RESOLUTION 2020-08
A GENERAL RESOLUTION
AUTHORIZING FUNDS FOR FISCAL YEAR BEGINNING
MAY 1, 2020 THROUGH APRIL 30, 2021

WHEREAS, the General Manager submitted to the Board of Directors on November 22, 2019 a proposed balanced Fiscal Year 2020-2021 Budget necessary for the provision of Lake of the Woods services and amenities; and

WHEREAS, the Finance and Planning Committees received a briefing and provided comments on the Budget in a joint session on December 3, 4, and 5, 2019; and

WHEREAS, an advertised Budget presentation to the general membership was held on January 27, 2020, at which time comments from the members concerning the Budget were heard; and

WHEREAS, the proposed Budget was published in Lake Currents on January 31, 2020; and

WHEREAS, the General Manager considered committee and member input and issued a revised proposed Budget on February 1, 2020; and

WHEREAS, the Board reviewed the Budget during Board Meetings on January 4, January 14, and February 1, and February 19, 2020, and has now set the final version of the Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lake of the Woods Association, Inc. of Locust Grove, Virginia, that the Budget for the fiscal year beginning May 1, 2020 and ending on April 30, 2021 is hereby adopted as summarized below and detailed in the Budget Document dated February 19, 2020.

Section 1. Annual Member Assessment

RESOLVED, that the annual MEMBER ASSESSMENT be set at: $ 1,690

The member assessment includes $191 designated for the Clubhouse Area Recreation Complex (CARC) Project and represents the third year of an anticipated project payback schedule contained in seven budget years.
Section 2. Operating Budget and Contribution to Reserves

RESOLVED, that the annual authorization be made for the OPERATING CENTER BUDGETS as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Revenue</th>
<th>Expense</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$1,003,676</td>
<td>$1,823,501</td>
<td>($819,825)</td>
</tr>
<tr>
<td>Security</td>
<td>60,000</td>
<td>781,446</td>
<td>(721,446)</td>
</tr>
<tr>
<td>Communications</td>
<td>140,293</td>
<td>226,758</td>
<td>(86,465)</td>
</tr>
<tr>
<td>Fitness</td>
<td>136,600</td>
<td>55,767</td>
<td>80,833</td>
</tr>
<tr>
<td>Equestrian</td>
<td>73,720</td>
<td>216,903</td>
<td>(143,183)</td>
</tr>
<tr>
<td>Environmental Resources</td>
<td>471,405</td>
<td>565,366</td>
<td>(93,961)</td>
</tr>
<tr>
<td>Pools</td>
<td>44,500</td>
<td>155,866</td>
<td>(111,366)</td>
</tr>
<tr>
<td>Community Activities</td>
<td>55,017</td>
<td>227,058</td>
<td>(172,041)</td>
</tr>
<tr>
<td>Golf Operations</td>
<td>493,905</td>
<td>879,323</td>
<td>(385,418)</td>
</tr>
<tr>
<td>Clubhouse</td>
<td>1,278,300</td>
<td>1,397,144</td>
<td>(118,844)</td>
</tr>
<tr>
<td>Golf - Fareways</td>
<td>457,250</td>
<td>468,099</td>
<td>(10,849)</td>
</tr>
<tr>
<td>General Maintenance</td>
<td>1,300</td>
<td>905,014</td>
<td>(903,714)</td>
</tr>
<tr>
<td>Roads</td>
<td>3,950</td>
<td>748,092</td>
<td>(744,142)</td>
</tr>
<tr>
<td>Grounds</td>
<td>-</td>
<td>420,023</td>
<td>(420,023)</td>
</tr>
<tr>
<td><strong>Budgeted Results from Operations</strong></td>
<td><strong>$4,219,916</strong></td>
<td><strong>$8,870,359</strong></td>
<td><strong>($4,650,443)</strong></td>
</tr>
</tbody>
</table>

Note -- Revenue is based on the Fee Schedule

RESOLVED, that the annual authorization be made as the CONTRIBUTION TO RESERVES as follows:

Budgeted Contribution to Reserves for FY 2020-2021

- Repair and Replacement: $1,694,270
- New Asset and Improvement: 0
- Contingency: 40,000

Total Contribution to Reserves: $1,734,270

Lake of the Woods Association is fully funding the Repair & Replacement Reserve at $1,694,270, using the Cash Flow Funding Method according to the October 30, 2019 Level III update of the Miller-Dodson Reserve Study adjusted for the impact of removing R#328 (Phone System)*. The 2019 Miller-Dodson Reserve Study, incorporated in the Budget by reference, was adopted for budget purposes by the Board of Directors on November 2, 2019. The current estimated replacement cost, estimated remaining life, and estimated useful life of the capital components are contained in the Study. The New Asset and Improvement Reserve and the Contingency Reserve are funded at Board discretion as influenced by Board Goals for FY 2020-2021 and the Five-Year Capital Plan for FY 2020 - 2024.
* Note: The $1,709,270 is reduced in this Budget Resolution by $15,000 to $1,694,270 because of the removal of the Reserve Project #328 - Telephone System replacement, which was determined by the Board to be a Do Not Reserve Project.

Section 3. Capital Spending

RESOLVED, that the annual authorization be made for the CAPITAL SPENDING PLAN for the projects listed in the Budget Document as follows:

**Repair & Replacement**

- The Board hereby authorizes FY2020-2021 New Construction and Renovation Reserve funds via the Administration Operating account to the Repair and Replacement Reserve of $215,000 for Stormwater Management (R#739 - $140,000) and Culvert Replacements (R#704 - $75,000).

- The Board hereby removes Reserve project R#328 Telephone System totaling $30,000 from the Capital Spending Plan and designates the General Manager to Do Not Reserve (DNR) the project in future Replacement Reserve Studies

**New Asset and Improvement**

- In addition to $220,000 in Board authorized funds transferred from the FY2019-2020 New Construction and Renovation Reserve (NCRR) to the New Asset Improvement Reserve (NAIR), the Board hereby authorizes additional FY2019-2020 NCRR funds be transferred to the NAIR for (in rank order):
  1. Patrick Henry Court to Small Marina Drainage Project (previously authorized) $220,000
  2. Maintenance Software 28,500
  3. Fixed Asset Accounting Software 7,500
  4. Security Radio System Upgrade 30,000
  5. Pool Shade Structures (Clubhouse & Sweetbriar) 38,000
  6. Pool Furniture (Clubhouse & Sweetbriar) 20,400
  7. Birchside Circle to Fairway Drive Trail 20,000
  8. Fareways Walk In Cooler 36,000

**Contingency**

**Total Capital Spending** $1,844,187
Section 4. Fee Schedule

RESOLVED, that the annual FEE SCHEDULE in the Budget Document dated February 19, 2020 is adopted.

Section 5. Authorization

RESOLVED, that the General Manager is authorized to expend the funds collected and received in accordance with the limitation of the Budget established above. Total authorized spending is $10,714,546.

EFFECTIVE: Immediately

LAKE OF THE WOODS ASSOCIATION, INC.

By: [Signature]
Clifton D. Wilks, President

ATTEST:

I, as Secretary for Lake of the Woods Association, Inc., hereby attest that the foregoing General Resolution No. 2020-08 was adopted by the Board of Directors at a duly held and noticed Board of Directors meeting held on the 19th day of February, 2020.

By: [Signature]
Philip Davis Brown, Secretary