

## The MVF 2008 Budget Process – Let the Games Begin!

### 6/28/2007 Approval of the 2008 Budget Preparation Guidelines

At the June 28<sup>th</sup> MVF board meeting the board officially kicked off of the MVF 2008 fiscal year budget countdown. As reported in the July 13<sup>th</sup> Village News in its “In the News” column staff reporter Mike Conroy reported under **Money Business** “On the heels of the positive balance for the 2007 budget, Lois Campbell presented the Board with the 2008 Budget Guidelines, as the time to start the budgeting process is right around the corner.”

At the meeting the board acted on 3 staff recommendations necessary to move the budget process forward. First, the board approved the 2008 budget preparation guidelines after agreeing to fund the reserve contribution assessment to a 75 percent level (as recommended by the reserve study report) by a 4 to 2 vote, agreed to consider a raise in the assessment ceiling and third, it set the 2008 budget timeline as follows.

Thursday June 28<sup>th</sup> - Set guidelines and authorize preparation for ceiling increase.  
Thursday August 16<sup>th</sup> - Joint Board and Audit Committee draft review meeting.  
Thursday August 23<sup>rd</sup> – Board of Directors meeting – Approve draft budget for publication.  
Thursday August 31 - Publish draft budget the Village News.  
September 1<sup>st</sup> to 27<sup>th</sup> – Public Commentary period.  
Thursday September 27 - Board of Directors meeting – Approve assessment rate and adopt budget for 2008.

Using the 2007 budget as a starting base for calculating the 2008 budget, the guidelines methodology consisted of only 4 steps:

1. Add to “Wages and Benefits”, per the Personnel Committee’s recommendations, 3% for merit raises and \$144,000 for new staff positions not included in the 2007 budget.
2. Increase non personnel related operating expenses 3.5% to compensate for inflation
3. Increase “Inter Company” expenses from \$724,000 to \$900,000
4. Budget \$715,000 as “Contribution to Reserves” (Note: this is 75% funding of the amount recommended by Advance Reserve Solutions in its July 2007 reserve study report).

The guidelines present more questions than answers.

**Budget to Actual Comparison** Is it reasonable to use the 2007 approved MVF budget as the foundation for the 2008 budget? How is the 2007 budget matching up in the monthly financial statements when compared to the actual income and expenditures by fund type and ledger accounts against the budget? In her July

13<sup>th</sup> 2007 “Money Matters” column :Preparing for budget season” Lois Campbell wrote “A well-developed budget enables management to measure performance during the year and to make adjustments as needed. The “traditional budget vs. actual” is the gold standard for management success or failure.”

Based on what has been communicated by senior foundation staff, reported in the Village News and shown in the monthly financial reports made available to the board members each month, the 2007 actual expenditures through July compare favorably to the approved budget.

At the June board meeting Lois Campbell was quoted “that the Foundation continued its (favorable) trend from April ...the budget still looks to be on track to stay balanced.” After hearing the positive outlook, Board member Jerry Donegan was “encouraged by our bright future.”

However, when budget and actual expenses and income operating categories are organized and compared by fund type a somewhat different picture appears. Using the July 2007 monthly financial statement provided board, the differences emerge:

- ◆ Substantial over estimating of income and under estimating of expenses.
- ◆ Widespread line item variation between published 2007 budget amounts and what is shown as the annual budget in the monthly financial statements report to the board.
- ◆ Inclusions of inter fund income fees that record no corresponding expense or negative income offsetting from other fund types. These types of transactions have not been recognized as revenue in the annual audits.
- ◆ “Inter-Company Expenses” equal to the total foundation maintenance and landscaping cost is included as income to the maintenance activity fund. Income from these type sources have not been recognized as revenue in the annual fiscal year audits.
- ◆ As has been the pattern for the past several years, there have been significant losses in the community management and maintenance activity funds.

In the opinion of the MV Observer, building next year’s budget solely on this year’s numbers as presented to the Board is burying MVF’s fiscal future on a foundation of quick sand.

**Budget Preparation Policy** Will the 2008 guidelines as presented supersede the existing established board policy that outline the methodology for preparation of the annual budget and establishing assessment levels?

In a series of articles on the budget process was published in the Village News in the spring and summer of 2006, John Zakian in one of his Executive Vice President’s Message column discussed at length the principles and concept of Zero Based Budgeting (ZBB) as the basis of MVF’s budget preparation policy.

In the June 16<sup>th</sup> 2006 Montgomery Village News front page story headlined "Work to begin on Drafting 2007 budget" it was stated that "Zero-based budgeting principles will be in use for drafting the 2007 budget, which means that all programs, services, activities, and staffing levels will be reviewed top to bottom as to need, purpose, justification and appropriate level of financial support." In Lois Campbell's July 13<sup>th</sup> "Money Matters" column referenced earlier she stated "In short a well-articulated (budget preparation )concept prepared with care results in the ability to exercise management controls over the corporation by measuring progress against financial bench marks and corporate goals".

An effective resolution that establishes, defines and implements the community's board approved policy should do the following:

- ◆ Set forth in a public statement the community's commitment that becomes an integral part of the association's governing documents.
- ◆ Establish this commitment in a framework that will ensure compliance with the law, the association's governing documents and the association's unique and specific requirements and the board's fiduciary duty.
- ◆ Allow for consistency in purpose, procedures, best practices and principles.
- ◆ Insulate and protects against short-term pressures, conditions and occurrences that should not affect future related decisions and attitudes.
- ◆ Protect the policy from erosion and poor practices over time as the board, management, vendors and staff membership and viewpoint change.
- ◆ Ensure continuing, effective, reasonable and professionally performed practices.

In our view, it was not wise for the board to agree to use the "2008 Budget Guidelines" as budget policy rather than one based on Zero Based Budgeting (ZBB) as John Zakian inferred was policy in 2006 and which Lois Campbell intimated in July of this year was to continue to be the 2008 policy.

### **8/10/2007 2008 MVF Draft Budget Delivered**

Although the board members waited with great anticipation for the arrival of the staff proposed 2008 budget their attention during the interim 7 week period following the board's approval of the 2008 budget guidelines the board was very much occupied with other matters.

There was a protest from the residents of the partitioned community of Picton directed towards the independent kingdom of EVHC "to tear down that wall". In attendance at the July 28<sup>th</sup> MVF board meeting were District 14 representatives of the Maryland General Assembly.

On July 30 a Dispute Resolution Hearing was held concerning the board's actions in appointing a treasurer and the composition of the EVP Search

Committee. After meeting for more than a dozen times the EVP Search Committee became deadlocked over a final selection.

On Friday August 10<sup>th</sup> the MVF 2008 budget draft was delivered in a hand addressed plain brown envelope propped between the screen and front entrance doors of MVF board members. The envelope contained the proposed budget in a 3 ring binder together with an explanatory covering letter.

With only one week to study the document before the August 17<sup>th</sup> joint meeting of the board and the audit committee time was essence. The budget was quite a homework assignment for even the most knowledgeable and experienced MVF budgeters.

The joint meeting of the board and the audit committee was held as scheduled with no changes recommended.

### **8/16/2007 Presentation of the MVF 2008 Fiscal Year Budget**

The August 17<sup>th</sup> edition of the Village News "Money Matters" feature by Lois Campbell contained an edited version of the summary cover letter of explanation to the 2008 Draft Budget delivered one week earlier to the board members. Following are the direct quotes from both sources.

#### **Balancing the Budget**

"This budget is balanced and includes assessment increases for both the MVF and a Designated User (DU) funds...every line item in every department has been examined for excess. No new initiatives have been added and no services have been cut. **However the assessment ceiling must be raised in order to avoid a deficit budget.** Community Management and Landscaping and Public Works are at breakeven in this budget. Income is estimated conservatively and expenses have been carefully examined."

"The current year (2007) budget is a balanced budget after two years of deficit budgets. Years 2005 and 2006 **were back to back deficit budget year that were made worse by poor accounting practices and inadequate financial oversight.** Primarily, the cause was the reduction of assessments in 2005 followed by no increase in 2006. If the CPI and cost of living increase had been applied to the 2005 and 2006 budgets and the assessment ceiling had been raised, many of the current difficulties with budgeting would not exist today. **It will take time and effort to recover financially from the mistakes of fiscal years 2005 and 2006.**"

"This 2008 budget will either be a deficit budget **once again, or the ceiling must be raised. Both the MVF and the DU rates must be increased.**"

#### **Mistakes of the Past**

"In addition, **commitments to services clients were added, often without a thorough understanding of the cost and without receiving sufficient**

income to cover the cost. Furthermore, there was little financial oversight until late in the year.”

### Contribution to Reserves

“The 2007 budget was balanced by **including a reduced contribution to reserves**. In 2006 **there was no contribution to reserves** as there were no funds available to make that contribution. **For 2007, a MVF assessment ceiling and a responsibility to MVF members and Designated Users rightfully limited corrective action**. Thus, the 2007 budget was balanced by limiting the contribution to reserves to \$118,000. “

“The assessment ceiling cap on the MVF Fund was reached in the 2007 budget. **This was not sufficient to cover the full contribution to reserves**. Had the contribution to reserves not been reduced, it would have been a deficit budget for a third year.”

### Longer Term Issues

“The future has its challenges; the assessment ceiling has been reached and **specific plans for financial revitalization have not been drawn up**. These challenges deserve some further discussion. **Financial resurgence requires the Board to take action. This action not only includes raising the assessment ceiling, but restoring the operating fund balances to positive territory. Financial health will not occur without intervention**. Efficiencies in management and services are being sought throughout the organization and can be foreseen in the future but **not until existing structural problems that have been developed over the last three years are corrected**”.

“A final word on financial health it **take time to undo the mistakes of the past**. While great **strides** have been made **to restore the accounting system to an acceptable state**, this is not sufficient. **Sound financial management** is required. It **cannot be accomplished** in just one year, but this draft budget is the first step in the right direction.”

In her Executive Vice President’s Message titled “Reflections on the year” Pat Huson wrote “During this **past year a number of tasks involved restoration of former standards and policies, which were by-passed or changed to the detriment of the organization**...In the area of finances, an intensive effort has been made over more than a year to bring the financial record keeping and reporting back to excellent condition. Internal controls have been evaluated and updated to an effective level. Several new staff members are in place and are doing an excellent job. Monthly reports are being produced, and a proposed budget for 2008 has been prepared for review by the Audit Committee and the Board of the Directors. **An assessment ceiling will need to be raised to fund the budget**.”

### 8/26/2007 Board Considers 2008 Budget

As reported in the Village News August 31 edition “Interim Director of Finance and Administration, Lois Campbell, presented the 2008 draft budget. Campbell noted that **although there had been financial problems in the past MVF’s current situation is such that the accounting problems had been corrected**

**by the end of 2006 and proper financial management had been in place since August of 2006 due to her own efforts and those of Pat Huson.”**

What was not reported in this edition of the Village News or in the August 29<sup>th</sup> edition of the Gaithersburg – Montgomery Village Gazette was that the Foundation Board failed to approve the 2008 Draft Budget by a 4 to 4 deadlock vote. The board did agree however to publish the 2008 draft budget and the remaining budget schedule dates and events.

### **8/31/2007 Campaign to Raise the Assessment Ceilings**

The previously published 2008 timeline approved at the June 28<sup>th</sup> board meeting showed September 1<sup>st</sup> to 30<sup>th</sup> as “Public Comment” period. Now as announced and prominently displayed in a bold border frame on page 5 of the August 31<sup>st</sup> edition of the Village News, “Raising the assessment ceiling of is the one and only mission of the MVF village leaders and foundation staff.

#### **Schedule for raising the assessment ceiling**

**Wednesday, September 5<sup>th</sup>** - Send notices and information to homes corporations, condominium and multi-family MVF representatives on meeting schedules to vote on the assessment ceiling increase.

**September & early October** - Board members promote ceiling increase with Homes Corporation and condominium presidents.

**Tuesday, September 25<sup>th</sup>** - at North Creek Community Center (20125 Arrowhead Road) – Village wide meeting to educate MVF representatives and alternates.

**Thursday September 27<sup>th</sup>** – MVF September board meeting.

**Thursday October 18<sup>th</sup>** at Lake Marion Community Center (8821 East Village Avenue) Vote taken on increase in assessment ceiling.

**Thursday, October 25<sup>th</sup> or Thursday November 8<sup>th</sup>** at North Creek Board Room (20125 Arrowhead Road) – 2008 Budget approved and MVF and DU assessment set for 2008.

**Friday November 2<sup>nd</sup> or Friday November 16<sup>th</sup>** Assessment announcement in Village News and notices sent to owner prior to Saturday December 1<sup>st</sup>.

The preparation of the 2008 Draft Budget by the staff is no longer a step in the overall process that allows board members with due diligence and forethought, to carefully craft a board budget for public release.

As Lois Campbell and Pat Huson confirmed in the September 14<sup>th</sup> Village News financial transparency and public comment and approval have been hijacked and are now being held hostage as ransom in return for a raise in the assessment ceiling. There is no indication from anyone on the Board to the contrary.

The question is do we allow the Foundation Board to raise the assessment ceiling or we raise the roof on the MVF financial house of cards?

## Summary of Income Actual to Budget Comparison

Description	2005 Budget	2005 A	2005 Variance	2006 Budget	2006 A	2006 Variance	2007 B	2007 Projected	2007 Variance	2008 B
<b>Assessments</b>										
Montgomery Village Foundation	\$1,906,525	\$1,909,367	\$2,842	\$1,908,705	\$1,927,081	\$18,376	\$2,142,816	\$2,142,816	\$0	\$2,521,201
Designated Users Facilities Fund	\$1,724,266	\$1,753,398	\$29,132	\$1,769,198	\$1,755,515	-\$13,683	\$1,931,058	\$1,931,058	\$0	\$2,302,502
<b>Total Assessments</b>	<b>\$3,632,662</b>	<b>\$3,664,605</b>	<b>\$31,943</b>	<b>\$3,679,774</b>	<b>\$3,684,426</b>	<b>\$4,652</b>	<b>\$4,075,755</b>	<b>\$4,075,745</b>	<b>-\$10</b>	<b>\$4,825,785</b>
Maintenance Activity Fund	\$1,555,252	\$1,344,126	-\$211,126	\$2,130,735	\$1,297,832	-\$832,903	\$1,386,648	\$791,270	-\$595,378	\$1,716,195
<b>Community Management Fund</b>	<b>\$971,299</b>	<b>\$668,005</b>	<b>-\$303,294</b>	<b>\$878,447</b>	<b>\$628,369</b>	<b>-\$250,078</b>	<b>\$855,641</b>	<b>\$764,937</b>	<b>-\$90,704</b>	<b>\$925,778</b>
<b>Interest Income</b>										
Montgomery Village Foundation	\$16,000	\$9,135	-\$6,865	\$17,200	\$7,586	-\$9,614	\$4,228	\$4,228	\$0	\$5,200
Designated Users Facilities Fund	\$9,000	\$6,487	-\$2,513	\$9,000	\$7,809	-\$1,191	\$4,400	\$4,400	\$0	\$5,200
Community Management Fund	\$0	\$5,745	\$5,745	\$0	\$6,916	\$6,916	\$4,000	\$4,000	\$0	\$4,500
Reserve Fund		\$228,317	\$228,317		\$181,576	\$181,576				
<b>Total Interest Income</b>	<b>\$25,000</b>	<b>\$249,684</b>	<b>\$224,684</b>	<b>\$26,200</b>	<b>\$203,887</b>	<b>\$177,687</b>	<b>\$12,628</b>	<b>\$12,628</b>	<b>\$0</b>	<b>\$14,900</b>
Montgomery Village Foundation	\$63,778	\$65,406	\$1,628	\$75,000	\$59,842	-\$15,158	\$77,000	\$18,000	-\$59,000	\$13,850
Designated Users Facilities Fund	\$95,000	\$5,187	-\$89,813	\$40,000	\$4,091	-\$35,909	\$0	\$0	\$0	\$0
User Fee Programs Fund	\$413,584	\$378,477	-\$35,107	\$446,000	\$381,360	-\$64,640	\$432,200	\$316,500	-\$115,700	\$432,200
<b>Total Class and other recreation p</b>	<b>\$572,362</b>	<b>\$449,070</b>	<b>-\$123,292</b>	<b>\$561,000</b>	<b>\$445,293</b>	<b>-\$115,707</b>	<b>\$509,200</b>	<b>\$334,500</b>	<b>-\$174,700</b>	<b>\$446,050</b>
Advertising Income Village News	\$258,000	\$188,559	-\$69,441	\$265,000	\$187,603	-\$77,397	\$210,000	\$200,000	-\$10,000	\$210,000
<b>Other Income</b>										
Montgomery Village Foundation	\$317,500	\$278,848	-\$38,652	\$864,330	\$273,748	-\$590,582	\$313,945	\$209,426	-\$104,519	\$274,420
Designated Users Facilities Fund	\$118,050	\$104,719	-\$13,331	\$114,000	\$98,575	-\$15,425	\$111,120	\$59,710	-\$51,410	\$86,000
Community Management Fund	\$92,490	\$129,393	\$36,903	\$79,500	\$112,529	\$33,029	\$89,700	\$17,000	-\$72,700	\$88,750
<b>Total Other income</b>	<b>\$528,040</b>	<b>\$512,960</b>	<b>-\$15,080</b>	<b>\$1,057,830</b>	<b>\$484,852</b>	<b>-\$572,978</b>	<b>\$514,765</b>	<b>\$286,136</b>	<b>-\$228,629</b>	<b>\$449,170</b>
<b>Total Revenues</b>	<b>\$7,542,615</b>	<b>\$7,077,009</b>	<b>-\$465,606</b>	<b>\$8,598,986</b>	<b>\$6,932,262</b>	<b>-\$1,666,724</b>	<b>\$7,564,637</b>	<b>\$6,465,216</b>	<b>-\$1,099,421</b>	<b>\$8,587,878</b>

## MVF 2008 Budget Guidelines

Description	2007 B	2008 B	% Change 07-08
<b>Total Revenues</b>	<b>\$7,564,637</b>	<b>\$8,587,878</b>	<b>13.5%</b>
<b>Expenses</b>			
<b>Personnel and benefits</b>	\$4,738,604	\$5,201,585	9.8%
<b>Repair and Maintenance</b>	\$789,227	\$1,035,752	31.2%
<b>Utility and Telephone</b>	\$282,404	\$288,729	2.2%
<b>Field supplies</b>	\$147,938	\$50,400	-65.9%
<b>Insurance and licenses</b>	\$190,545	\$173,117	-9.1%
<b>Printing</b>	\$82,475	\$98,900	19.9%
<b>Performances and admissions</b>	\$88,690	\$99,000	11.6%
<b>Other expenses</b>	\$955,754	\$923,544	-3.4%
<b>Contr to Res from Assessments</b>	\$289,000	\$714,500	147.2%
<b>Total Expenses</b>	<b>\$7,564,638</b>	<b>\$8,585,527</b>	<b>13.5%</b>

## Summary of Actual to Budget Comparison 2005 to 2008

Description	2005 A	2006 A	2007 B	Year to Date 2007	2007 Projected	2008 B	2005 A to 2008 B	% Change
<b>Assessments</b>								
Montgomery Village Foundation	\$1,909,367	\$1,927,081	\$2,142,816	\$1,262,471	\$2,142,816	\$2,521,201	\$611,834	32.0%
Designated Users Facilities Fund	\$1,753,398	\$1,755,515	\$1,931,058	\$1,126,639	\$1,931,058	\$2,302,502	\$549,104	31.3%
Poplar Spring Fund	\$1,840	\$1,830	\$1,881	\$1,096	\$1,871	\$2,082	\$242	13.2%
<b>Total Assessments</b>	<b>\$3,664,605</b>	<b>\$3,684,426</b>	<b>\$4,075,755</b>	<b>\$2,390,206</b>	<b>\$4,075,745</b>	<b>\$4,825,785</b>	<b>\$1,161,180</b>	<b>31.7%</b>
Maintenance Activity Fund	\$1,344,126	\$1,297,832	\$1,386,648	\$594,712	\$791,270	\$1,716,195	\$372,069	27.7%
<b>Community Management Fund</b>	<b>\$668,005</b>	<b>\$628,369</b>	<b>\$855,641</b>	<b>\$524,866</b>	<b>\$764,937</b>	<b>\$925,778</b>	<b>\$257,773</b>	<b>38.6%</b>
<b>Interest Income</b>								
Montgomery Village Foundation	\$9,135	\$7,586	\$4,228	\$11,880	\$4,228	\$5,200	-\$3,935	-43.1%
Designated Users Facilities Fund	\$6,487	\$7,809	\$4,400	\$0	\$4,400	\$5,200	-\$1,287	-19.8%
Community Management Fund	\$5,745	\$6,916	\$4,000	\$1,722	\$4,000	\$4,500	-\$1,245	-21.7%
Reserve Fund	\$228,317	\$181,576					-\$228,317	-100.0%
<b>Total Interest Income</b>	<b>\$249,684</b>	<b>\$203,887</b>	<b>\$12,628</b>	<b>\$13,602</b>	<b>\$12,628</b>	<b>\$14,900</b>	<b>-\$234,784</b>	<b>-94.0%</b>
Montgomery Village Foundation	\$65,406	\$59,842	\$77,000	\$10,699	\$18,000	\$13,850	-\$51,556	-78.8%
Designated Users Facilities Fund	\$5,187	\$4,091	\$0	\$0	\$0	\$0	-\$5,187	-100.0%
User Fee Programs Fund	\$378,477	\$381,360	\$432,200	\$258,484	\$316,500	\$432,200	\$53,723	14.2%
<b>Total Class &amp; recreation programs</b>	<b>\$449,070</b>	<b>\$445,293</b>	<b>\$509,200</b>	<b>\$269,183</b>	<b>\$334,500</b>	<b>\$446,050</b>	<b>-\$3,020</b>	<b>-0.7%</b>

## Summary of Actual to Budget Comparison 2005 to 2008

Description	2005 A	2006 A	2007 B	Year to Date 2007	2007 Projected	2008 B	2005 A to 2008 B	% Change
Advertising Income Village News	\$188,559	\$187,603	\$210,000	\$117,528	\$200,000	\$210,000	\$21,441	11.4%
<b>Other Income</b>								
Montgomery Village Foundation	\$278,848	\$273,748	\$313,945	\$164,127	\$209,426	\$274,420	-\$4,428	-1.6%
Designated Users Facilities Fund	\$104,719	\$98,575	\$111,120	\$14,444	\$59,710	\$86,000	-\$18,719	-17.9%
Community Management Fund	\$129,393	\$112,529	\$89,700	\$3,293	\$17,000	\$88,750	-\$40,643	-31.4%
<b>Total Other income</b>	<b>\$512,960</b>	<b>\$484,852</b>	<b>\$514,765</b>	<b>\$181,864</b>	<b>\$286,136</b>	<b>\$449,170</b>	<b>-\$63,790</b>	<b>-12.4%</b>
<b>Total Revenues</b>	<b>\$7,077,009</b>	<b>\$6,932,262</b>	<b>\$7,564,637</b>	<b>\$4,091,961</b>	<b>\$6,465,216</b>	<b>\$8,587,878</b>	<b>\$1,510,869</b>	<b>21.3%</b>
<b>Expenses</b>								
<b>Personnel and benefits</b>	\$3,488,133	\$3,352,521	\$4,738,604	\$2,897,686	\$4,721,776	\$5,201,585	\$1,713,452	49.1%
<b>Repair and Maintenance</b>	\$502,226	\$606,442	\$789,227	\$545,802	\$1,018,101	\$1,035,752	\$533,526	106.2%
<b>Utility and Telephone</b>	\$175,300	\$183,089	\$282,404	\$163,845	\$282,404	\$288,729	\$113,429	64.7%
<b>Field supplies</b>	\$174,976	\$153,826	\$147,938	\$125,354	\$147,938	\$50,400	-\$124,576	-71.2%
<b>Insurance and licenses</b>	\$145,424	\$140,238	\$190,545	\$128,861	\$122,993	\$173,117	\$27,693	19.0%
<b>Printing</b>	\$80,391	\$76,602	\$82,475	\$52,409	\$82,175	\$98,900	\$18,509	23.0%
<b>Performances and admissions</b>	\$155,154	\$128,932	\$88,690	\$58,962	\$88,690	\$99,000	-\$56,154	-36.2%
<b>Other expenses</b>	\$606,330	\$658,228	\$955,754	\$540,556	\$955,754	\$923,544	\$317,214	52.3%
<b>Contr to Res from Assessments</b>	\$365,731	\$0	\$289,000	\$70,720	\$296,762	\$714,500	\$348,769	95.4%
<b>Total Allocable Expenses</b>	<b>\$1,687,223</b>	<b>\$1,667,981</b>	<b>\$1</b>	<b>\$0</b>	<b>\$1</b>	<b>\$0</b>		
<b>Total Expenses</b>	<b>\$7,380,888</b>	<b>\$6,967,859</b>	<b>\$7,564,638</b>	<b>\$4,584,195</b>	<b>\$7,716,594</b>	<b>\$8,585,527</b>	<b>\$1,204,639</b>	<b>16.3%</b>

## Summary of Actual to Budget Comparison 2005 to 2008

Description	2005 A	2006 A	2007 B	Year to Date 2007	2007 Projected	2008 B	2005 A to 2008 B	% Change
<b>Income</b>								
MVF Fund	\$2,451,315	\$2,455,860	\$2,747,989	\$1,566,705	\$2,574,470	\$3,024,671	\$573,356	23.4%
Designated Users Facilities Fund	\$1,869,791	\$1,865,990	\$2,046,578	\$1,141,083	\$1,995,168	\$2,393,702	\$523,911	28.0%
Poplar Spring Fund	\$1,840	\$1,830	\$1,881	\$1,096	\$1,871	\$2,082	\$242	13.2%
User Fee Programs Fund	\$378,477	\$381,360	\$432,200	\$258,484	\$316,500	\$432,200	\$53,723	14.2%
Community Management Fund	\$803,143	\$747,814	\$949,341	\$529,881	\$785,937	\$1,019,028	\$215,885	26.9%
Maintenance Activity Fund	\$1,344,126	\$1,297,832	\$1,386,648	\$594,712	\$791,270	\$1,716,195	\$372,069	27.7%
Reserve Fund	\$228,317	\$181,576	\$0	\$0	\$0	\$0	-\$228,317	-100.0%
<b>Total Income</b>	<b>\$7,077,009</b>	<b>\$6,932,262</b>	<b>\$7,564,637</b>	<b>\$4,091,961</b>	<b>\$6,465,216</b>	<b>\$8,587,878</b>	<b>\$1,510,869</b>	<b>21.3%</b>
<b>Expenses</b>								
MVF Fund	\$2,472,653	\$2,601,170	\$2,694,949	\$2,208,037	\$2,923,823	\$2,987,184	\$514,531	20.8%
Designated Users Facilities Fund	\$1,875,218	\$1,664,524	\$1,931,121	\$835,234	\$1,914,907	\$2,400,167	\$524,949	28.0%
Poplar Spring Fund	\$1,496	\$1,642	\$1,862	\$450	\$1,862	\$2,084	\$588	39.3%
User Fee Programs Fund	\$405,496	\$385,417	\$496,486	\$245,178	\$504,248	\$469,070	\$63,574	15.7%
Community Management Fund	\$959,457	\$888,779	\$1,006,918	\$475,371	\$1,006,618	\$1,014,796	\$55,339	5.8%
Maintenance Activity Fund	\$1,608,872	\$1,376,636	\$1,343,082	\$819,924	\$1,274,916	\$1,641,344	\$32,472	2.0%
Reserve Fund	\$365,731	\$0	\$289,000	\$70,720	\$296,762	\$714,500	\$348,769	95.4%
<b>Total Expenses</b>	<b>\$7,688,923</b>	<b>\$7,457,154</b>	<b>\$7,763,418</b>	<b>\$4,654,915</b>	<b>\$7,923,136</b>	<b>\$8,514,645</b>	<b>\$825,722</b>	<b>10.7%</b>
<b>(Deficit) / Surplus</b>								
MVF S/(D)	-\$21,338	-\$145,310	\$53,040	-\$641,332	-\$349,353	\$37,487	\$58,825	-275.7%
DUF S/(D)	-\$5,427	\$201,466	\$115,457	\$305,849	\$80,261	-\$6,465	-\$1,038	19.1%
PS S/(D)	\$344	\$188	\$19	\$646	\$9	-\$2	-\$346	-100.6%
UFP S/(D)	-\$27,019	-\$4,057	-\$64,286	\$13,306	-\$187,748	-\$36,870	-\$9,851	36.5%
CM S/(D)	-\$156,314	-\$140,965	-\$57,577	\$54,510	-\$220,681	\$4,232	\$160,546	-102.7%
MA S/(D)	-\$264,746	-\$78,804	\$43,566	-\$225,212	-\$483,646	\$74,851	\$339,597	-128.3%
<b>Summary (Deficit) / Surplus</b>	<b>-\$474,500</b>	<b>-\$167,482</b>	<b>\$90,219</b>	<b>-\$492,234</b>	<b>-\$1,161,158</b>	<b>\$73,233</b>	<b>\$547,733</b>	<b>-115.4%</b>