

KEMPTON CROSSING HOA 2015 ANNUAL TREASURER'S REPORT

I am pleased to report that the 2015 Kempton Crossing HOA Financial Statement is in good order. The Annual Meeting Package will include the approved 2015 Annual Budget as well Financial Report through December, 31, 2015. This information will be posted on our website for resident viewing. The current statements reflect accuracy with the *December 2014 ending statement*. The Cornerstone financial report is continuous with the year ending 2014.

Balance Sheet:

The Balance Sheet Report reflects a year end Assets total of \$259,167.54 which includes \$197,584.56 in reserves for future items such as drainage wells reconstruction; gravel and tree replacement, wall painting, etc.

The "set aside" reserve amount of \$197,584.56 is not to be confused with actual cash or cash equivalents, but an amount that is part of the cash assets, set aside for future expenses. The "reserves" of this nature are determined by estimating the normal expenses anticipated for our HOA. The reserves report (known as a RDA Report), was completed by Reserve Data Analysis, Gilbert, Arizona. The last report was completed in 2015 and adjustments were made pursuant to the report and are up to date. The adjustments are made to increase accounting numbers to reflect inflation costs.

HOA expenses were \$196,243.95; estimated budget for 2015 was \$197,808.00. Expenses were under Budget by \$1,564.06. Largely in part due to the cost containment done by the Board and Janet Giannini from CPI. Working with CPI as a management company has been a large factor in cost containment with the Kempton Crossing HOA expenses. As I have stated before, I feel the residents should commend the Board for keeping within a budget. The Board in 2016 will again attempt to stay within its' budget.

Capital Improvements:

I am sure residents have seen the new "Kempton Crossing Monument Signs" We have received many compliments on their updated appearance. The HOA President will cover details in his letter.

Income:

In keeping with the accepted homeowners guidelines regarding operating reserves and expenses. The Board is pleased to be able to maintain the resident dues for 2016 and will be reviewed for 2017. We are still one of the lowest HOA with regard to Association dues. The Boards constantly keeps the residents in mind. The Board feels that they should make every effort to maintain the residents dues as minimal as possible.

Our cash reserve funds (assets) are invested in only triple A rated banking institution to guarantee their safety. I am sure every resident is well aware of the rates the banks offer on investments, still remains low.

Investment income was down for 2015 as it was for everyone.

Sincerely,

Bruce Kappel

Treasurer, Kempton Crossing Homeowner's Association

Kempton Crossing
 01 - Balance Sheet
 Period Through 12/31/2015

Assets		
<u>Operating Funds</u>		
MofO Checking - 50602931	39,701.09	
<u>Total Operating Funds</u>	<u>39,701.09</u>	
<u>Reserve Funds</u>		
MofO MM - 50909018	21,292.08	
MofO MM - 50909417	61,312.29	
MofO CD - 6436 6/01/2016 .25% 6 mos	60,255.42	
Meridian - CD - 7387 09/13/15 1.15% 6 mos	51,231.79	
MofO CD - 7866 3/19/16 .35% 12 mos	25,374.87	
<u>Total Reserve Funds</u>	<u>219,466.45</u>	
Total Assets		<u><u>259,167.54</u></u>
Liabilities & Equity		
<u>Current Liabilities</u>		
Prepaid assessments	29,704.98	
<u>Total Current Liabilities</u>	<u>29,704.98</u>	
<u>Reserve Funds</u>		
Reserves	219,466.45	
<u>Total Reserve Funds</u>	<u>219,466.45</u>	
<u>Retained Earnings</u>		
Retained earnings	(3,906.20)	
Net income	13,902.31	
<u>Total Retained Earnings</u>	<u>9,996.11</u>	
Total Liabilities & Equity		<u><u>259,167.54</u></u>

Kempton Crossing
02 - Statement of Revenues and Expenses

Posted 12/1/2015 to 12/31/2015 11:59:00 PM

	Current Month Operating			Year to Date Operating			Annual
	Fund	Budget	Variance	Fund	Budget	Variance	
REVENUES							
<u>Revenues</u>							
5010 Assessments	2,030.02	0.00	2,030.02	197,584.66	197,808.00	(223.44)	197,808.00
5020 Late fees	225.00	0.00	225.00	2,024.00	0.00	2,024.00	0.00
5030 Delinquent Notice Income	198.81	0.00	198.81	2,261.91	0.00	2,261.91	0.00
5050 Reserve contribution - from	0.00	0.00	0.00	7,200.00	0.00	7,200.00	0.00
5060 Interest income	85.87	0.00	85.87	1,035.79	0.00	1,035.79	0.00
5070 Other income	0.00	0.00	0.00	40.00	0.00	40.00	0.00
TOTAL Revenues	2,539.70	0.00	2,539.70	210,146.26	197,808.00	12,338.26	197,808.00
TOTAL REVENUES	2,539.70	0.00	2,539.70	210,146.26	197,808.00	12,338.26	197,808.00
EXPENSES							
<u>Administrative</u>							
8510 Collection costs	280.00	300.00	(20.00)	2,013.44	3,600.00	(1,586.56)	3,600.00
8520 Copies - printing and reprod	355.10	200.00	155.10	2,748.40	2,400.00	348.40	2,400.00
8530 Insurance	0.00	0.00	0.00	4,084.00	4,200.00	(116.00)	4,200.00
8540 Legal Fees	0.00	150.00	(150.00)	1,192.50	1,800.00	(607.50)	1,800.00
8550 Management fee	1,242.00	1,242.00	0.00	14,904.00	14,904.00	0.00	14,904.00
8570 Meeting expense	0.00	0.00	0.00	0.00	900.00	(900.00)	900.00
8580 Community Events	200.00	0.00	200.00	2,478.00	5,007.00	(2,529.00)	5,007.00
8590 Office expense	1,245.47	150.00	1,095.47	4,707.35	1,800.00	2,907.35	1,800.00
8595 Escrow Inspections	100.00	0.00	100.00	150.00	0.00	150.00	0.00
8599 Miscellaneous Expense	100.00	42.00	58.00	1,818.00	504.00	1,314.00	504.00
8600 Postage and delivery	459.55	100.00	359.55	2,550.90	1,200.00	1,350.90	1,200.00
8610 Professional fees	0.00	0.00	0.00	300.00	0.00	300.00	0.00
8619 Website	395.00	83.37	311.63	395.00	1,000.00	(605.00)	1,000.00
8630 Tax Prep/Audit	0.00	0.00	0.00	0.00	175.00	(175.00)	175.00
8633 Taxes - other	0.00	0.00	0.00	50.00	200.00	(150.00)	200.00
8635 Corporation Tax	0.00	0.00	0.00	10.00	10.00	0.00	10.00
TOTAL Administrative	4,377.12	2,267.37	2,109.75	37,401.59	37,700.00	(298.41)	37,700.00
<u>Landscaping</u>							
8010 Landscape - contract	6,056.00	6,056.00	0.00	72,672.00	72,672.00	0.00	72,672.00
8030 Tree and Plant replacement	667.00	125.00	542.00	2,167.00	1,500.00	667.00	1,500.00
8035 Plant Removal	0.00	166.63	(166.63)	0.00	2,000.00	(2,000.00)	2,000.00
8060 Sprinkler repair	1,086.15	680.00	406.15	11,565.41	8,160.00	3,405.41	8,160.00
8085 Insect Treatment	0.00	0.00	0.00	85.00	0.00	85.00	0.00
TOTAL Landscaping	7,809.15	7,027.63	781.52	86,489.41	84,332.00	2,157.41	84,332.00
<u>Repairs and Maintenance</u>							
8320 Electrical repair	116.55	208.37	(91.82)	420.63	2,500.00	(2,079.37)	2,500.00
8325 Electrical - Light Inspections	120.00	60.00	60.00	833.78	720.00	113.78	720.00
8330 Playground Eqmt Maint Cor	210.00	125.00	85.00	2,220.00	1,500.00	720.00	1,500.00
8331 Playground Eqmt repairs	0.00	105.00	(105.00)	4,476.44	1,260.00	3,216.44	1,260.00
8332 Drywell Maintenance	0.00	416.63	(416.63)	3,677.45	5,000.00	(1,322.55)	5,000.00
8360 Pest control	49.00	100.00	(51.00)	1,038.00	1,200.00	(162.00)	1,200.00
8365 Bee service	0.00	0.00	0.00	150.00	0.00	150.00	0.00
8380 Backflow Inspections	0.00	0.00	0.00	462.50	800.00	(337.50)	800.00

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	Current Month Operating			Year to Date Operating			Annual
	Fund	Budget	Variance	Fund	Budget	Variance	
8385 Backflow replacement	0.00	200.00	(200.00)	0.00	2,400.00	(2,400.00)	2,400.00
8390 Repairs - other	0.00	100.00	(100.00)	179.68	1,200.00	(1,020.32)	1,200.00
TOTAL Repairs and Maintenance	495.55	1,315.00	(819.45)	13,458.48	16,580.00	(3,121.52)	16,580.00
Utilities							
8400 Electric	495.39	500.00	(4.61)	6,002.50	6,000.00	2.50	6,000.00
8420 Water	3,939.65	2,583.00	1,356.65	22,493.29	30,996.00	(8,502.71)	30,996.00
TOTAL Utilities	4,435.04	3,083.00	1,352.04	28,495.79	36,996.00	(8,500.21)	36,996.00
z - Reserve Contributions							
8700 Reserve - contribution	1,850.00	1,850.00	0.00	29,400.00	22,200.00	7,200.00	22,200.00
8715 Reserves - Repair and Repl	0.00	0.00	0.00	15,378.52	0.00	15,378.52	0.00
8720 Reserve - interest income	82.98	0.00	82.98	998.68	0.00	998.68	0.00
TOTAL z - Reserve Contributions	1,932.98	1,850.00	82.98	45,777.20	22,200.00	23,577.20	22,200.00
z - Reserve Expenses							
8730 Res Exp - Grvl rplcmnt and	0.00	0.00	0.00	14,405.17	0.00	14,405.17	0.00
8735 Res Exp - Repair and Replc	0.00	0.00	0.00	21,272.14	0.00	21,272.14	0.00
8760 Reserve - used	0.00	0.00	0.00	(51,055.83)	0.00	(51,055.83)	0.00
TOTAL z - Reserve Expenses	0.00	0.00	0.00	(15,378.52)	0.00	(15,378.52)	0.00
TOTAL EXPENSES	19,049.84	15,543.00	3,506.84	196,243.95	197,808.00	(1,564.05)	197,808.00
Excess Revenue / Expense	(16,510.14)	(15,543.00)	(967.14)	13,902.31	0.00	13,902.31	0.00