

APPROVED  
2-20-12

**KEMPTON CROSSING HOMEOWNER'S ASSOCIATION  
ANNUAL MEETING  
January 31, 2011**

The meeting was called to order at 7:00 p.m.

There were a total of 88 properties represented by either mail in ballot and attendance at meeting.

Since the quorum requirement is 131, the continuation of the 2011 Annual Meeting will be held on February 21, 2011 at which time the quorum requirement will be 66.

Since there was not a quorum, the meeting was adjourned at 7:05PM.

**February 21, 2011:**

The meeting was called to order at 7: 05 PM by Werner Buchmann, president. There were a total of 88 properties represented and the quorum had been met to conduct the meeting. Werner Buchmann, Allen Lund, Jackie Barker and Janet Giannini (VIP) were in attendance. Also in attendance were Karen Buchmann-Website, Cherry Marfisi-ARC and homeowners Janet Regis and Donna Kick.

**Minutes:** It was moved by Jackie Barker and seconded by Allen Lund that the minutes of the 2010 annual meeting be approved. Motion passed.

**Annual Treasurer's Report:** Allen Lund, treasurer, gave the 2010 Financial Report; a copy is attached to the minutes. It was moved by Jackie Barker and seconded by Allen Lund that the 2010 Financial Report be approved. Motion passed.

**President's Report:** Werner Buchmann stated that with the down economy, Kempton Crossing is in a good financial position. He complimented all who are involved with the management and maintenance of the community and keeping expenses under control.

**Election of Board of Directors:** Two positions were up for election. Werner Buchmann and Jeff Forman were re-elected to the board.

**Adjournment:** It was moved by Allen Lund and seconded by Jackie Barker that the annual meeting be adjourned. Motion passed.

The meeting was adjourned at 7:15 p.m.

## Annual Treasurer's Report For 2010

I am happy to report again this year that the Association is in good financial condition. I will highlight some of the income and expense items on the year-end financial statement that you received when you signed in this evening. I will be glad to answer any questions at the end of the report.

### **Balance Sheet:**

The balance sheet reflects a total of 164,917 in cash. This is a decrease of 8,155 from 2009. The Reserve Account totals \$95,440. The negative figure of \$11,635 under "Accounts Receivable" reflects dues for 2011 that were prepaid in 2010. Please turn the page to the "Income & Expense Budget vs. Actual" for 2010.

### **Income:**

**Delinquent Notice Income:** When it is necessary to send out delinquent notices, a \$25 charged (increased from \$10 in August) is assessed to the homeowner. The \$630 reflects the payment of these charges.

**Capital Reserve Income:** Funds were credited directly to the Reserve fund. In 2010 31 properties were transferred. (When a property transfers ownership, a fee is charged (\$300) and collected at the close of escrow. This goes into the Reserve Account

**Dues Income:** This figure reflects the 2010 dues that were collected plus some delinquent dues that were collected. We still have numerous current and previous owners who have not paid all or part of their 2009 AND 2010 dues.

**Late Fee Income:** When dues are not paid on time, a fee of \$15 or 10% of the balance is charged to the owner. The \$5,307 represents the collection of these fees.

**Interest Income:** Even with the continued decline in interest rates, the interest income for 2010 was \$1,740 – up a \$367 increase from 2009. All money is kept in banking institutions that are FDIC insured.

**Violation Fines:** This represents income collected from individuals who have been fined for violating the CC&R's and Rules and Regulations. A number of owners continue to ignore these fines.

**Total Income:** The total income for the Association exceeded the projected income by \$560 despite the higher than projected delinquencies for current and previous owners. .

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### Expenses:

I will highlight only the expense items that went over budget. If you have any questions on the other items, please hold your questions until the end of the report.

**Water:** Please note that even though this item came in **\$682 OVER** budget, the Association is constantly working on reducing the amount of water usage/cost. Since 2006 the water usage has been **decreased by 3,650,000 gallons**. The cost for this period has been **decreased by \$2,328 with the continuing rate increases**. The Association will continue to find ways to conserve water and will replace plants with drought resistant plants. Our landscape contractor ProQual is proactive in working with the Association.

**Tree Trimming:** This is OVER budget for 2010 due to the severe storm in January 2010. Many trees were up rooted or had limbs break. Several trees were replaced in specific areas

**Drywell Maintenance:** \$17,000 was spent on maintenance of the ten (10) dry wells. This expense was charged to the Reserve Fund.

**Collection Costs:** The Board established a Dues Collection Policy a number of years ago. Once a past due account reaches a certain point, it is turned over to an attorney for collection. The attorney charges are paid by the Association but charged to the homeowner. When an account is paid, the attorney fees are collected also. This year we are being affected by the economic down-turn and high foreclosure rate. Unfortunately there are a number of owners in the community that are losing their homes. This means that any money owned to the Association by that individual is lost. This situation is expected to continue throughout 2011.

**Accounting Fees:** these ties directly to collection costs. When it becomes necessary to sent out past due notices and collection notices, this increases the amount of time required for the accountant.

The financials show a net loss for 2010 in the amount of **\$8,690**. Going into 2011 with the cash on hand and the \$10 per unit per quarter increase in the dues; the Association will be in good financial position. Delinquencies will continue and hopefully at a lower rate for 2011