

## **2026 Financial Improvements**

- Goals:
1. CPA\* Approved Simplified Bookkeeping
  2. Reduce Time & Expenses for Board and CPA firm
  3. Less Complex Assessment Calculation

- a. Beginning in 2026, the Board will calculate homeowner dues (assessments) using 7 years of historical data to determine the amount to be paid by each owner. An explanation and examples are attached.
- b. We will also reduce our assessment expenses by collecting all dues in one payment. Invoices will be sent in early January and all assessments will be due in one payment on or before March 1<sup>st</sup> of each year.
- c. Capital reserve categories will be divided by irrigation and non-irrigation needs. Future special or specific assessments may be billed at the Board's discretion based on lot usage per Article 16. Assessments - sub sections b and c.

\*Soronen, Donley, & Patterson

## Method for New Assessment Calculations:

1. Continue to breakdown lots by filing # and usage of irrigation and/or landscaping services as we've always done.
2. We then calculated the % paid by lot filings or sub-filings (irrigation and or landscaping services or no irrigation) as a % of the total budget for the past 7 years (2019-2025). See Matrix titled "Percentage of Total Budget by Filing or Sub-Filing". You will see % of total budget paid by year, then a average % (mean column), followed by the new proposed %.
3. The second calculation takes the Filings and Sub-filings total assessments dollars and divides by the number of lots in the Filing/Sub-filings. That number is the individual assessment charged to each owner in the Filing or sub-filing.

***a. Formula is: Total budget \$'s X the new % of Filing/Sub-Filing, divided by the # of lots = Individual Assessment dollars***

Example 1: \$100,000 annual budget (includes reserve)

Filing #2, 18 lots, no irrigation pays 8% X \$100,000 = \$8,000

\$8,000 divided by 18 lots = \$444.44 per lot

Example 2: \$100,000 annual budget (includes reserve)

Filing #4, 18 lots with irrigation & landscaping services pays

24% X \$100,000 = \$24,000 divided by 18 lots = \$1,333.33 per lot