



October 22, 2021

Dear Tobacco Farm Way Townhomes Service Area Members,

Enclosed is the final copy of the 2022 TFW Townhomes Service Area Budget adopted by the Briar Chapel Board of Directors on September 28, 2021.

The approved 2022 monthly assessment for the Tobacco Farm Way Townhomes Service Area is \$228.32 which includes both operating expenses and reserve contributions. This fee is in addition to the \$135.00 Master HOA General Assessment and if applicable the \$5.00 Alley fee.

Your service area assessment represents a 1.79% increase over 2021 and utilizes some prior year retained earnings to minimize the fee increase for the coming year. The 2022 operating budget contains an appropriate budget in each category based on historical experience and the service area is projected to end 2022 with a positive fund balance in the operating account.

For 2022, no reserve expenditures are planned. Please note that in order to minimize the increase in total service area fees, a reduction from the Reserve Study planned reserve contribution was factored into the 2022 budget. However, service area reserves are expected to be at an appropriate level compared to the Reserve Study adjusted recommended balance at year end 2022. (Note: The reserve balance target from the Reserve Study has been adjusted for 2022 to account for the fence project planned for late 2021. This expense was planned in a later year in the Reserve Study)

No budget items beyond those required in the HOA service area covenants have been included in the 2022 budget and therefore this budget does not require a vote of the service area homeowners. Please remember that our FirstService Residential staff is always available as your point of contact for issues that might come up throughout the year.

Sincerely,
The Board of Directors
Briar Chapel Community Association, Inc.

Enclosures

Tobacco Farm Way Townhomes

10 Units
New Budget Year

2022

Excludes General and Alley Assessments from Master HOA

	2021 Original Budget	2021 Forecast/ Actual	2021 Variance	2022 Budget to 2021 Forecast/ Actual	2022 Budget to 2021 Original Budget	Comments	
Prior Year Ending Fund Balance	\$ 2,961	\$ 4,002	\$ (1,041)	\$ 299	\$ 1,340		
Operating Revenue							
Service Area Assessment - Operating	\$ 10,716	\$ 10,716	\$ -	\$ 9,998	\$ (718)	Includes Service Area Operating Assessment Only	
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -		
Transfers To/From Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Operating Revenue	\$ 10,716	\$ 10,716	\$ -	\$ 9,998	\$ (718)		
Use of Retained Earnings	\$ 1,496	\$ 1,496	\$ -	\$ 2,400	\$ 904	To limit the monthly increase for 2021/22	
Total Operating Revenue + Retained Earnings Use	\$ 12,212	\$ 12,212	\$ -	\$ 12,398	\$ 904		
Operating Expenses							
Landscape Contract	\$ 6,564	\$ 6,564	\$ -	\$ 6,750	\$ 186	Lawn maintenance for each unit Contingency in case of storm damage, etc. Contingency in case of startup issues Contingency to repair potential damage to roof/siding Pressure wash every 3/4 years. 33% budget in non-PW year and 100% budget in PW year Termite Annual Control Water for lawn irrigation Electricity for irrigation system Additional Contingency Fee paid to Master HOA to cover book keeping costs	
Landscape Repair	\$ 500	\$ 100	\$ 400	\$ 500	\$ 400		
Irrigation Repair & Maintenance	\$ 400	\$ -	\$ 400	\$ 400	\$ 400		
R&M Other	\$ 500	\$ 775	\$ (275)	\$ 500	\$ (275)		
Pressure Washing (PW)	\$ 1,271	\$ -	\$ 1,271	\$ 1,271	\$ 1,271		
Pest Control	\$ 400	\$ 400	\$ -	\$ 400	\$ -		
Water	\$ 1,600	\$ 1,600	\$ -	\$ 1,600	\$ -		
Electric	\$ 378	\$ 378	\$ (0)	\$ 378	\$ (0)		
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -		
Service Area Admin Fees	\$ 600	\$ 600	\$ -	\$ 600	\$ -		
Total Operating Expenses	\$ 12,212	\$ 10,417	\$ 1,795	\$ 12,398	\$ 1,981		
Excess Revenues over Expenses (New Retained Earnings)	\$ (1,496)	\$ 299	\$ (1,795)	\$ (2,400)	\$ (904)		
Projected Year End Fund Balance	\$ 1,465	\$ 4,301	\$ (2,836)	\$ 1,901	\$ 436		
Reserves							
Service Area Assessment - Reserves	\$ 16,200	\$ 16,200	\$ -	\$ 17,400	\$ 1,200		Current Year Assessment based on 2018 Reserve Study - as adjusted see note below
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -		
Transfers To/From Operating	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Reserve Revenue	\$ 16,200	\$ 16,200	\$ -	\$ 17,400	\$ 1,200		
Per Unit per Month							
Assessment - Operating	\$ 89.30	\$ 89.30	\$ -	\$ 83.32	\$ (35.00)	Retained earnings used to minimize the overall increase in 2022. Lowered current year Reserve Assessment fee below Reserve Study level to minimize overall Service Area fee increase. Year End Reserve Balance is on plan. Excludes Master HOA and Alley Fees	
Assessment - Reserve	\$ 135.00	\$ 135.00	\$ -	\$ 145.00	\$ -		
Assessment - Total	\$ 224.30	\$ 224.30	\$ -	\$ 228.32	\$ -		
				% Inc			
				1.79%			

Tobacco Farm Way Townhomes
2022 Budget

Number of Units 10

	2022 Budget			Cost Per Unit Per Month	
	Operating	Reserves	Total	Operating	Reserves
Assets					
Projected Prior Year Ending Fund Balance	\$ 4,301	\$ 61,693	\$ 65,994	Res includes \$7.2k fence in 2021.	
Revenue					
Service Area Assessments	\$ 9,998	\$ 17,400	\$ 27,398	\$ 83.32	\$ 145.00
Transfers To/From Operating & Reserves	\$ -	\$ -	\$ -		
Total Revenue	\$ 9,998	\$ 17,400	\$ 27,398		
Use of retained earnings in current budget year	\$ 2,400				
Total Operating Revenue + Retained Earnings Use	\$ 12,398				
	2022 Budget			Cost Per Unit Per Month	
	Operating	Reserves	Total	Operating	Reserves
Operating Expense					
Landscape Contract	\$ 6,750			\$ 56.25	
Landscape Repair	\$ 500			\$ 4.17	
Irrigation Repair & Maintenance	\$ 400			\$ 3.33	
R&M Other	\$ 500			\$ 4.17	
Pressure Washing	\$ 1,271			\$ 10.59	
Pest Control	\$ 400			\$ 3.33	
Water	\$ 1,600			\$ 13.33	
Electric	\$ 378			\$ 3.15	
Contingency	\$ -			\$ -	
Service Area Admin Fees	\$ 600			\$ 5.00	
Total Operating Expenses	\$ 12,398			\$ 103.32	
Excess Revenues over Expenses (New Retained Earnings)	\$ (2,400)				
Projected Year End Fund Balance	\$ 1,901				

	\$	-	Project Title
Reserve Expense			
Net Projected Balance as of Year End	\$ 79,093		
Reserve Study Recommendation for Year End	\$ 79,097		* Adjusted based on early fence project in 2021.
Projected Reserve Balance vs Reserve Study Recommendation	\$ (4)		* Positive describes a "good" condition

*Special Note: Fence expense in reserve study planned in a future year. Some fence replacement completed in 2021. Reserve Study 2022 year-end reserve balance recommendation = \$86,340. This number was lowered by \$7,243 to adjust for the early fence project in 2021. Amount to lower reserve assessment to minimize Service Area total HOA fee increase level -\$35.00

Note: This information does not include each unit's BC Master HOA Fee or BC Alley Fee.

Tobacco Farm Way Townhomes

Year	Year #	Beg. Bal.	Fees	Interest	Expenses	Ending Bal.
2019	1	\$ 74,998	\$ 18,000	\$ 230	\$ 70,000	\$ 23,228
2020	2	\$ 23,228	\$ 19,200	\$ 424	-	\$ 42,852
2021	3	\$ 42,852	\$ 20,400	\$ 633	-	\$ 63,885
2022	4	\$ 63,885	\$ 21,600	\$ 855	-	\$ 86,340
2023	5	\$ 86,340	\$ 22,800	\$ 1,091	-	\$ 110,231
2024	6	\$ 110,231	\$ 24,000	\$ 1,342	-	\$ 135,573
2025	7	\$ 135,573	\$ 25,200	\$ 1,608	-	\$ 162,381
2026	8	\$ 162,381	\$ 26,400	\$ 1,027	\$ 86,091	\$ 103,717
2027	9	\$ 103,717	\$ 26,400	\$ 1,301	-	\$ 131,418
2028	10	\$ 131,418	\$ 26,400	\$ 1,578	-	\$ 159,396
2029	11	\$ 159,396	\$ 26,400	\$ 1,858	-	\$ 187,654
2030	12	\$ 187,654	\$ 26,400	\$ 876	\$ 126,450	\$ 88,480
2031	13	\$ 88,480	\$ 26,400	\$ 899	\$ 24,951	\$ 90,828
2032	14	\$ 90,828	\$ 26,400	\$ 1,172	-	\$ 118,400
2033	15	\$ 118,400	\$ 26,400	\$ 389	\$ 105,881	\$ 39,308
2034	16	\$ 39,308	\$ 26,400	\$ 657	-	\$ 66,365
2035	17	\$ 66,365	\$ 26,400	\$ 928	-	\$ 93,693
2036	18	\$ 93,693	\$ 26,400	\$ 1,201	-	\$ 121,294
2037	19	\$ 121,294	\$ 26,400	\$ 1,477	-	\$ 149,171
2038	20	\$ 149,171	\$ 26,400	\$ 1,756	-	\$ 177,327