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# *Treasurer's Report*

February 2026

TREASURER • 2021–2025

# *Why Does the HOA Exist? (And What Do We Have to Pay For?)*

Executive summary of core legal obligations and funding responsibilities.

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## *1. Our Mission*

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**Purpose:** Create and maintain a desirable, attractive subdivision for the mutual benefit and protection of all owners. (See 2011 CC&Rs, Preamble.)

**Authority:** The HOA is the legal entity empowered to enforce rules and collect assessments needed to operate and maintain the community. (See First Amendment to CC&Rs, Article I(S).)

## *2. Obligation #1: Stormwater System*

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**Legal requirement:** The Association is bound by a Residential Subdivision Maintenance Agreement (originally Thurston County; now City of Tumwater jurisdiction).

**Required work:** Inspect, clean, maintain, and repair catch basins, pipes, wet ponds, and infiltration ponds (including Tract C facilities) to prevent water-quality impacts. (See 2014 Addendum to Maintenance Agreement.)

**Enforcement risk:** If the HOA fails to perform, the City can enter, perform the work, and lien the HOA for costs. (See Maintenance Agreement, Remedies section.)

## *3. Obligation #2: Common Area Maintenance*

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**Legal requirement:** Maintain defined common areas, including open space tracts, trails, and recreation areas. (See 2011 CC&Rs, Article I(R); First Amendment, Article I(S)(1).)

**Practical scope includes:**

Tracts B, C, D, F, L, M, and N (open spaces).

Tot lots (playgrounds) and the 2.97-acre trail easement.

Utilities serving common areas (including street lighting where applicable). (See 2011 CC&Rs, Article I(R); First Amendment, Article I(S)(1)(iv).)

## *4. Obligation #3: Financial Safety*

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**Legal requirement:** Carry liability/property insurance and fund reserves for major future replacement/repair obligations. (See First Amendment, Article I(S)(3); Bylaws, Article 6.2.)

**Why it matters:** Reserve contributions reduce special-assessment risk and help avoid deferring predictable high-cost projects.

# Overall Financial Position

Year-over-year comparison of Inflows vs Outflows.

AVG. ANNUAL INFLOW

\$75,387

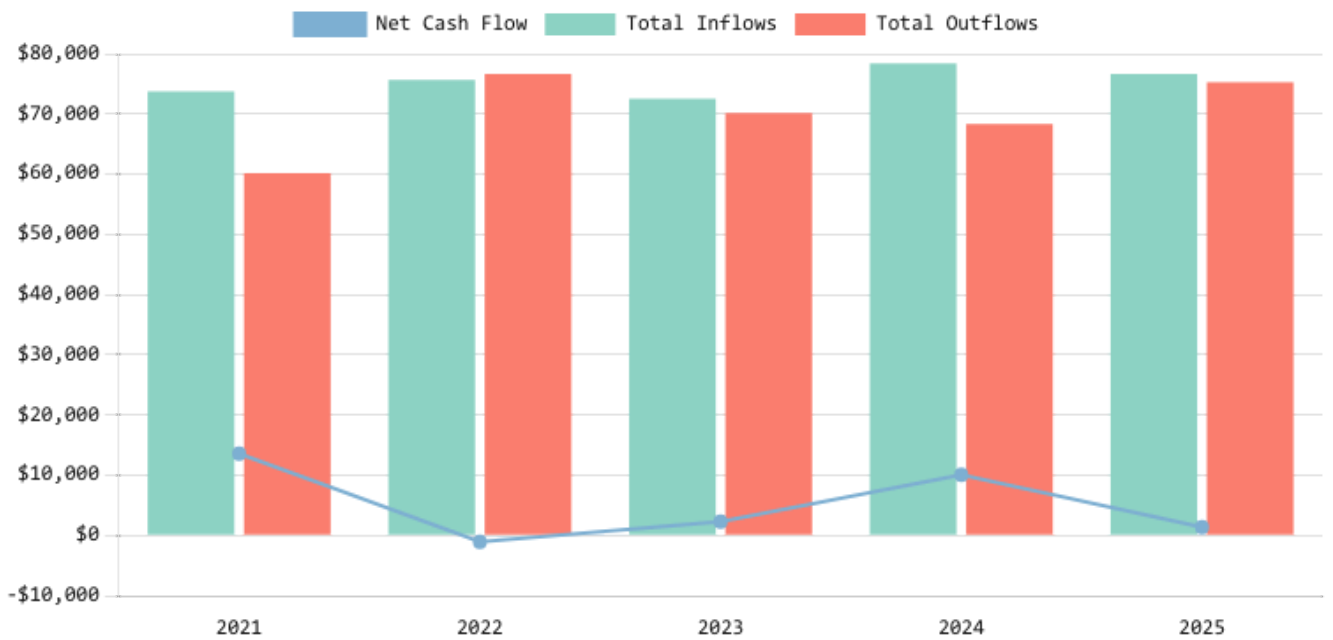
AVG. ANNUAL OUTFLOW

\$70,101

AVG. NET FLOW

+\$5,286

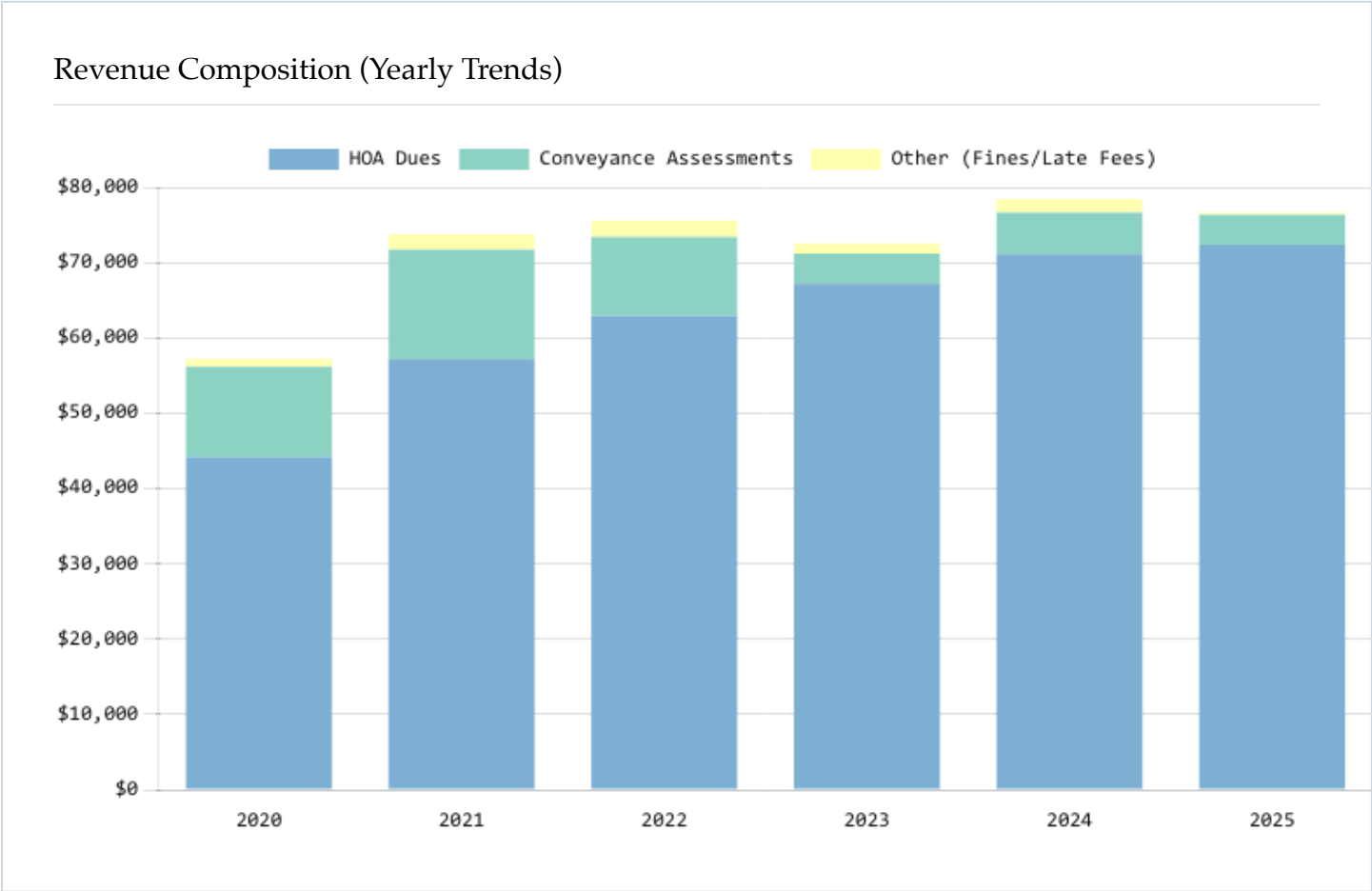
Annual Cash Flow (2021-2025)



# Income Analysis

Breakdown of revenue sources.

<b>5-YEAR INFLOW</b> \$434,173	<b>HOA DUES</b> = \$374,998	<b>CONVEYANCE ASSESSMENTS</b> + \$50,500	<b>OTHER</b> + \$8,675
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## Commentary

### Notes to the Cash Inflows Table

Data Source & Scope: These figures are derived from the detailed General Ledger reports provided by the Management Company. Data for 2020 represents a partial year (June through December). Data for 2025 covers the full fiscal year ending December 31, 2025.

Regular Assessments (Dues): The steady increase in HOA Dues (from \$44k in 2020 to \$72k in 2025) reflects the community's stabilization as more lots were sold and began paying assessments. This is the Association's only reliable source of operating cash.

Conveyance Assessments (Restricted Funds): The row labeled "Conveyance Assessments" represents the \$500 fee collected upon the sale of a home (GL Account 300150).

CC&R Restriction: Per the First Amendment to the CC&Rs, these funds are restricted exclusively for the maintenance and repair of Common Areas.

"Other" Income: This category includes fines, late fees, and minimal bank interest. It is highly variable and should not be relied upon for budgeting core operating expenses. Notably, Legal Fee reimbursements (GL 300400) often appear here, but these simply offset legal expenses incurred to collect delinquent dues.

# Cash Outflows by Category

Yearly trends and category totals.

## Top Category Aggregates (2020-2025)

LANDSCAPING  
\$87,050

ADMINISTRATIVE  
\$77,530

STORMWATER  
\$54,536

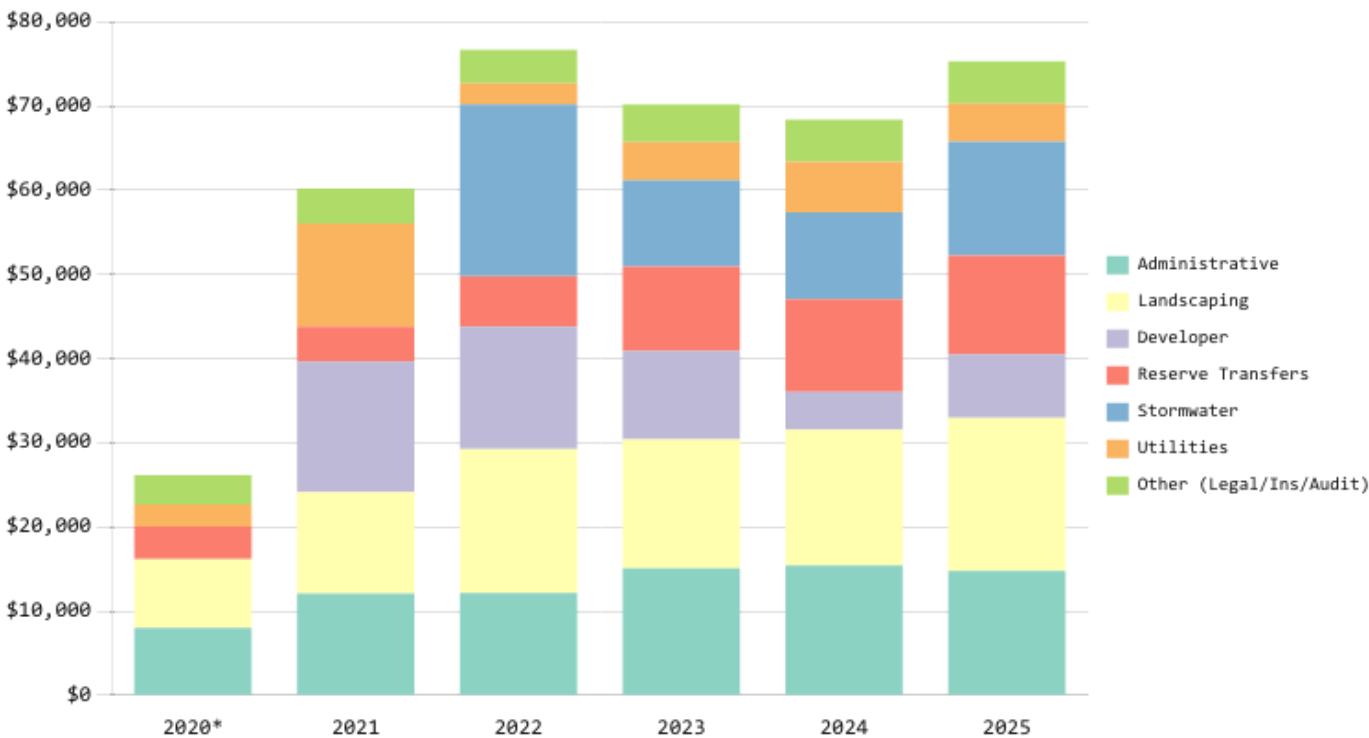
DEVELOPER  
\$52,500

RESERVE TRANSFERS  
\$46,728

UTILITIES  
\$32,400

OTHER (LEGAL/INS/AUDIT)  
\$26,100

## Cash Outflows by Category (Yearly Trends)



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## *Cash Outflows by Category (2020–2025)*

Administrative (VIS Group): Includes Management Fees, Base Supply Fees, Postage, Mileage, and Admin Fees.

Landscaping & Maint: Includes Sage Landscape, All You Need, Dreamscape, and Simply Home Realty.

Developer: Payments to Lotus House.

Reserves: Transfers to the Reserve Bank Account.

Stormwater: Payments to Sustainable Groundworks.

Utilities: Water (City of Tumwater) and Electricity.

Other: Insurance, Legal, Audit, Taxes, Meeting Expenses.