

KPOA 2018 Financial Review & 2019 Budget

The Kala Point Owners' Association will end 2018 in a secure and well-funded position. As of October, with two months to go until the close of our fiscal year, we project a budget surplus of about \$13,585 (2.7%). This surplus will be applied to your 2020 assessment.

Reserves and the projects that they fund continue to be an important part of our overall financial health. We have also had a very successful year managing our reserve projects. Most projects were completed for less than the cost projected in the original reserve study. We expect the total reserve expenditures to be \$11,500 (6.3%) below the 2018 budget.

Operating Budget

For 2019, we will have an increase in operating expense of 8.4% over the 2018 year-end estimate. We continue the philosophy of building a tight budget, and then managing our day-to-day expenses to come in at, or below that expense goal. The most significant increases are in salaries and benefits, accounting for about 60% of the change. The other parts of the increase are in utility rates, the required 2019 reserve study, and committee budgets. The Board of Directors feels that the increases in salary and benefits are important to maintaining our experienced staff with a minimum of turnover. We have consciously increased budgets for emergency preparedness and first aid committees as we expand our planning for potential natural disasters.

Reserves Budget

Our reserve position continues to be very healthy. The enclosed Reserves Cash Flow Budget sheet shows reserve expenditures during 2018 and those planned for 2019. The reserve contribution for 2018 was \$168,000 and it will remain the same for the 2019. We plan an inflation rate of 2.5% for our reserve projects. Because of low current yields on Reserve Fund investments, the interest income is planned at 1.5%. We have a plan that extends 30 years into the future, with a projected balance that never drops below a NPV (net present value) of \$200,000. This plan ensures that our reserves are fully funded. We again will be contracting with a professional to conduct a full reserve study in 2019. This is part of our ongoing planning and is conducted every three years.

As we replace assets, we look for equipment that is more efficient. In 2018, we replaced the pool heating system with a heat pump that is significantly more efficient. The result is a utility savings of approximately \$2,000 per year while maintaining pool temperatures at target levels.

Impact of Potential Access Control Changes

The Board of Directors is considering potential changes for controlling automobile access through the main gate. The goal of the change would be to eliminate the current practice of "Tail Gating" for unauthorized entry. One element of the decision process will be a survey of our owners. It is likely the decision will not be made until first quarter of 2019.

Because no decisions have been made, we are recommending a budget that does not include any impact on the operating budget. We have included money in the reserve plan to pay for a new gate if that is the decision of the Board. If the decision is to utilize an occasional guard to control access, we will manage the increased cost through the utilization of contingency funds as we did in 2018. If the decision is to leave access control as it is today, it would have no impact on the operating budget and we would not spend the money reserved for the gate. With the budget structured in this way, any decision on the gate will not impact on our 2019 assessment.

2019 Carryover (from 2017)

For 2018, we applied a carryover from 2016 of \$62.00 for each LHC (Lot, Home, or Condominium Unit) and \$5.00 for each Timeshare unit (TS). In 2018, we have a lower carryover of \$41.00 for LHC units and a carryover of \$6.00 for TS (from the 2017 budget). This decrease in carryover is a significant factor driving the increase in 2019 assessments for each LHC. It is important to note that we are not permitted by law to accumulate excess funds from the operating budget. Any excess must be returned to the owners, either in the form of direct payment, or through reduction in assessments.

The Bottom Line

In summary, the Board of Directors, General Manager, and the Finance Committee are pleased that we have created a tight budget that serves your needs and is in accord with State regulations for Reserve Funding plans. The 2019 budget results in regular assessments of \$934.00 (+\$74.00 or 6.4%) for each LHC and \$228.00 (+\$16.00 or 7.5%) for each timeshare (TS). We will continue to closely monitor and review our expenditures in the coming years.

Last year I included the following statement: “Because of the windfall we received in 2016, you are seeing a reduction in your 2018 assessment for LHC. Unfortunately, that reduction is a one-time event and you can expect assessments to return to higher levels in 2019.” The increases you see in the 2019 budget are the results of the increases in operating budget, and that one-time windfall going away.

In the past few years many homeowners associations have found themselves in financial difficulty. We should all take pride in the fact that KPOA has never had a special assessment. However, it is important to continue investing in and maintaining Kala Point as a premier Owners’ Association to support the value of your homes and properties.

John Oliveira
Chief Financial Officer
Kala Point Owners’ Association

1	Clubhouse
2	Indirect
3	Pool/Spa
4	Beach
5	Other

Operating Annual Income

This worksheet presents the operating income for this budget and the previous 2 years. There are no values to be entered on this sheet.

Income	Cat	2019 Budget	2018 Budget	2018 Est. Act.*	2017 Actuals	
4010 · Assessments						
4010.1 · LHC		524,114	482,404	482,577	490,099	
4010.2 · TS		104,077	96,531	95,824	91,053	
4010.3 · New Sales		0	0	0	0	
4010.4 · Reserves		(167,996)	(168,000)	(168,187)	(168,000)	
Total 4010 · Assessments		460,195	410,935	410,214	413,152	
Assessment Credit/Debit		25,723				2017 Carryover
4020 · Late Fees, Interest & Lien Fees	5	650	650	1,233	1,641	
4030 · Assessments - Special (Fines)	5	0	0	2,000	0	
4040 · Lease Income	5	42,562	40,909	40,807	45,790	4% (Verizon - (Jan-Aug 31, \$2,100) (5% - Sept-Dec 31, \$2,205) Sprint (2% - Feb-Dec 31, \$792.92), Clear Wire Wireless (5% - Feb-Dec, \$335.02)
4050 · Interest Income						
4050.1 · Interest Income	5	0	0	439	392	
4050.2 · Dock Lease	4	0	0	0	0	
Total 4050 · Interest Income		0	0	439	392	
4060 · Rentals & Contracts						
4060.1 · Storage Space Rentals	5	16,098	14,626	15,322	13,759	5% Current rental spaces used
4060.2 · Clubhouse Rentals	1	0	0	0	0	Fees will be removed from future rentals
4060.3 · Work For Owners	5	450	532	1,069	310	Chipper/labor services, truck/labor, tractor/labor, deer removal
4060.4 · Small Boat Storage	4	4,648	3,869	4,410	3,626	5% Current rentals
Total 4060 · Rentals & Contracts		21,196	19,027	20,801	17,695	
4070 · Other Income						
4070.1 · New Residence Equipment	5	300	300	561	411	Mailbox (\$93.00)fees
4070.2 · Facility Access	5	1,500	1,500	2,285	2,120	Transmitters, gate cards
4070.3 · Admin Products	5	2,300	2,300	3,368	3,617	Phone directory ads, fax, copies, keys...
4070.4 · Architectural Fees	5	0	0	0	5	
4070.5 · Miscellaneous	5	0	0	0	0	
Total 4070 · Other Income		4,100	4,100	6,214	6,153	
Total Income		554,426	475,621	481,708	484,823	15%

* 2018 Estimated Actual is based on 9 months actual and 3 months estimated

Cat	Description
1	Clubhouse
2	Indirect
3	Pool/Spa
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Operating Expenses

Percentages are Budget Vs. Year End Estimates

This worksheet presents the operating expenses for this budget and the previous two years. There are no values to be entered on this sheet.

Chart of Accounts	Cat	2019 Budget	2018 Budget	2018 3 months Year End Est*	2017 Actuals	
5010 · Payroll Wages						
5010.1 · Admin						
5010.11 · Office	2	28,256	24,999	26,959	24,447	
5010.12 · Management	2	79,612	75,353	75,973	74,956	
5010.13 · Support	2	17,764	19,350	20,969	16,310	
Total 5010.1 · Admin	-	125,632	119,702	123,901	115,713	
5010.2 · Maintenance	2	86,879	78,351	83,478	75,373	
5010.3 · Clubhouse	1	51,615	46,438	49,287	45,077	Starting Wage increase adjustment to 12.00 per hour
Total 5010 · Payroll Wages	-	264,126	244,491	256,666	236,163	2.91%
5015 · Payroll Contingency	2	4,066	3,924	0	0	Overtime
5020 · Payroll Taxes						
5020.9 · Payroll Taxes						
5020.91 · Admin	2	12,681	12,283	12,435	11,585	Social Sec. 6.20%
5020.92 · Maintenance	2	10,161	9,478	9,638	8,928	Medicare 1.45%
5020.93 · Clubhouse	1	6,836	6,417	6,406	6,037	Suta 1.66% ↓ 0.1400
Total 5020.9 · Payroll Taxes	-	29,678	28,178	28,479	26,550	Futa 0.80%
Total 5020 · Payroll Taxes	-	29,678	28,178	28,479	26,550	L&I 0.47149
5030 · Payroll Other Costs						L&I 0.08925 Office
5030.1 · IRA						
5030.11 · Admin	2	2,163	2,398	2,439	1,491	2% Contribution
5030.12 · Maintenance	2	1,741	1,573	1,636	1,239	2% Contribution
5030.13 · Clubhouse	1	0	754	529	396	2% Contribution
Total 5030.1 · IRA	-	3,904	4,725	4,604	3,126	
5030.2 · Medical Insurance						
5030.21 · Admin	2	18,256	16,344	16,926	17,352	7.86%
5030.22 · Maintenance	2	27,384	24,516	25,389	18,314	7.86%
5030.23 · Clubhouse	1	0	0	0	557	
Total 5030.2 · Medical Insurance	-	45,640	40,860	42,315	36,223	7.86% ↑
5030.3 · Life & Disability Insur.						
5030.31 · Admin	2	0	0	0	0	
5030.32 · Maintenance	2	0	0	0	0	
5030.33 · Clubhouse	1	0	0	0	0	
Total 5030.3 · Life & Disability Insur.	-	0	0	0	0	
Total 5030 · Payroll Other Costs	-	49,544	45,585	46,919	39,349	
Total Payroll Related	-	79,222	73,763	75,398	65,899	
Total Payroll	-	347,414	322,178	332,064	302,062	4.62% ↑

Minimum Wage Adjustments		
2019	\$12.00	
2020	\$13.50	
2021	adjustment by inflat	

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Chart of Accounts	Cat	2019 Budget	2018 Budget	2018 3 months Year End Est*	2017 Actuals	
5040 · Admin						
5040.1 · Goods	5	10,421	10,550	10,175	11,310	Supplies \$4500, Gate Transmitters, Postage
5040.2 · Services	5	10,255	10,455	10,144	11,768	POE \$220, Shred \$45, Backup Files (Cloud \$35*12), Third Party Election Company \$6k
5040.3 · Utilities	5	10,300	9,137	8,787	7,989	Phone \$225, Wave 112, (PUD Power \$111-\$261) Rate Increase 0.10700, cell phones \$230, Sat Phone \$30*12, PUD Water \$48.25 - \$69.25
Total 5040 · Admin	-	30,976	30,142	29,106	31,067	6.4% ↑
5050 · Beach & Dock						
5050.1 · Goods	4	2,400	2,445	1,985	2,183	Float hardware, fido bags, BTI Briskets
5050.2 · Services	4	960	970	1,033	993	Sani Kans Service
5050.3 · Utilities	4	441	379	280	258	Water usage PUD \$28/\$49
5050.4 · DNR Beach Lease	4	1,000	990	990	1,098	November Beach Lease Renewal
Total 5050 · Beach & Dock	-	4,801	4,784	4,288	4,532	12.0% ↑
5060 · Clubhouse			0			
5060.1 · Goods	1	6,150	5,950	5,107	5,888	Cleaning supplies \$4,000, Uniforms \$500, Misc. Expense
5060.2 · Services	1	4,125	3,860	4,822	2,558	Heating Service \$750, Propane Water Heater, laundry, pest control, AED Service \$550
5060.3 · Utilities - 5202	1	15,887	12,640	13,414	12,644	CentryLink, Wave \$230, PUD Water \$80-\$151, (PUD Power \$789-1,104) Rate Increase 0.10700)
5060.4 · Insurance	1	3,191	3,141	3,099	3,140	Moss Adams Agreement 25% of the Property & Liaibility Insurance
Total 5060 · Clubhouse	-	29,353	25,591	26,442	24,230	11.0% ↑
5070 · Pool & Spa			0			
5070.1 · Goods	3	11,375	9,725	11,950	11,968	Pool/Jacuzzi Supplies, New Pool Filters \$1000
5070.2 · Services	3	2,325	2,325	1,383	286	Heat pump, boiler service \$1575
5070.3 · Utilities - 3048	3	9,928	10,866	7,815	9,618	(PUD Power \$412-\$1,184) Rate Increase 0.10700), Propane \$1.79*1400gal = \$2,506 (May-Oct)
Total 5070 · Pool & Spa	-	23,628	22,916	21,148	21,872	11.7% ↑
5080 · Common Area			0			
5080.1 · Goods	5	14,975	12,975	13,486	16,018	Maint. Supplies, herbicides/pesticides, sand & crushed rock, Street Signs, Materials for Shed, Bark
5080.2 · Services	5	12,140	9,795	14,034	5,079	Common Tree removals \$4,750, gate service \$1,750, pest control, extinguishers service, Sani-Kan Service (TC), Tree Assessment Work \$1,250, Lift for Tree Trimming \$1250
5080.3 · Utilities	5	3,532	3,424	3,830	3,167	Tele entry (phone), gatehouse (power)
5080.4 · Equipment and Tools	5	5,500	5,000	3,077	8,034	Repairs, Equipment, Purchase New Pressure Washer
5080.5 · Fuel	5	8,536	7,904	8,864	7,659	Increased Price per Galloon (\$3.45-Unl. \$3.70-diesel)
5080.6 · Vehicles Maint	5	5,000	5,000	6,017	3,924	Sweeper Brushes \$1125, supplies \$2150, Repairs \$1725
Total 5080 · Common Area	-	49,683	44,098	49,308	43,881	0.8% ↑
5090 · Professional Svcs			0			
5090.1 · Legal	5	5,000	5,000	3,700	3,760	Average expense over 3 yrs.
5090.2 · Accounting	5	11,433	9,033	8,738	11,835	Payroll Provider, Prepare Tax Return, Bookkeeper Expense, Reserve Study - \$2,400
5090.3 · IT Service	5	2,640	2,000	1,607	450	
5090.4 · Engineering Study	5	0	0	0	0	
Total 5090 · Professional Svcs	-	19,073	16,033	14,045	16,045	35.8% ↑
5100 · Insurance	2	23,463	22,833	22,656	18,187	Package Policy \$12,763 (+3%), 10M Umbrella \$3,972 (+4%), D&O \$3,812 (+3%), Auto \$3,062 (+5%), Earthquake \$3045(+4%)
5110 · Other Costs						
5110.1 · Fees & Licenses	5	3,795	4,783	3,335	3,878	Vehicle licensing, lien fees, pool permit, Removed Annual Membership Meeting Fees, Certification Fees GM
5110.2 · Education & Training	5	3,000	3,000	69	2,140	Training/Education
5110.3 · Committee	5	6,240	4,168	1,828	3,404	Social Plus \$300, First Aid \$2,611, EPC \$3280, BMAC \$250
5110.4 · Board Miscellaneous	5	600	600	574	168	
5110.5 · Miscellaneous	5	5,500	5,000	691	497	\$5k Contingency
5110.6 · Reimbursed Expense	5	0	0	0	0	
Total 5110 · Other Costs	-	19,135	17,551	6,497	10,087	194.5%
5120 · Federal Income Tax	5	6,900	6,659	6,000	6,880	
ALL EXPENSES		554,426	512,785	511,554	478,843	8.38% ↑

* 2018 Estimated Actual is based on 9 months actual and 3 months estimated

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Shading = new assets for 2019

Cat	Asset	Useful Life	Remaining Life	Repl Year	Current Cost	2019	2020	2021	2022	2023
	Beginning. All inserts must be below here.									
1	Road Repair	2	-2	2017	27,118	27,796		29,203		30,681
1	Alderwood Place	35	32	2051	22,337					
1	Baycliff Drive/ So KP to Pinecrest	30	17	2036	85,435					
1	Baycliff Drive/ Pinecrest to No KP	27	2	2021	79,075			85,155		
1	Baycliff Place	35	32	2051	14,815					
1	Belvedere Drive	35	17	2036	80,458					
1	Blenheim Place	35	32	2051	17,673					
1	Brookhaven Place	35	32	2051	12,429					
1	Buckhorn Place	35	30	2049	23,987					
1	Cedarview Drive	35	34	2053	115,460					
1	Cedarview Lane	30	26	2045	17,254					
1	Clubhouse Parking	35	32	2051	42,801					
1	Compton Place	35	19	2038	11,999					
1	Corbridge Place	35	32	2051	12,763					
1	Creekwood Place	35	30	2049	11,317					
1	Danbury Court	35	32	2051	12,169					
1	Dunraven Place	35	34	2053	17,393					
1	Fairbreeze Drive	35	20	2039	114,883					
1	Foxfield Drive	35	9	2028	145,982					
1	Grenville Court	35	12	2031	31,560					
1	Hemlock Court	35	26	2045	23,565					
1	Kala Pt. Dr./ Baycliff Intersection	22	10	2029	218,511					
1	Kala Pt. Dr./ Fairbreeze Dr. Intersection	22	18	2037	177,138					
1	Kala Pt. Dr./Fairbreeze Int./ R.V. B Storage Lot	27	16	2035	71,106					
1	Kala Heights Drive - Paving	35	33	2052	81,291					
1	Nantucket Place	35	32	2051	23,217					
1	Oak Shore Court	35	7	2026	17,164					
1	Oak Shore Drive	35	7	2026	101,713					
1	Parkplace Court	35	32	2051	26,141					
1	Pinecrest Court	35	1	2020	6,368		6,690			
1	Pinecrest Drive	35	1	2020	233,872		245,712			
1	Pinewood Court	35	4	2023	16,655					18,843
1	Saddletree Drive	35	19	2038	83,314					
1	Sailview Drive	30	15	2034	140,849					
1	Shorecrest Court	35	29	2048	33,946					
1	Shorecrest Place	35	26	2045	18,341					
1	Sulgrave Place	35	28	2047	23,599					
1	Terrace Drive	35	35	2054	111,509					
1	Trafalgar Drive	35	24	2043	83,580					
1	Wellington Court	35	31	2050	28,093					
1	Westridge Court	35	1	2020	17,767		18,666			
1	Windship Drive	35	5	2024	113,166					

Cat	Asset	Useful Life	Remaining Life	Repl Year	Current Cost	2019	2020	2021	2022	2023
5	Roofs - Administration, Decra Shake	40	29	2048	22,689					
5	Roofs - Administration, Gutters/Dps	30	3	2022	3,335				3,681	
2	Roofs - Clubhouse, Decra Shake	40	14	2033	28,209					
2	Roofs - Clubhouse, Flat Roof, PVC	16	2	2021	3,007			3,238		
2	Roofs - Clubhouse, Gutters/Downspts	30	14	2033	3,149					
2	Roofs - Clubhouse, Skylights Mtg Rm	25	18	2037	5,314					
2	Roofs - Clubhouse, Skylights	25	18	2037	8,638					
2	Roofs - Clubhouse, Skylights	25	18	2037	4,494					
3	Pool - Blankets (Outdoor)	10	6	2025	3,936					
3	Pool - Blankets (Outdoor) - Reel	15	5	2024	4,155					
3	Pool - Propane Boiler Heater, Pool	15	4	2023	12,500					14,143
3	Pool - Electric Back-up Heaters, Pool	15	13	2032	5,741					
3	Pool - Electric Back-up Heaters, Spa	15	10	2029	3,955					
3	Pool - Furniture	10	7	2026	7,108					
3	Pool - Heating System	15	14	2033	14,117					
3	Pool/wading/Jacuzzi Replastering	12	0	2019	78,049	80,000				
7	Tennis Courts - Resurfacing 1,2	8	8	2027	13,071					
7	Pickleball Court - Resurfacing	8	6	2025	7,164					
7	Tennis Courts - Resurfacing 4 & 5	8	5	2024	12,197					
7	Sports Court - Resurfacing	8	5	2024	6,451					
2	CH - Benches, Shower Rooms	35	32	2051	4,210					
2	CH - Cabinets, Natural Wood, M.R./F.P	35	31	2050	5,814					
2	CH - Carpeting, Game Room	10	2	2021	2,753			2,965		
2	CH - Laminate Flooring, Meeting Room - 540 Sq. Ft.	12	10	2029	4,000					
2	CH - Ceiling, Fiberboard Panels	35	34	2053	9,125					
2	CH - Ceramic Tile, Entry	35	34	2053	7,621					
2	CH - Ceramic Tile, Showers (700 sf)	25	14	2033	19,463					
2	CH - Furnace, Florida Heat Pump	15	6	2025	14,304					
2	CH - Furniture, Mainroom	10	10	2029	5,501					
2	CH - Furniture, Fireplace Room	10	10	2029	6,037					
2	CH - Polaris Hotwater Heater	16	4	2023	9,250					10,466
2	CH - Restroom Partitions, Laminated	16	3	2022	6,150				6,788	
2	CH - Security Surveillance System	10	9	2028	5,041					
2	CH - Vinyl Sheet Flooring, Restrooms	15	6	2025	2,813					
2	CH - Waterline Replacement	35	0	2019	9,756	10,000				
2	CH - Window Coverings, Blinds	12	2	2021	2,930			3,156		
2	CH - Wood Flooring, Main Room	20	10	2029	6,086					
2	Sauna - Heater	15	12	2031	3,373					
2	Sauna - Wood Replacement	35	31	2050	13,996					
5	Admin - Carpeting	12	0	2019	6,250	6,406				
5	Admin - Computer System Replacement Schedule	10	0	2019	9,000	9,225				
5	Admin - All Counter, Reception/Office	35	32	2051	8,474					
7	Access - Entrance, Access Phone	5	1	2020	7,253		7,621			
7	Access - Entrance, Electronic Card Reader	12	7	2026	15,855					
7	Access - Exit Gate Operator	12	5	2024	8,770					
7	Access - Traffic Access Device	12	0	2019	48,950	50,174				
7	Access - DC - 2000 Battery Backup System	12	10	2029	2,250					
7	Gate - Security Surveillance System	10	9	2028	2,919					
7	Fencing - Wrought Iron, Entry Gates	25	18	2037	3,537					
2	Jacuzzi - Heatpump, Jandy 2.5 ton	15	11	2030	17,218					-
2	Air Cond - Split System, CH 5 ton/Furnance 30Kw	15	12	2031	17,498					
5	Office - Copier, Cannon	10	2	2021	18,619			20,050		

Cat	Asset	Useful Life	Remaining Life	Repl Year	Current Cost	2019	2020	2021	2022	2023
6	Equipment - Brush Chipper, Vermer	12	5	2024	13,282					
6	Equipment - Bucket Attachment	20	13	2032	5,342					
6	Equipment - Flail Mower Attachment	10	6	2025	20,229					
6	Equipment - Riding Mower	7	6	2025	10,614					
6	Equipment - Sander, Artic	15	10	2029	9,294					
6	Equipment - Snow Plow, Artic	15	10	2029	8,255					
6	Equipment - Sweeper Attatchment	20	5	2024	11,481					
6	Equipment - Tractor, New Holland	20	3	2022	56,039				61,857	
6	Equipment - Truck, Ford 350 4x4, 2004	10	4	2023	27,336					30,928
6	Equipment - Truck, Ford F-250 4x4	10	1	2020	28,696		30,149			
6	Equipment - Truck, Dodge 4x4, 2004	10	2	2021	23,946			25,788		
2	Deck - Replacement, Clubhouse	20	17	2036	31,414					
2	Doors - Pool, Sectional Glass/Mtl	25	19	2038	7,833					
5	Doors - Roll Up, Sectional Metal	25	18	2037	5,702					
5	Doors - Roll Up, Sectional Wood	25	10	2029	5,358					
2	Doors - Solid Core/Panel, Clubhouse	25	18	2037	7,272					
4	Beach Area - Playground Equipment	20	17	2036	17,260					
7	Fencing - Chain Link, RV Lot "B"	25	21	2040	25,559					
7	Fencing Chain Link, Sport Ct	35	33	2052	11,481					
7	Fencing - Chain Link, Tennis Courts	25	14	2033	19,409					
2	Fencing - Solid Board, Clubhouse, 304'	20	13	2032	10,335					
2	Fencing - Solid Board, Clubhouse, 146'	20	11	2030	6,154					
7	Fencing - Chain Link/Privacy/Gate*2, RV Lot "A"	35	34	2053	28,773					
7	Fencing - Solid Board, Tract C 430 LF	20	15	2034	12,575					
7	Fencing - Chain Link/Gate, Privacy, RV Lot "B"	35	32	2051	6,507					
2	Fencing - Chain Link, CH/Pool	25	15	2034	7,785					
7	Gravel Replacement - RV A	10	7	2026	6,457					
7	Gravel Replacement - RV B	10	10	2029	11,928					
7	Mailsite Structures - Main Gate	30	17	2036	9,400					
7	Mailsite Structures - Foxfield Dr.	30	22	2041	11,370					
7	Mailsite Structures - Kala Heights	30	14	2033	14,417					
7	Mailsite Structures - Sailview Dr.	30	18	2037	10,667					
7	Mailsite Structures - Pinecrest I	30	26	2045	8,088					
7	Mailsite Structures - Pinecrest II	30	24	2043	12,776					
2	Railing - Stair, Pipe, Clubbhouse	35	31	2050	3,703					
4	Boat Ramp, Concrete - 50'	30	23	2042	20,917					
4	Bridge - Replacement, Beach	50	44	2063	38,892					
4	Dock - Replacement Four Floats	25	23	2042	47,838					
4	Dock - Metal Gangway Replacement	30	2	2021	9,600			10,338		
4	Dock - Pile Replacement (7), Galv. Floats	30	8	2027	76,541					
4	Moorings - Replacement Anchors	20	4	2023	8,201					9,278
4	Pier - Replacement (1100 sf), 10 Pilings	40	14	2033	173,478					
4	Pier - Piling Inspection & Treament	10	4	2023	6,561					7,423
5	Admin Bldg - Siding Replacement	40	37	2056	26,661					
2	Clubhouse - Siding Replacement	40	37	2056	34,052					
4	Building Replacement - Gazebo	40	34	2053	11,098					
7	Building Replacement - Guardhouse	45	42	2061	21,732					

End. All inserts must be above here.

Total Number of Assets 141 Total \$183,601

Total Current Cost 4,082,219
Total Annual Expenditure 183,601 308,837 179,893 72,326 121,762

Adopted by the KPOA Board on October 16, 2018

OPERATING BUDGET	2018 Budget	2018 Estimated Actual*	2019 Budget
Revenues			
Assessments	\$616,099	\$615,565	\$653,915
Transfer to Reserves	-\$168,000	-\$168,187	-\$167,996
Late Fees, Interest & Lien Fees	\$650	\$1,233	\$650
Assessments - Special (Fines)	\$0	\$2,000	\$0
Lease Income	\$40,909	\$40,808	\$42,562
Interest Income	\$0	\$502	\$0
Rentals & Contracts	\$19,027	\$20,804	\$21,196
Other Income	\$4,100	\$6,474	\$4,100
TOTAL OPERATING REVENUES	\$512,785	\$519,199	\$554,427
Expenses			
Payroll Wages/Payroll Taxes/Benefits	\$322,178	\$331,563	\$347,414
Administration	\$30,142	\$26,510	\$30,976
Beach & Dock	\$4,784	\$4,293	\$4,801
Clubhouse	\$25,591	\$26,615	\$29,353
Pool & Spa	\$22,916	\$20,619	\$23,628
Common Area	\$44,098	\$47,011	\$49,683
Professional Services	\$16,033	\$13,324	\$19,073
Insurance	\$22,833	\$22,656	\$23,463
Other Costs	\$17,551	\$8,703	\$19,135
Federal Income Tax	\$6,659	\$6,000	\$6,900
TOTAL OPERATING EXPENSES	\$512,785	\$507,294	\$554,426
Projected 2020 Assessment Credit (or debit)		\$11,905	
* 2018 Estimated Actual is based on 10 months actual and 2 months estimated			

RESERVES CASH FLOW BUDGET			
	2018 Budget	2018 Estimated Actual*	2019 Budget
Road Repair	26,980	(23,833)	27,796
Terrace Drive	114,297	(107,961)	
Tennis Courts - Resurfacing 1,2	13,005	(11,739)	
CH - Carpeting, Meeting Room - 540 Sq. Ft.	3,693	(3,054)	
CH - Furniture, Mainroom	5,473	(5,473)	
CH - Furniture, Fireplace Room	6,006	(6,006)	
Gravel Replacement - RV B	11,868	(7,605)	
F350 Truck Repairs (Unbudgeted)	0	(4,078)	
Pool/wading/Jacuzzi Replastering			\$80,000
CH - Waterline Replacement			\$10,000
Admin - Carpeting			\$6,406
Admin - Computer System Replacement Schedule			\$9,225
Access - Traffic Access Device			\$50,174
Reserves Outflow	\$181,322	(\$169,749)	\$183,601
Summary - Reserve Funds			
Beg. Cash Balance	\$440,841	\$440,841	\$440,518
Interest	\$4,539	\$1,239	\$6,374
Total Outflows	(\$181,322)	(\$169,749)	(\$183,601)
Reserve Assessments Revenue	\$168,004	\$168,187	\$167,996
Ending Cash Balance	\$432,062	\$440,518	\$431,287

* 2018 Estimated Actual is based on 9 months actual and 3 months estimated

Reserve Fund Expenditures Allocation

Cat	Category	2019-2049 Total Expenditure	Percent of Total	Timeshare Multiplier	Percent Share		Check
					Timeshare	LH&C	
1	Roads	\$3,668,944	50.26%	6.34%	3.19%	47.07%	\$3,668,944
2	Clubhouse	\$591,558	8.10%	25.00%	2.03%	6.08%	\$591,558
3	Pool/Spa	\$513,608	7.04%	45.00%	3.17%	3.87%	\$513,608
4	Beach	\$562,024	7.70%	25.00%	1.92%	5.77%	\$562,024
5	Admin	\$228,099	3.12%	6.34%	0.20%	2.93%	\$228,098
6	Equip	\$827,503	11.34%	6.34%	0.72%	10.62%	\$827,503
7	Other	\$908,430	12.44%	6.34%	0.79%	11.65%	\$908,430
Total		\$7,300,165	100.00%		12.01%	87.99%	\$7,300,165

2019 Annual Assessment Details

<u>Lots, Homes & Condos</u>	2019	2018	<u>Timeshares</u>	2019	2018
Operating Expenses	\$711	\$655	Operating Expenses	\$190	\$177
Reserve Contribution	\$263	\$267	Reserve Contribution	\$44	\$40
Total Assessment (Unadjusted)	\$975	\$922	Total Assessment (Unadjusted)	\$235	\$217
Percent Change (Unadjusted)	5.7%		Percent Change (Unadjusted)	8.2%	
Prior Year Operating Adjustment	(\$41)	(\$62)	Prior Year Operating Adjustment	(\$6)	(\$5)
Operating Assessment	\$671	\$593	Operating Assessment	\$184	\$172
Total Annual Assessment	\$934	\$860	Total Annual Assessment	\$228	\$212
Percent Change (Adjusted)	8.65%		Percent Change (Adjusted)	7.82%	