

2006 Budget Assumptions

Income

Assessments -- assumes Subdivision totally sold out (208 lots). Estimated income based on 208 lots X current assessment of \$200 per lot equals \$41,600.

Interest -- We have \$23,000 in a general reserve account which is accruing interest @ .0344 that if not used for current year projects will grow to \$23,791.20 by year end 2005. We can roll this amount into a new short term interest account or move to our operating checking account.

Place \$41,600 of assessment income into 2 interest bearing accounts as follows: \$10,000 for 6 mos. @.2.27% (\$227); \$31,600 for 9 mos. @2.87% (\$907) Projected income from these investments is \$1,124. Total interested generated \$1,361.

Expenses

Used inflation factor of 3% except for electricity where I used 47%

Audit & Tax Filing Fees -- \$2000 based on a full detailed audit.

Postage – assumes we handle mailing of Newsletter and other mass mailings using John Thyen's bulk mailing permit. (4 News Letters @ \$56 per = \$224, 1 assessment rate notice @ \$81; and misc. of \$45; Total is \$350.

Printing & Reproduction – assumes we handle printing of new letters and other mass mailings.(cost of Paper 1 case \$22, cost of ink \$388)

Site Improvements – Front entrance Road side barrier \$10,000; Extension of Sprinkler system at front entrance \$7,000. Total est. \$17,000

Utilities

Rappahanock - 7mos total = \$1,888 or \$269.71 per mo. 24 units = \$11.24 per unit plus 47% inflation = \$16.53 pr unit for 2006. 2006 units projected @ 24 x \$16.53 = \$396.72 per mo. 12 = \$4,760.64

Dominion – 7 mos. Total = \$2,243.96 or \$320.56 per mo. 27 units = \$11.88 per unit. Plus 47% inflation = \$17.46 per unit for 2006. 2006 units projected @ 30 x \$17.46 = \$523.80 per mo. X 12 = 6,285.80.

Sprinkler System – Maintenance Contract of \$67 per mo.(includes start-up and winterize plus 6 mo. maintenance visits) = \$566, plus \$1,500 for Repairs; Total est. \$2,266.

Lawn Maintenance -- Lawn cutting 21 X \$128 per = \$2,700, Mulching \$1,300, Pruning \$500, Leaf Removal/spring clean up \$500, total contract \$5,125 Flowers \$1,000. Weed, feed, seed, lime & aerate \$1,000. Total est. \$7,000

Capital Reserve Account of \$10,000 for 12 mos. at 2.8 % interest equals \$280; (this interest is identified for accountability only since it is considered not to be spend able for current expenses.