

HOA Treasurer's Notes for 12/31/25 Year End Report:

January 1-December 31, 2025 P&L Budget vs Actual

1. In the statement for Profit & Loss Budget vs Actual, the Budget column is for the full year.
2. Account 70100 expenses were budgeted for in account 70155, with the combined total being under budget for the year. These accounts are combined in 2026.
3. Insurance costs increased for 2025 due to legal costs resulting from a lawsuit brought against the HOA by an owner. This occurred at our renewal date in 2025 and after the 2025 budget was approved in 2024.
4. Legal costs were over budget due to a lawsuit brought by an owner against the HOA. This lawsuit was resolved in favor of the HOA. An order has been issued for the (now former) owner to reimburse the HOA for legal fees which accumulated over the two year course of the lawsuit in the amount of \$24,345.45.
5. Account 70135 will be under budget this year due to ending our management contract.
6. Account 70155 is to be renamed; it includes website and other IT related expenses such as software subscriptions.
7. Taxes shown in account 70170 were higher than budget in 2025 due to higher interest earnings in 2024.
8. Irrigation water for High Tiara in account 70235 were over budget because they were for 2 years: 2024 (billed late) and 2025.
9. Season's Drive Fence Repairs were \$7,100 and are expected to extend fence life by 3-5 years.
10. The S Broadway fence expense came in under budget and the surplus appears on the Balance Sheet in the 300110 S Broadway Fence equity account. Note that all legal expenses for the fence were paid by filing 1 owners—assessments for fence legal fees are included in the S Broadway Fence Income and the expenses in the S Broadway Fence expense account.

12/31/2025 Balance Sheet

1. Capital Reserve funds of \$10,000 were moved from the operating account to the capital account in Q2 2025 after approval by the board. Payment for the VFD also occurred in the second quarter and reduced reserves accordingly.
2. \$7100 in Capital Reserves were used for the Season's Drive Fence
3. The balance in the Social Fund is now \$1453.32. Combined, the Holiday Party and the Oktoberfest exceeded budget by \$654.81.