

# KEMPTON CROSSING HOA 2016 ANNUAL TREASURER'S REPORT

I am pleased to report that the 2016 Kempton Crossing HOA Financial Statement is in good order. The Annual Meeting Package will include the approved 2017 Annual Budget as well Financial Report through December, 31, 2016. This information will be posted on our website for resident viewing. The current statement reflect accuracy and continuance with the *December 2015 ending statement*.

## **Balance Sheet:**

The Balance Sheet Report reflects a year end Assets total of \$212,948.62 which includes \$210,174.27 in reserves for future items such as drainage wells reconstruction; gravel and tree replacement, wall painting, etc. The "set aside" reserve amount of \$210,174.27 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 \$210,174.27; estimated "balanced" budget for 2016 was \$201,840.00. Expenses were over Budget by \$8,334.27. Largely in part due to the abnormal additional expenses, example: wall painting. Even with that in mind 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 2017, will again do their best to stay within its' budget.

## **Capital Improvements:**

I am sure residents have seen the new "Kempton Crossing Monument Signs" Also, an improvement was to paint all of the HOA common walls. The appearance of them is good. Doing this, we maintain our "good looking Community". In addition to the other improvements, the Tot Lot play sand was replaced with a recycled rubber matter which will much improve the animal waste condition and make it healthier to play in. We have received many compliments on updated appearances. The HOA President will cover details in his letter. With these expenditures, the cash asset balance has been reduced as you can see in the Statement. In addition to the other improvements, much of the common area gravel and plants have been replaced. All of this is done to make Kempton Crossing a beautiful community.

## **Income:**

In keeping with the accepted homeowners guidelines regarding operating reserves and expenses. 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, it still remains low and does not add much to our asset cash increase.

**Dues:**

Due to the large amount of expenditures, the Board has found it necessary to increase the resident dues \$4.00 per quarter, considered a small amount. Kempton Crossing remains one of the lowest HOA's with regard to Association dues. The Board constantly keeps the residents in mind. The Board feels that they should make every effort to maintain the residents dues as minimal as possible.

Sincerely,

Bruce Kappel  
Treasurer, Kempton Crossing Homeowner's Association