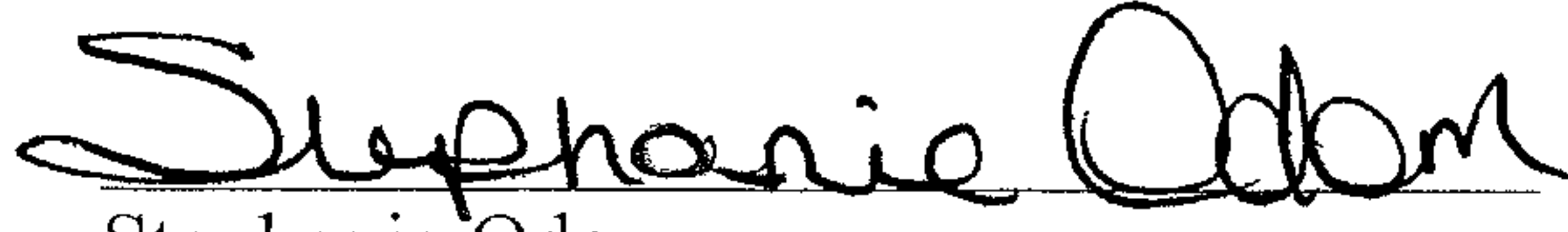




UNITED
PROPERTY
ASSOCIATES

MEMO TO: Kempton Park Owners Association, Inc.

FROM:


Stephanie Odom
Association Manager

DATE: August 25, 2012

SUBJECT: 2012 Adopted Budget

525 SOUTH
INDEPENDENCE BLVD.
SUITE 200
VIRGINIA BEACH
VIRGINIA
23452-1103
(757) 497-5752
FAX
(757) 497-9133
WATS
(800) 578-9722



739
THIMBLE SHOALS BLVD.
SUITE 1003
NEWPORT NEWS
VIRGINIA
23606-3562
(757) 873-1185
FAX
(757) 873-8907



6416
OAKFRONT CT.
RICHMOND
VIRGINIA
23231
(804) 222-0005
FAX
(804) 226-9046



5849
HARBOUR VIEW BLVD.
SUITE 200
SUFFOLK
VIRGINIA
23435-3768
(757) 484-0706
FAX
(757) 484-3217



103
BULIFANTS BLVD.
SUITE A
WILLIAMSBURG
VIRGINIA
23188
(757) 345-5383
FAX
(757) 345-5385



SPECIALISTS IN
THE MANAGEMENT
OF APARTMENTS •
HOUSES • CONDOMINIUM
AND HOMEOWNER
ASSOCIATIONS



Enclosed is a copy of the adopted 2012 operating budget and budget summary, which explains each line item. This budget, adopted by the Board of Directors on August 20, 2011, represents the best estimate of the financial requirements to operate Kempton Park during the 2012 year.

The budget is based upon a monthly assessment of \$47.00, which represents no increase over the current budget. This assessment will be effective on January 1, 2012. You will receive a coupon book sometime in December. A coupon should accompany each monthly payment.

Please find enclosed with your copy of the budget a Debit Authorization form for your convenience. This convenience is offered by the association to help better serve you. You may wish to have your assessments paid automatically, avoiding any possible missed payments or late fees. **If you already have automatic debit set up with UPA, it is not necessary to submit a duplicate form.**

If you plan to pay your assessment with on-line banking, please direct your financial institution to send all payments directly to: Kempton Park Owners Association, Inc., 525 S. Independence Blvd., Ste 200, Virginia Beach, VA 23452. Please insure that your account number is included on your on-line payment for proper posting. (Your account number will be on your coupon book).

If you have any questions, please do not hesitate to contact the Association office at (757) 484-0706, ext. 407 or email sodom@unitedproperty.org.

	2009 Final Totals Actual	2010 Final Totals Actual	2011 Adopted Annual Budget	2011 "Year to Date" Budget	2011 "Year to Date" Actual	2012 Adopted Annual Budget	2012 Adopted Monthly Budget	2012 Adopted Per Unit Per Month	
84-4110.0000	INCOME- ASSOCIATION FEES	\$156,853.65	\$151,200.33	\$151,152.00	\$62,980.00	\$62,637.98	\$151,152.00	\$12,596.00	\$47.00
84-4140.0000	LEGAL ADMINISTRATIVE INCOME	0.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00
84-4200.0000	INCOME-ADV ASSOC FEES	(6,861.40)	1,359.13	0.00	0.00	(928.67)	0.00	0.00	0.00
84-4205.0000	ASSOCIATION FEES - DELQ			0.00	0.00	0.00	0.00	0.00	0.00
84-4245.0000	RESALE PACKAGE INCOME	50.00	250.00	1,000.00	416.67	0.00	250.00	20.83	0.08
84-4250.0000	OTHER MISC INCOME	69.33	209.24	0.00	0.00	0.00	0.00	0.00	0.00
84-4253.0000	INTEREST-DELINQUENT FEES	0.00	73.13	0.00	0.00	19.56	15.00	1.25	0.00
84-4255.0000	INTEREST INCOME	1,142.14	1,523.55	0.00	0.00	46.62	50.00	4.17	0.02
84-4263.0000	LATE FEES INCOME	4,469.00	3,028.83	3,000.00	1,250.00	1,095.33	2,000.00	166.67	0.62
84-4264.0000	NSF FEE INCOME	270.00	313.00	0.00	0.00	30.00	30.00	2.50	0.01
84-4266.0000	COURT COSTS INCOME-OTHER	3,925.61	2,111.65	2,000.00	833.33	356.43	1,000.00	83.33	0.31
84-4268.0000	ASSESSMENT RESERVE INC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL INCOME	\$159,918.33	\$160,098.86	\$157,152.00	\$65,480.00	\$63,257.25	\$154,497.00	\$12,874.75	\$48.04
84-5140.0000	AUDITING EXPENSES	\$2,975.00	\$225.00	\$225.00	\$93.75	\$230.00	\$4,000.00	\$333.33	\$1.24
84-5180.0000	BANK SERVICE CHARGE	192.15	170.55	185.00	77.08	78.60	184.00	15.33	0.06
84-5190.0000	DUES-REGISTRATION-EDUCATN	0.00	0.00	100.00	41.67	0.00	0.00	0.00	0.00
84-5195.0000	LEGAL EXPENSES	4,365.94	2,366.16	3,050.00	1,270.83	323.09	1,700.00	141.67	0.53
84-5220.0000	PROPERTY INSURANCE	5,121.00	5,722.00	5,092.00	2,121.67	2,368.52	5,485.00	457.08	1.71
84-5221.0000	CORPORATE FEES	191.38	219.96	200.00	83.33	195.04	200.00	16.67	0.06
84-5222.0000	INSURANCE DEDUCTIBLE	0.00	0.00	1,000.00	416.67	0.00	0.00	0.00	0.00
84-5230.0000	INSPECTION BACK FLOW PREVENTER	225.00	0.00	150.00	62.50	0.00	0.00	0.00	0.00
84-5240.0000	MANAGEMENT FEE	30,294.72	31,495.36	32,546.00	13,560.83	13,400.00	34,090.00	2,840.83	10.60
84-5260.0000	MISC EXP/GENERAL & ADMIN	297.87	195.87	200.00	83.33	508.20	200.00	16.67	0.06
84-5270.0000	OFFICE EXP/PRINTING	2,972.21	3,223.21	3,000.00	1,250.00	905.05	2,000.00	166.67	0.62
84-5271.0000	NEWSLETTER-PRODUCTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84-5275.0000	COUPON BOOKS	1,698.65	903.95	900.00	375.00	93.45	900.00	75.00	0.28
84-5282.0000	WEB SITE EXPENSE	505.00	500.00	500.00	208.33	160.00	500.00	41.67	0.16
84-5290.0000	POSTAGE	1,485.52	2,474.55	1,835.00	764.58	342.11	1,850.00	154.17	0.58
84-5304.0000	RESALE PACKAGE RMB	250.00	475.00	1,000.00	416.67	0.00	250.00	20.83	0.08
84-5340.0000	TELEPHONE	1,036.45	1,034.85	1,030.00	429.17	429.85	1,030.00	85.83	0.32
	TOTAL GEN. & ADMIN. EXPENSES	\$51,610.89	\$49,006.46	\$51,013.00	\$21,255.42	\$19,033.91	\$52,389.00	\$4,365.75	\$16.29
84-5370.0000	UTILITIES-WATER	\$9,469.25	\$14,700.78	\$15,262.50	\$6,359.38	\$376.60	\$11,000.00	\$916.67	\$3.42
84-5375.0000	UTILITIES-SEWER	707.14	680.80	660.00	275.00	31.25	500.00	41.67	0.16
84-5380.0000	UTILITIES-ELECTRIC	4,254.71	3,141.07	1,795.00	747.92	1,111.12	3,000.00	250.00	0.93
	TOTAL UTILITIES	\$14,431.10	\$18,522.65	\$17,717.50	\$7,382.29	\$1,518.97	\$14,500.00	\$1,208.33	\$4.51
84-5418.0000	MAINT.-LAKE EXPENSES	\$6,462.74	\$5,107.00	\$3,683.00	\$1,534.58	\$1,580.00	\$3,792.00	\$316.00	\$1.18
84-5429.0000	MAINT.-COMMON AREA GRNDS	1,185.75	250.00	1,000.00	416.67	0.00	500.00	41.67	0.16
84-5430.0000	MAINT.-LAWN CONTRACT	35,212.87	33,926.24	33,670.00	14,029.17	14,229.15	33,670.00	2,805.83	10.47
84-5431.0000	MAINT.-LANDSCAPE EXTRAS	39.30	634.00	0.00	0.00	0.00	1,000.00	83.33	0.31
84-5432.0000	MAINT.-SPRINKLER	4,329.40	2,644.03	2,740.00	1,141.67	1,245.44	1,500.00	125.00	0.47
84-5433.0000	MAINT.-LIGHTING IN COMMON AREA	0.00	0.00	300.00	125.00	0.00	0.00	0.00	0.00
84-5441.0000	MAINT.-EXTM/PEST CONTROL	110.00	110.00	960.00	400.00	110.00	500.00	41.67	0.16
84-5455.0000	MAINT.-BLDG/FENCE/GRNDS	605.00	440.25	1,700.00	708.33	298.75	1,000.00	83.33	0.31
84-5466.0000	MAINT.-POOL REPR/SUPPLIES	1,888.00	1,641.28	0.00	0.00	203.96	1,867.00	155.58	0.58
84-5467.0000	MAINT.-SWIMMING POOL	29,395.00	29,370.00	28,875.00	12,031.25	14,400.00	29,000.00	2,416.67	9.02
	TOTAL MAINTENANCE	\$79,228.06	\$74,122.80	\$72,928.00	\$30,386.67	\$32,067.30	\$72,829.00	\$6,069.08	\$22.65
	NET OPERATING INCOME	\$14,648.28	\$18,446.95	\$15,493.50	\$6,455.63	\$10,637.07	\$14,779.00	\$1,231.58	\$4.60
84-5516.0000	RESERVES-EARNED INTEREST	\$1,142.14	\$1,523.55	\$0.00	\$0.00	\$29.34	\$0.00	\$0.00	\$0.00
84-5549.0000	REPLACEMENT RESERVES	7,209.96	7,449.96	7,450.00	3,104.17	3,104.15	6,735.00	561.25	2.09
	TOTAL REPLACEMENT RESERVES	\$8,352.10	\$8,973.51	\$7,450.00	\$3,104.17	\$3,133.49	\$6,735.00	\$561.25	\$2.09
84-5658.0000	OPERATING RESERVE DRAW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
84-5660.0000	GENERAL OPERATING RESERVE	6,399.96	6,500.04	8,043.50	3,351.46	3,351.45	8,044.00	670.33	2.50
	TOTAL OPERATING RESERVES	\$6,399.96	\$6,500.04	\$8,043.50	\$3,351.46	\$3,351.45	\$8,044.00	\$670.33	\$2.50
	TOTAL REPLCMNT/OPER RESERVES	\$14,752.06	\$15,473.55	\$15,493.50	\$6,455.63	\$6,484.94	\$14,779.00	\$1,231.58	\$4.60
	NET INCOME	(\$103.78)	\$2,973.40	\$0.00	\$0.00	\$4,152.13	\$0.00	\$0.00	\$0.00

**#84 KEMPTON PARK OWNERS ASSOCIATION
2012 ADOPTED BUDGET NARRATIVE**

Income

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

Resale Package Income – Income collected at time of closing on individual units to reimburse association for resale package costs.

Interest – Deliq. Fees – Income derived from the interest on delinquent accounts.

Interest Income – Income derived from the interest bearing CD's purchased from Operating Account funds.

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

NSF Fee Income – A penalty paid to the Association by owners whose checks are returned unpaid for any reason.

Court Costs-Collections Income – Reimbursement of court costs collected from homeowners whose accounts are filed for collection in court.

Expenses

Auditing Expenses – 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 Charge – Fees paid to the bank for the payment lockbox, deposit slips and other account maintenance costs.

Legal Expenses – 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).

Management Fee – 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.

Miscellaneous General/Administrative – Operational costs not included under another specific line item.

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

Coupon Books – Cost for producing coupons for all owners.

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

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

Resale Package Reimbursement – Reimbursement to Management Company for preparation and delivery of resale packages to individual unit owners as required by State law.

Telephone – Cost for telephone services.

Utilities

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

Utilities-Sewage – Cost associated with sewage service and taxes paid to HRSD.

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

Maintenance

Maint.-Lake 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 – Costs associated with routine maintenance of the common areas.

Maint.-Lawn Contract – 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.-Sprinkler – Cost of maintenance for lawn irrigation system.

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

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

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

Maint.- Swimming Pool Contract – 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 2007 and determined the appropriate level of funding to be \$6,735.00.

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.

DEBIT AUTHORIZATION FORM

I (we) hereby authorize **KEMPTON PARK OWNERS ASSOCIATION** or its agent to initiate debit entries to my checking/savings account(s) at the financial institution listed below and if necessary, initiate adjustments for any transactions debited in error. This authority will remain in effect until **KEMPTON PARK OWNERS ASSOCIATION** is notified by me (us) to cancel it in such time as to afford **KEMPTON PARK OWNERS ASSOCIATION** and the financial institution a reasonable opportunity to act on it.

I acknowledge my right to receive prior notice of any debit entry which varies from the approved monthly/quarterly/semi-annual/annual association fee debit entry in any amount.

NAME OF PROPERTY OWNER'S FINANCIAL INSTITUTION OR BANK

ADDRESS OF FINANCIAL INSTITUTION – BRANCH, CITY, STATE, & ZIP

X _____
PROPERTY OWNER(S) SIGNATURE DATE

NAME OF PROPERTY OWNER(S) – PLEASE PRINT

PROPERTY ADDRESS – PLEASE PRINT

MAILING ADDRESS (IF OTHER THAN PROPERTY ADDRESS) – PLEASE PRINT

If this authorization is received by **KEMPTON PARK OWNERS ASSOCIATION** prior to the **20TH of the current month** the first draft will occur on _____ (month) 20____. Each payment thereafter will occur on the **2nd day of the month in which payment is due** unless the 2nd should fall on a weekend or bank holiday. In that instance, the payment will be drafted on the following business day.

Account Type (circle one): CHECKING or SAVINGS

BANK ACCOUNT NUMBER (Second Set of Numbers): _____

BANK ROUTING NUMBER (First Set of Numbers): _____

PLEASE INCLUDE:
1) Initial Setup Fee of \$10.00 made payable to UPA
2) Voided Check

Return this form, payment, and voided check to:

United Property Associates
Attn: ACH Division
525 S. Independence Blvd., Ste. 200
Virginia Beach, VA 23452
Fax: (757) 499-7659

PLEASE DO NOT WRITE BELOW THIS LINE. THE FOLLOWING SECTION IS FOR COMPANY USE ONLY!

ASSOCIATION NUMBER: _____

AMOUNT: _____

UNIT NUMBER: _____

PER: Month Quarter Semi-annual Year

RECEIVED: ____ / ____ / ____

ACCOUNT TYPE: Checking Savings

START DATE: ____ / ____ / ____

ENTERED BY: _____

ON: ____ / ____ / ____