



Proposed Operating Budget

2027 proposal | For board review and homeowner discussion

ACCRUAL BASIS | USD

PROPOSED OPERATING DUES

\$125

Per household / month

ANNUAL OPERATING INCOME

\$126,720.00

84 households + other income

OPERATING SURPLUS

\$15,286.00

Before board-directed allocations

Operating expense plan	2026 budget	2027 proposed
Landscape & grounds	42,000.00	44,100.00
Utilities	15,600.00	16,224.00
Insurance	14,400.00	15,120.00
Repairs & maintenance	9,600.00	12,000.00
Legal & administration	6,000.00	6,300.00
Accounting services	9,450.00	9,450.00
Tax preparation	800.00	840.00
Other & contingency	7,680.00	7,400.00
TOTAL OPERATING EXPENSES	105,530.00	111,434.00

Operating funding and result	2027 annual
Operating assessments: 84 x \$125 x 12	126,000.00
Operating interest	240.00
Other operating income	480.00
TOTAL OPERATING INCOME	126,720.00
Net proposed operating surplus	15,286.00

Proposal only. Adoption, dues changes and use of any operating surplus remain board decisions under the HOA governing documents.



Funding & Assumptions

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PROPOSED RESERVE DUES

\$35

Per household / month

TOTAL MONTHLY DUES

\$160

\$125 operating + \$35 reserve

TOTAL ANNUAL ASSESSMENTS

\$161,280.00

Operating + reserve contributions

Separate reserve funding illustration

2027 reserve plan - illustrative	Amount
Projected January 1 reserve balance	172,080.00
Reserve contributions: 84 x \$35 x 12	35,280.00
Assumed reserve interest	3,600.00
Planned irrigation capital project	(22,000.00)
Ending projected reserve balance	188,960.00

The projected opening reserve balance equals the September 30 balance of \$163,650 plus \$7,560 of Q4 contributions and \$870 of assumed Q4 interest, with no Q4 reserve project spending.

Assumptions to review before adoption

All 84 households are billed for twelve months. Operating dues rise from \$120 to \$125 and reserve contributions rise from \$30 to \$35 per month. The combined change is \$10 per household per month. Collection timing affects cash even when assessment revenue is recorded.

Landscape, insurance and utility costs use stated planning increases. Repairs receive a larger allowance. Interest is an estimate rather than a guaranteed return. Capital costs and timing require board confirmation against the reserve study.

Liquidity before yield

Keep planned project funds available when needed. A sample \$50,000 CD matures in February 2027 ahead of the planned irrigation work. Renewals and transfers require board approval.