

MEMORANDUM

To: Board

From: Hugh Futrell, Vice President/Treasurer on behalf of Executive Committee

Date: January 18, 2021

Re: Recommended Budget for 2021

Attached is the budget recommended by the Executive Committee for this calendar year. The budget is subject to review, revisions as needed, and approval by the board. The budget estimates are provided on a quarterly basis. At the bottom of the document is a cash flow projection showing beginning and ending cash balances (unrestricted). Restricted funds (recommended to be \$50,000 for board priorities to-be-determined) are also shown and are separate.

Comments:

1. *Income* essentially assumes assessment income only, received in two expected installments.
2. *Expenses* are organized into several large expense accounts (Marketing, Street Services, etc). The board action will be to approve the budgets for these large components. The more granular subaccount figures are illustrative and may vary between subaccounts.

The budget recommends a major expansion of street level services (safety and maintenance); of marketing; and of physical beautification improvements including planting, lighting, tree removal/trimming and wayfinding. An operating deficit of approximately \$36,000 is shown, assuming contingency is fully expended; this deficit is deceptive because (a) there are \$50,000 of nonrecurring improvements in the budget, and (b) carryover cash fully covers the deficit and more.

A 3% contingency is shown.

3. *Cash Flow Projection* shows a large carryover balance of \$141,637, a \$50,000 set-aside into a Board Priority Restricted account, and a projected year-end cash balance of approximately \$48,000 (non-restricted funds).