

EXPENSES

ADMINISTRATIVE EXPENSES

BAD DEBT	51000	TOTAL = \$ 3,500
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This category is where expenses associated with bad debts (foreclosures, bankruptcy, etc) are written off as an expense. Figure is an estimate based upon unknown probabilities.

TELEPHONE/COMMUNICATIONS	51000	TOTAL = \$ 3,500
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This category includes provision for all communications service maintained at the Association's Lakinhurst office. This category includes landlines, mobile, and data lines installed at the Association's Lakinhurst Office.

POSTAGE	51020	TOTAL = \$ 1,000
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Estimate is based on expected year-end actual expenses and includes mailings of all types such as routine correspondence, newsletters (non-resident owners), notice of annual meeting, budget, collection letters, policy mailings, etc.

OFFICE EXPENSE & EQUIPMENT	51030	TOTAL = \$ 7,000
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Provisions for all matters of office supplies, equipment, and expenses. Examples include maintenance/supplies for the printer, copy machine, stationery, envelopes (several types), violation stickers as well as associated contracted charges for set up of new unit owner accounts, direct debit accounts, account status requests, etc. Based on projected year-end actual expense, historical averages and an allowance for the increased administrative expatiations of the Lakinhurst Office.

PRINTING	51031	TOTAL = \$ 4,500
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Projected cost for the printing and layout of the Association's newsletter and meeting notice(s). Based on projected year-end actual expense and historical averages.

TRAINING	51050	TOTAL = \$445
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Cost associated with employee training. Computer training or continuing education.

LEGAL FEES	51090	TOTAL = \$14,000
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The estimate for this category is based on prior experience and represents funds for routine legal counsel, collections, and related work. Current monthly retainer is \$250.00/Month. This category could be significantly higher if the Association enters litigation, either as a plaintiff or a defendant.

LEGAL FEE REIMBURSEMENT	51092	TOTAL = \$(3,500)
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The Association is responsible to cover legal fees on accounts placed for collection. This account is used to track legal fees that have been collected from Unit Owners.

AUDITING AND ACCOUNTING	51110	TOTAL = \$ 5,500
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Fee for FY 2010 audit and tax preparation.

MANAGEMENT FEE **51120** **TOTAL = \$ 52,663**

Contract between Charlestown Owners Association and CMG to provide full-service management to the Association. The contract on which these projections are made covers through December 2011. This contract includes a provision for renewals on an annual basis.

MANAGEMENT SCHEDULE B **51125** **TOTAL = \$ 4,000**

For management services not included in standard contract which do not have an applicable budget category. As the routine Schedule B charges are included in office expense, this category is to track costs for certified letters, long distance, answering fee service, insurance administration, new account setup, coupons and direct debit charges.

RECORDING SECRETARY **51330** **TOTAL = \$ 1,800**

Provision for recording secretary at Board meetings, Membership Meeting(s) as well as Special Meetings as requested. (11 Board, 1 Membership – 12 Meetings total at \$150/Meeting.)

ADMINISTRATIVE PAYROLL **51043** **TOTAL = \$ 28,308**

The Association is responsible for the Payroll and related costs (Benefits, Processing etc.) The above is an aggregate number to cover the cost of administrative staffing the office currently 25 hours per week as well as the taxes, benefits and related payroll costs.

BANK CHARGES **51200** **TOTAL = \$ 250**

This category provides for bank charges by the Association's financial and other institutions for items such as T-Bills and wire transfers associated with movement of Association funds. Also includes fees for check printing charges, NSF fees, payment coupons, and lock box charges.

OTHER ADMINISTRATIVE EXP. **51500** **TOTAL = \$ 300**

The provisions in this category include expenses budgeted for Memberships & Subscriptions, as well as unforeseen expenses of an administrative nature.

MAINTENANCE EXPENSES

CONTRACT PAINTING **61026** **TOTAL = \$ 155,000**

Painting of the exterior of the buildings is perhaps one of the most important things that the Association does, not only in terms of maintenance, but also from the standpoint of enhancing property values through the maintenance of "curb appeal." The Community is currently maintaining a 5-year paint cycle.

GROUNDS CONTRACT **61180** **TOTAL = \$ 80,000**

The estimate for contract cost for mowing, edging, fertilization, weed control, aeration and over-seeding of the community.

SEED SOD & MULCH **61170** **TOTAL = \$2,500**

Expriated cost for seed, straw, sod and mulch used by the in house or by contract for lawn restoration.

MAINTENANCE PAYROLL **61420** **TOTAL = \$127,818**

The Association is responsible for the Payroll and related costs (Benefits, Processing etc.) The above is an aggregate number to cover the cost of maintenance staff, currently three full time employees. The maintenance staff presently works 40 hours a week, as well as the taxes, benefits and related payroll costs.

ROOF & GUTTER REPAIRS **61460** **TOTAL = \$ 2,000**

Expected maintenance cost for repairs to roofs, gutters, downspouts, scuppers, party wall coping. Also provides for the repair and cleaning of downspouts and gutters twice a year.

SNOW REMOVAL **61581** **TOTAL = \$ 10,000**

Based on contract for the removal of snow and ice from the Association's roadways. Very difficult category to predict. Prior years' weather has been assessed as follows: 1998 - Mild, 1999 - Average, 2000 - Mild, 2001 - Very Mild, 2002 - Mild, 2003 - Severe, 2004 - Average-severe, 2005 - Average, 2006 - Mild, 2007 - Mild, 2008 - Mild, 2009 - Mild, 2010 - Severe.

UTILITIES & OTHER EXPENSES

GAS FOR LAMPS **71023** **TOTAL = \$ 4,500**

Cost for gas that operates the Association's gas street lamps.

FUEL AND OIL **71026** **TOTAL = \$ 4,500**

Cost of fuel and oil for the Association's trucks and power equipment.

ELECTRICITY FOR LAMPS **71032** **TOTAL = \$ 5,500**

The expected cost of electricity consumed by the converted gas lamps, one street lamp in the maintenance yard on Haverhill Court, and electricity to power watch lights provided and maintained by Dominion Virginia Power.

OFFICE UTILITIES **71033** **TOTAL = \$ 1,500**

Projected cost of electricity, water, and gas at the Association's Lakinhurst office.

INSURANCE **71050** **TOTAL = \$ 5,000**

This category includes provision for all matters of insurance coverage for the Association. Coverage includes, but is not limited to, broad form casualty, umbrella liability, vehicle insurance, equipment coverage, and Directors & Officers liability.

PERSONAL PROPERTY TAX **71143** **TOTAL = \$ 500**

County tax assessed on Association-owned motor vehicles.

LIGHT REIMBURSEMENT **71031** **TOTAL = \$ 200**

Reimbursement to owners for light usage

REPLACEMENT RESERVES **VARIOUS** **TOTAL = \$ 491,227**

This category provides for the future repair and replacement of long-lived assets. Current categories include Tot Lots, Roofs, Equipment, Road/Sidewalk, Masonry Walls, Stoop Replacement, and Beautification. Interest from these funds may only be used for the repair or replacement of long-lived assets.