

Dear homeowners,

The Kingsgate 3 & 4 HOA Board is publishing the 2019 budget which is printed on the back of this letter. Since 2017, the only increase in dues has been to allow the budget to keep up with inflation. Consequently, the Board voted to increase homeowner dues from \$615 for 2018 to \$632 for 2019, a \$17 or 2.76% increase aligned with 2018 US inflation rate (Cost Price Index –All Urban Consumers). Note that this statement is applicable only on HOA dues and does not preclude the Board from considering special assessments if required in the future.

Here are some highlights and things to note from the 2019 budget:

Key expenses:

- Audits/IRS Returns Filing/Issues: we are catching up with past years' audits that were not done and planning to be up to date by the end of 2019. We are also planning to complete IRS Returns that were not done for a period of 10 years.
- Legal/CPA/Prof Fees: This budget item includes fees for required professional services and some buffer that may be required for audit and IRS issues.
- Pool Maintenance Projects: Mandatory pool pump replacement and small fence replacement [baby pool]
- General Projects: Our community safety and security are a high priority for the Board. We had unwelcomed activities in the park from homeless and transient people driving us to upgrade and enhance the park security lighting, including security cameras and monitoring.

Notes:

- At the time the budget was done in mid-November, we have forecasted a conservative balance forward from 2018 to 2019 of \$12,000. Since it is a forecasted amount though, it will fluctuate up or down when we close the books on December 31, which will affect the overall budget.
- Due to the level of spending we have to do on Maintenance and Improvement Projects' items, the Board decided to not allocate a Reserve amount this year in order to get a bigger budget for necessary maintenance and improvements. Note that our cumulative reserve is \$40,833.
- We are continuing to discount the dues by \$25 in 2019 to homeowners who do not carry a balance from 2018 and pay in full in the first quarter [by January 31<sup>st</sup>].
- We are still enforcing a \$10 late fee per quarter for homeowners who are not making a payment in a quarter. The fee will be reflected in the next quarterly statement.

What can you do to help with the budget as a homeowner?

- If you can pay in full, please do so as this helps the Board fund projects early in the year.
- Pay your dues on time.
- If you are past due on your 2018 dues, please make every effort to catch up on your account and pay your past due amount, and the first quarter of 2019. If you need more time to pay, please contact us so we can go over some payment options with you.

Regards,

Kingsgate 3 & 4 HOA Board

IMPORTANT EVENT/DATE: 2019 KINGSGATE 3&4 / ANNUAL HOMEOWNERS MEETING

FEBRUARY 13<sup>th</sup> 7-9PM / Location: Our Redeemer Lutheran Church, 11611 NE 140th Street

**2019 Budget**  
**Kingsgate 3 & 4 HOA**

	Credit	Debit
<b>Balance Forward Forecasted 11-30-18</b>		\$ 12,000
<b>Revenues</b>		
Home owner Dues Income (300 houses * \$632)		\$189,600
Late Fees on Dues [forecast]		\$ 2,000
Pool Income		\$ 14,000
<b>Total Revenues:</b>		<b>\$217,600</b>
<b>Reserve</b>		
Reserve/Emergency Fund		
<b>Total Reserve:</b>	<b>\$</b>	<b>-</b>
<b>Expenses</b>		
<b>Pool</b>		
Guard and Manager Payroll	\$ 56,000	
Monthly Pool Maintenance	\$ 7,000	
Pool Supplies	\$ 8,000	
Front Office	\$ 3,500	
<b>Total Pool:</b>		<b>\$ 74,500</b>
<b>Park</b>		
Landscaping	\$ 11,500	
Storm Cleanup	\$ 400	
Cul de Sac Cleanup/Mow	\$ 1,400	
General Maintenance	\$ 3,000	
Sprinkler	\$ 250	
Tree Care		
<b>Total Park:</b>		<b>\$ 16,550</b>
<b>Utilities</b>		
Electricity/Gas, Garbage, Water, Phone & Internet		\$ 28,700
<b>Total Utilities:</b>		<b>\$ 28,700</b>
<b>Office</b>		
Office Supplies	\$ 2,500	
Bookkeeping	\$ 14,400	
Treasurer	\$ 1,500	
Webmaster	\$ 600	
<b>Total Office:</b>		<b>\$ 19,000</b>
<b>Other Expenses</b>		
Reserve Study	\$ 1,850	
Recreation	\$ 4,500	
Dues Discounts [forecast]	\$ 3,750	
Dues Collection Issues		
Audits		
2017 [\$3,000] 2018 [\$3,000]	\$ 6,000	
IRS Returns Filing/Issues		
\$600 x 10 years + Penalties	\$ 7,000	
Legal/CPA/Prof Fees	\$ 9,000	
Insurance	\$ 10,500	
<b>Total Other Expenses:</b>		<b>\$ 42,600</b>
<b>Maintenance/ Improvement Projects</b>		
<b>Pool Projects</b>		
Pump Replacement	\$ 5,000	
Small Fence Replacement	\$ 5,500	
Other Pool Projects	\$ 4,275	
<b>General Projects</b>		
Park Security Lighting upd	\$ 10,000	
Awning update for pool	\$ 4,500	
Other General Projects	\$ 6,975	
<b>Total Projects:</b>		<b>\$ 36,250</b>
<b>Total Expenses:</b>		<b>\$217,600</b>