THE VILLAGE AT LAKE CHELAN HOMEOWNERS ASSOCIATION
2026 ANNUAL BUDGET

Prepared in Accordance with RCW 64.90.525

Prepared: October 10, 2025

BUDGET SUMMARY	2026 Budget
I. PROJECTED INCOME TO THE ASSOCIATION	
Annual Assessments (107 units × 12 months × $140/month)	$179,760
Transfer from Reserve Account	$44,000
Cash on Hand - Operating Account	$10,000
Less: Dedicated to Operating Cash Flow	-$10,000
TOTAL PROJECTED INCOME	**$223,760**
II. PROJECTED COMMON EXPENSES BY CATEGORY	
A. ADMINISTRATION	
Allowance For Bad Debt	$1,000
Insurance - Property and D&O	$6,500
License Fees	$25
Office Supplies & Mailing	$1,434
Tax Preparation	$300
Taxes - Federal	$1,000
Website Maintenance	$525
Subtotal - Administration	$10,784
B. PROFESSIONAL FEES	
Audit - Annual - If Waived by property owners	$0
Legal & Collections	$1,500
Accounting Service	$4,200
Reserve Study Year 3, Level 3	$4,200
Subtotal - Professional Fees	$9,900
C. MAINTENANCE	
Hedge Trimming	$3,252
Tree Trimming	$1,626
General Maintenance	$6,000
Residential Mowing	$31,002
Common Area Mowing	$14,092
Common Area Landscaping	$15,338
Pool Operations	$18,485
Snowplowing	$6,000
Irrigation Improvements	$5,000
Pool Repair (from Reserve) - Title & Plaster Repair	$44,000
Contingency	$401
Subtotal - Maintenance	$145,196
D. UTILITIES	
Electricity - Chelan PUD	$1,000
Irrigation Water - Common Areas	$3,230
Sewer/Water (Pool Area & Baths)	$1,500
Contingency	$400
Subtotal - Utilities	$6,130
TOTAL OPERATING EXPENSES	**$172,010**
III. RESERVE ACCOUNT CONTRIBUTION	
Budgeted Contribution to Reserve Account	**$51,750**
TOTAL BUDGET (Operating Expenses + Reserve Contribution)	**$223,760**
IV. UNIT ASSESSMENT INFORMATION	
Number of Units in Association	107
Monthly Assessment Per Unit	**$140.00**
Annual Assessment Per Unit	$1,680.00
Assessment Due Date	Due 1st of each month
Total Annual Assessments (All Units)	$179,760

V. RESERVE STUDY STATEMENT (RCW 64.90.550)

Reserve Study Compliance:
Yes, the association has a reserve study that meets the requirements of RCW 64.90.550. Reserve studies have been completed yearly.

Budget Adherence to Reserve Study:
The 2026 budget meets the recommendations of the reserve study. The budgeted reserve contribution of $51,750 aligns with the funding plan established in the most recent reserve study to maintain adequate reserves for future capital expenditures and major repairs.

VI. RESERVE FUNDING STATUS (Per Unit Basis)

Current Reserve Account Balance (Estimated End of 2026)	$260,440.25
Fully Funded Balance (per Reserve Study estimate)	$282,596.00
Reserve Funding Deficiency (Surplus)	**-$22,155.75**
Reserve Funding Deficiency Per Unit	**-$207.06**

NOTES:
• This budget reflects a $10 per month increase from the 2025 assessment level, bringing monthly dues to $140 per unit.

• The reserve contribution of $51,750 represents approximately $484 per unit annually.

• The fully funded reserve balance is an estimate based on reserve study recommendations and may be adjusted based on the 2026 Level 3 reserve study findings.

Voting NO to Increase in dues:

Would leave us to work with the 2025 budget, which is now two years outdated and does not reflect current market conditions or inflationary increases.
Choosing this option, landscaping and pool services will need to be cut back significantly.

Voting YES to a $10 increase in dues:

The $10 increase in monthly dues represents the bare minimum needed to maintain our current level of services for the upcoming year. Without this adjustment, the association will be forced to make significant cuts, including reductions in landscaping and pool services, which are some of the most visible and valued amenities in our community.

It's also important to note that our existing dues structure is based on a budget that is now two years old. In that time, the costs of labor, materials, and essential services have all increased. By adopting the $10 increase, we can ensure that the association keeps up with inflation and rising vendor costs while still operating responsibly and conservatively.

This modest adjustment will allow us to:

- Preserve landscaping and pool services at their current standard.

- Avoid deferring maintenance and preserve our home property values.

- Keep our community financially stable without relying on special assessments or emergency cuts.

In short, this increase is not about adding new expenses—it is simply the minimum necessary to protect the services and standards we already have.