\$ (227,995)</u>	<u>\$ (153,603)</u>

See Accompanying Notes to Financial Statements

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)

	<u>2020</u>	<u>2019</u>
Net Change in Cash and Cash Equivalents	\$ (126,126)	\$ (171,338)
Cash and Cash Equivalents at Beginning of Year	<u>924,898</u>	<u>1,096,236</u>
Cash and Cash Equivalents at End of Year	<u>\$ 798,772</u>	<u>\$ 924,898</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid For Income Taxes	<u>\$ 15,537</u>	<u>\$ 16,868</u>
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COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF OPERATIONS:

The Condominium is an association organized under the laws of the Commonwealth of Virginia for the purposes of maintaining and preserving the common property of the Association. The Association is located in Arlington, Virginia and consists of 352 units. The Board of Directors administers the operations of the Condominium.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

A) Method of Accounting - The financial statements are presented on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

B) Member Assessments - Association members are subject to annual assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its assessments are satisfied over time on a daily pro-rata basis using the input method. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include consideration of past experience and susceptibility to factors outside the Association's control.

C) Common Property - Real property and common areas acquired from the declarant and related improvements to such property are not recorded in the Association's financial statements because the property is owed by the individual unit owners in common and not by the Association. Common property includes, but is not limited to, exterior structures, recreational facilities, and other site improvements.

D) Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities. They also affect the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E) Cash Equivalents - For purposes of the statement of cash flows, the Association considers all highly liquid investments and interest-bearing deposits with a maturity date of three months or less to be cash equivalents.



COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019  
(CONTINUED)

NOTE 3 - REPLACEMENT RESERVES:

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are generally not available for expenditures for normal operations.

The Association had a replacement reserve study conducted by Restoration Engineering, Inc. during 2019. The table included in the Supplementary Information on Future Major Repairs and Replacements is based on this study.

The 2019 study does not have a cash flow schedule for the recommended contribution amount. For 2020, the Association budgeted to contribute \$631,955 to replacement reserves. Additionally, the Association elected to contribute interest income of \$33,771 to reserves during 2020.

Funds are being accumulated in the replacement reserve based on estimates of future needs for repair and replacement of common property components. Actual expenditures may vary materially from the estimated future expenditures; therefore, amounts accumulated in the replacement reserve may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board of Directors, on behalf of the Association, may increase regular assessments, pass a special assessment, or delay major repairs and replacements until funds are available.

As of December 31, 2020 and 2019, the balance in the replacement reserves account was \$3,406,217 and \$2,889,066, respectively. These designated reserves were funded by cash and interest-bearing deposits.

NOTE 4 - INCOME TAXES:

For income tax purposes, the Association may elect annually to file either as an exempt condominium or as an association taxable as a corporation. As an exempt condominium, the Association's net assessment income would be exempt from income tax, but its interest income would be taxed. Electing to file as a corporation, the Association is taxed on its net income from all sources (to the extent not deferred) at normal corporate rates after corporate exemption, subject to the limitation that operating expenses are deductible only to the extent of income from members. For 2020 and 2019, the Association's income taxes were calculated using the corporate method.

The Association's policy is to recognize any tax penalties and interest as an expense when incurred. The Association's federal and state tax returns for the past three years remain subject to examination by the Internal Revenue Service and the Commonwealth of Virginia.

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019  
(CONTINUED)

NOTE 5 - CASH AND INTEREST-BEARING DEPOSITS:

As of December 31, 2020, the Association maintained its funds in the following manner:

<u>Institution</u>	<u>Cash and Cash Equivalents</u>	<u>Interest- Bearing Deposits</u>
Petty Cash	\$ 600	\$ -
CIT	594,883	
Morgan Stanley (Various Institutions)	<u>203,289</u>	<u>3,273,000</u>
Totals	<u>\$ 798,772</u>	<u>\$ 3,273,000</u>

Balances at banks are insured by the FDIC for up to \$250,000 per financial institution. Amounts in excess of the insured limits were \$441,205 and \$431,602 as of December 31, 2020 and 2019, respectively.

Cash and securities held at a SIPC member brokerage firm are insured by the SIPC for up to \$500,000, which includes \$250,000 limit for cash. The Association maintains funds in a brokerage account which are subject to SIPC limits.

NOTE 6 - ASSESSMENTS RECEIVABLE - NET:

The Association utilizes the allowance method of accounting for bad debt. Individual receivables are written off as a loss when a determination is made that they are non-collectible. Under the allowance method, collection efforts may continue and recoveries of amounts previously written off are recognized as income in the year of collection.

	<u>2020</u>	<u>2019</u>
Assessments Receivable	\$ 10,341	\$ 14,301
Less: Allowance for Doubtful Assessments	-	<u>(10,031)</u>
Assessments Receivable - Net	<u>\$ 10,341</u>	<u>\$ 4,270</u>

NOTE 7 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION:

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate—Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019  
(CONTINUED)

NOTE 7 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION:  
(CONTINUED)

The Association adopted the new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning unappropriated members' equity balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment income, as previously described.

The adoption of the new revenue recognition guidance resulted in no changes to balances as of January 1, 2019.

NOTE 8 - CONTINGENCY RESERVE:

The Association established a contingency reserve for unexpected operating expenses. During 2020 and 2019, the Association budgeted to contribute \$8,400 each year to this fund. During 2020, the Association transferred \$32,227 from the contingency reserve to unappropriated members' equity. As of December 31, 2020 and 2019, the balance in the contingency reserve was \$102,053 and \$125,880, respectively. This reserve was funded by cash and interest-bearing deposits.

NOTE 9 - SUBSEQUENT EVENTS:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 7, 2021, the date the financial statements were available to be issued.

Subsequent to year-end, the Association incurred reserve expenditures of approximately \$320,000.

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2020  
(UNAUDITED)

The Association conducted a replacement reserve study in 2019 by Restoration Engineering, Inc. to estimate the remaining lives and the replacement costs of the common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The estimated replacement costs presented below do not take into account the effects of inflation between the date of the study and the date the components will require repair or replacement; however, the Association's replacement reserve study does take inflation into consideration when evaluating future expenditures and recommended contributions to reserves.

The following has been extracted from the Association's replacement reserve study and presents significant information about the components of common property.

<u>Component</u>	<u>2019 Estimated Remaining Useful Life (Years)</u>	<u>2019 Estimated Replacement Cost</u>
Hardscape	0-13	\$ 1,266,305
Utilities	10-41	2,582,351
Miscellaneous Site Features	2-30	860,535
Recreational Facilities	2-31	809,889
Building Exteriors	0-66	11,078,858
Building Interiors and Services	3-41	184,792

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
BUDGET VS. ACTUAL COMPARISON  
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>Unaudited Fairlington Glen Budget</u>	<u>Actual (Post-Audit)</u>
<u>INCOME:</u>			
30100	Assessments	\$ 1,698,527	\$ 1,696,442
30270	Interest	44,594	42,749
30290	Bad Debt Recovery	1,482	9,504
30171	Late Fees	1,666	1,150
30190	Pool	325	-
30260	Miscellaneous	80	11
		<hr/>	<hr/>
	Total Income	<u>\$ 1,746,674</u>	<u>\$ 1,749,856</u>
 <u>EXPENSES:</u>			
Administrative:			
51020	Postage	\$ 311	\$ -
51030	Office Expenses	1,780	2,801
51031	Copying	2,072	1,369
51050	Training and Education	31	25
51500	Miscellaneous Expenses	1,945	356
51250	Entertainment and Social	60	37
51550	Miscellaneous Administrative	4,814	5,373
	Subtotal Miscellaneous Administrative	<u>\$ 11,013</u>	<u>\$ 9,961</u>
51110	Audit, Taxes and Accounting	\$ 7,150	\$ 7,150
51090	Legal	17,500	15,522
51092	Legal Fee Reimbursement	(2,625)	(266)
51120	Management	79,106	66,576
51125	Management Schedule B	9,435	8,509
51106	Professional Fees	34,881	9,407
51000	Telephone and Related	3,692	3,488
	Total Administrative	<u>\$ 160,152</u>	<u>\$ 120,347</u>
71050	Insurance	<u>\$ 79,279</u>	<u>\$ 88,207</u>
Payroll and Related:			
61301	Federal FICA Taxes	\$ 6,052	\$ 7,546
61308	Payroll Taxes Budget	1,415	1,705
	Subtotal Payroll Taxes	<u>\$ 7,467</u>	<u>\$ 9,251</u>
61302	Virginia Unemployment Taxes	\$ 22	\$ 24
61303	Unemployment Taxes Budget	84	126
	Subtotal Unemployment Taxes	<u>\$ 106</u>	<u>\$ 150</u>

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
BUDGET VS. ACTUAL COMPARISON  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

		<u>Unaudited</u> <u>Fairlington</u> <u>Glen Budget</u>	<u>Actual</u> <u>(Post-Audit)</u>
71070	Group Insurance	\$ 27,617	\$ 29,879
51137	Management On-Site	-	11,207
61420	Maintenance Payroll	97,614	107,999
61431	Temporary Help	5,500	7,244
61360	Uniforms	450	551
61300	Payroll Administrative	7,181	8,586
	Total Payroll and Related	<u>\$ 145,935</u>	<u>\$ 174,867</u>
	Utilities:		
71030	Electricity	\$ 10,000	\$ 10,634
71010	Water and Sewer	189,679	191,584
	Total Utilities	<u>\$ 199,679</u>	<u>\$ 202,218</u>
	Pool Complex:		
61150	Pool Contract	\$ 39,899	\$ 40,374
61145	Pool Repair and Maintenance	10,080	6,667
61156	Pool Furniture	1,600	313
51258	Pool Committe	2,700	435
	Total Pool Complex	<u>\$ 54,279</u>	<u>\$ 47,789</u>
	Landscaping:		
61180	Grounds Contract	\$ 69,639	\$ 69,639
61188	Tree Service	\$ 3,000	
61557	Landscape Non-Contract	37,000	31,920
61570	Landscape Replacement	3,500	2,700
	Subtotal Tree Services and Landscape Improvements	<u>\$ 43,500</u>	<u>\$ 34,620</u>
	Total Landscaping	<u>\$ 113,139</u>	<u>\$ 104,259</u>
	Repairs and Maintenance:		
61200	Property Repairs	\$ 32,000	\$ 43,032
61284	Carpentry	30,406	23,750
61310	Exterior Painting	90,270	88,915
61460	Roofing	31,514	29,421
61010	Vehicle Expenses	965	411
61247	Playground Equipment	10,400	742
61370	Damage Claims	28,848	(35,787)
	Total Repairs and Maintenance	<u>\$ 224,403</u>	<u>\$ 150,484</u>

COUNCIL OF CO-OWNERS OF FAIRLINGTON GLEN  
BUDGET VS. ACTUAL COMPARISON  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

		<u>Unaudited Fairlington Glen Budget</u>	<u>Actual (Post-Audit)</u>
	Service Contracts:		
61240	Extermination	\$ 3,490	\$ 1,031
61250	Trash Removal	68,839	68,871
61581	Snow Removal	9,077	1,100
	Total Service Contracts	<u>\$ 81,406</u>	<u>\$ 71,002</u>
50400	Bad Debt	<u>\$ 3,453</u>	<u>\$ -</u>
71140	Income Taxes	<u>\$ 9,365</u>	<u>\$ 8,737</u>
	Total Expenses	<u>\$ 1,071,090</u>	<u>\$ 967,910</u>
	Net Income before Contribution to Reserves	\$ 675,584	\$ 781,946
90000	Replacement Reserves	\$ (631,955)	\$ (631,955)
90005	Replacement Reserves Interest	(35,229)	(33,771)
90061	Contingency Reserves	(8,400)	(8,400)
	Total Reserve Contribution	<u>\$ (675,584)</u>	<u>\$ (674,126)</u>
	Net Income	<u><u>\$ -</u></u>	<u><u>\$ 107,820</u></u>