

**#84 KEMPTON PARK OWNERS ASSOCIATION
2019 ADOPTED BUDGET NARRATIVE**

Income

Income Association Fees –This line item details the assessments projected to be collected during the budgeted period.

Late Fees Income – Income derived from additional fees assessed to and paid by owners whose dues were not paid on time.

Expenses

Community Activities- Expenses associated with Community picnics, Community yard sales and other Community activities.

Auditing/Tax Preparation Expense – Fees paid to an independent, registered CPA to perform an annual audit, review or compilation of the Association's finances and/or state and federal tax returns.

Bank Service Charges – Fees paid to the bank for the payment lockbox, deposit slips and other account maintenance costs.

Legal Expenses –Collections - Costs of securing professional legal advice and the annual Registered Agent fee.

Property Insurance – Cost of the Association's master insurance policy including general liability, Directors & Officers and fidelity bond.

Corporate Fees – Includes fees for annual filing with the Common Interest Community Board (CICB) and the State Corporation Commission (SCC).

Inspections Expense -Inspection performed annually to maintain the back flow preventer with the irrigation system.

Management Fee Expense – This line item covers the cost for United Property Associates to handle the day-to-day operations of the Association, such as preparing financial statements, receiving and depositing assessments, handling all payments to vendors, communicating with homeowners, handling financial disclosures, property inspections, rules enforcement and advising and assisting the Board of Directors in its duties.

Office Expense/Printing – Cost of office supplies and copying/printing for Association business.

Coupon Books – Cost for producing coupons for all owners.

Website Expenses – Cost associated with the maintenance and up-keep of the Association's web-site.

Postage Expense – Cost for postage of first class mail and certified mailings as needed or required on behalf of the Association.

Utilities

Utilities –Telephone Expense – Cost for telephone services.

Utilities-Water – Cost for Association water usage including taxes and service fees.

Utilities-Sewer Expense – Cost associated with sewage service and taxes paid to RSD.

Utilities Storm Water Fees –Cost of storm water fees paid to HRSD.

Utilities-Electric Expense – Cost associated with the common element lighting and electrical services.

Maintenance

Maint.-BMP Expenses – Costs associated with the upkeep of the common area lakes including any chemical treatments and routine maintenance of any aerators, fountains, and electrical systems.

Maint.-Common Area Grnds Expense – Costs associated with routine maintenance of the common areas.

Maint.-Lawn Contract Expense – Costs for regular lawn services (cutting, edging, seeding, etc.) in the common areas of the community.

Maint.- Landscaping Extras/Tree Removal – Costs associated with planting or removal of shrubs, flowers, trees or other landscaping extras not included in the annual lawn contract.

Maint.-Irrigation System Exp. – Cost of maintenance for lawn irrigation system.

Maint.- Extm/Pest Control Exp. – Costs associated with pest control and exterminating services for the community.

Maint. – Bldg/Fence Exp. – Costs for routine maintenance of buildings, common area fences and grounds.

Maint.-Contract Trash Pickup/Pool – Costs associated with waste and trash removal from the pool area.

Maint.-Pool Repr/Supplies Expense – Costs associated with repair or the purchase of supplies related to the operation of the swimming pool.

Maint.-Pool Contract Expense – Costs associated with the contracted services for the swimming pool operation and maintenance.

Reserves

Replacement Reserves- Funds set aside for repair/replacement of major structures not included in the operating expenses. The most recent reserve study was completed in 2017 and determined the appropriate level of funding to be \$9,132.00 annually. If any owner desires to review the reserve study one will be sent upon request at no charge.

General Operating Reserve – Funds set aside for operating expenditures beyond those anticipated in the daily operating budget and to cover any monthly operating account shortfalls