

**ADMINISTRATION
FY07 APPROVED BUDGET
(Includes CCS)
2/3/2007**

INCOME

Administration Income

Assessment Income	4,549,680
<p>Total lots for assessment purposes: 4,260 Assessment per lot - \$1,068 Total potential income - \$4,549,680</p>	
Interest (Assessment)	14,000
<p>This interest is recorded monthly on unpaid assessments.</p>	
Late Fees	8,350
<p>This item relates to a \$50 late fee charged on assessments. This one-time fee is billed on the last day of June.</p>	
Disclosure Packet Income	40,000
<p>The purchase of disclosure packets by the seller for the buyer. We charge the member cost fixed by the Code of Virginia.</p>	
Tenant Fees	205,159
<p>The projection is 193 rentals at \$1,063. While the number of rental properties has declined during the past years, the rate of decline has slowed down. A LOW property owner renting a property is not charged any tenant fees, and many property owners are renting while waiting for a house to be built.</p>	
Real Estate Transfer Fee	40,000
<p>Real estate transfer fee is an administrative fee that is charged to the buyer at the time a property title is transferred from the seller to the buyer. The fee covers the administrative paperwork of LOWA involved in the transfer and issuance of new bar codes, membership cards, filing, etc.</p>	
Family Guest Pass	31,900
<p>The family guest pass is a privilege allowed by LOWA to accommodate relatives visiting the lake on a frequent basis. The passes are for a year and there is no limit on the number you can obtain. Requirements specify relationship requirements for approval of the pass. The cost of the guest pass is \$11.</p>	
Interest Income - Unrestricted	36,500
<p>This item includes all interest income except restricted interest and interest on assessments.</p>	
Interest Income - Restricted	150,000
<p>All funds in restricted reserves earn interest. This interest income is recorded on restricted interest income account for each reserve. Presently, LOWA has the following reserves: Replacement, New Capital, Road and Dam Reserves. The use of the restricted interest income is restricted according to LOWA procedure manual. It cannot be used to covering operating</p>	

expenses, but must be applied to the restricted reserves.	
Lease Income	750
This income is part of a lease agreement between LOWA and Verizon for the premises adjacent to the main maintenance area, Fairway Drive, to construct and operate a building housing their equipment. The least payment is due on the 1st of Jan. of each year. The lease is a 25 year lease lasting until 1/9/10.	
Annual Vehicle Storage	63,000
This is revenue generated from fees paid by those storing their boat or RV on Association property. Currently this figure is based on 175 spaces @ \$360/space. We have a waiting list of approximately 29 as of 1-31-07.	
Bar Code Sales	3,000
Bar code sales to vendors are recorded on this account. Each bar code cost \$50 and is valid for one year.	
Miscellaneous Income	11,709
Road Fee Income	643,000
Road fee calculation is an increase from \$1.40 to \$1.75 per sq. ft. (New additions over to 120 sq. ft. - \$3.00)	
Legal Fees Income	1,500
Subtotal Administration Income	5,798,548

Communication Income

Advertising Income	146,506
Monies generated from advertising in Lake Currents. Information Center Bulletin Board (current rentals) 2' x 1' section = \$250 Additional sections in same block \$130 each All four 2' x 1' sections in one block are \$630	
LOWA Cable Franchise Fee	31,000
LOWA is designated by Orange County as the "Systems Administrator" for Adelphia Cable TV. A portion of the total franchise fee paid to Orange County is transferred to LOWA in order to service this area.	
Subtotal Communication Income	177,506

ECC Income

ECC Fees	18,000
A \$70.00 permit fee is applied to any construction requiring a road fee, ex. Porch, addition, etc. A \$45 permit fee is applied to any construction that does not require a road fee, ex. Lattice, dog run, etc.	
Subtotal ECC Income	18,000
Total Income	5,994,054

EXPENSES

Payroll

Salaries		571,551
General Manager		
Assistant General Manager	S-4	
Controller	S-3	
Assistant Controller	H-8	
Administrative Assistant	H-7	
Bookkeeper	H-7	
Assessment Coordinator	H-6	
Cashier Clerk	H-6	
Receptionist	H-5	
Seasonal Acct Clerk (proj. 640 hrs)	H-4	
Acctg Clerk (proj. 1040 hrs)	H-4	
Accounting OT(primarily assmt load)	\$0	
ECC Inspector PT (1600 hrs)	H-6	
Covenant Inspector (1560 hrs)	H-6	
ECC Secretary - FT	H-6	
Communication Coordinator FT	S-2	
Communication Asst PT (1040 hrs)	H-6	
Editor PT (1000 hrs)	H-6	
LCC Clerk -Unclassified PT (1000 hrs)	H-5	
Payroll Taxes		46,641
Employee Benefits		74,333
Includes medical, life, LTD, 401K		
Subtotal Payroll		692,525

Association Bonus

Salaries	27,844
Payroll Taxes & 401K	2,686
Subtotal Association Bonus	30,530

Administration

Acct 5310: Travel & Training	5,500
Misc. mileage	
Seminars (personnel, accounting, computer, legal, etc.)	
POAVA Conference (monthly)	
HOA/POA annual meeting	
Management meetings	
Software training and travel	
Acct 6110: Insurance	99,330
Acct 6111 Insurance - Fire/Rescue Annual Fee	40,500
Acct 6210: Postage	35,980
Mailing of Lake Currents, BOD ballots, referendums, etc.	
Acct 6220: Advertising	550
Acct 6230: Dues & Subscriptions	2,580
Videomaker and graphics periodicals.	
Acct 6240: Printing	63,650
Publication of Lake Currents, BOD candidate profiles, ballots, referendums, etc.	
Acct 6250: Office Supplies	9,000
Copier paper, pens, pencils, folders, software upgrades, ink cartridges for printers, fax paper, adding machine paper, labels, and other misc office supplies.	
Acct 6260: Expendable Furnishings	9,625
ECC: two chairs, 4 drawer file cabinet, microwave, and computer monitor.	
Lake Currents/web site: two desks, three chairs, scanner, printer and digital camera.	
Channel 17: Tripod, Canon GL2 camcorder, four DVD players and JVC DVD/hard drive.	
Adm - Two desks, three chairs, 1 computer&monitor,etc.	
Acct 6930: Bank Service Charges	2,000
Acct 7410: Bank Card Commission	350
Contingency Fund	57,244
Contingency funds set aside to be used at the discretion of the General Manager (estimated at approximately 1% of operating budget)	

Subtotal Administration **326,309**

Utilities

Acct 6010: Electricity	19,841
Electricity for Holcomb building, mail stations, parks, ECC building and the Ferris building.	
Acct 6020: Water/Sewer	3,476
Acct 6030: Heating Fuel	1,187
Acct 6040: Telephone	33,283

Subtotal Utilities **57,787**

Taxes and Licenses

Acct 6410: Personal Property Tax	6,200
Orange County levies business personal property tax on furniture, fixtures, vehicles and equipment owned by the Association.	
Acct 7460: Licenses & Permits	250
Subtotal Taxes and Licenses	6,450

Contractual Services

Acct 7470: Contractual Services	52,623
Includes Muzak - TV system, website hosting, computer services, McKendree risograph maintenance, Xerox, Diamond Springs, VTS Pro, Lake Currents consultant, Dillard Alarm System,. Jonas computer Support, Xerox maint. contract, typewriter service, gate system, pest control, carpet cleaning, equipment repairs, etc.	
LOWA Building-Maintenance	49,327
LOWA Equipment-Maintenance	1,774
LOWA Roads-Maintenance	64,000
LOWA Grounds-Maintenance	131,741
LOWA Custodial-Maintenance	23,289
Subtotal Contractual Services	322,754

Other Expenses

Acct 6510: Legal Collections Cost	2,500
Acct 6520: Legal	21,000
Retainer of \$1750/mo with balance available for extra assistance.	
Acct 6530: CPA Consultation and Audit	10,000
This covers an annual audit of the Association's records.	
Acct 6540: Engineering Consultation	10,000
Funds available for General Manager to consult on small projects or emergency needs that require professional engineering consultation.	
Acct 6910: Board Functions/Special Meetings	3,000
This includes the Board requested meetings, support, meals, etc. This also covers Committee and agency meetings with food and beverage service and the one-half cost of New Member Welcome events.	
Acct 6920: General Manager Functions/Meetings	3,000
This relates to lunch meetings, county agency meetings, evening meetings and related trips.	
Acct 6940: Storage	2,600
Rental of storage space to store Association records, especially accounting records for the required period of time (in most cases 7 years).	

Acct 6991: Holiday Expense	7,000
Includes holiday party and gifts for Association employees and other related events.	
Acct 7420: Special Events Expense	27,500
Acct 7445: Gate Damages/Vehicles	4,000
Reimbursement for vehicle damages caused by the automated gate system.	
Acct 7480: Supplies	2,775
Acct 7510: Equipment Rental	4,700
This includes rental of postage meter per updated requirements by the U.S. Postage Service.	
Acct 7810: Gas/Oil/Diesel	1,386
Cost of gas/oil for Association vehicle used by staff.	
Acct 8000: Bad Debt	5,000
We will recognize all assessments billed and will show annual allowance for bad debt under an expense item called "Bad Debt".	
Vacancy Factor	(64,852)
Subtotal Other Expenses	39,609
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Contribution to Replacement	165,971
Total Expenses	1,641,935
Net Surplus (Deficit)	4,352,119