Financial Progress at Mid-Year 2026

- All Special Assessments for Roofing were collected
- 8 Units have been sold and Transfer Fees deposited
- 72% of Roofing costs have been paid and the remaining 28% is in place to be paid as the last 2 roofs are completed

- This Year's Reserve Study Shows a 20% Funding Percentage as compared with the previous Funding Percentage of 13%. Our strategy will be to continue increasing that funding percentage until we are in the acceptable range between 30 and 70%.

- We are on track to achieve a Net Increase to Reserves of our targeted Amount of $56,280 in 2026. We hope to surpass that goal
- We met the requirements this year of a Freddie Mac loan, which expands the choices for buyer financing. All finance and insurance companies are requiring stricter adherence to maintenance and financial standards before approving home loans.
- Water is 22% of our 2026 budget. We have achieved reductions in water usage from last year in all 3 quarters so far. Despite the excellent reduction in water usage in 2026, the Board is working on a strategy to manage rate increases in 2027

Good Information for Homeowners to Understand About our Finances

- Monthly HOA Fees are our sole source of Operating Income. We are not subsidized in any way. We have the same budget line items as other surrounding homeowners associations and so can expect our monthly fees to be in a similar range.

- Our budget line items through the years have been determined by what is required in our Bylaws. The Board must properly maintain our buildings and our grounds. We must have adequate insurance and legal representation and provide utilities in keeping with the design of our community.

- We as a community are subject to the same cost increases that we as individuals experience. Every year costs increase.

- When we work on the budget, we follow this process:
    1. Look at the previous year's expenses and provide the amount needed for expenses in the coming year under each expense category
    2. Look at the total of all expenses
    3. Set a target for net increase to Reserves in the coming year
    4. Look at the net income if monthly HOA fees remain the same. If the total income is not adequate, look at what increase would be necessary to cover the expenses already named.
    5. Consider whether any of the expense categories could be reduced while still upholding our responsibility to maintain the property and to achieve a healthy reserve balance.
- When we prepare the budget for the coming year, we are always holding in balance these priorities:
    - Are we doing our due diligence in maintaining our buildings and grounds?
    - Are we doing inspections needed?
    - Are we increasing our Reserve funding percentage?
    - Are we protecting every homeowners' investment?
    - How can we cause the least financial impact to homeowners while holding the above values?
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