

BOARD REVIEW | MATERIAL CONDITIONS TO 2027 BUDGET

Financial arithmetic: The independent model totals \$610,185, equal to \$518.86 per home/month across 98 units. The proposed rounded assessment of \$519 generates \$610,344 per year, \$159 above modeled expenditures. Regular 2026 dues were \$522; the separate \$25 installment explains the \$547 combined payment.

Unverified reserve sufficiency. The \$120,000 contribution is an illustrative scenario, not a 2027 reserve-study finding. The reserve specialist modeled approximately \$2.5 million of new capital financing, while this owner proposal assumes a \$1.6 million assessment. The \$900,000 difference must be evaluated together with the renewed roofs, outstanding work and borrowing costs.

Insurance and vendor exposure. The proposal includes Helix at \$41,040 after an 8% assumed renewal adjustment and uses 3% vendor and 5% utility increases. Signed renewal quotes and the Helix invoice must determine actual costs. Check for insurance double-counting.

Litigation. The \$10,000 allowance is for ordinary legal compliance, not a representation of probable litigation costs. Known and reasonably foreseeable claims, deductibles and defense costs need separate analysis.

Capital assessment. The Board approved \$1,999,999.60. A reduction to \$1.6 million is an owner proposal only. The reported approximately \$1.4 million contract, soft costs, reserve allocations, and actual loan terms require verification before any definitive savings claim.

Repairs and maintenance. Some modeled 2027 figures are below actual January–September 2026 expenses. They presume fewer extraordinary repairs or discretionary projects, not guaranteed savings. Obtain contractor schedules and bids.

Conclusion: Present as a conditional independent budget alternative and request the Board data identified above. It should not be represented as a professionally audited budget, an adopted dues amount, or a certified reserve funding recommendation.

CANTRICE COURT | 2027 BUDGET PROPOSAL

INDEPENDENT PROPOSAL FOR BOARD AND OWNERS | 98 HOMES

PROPOSED 2027 REGULAR DUES

\$519 PER HOME / MONTH

EXCLUDES MASTER HOA DUES AND ALL ROOFING ASSESSMENT PAYMENTS

2026 comparison: Regular Cantrice dues were \$522/month. The \$547 monthly amount in payment records includes a separate \$25 older assessment installment. The proposed \$519 represents a \$3/month reduction in regular dues, not \$28.

Proposed budget: \$610,185 annually. At 98 homes, this is \$518.86/month; rounding up to \$519 yields \$610,344 annually (\$159 above forecast). This is a conditional target, not an adopted or reserve-study-certified budget.

Proposed 2027 expense categories

Category	Annual budget	Per home/mo
Administration, ordinary legal & existing insurance	\$172,629	\$146.79
Utilities	\$120,120	\$102.14
General maintenance	\$40,933	\$34.81
Landscaping & tree care	\$103,103	\$87.67
Pool and spa	\$12,360	\$10.51
Helix excess insurance	\$41,040	\$34.90
Annual reserve contributions (provisional)	\$120,000	\$102.04
TOTAL	\$610,185	\$518.86

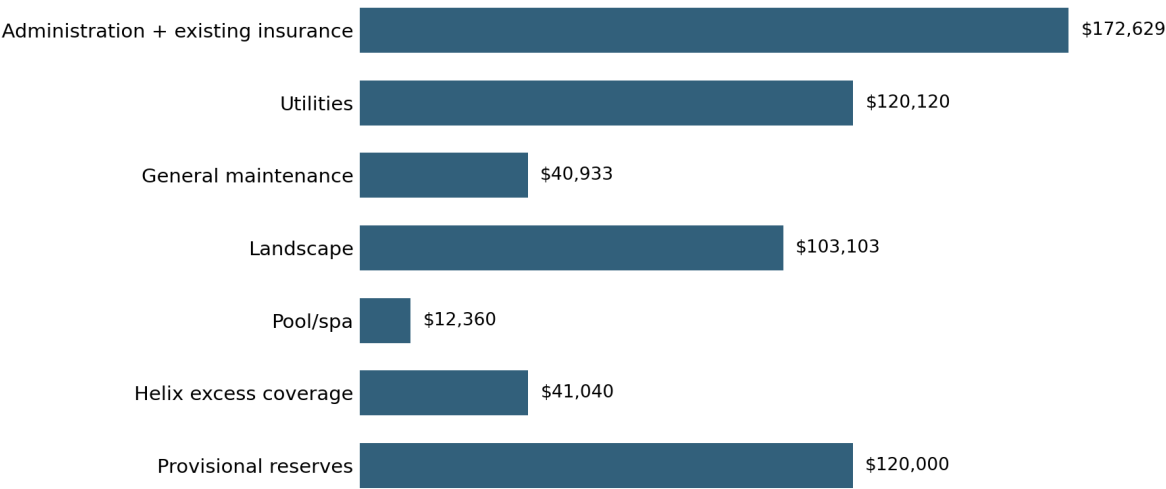
Assessment compromise: The approved special assessment is \$1,999,999.60. This proposal asks the Board to consider reducing it to \$1,600,000, potentially lowering the assessment by \$4,081.63 per home. The approximately \$1.4 million roof contract is reported but not independently supported by the signed contract in this packet. The proposed \$1.6 million amount has not been approved.

VISUAL BUDGET COMPARISON

REGULAR CANTRICE COURT DUES



PROPOSED 2027 ANNUAL BUDGET | \$610,185



*Conditional planning scenarios. 519targetassumes120,000 annual reserve contributions and 98 units.
2026 \$547 payments included \$522 regular dues + \$25 earlier assessment. Master dues / new roofing assessment excluded.

Both charts use the \$610,185 line-item model. The \$581 scenario preserves 2026 reserve funding rather than assuming the proposed \$120,000 annual contribution.

ACCOUNT-LEVEL BUDGET: 2026 VS 2027

Columns show the approved 2026 budget, actual January–September 2026 expenditures, and the modeled 2027 annual amount. For transparency, 2026 actuals are **nine months only**; they are not annual projections.

ADMINISTRATION

Code	Expense	2026 budget	Jan–Sep actual	2027 model
50050	Management fees	\$25,080	\$18,935	\$25,832
50051	Reproduction	\$1,200	\$0	\$309
51000	Accounting, audit & review	\$2,500	\$0	\$2,575
51220	Attorney/legal services	\$3,600	\$28,357	\$10,000
51500	Copies, postage & envelopes	\$1,200	\$1,661	\$2,060
51600	Misc administrative	\$0	\$2,674	\$1,545
51610	Bank charges	\$0	\$55	\$103
52200	Reserve study	\$1,270	\$0	\$1,545
52250	Annual event	\$2,200	\$0	\$0
55000	General commercial package insurance	\$65,000	\$41,117	\$60,268
55300	Umbrella insurance	\$1,900	\$1,463	\$2,107
55600	D&O; insurance	\$2,100	\$1,617	\$2,388
55800	Earthquake insurance	\$57,267	\$42,958	\$61,859
55955	Fidelity insurance	\$1,600	\$1,139	\$1,641
55990	Workers compensation	\$600	\$276	\$397
SUBTOTAL		\$165,517	\$140,252	\$172,629

UTILITIES

Code	Expense	2026 budget	Jan–Sep actual	2027 model
60100	Electricity	\$12,000	\$10,634	\$15,120
60200	Gas	\$7,516	\$2,714	\$5,250
62000	Water	\$43,000	\$41,242	\$58,800
64000	Cable/Internet	\$1,800	\$0	\$0
65000	Trash	\$34,000	\$29,503	\$40,950
SUBTOTAL		\$98,316	\$84,093	\$120,120

GENERAL MAINTENANCE

Code	Expense	2026 budget	Jan–Sep actual	2027 model
70105	Backflow	\$872	\$0	\$927
71030	Common-area repairs	\$2,730	\$1,883	\$3,090
71040	Concrete repairs	\$2,060	\$0	\$1,545
71525	Entry gate maintenance	\$1,000	\$2,345	\$2,575
73010	Gate maintenance/repairs	\$2,400	\$6,025	\$4,635
73065	Pool locks	\$600	\$600	\$309
74155	Intercom	\$1,000	\$1,006	\$1,391
74170	Lighting repairs	\$2,500	\$10,810	\$4,120
74185	Painting	\$0	\$1,650	\$1,236
75100	Pest and gopher	\$9,000	\$6,912	\$9,492
75110	Termite treatment	\$1,000	\$440	\$1,030
75115	Rodent	\$1,000	\$0	\$0
75130	Plumbing	\$1,500	\$0	\$1,545
75230	Roof/gutter operating repairs	\$10,000	\$3,990	\$2,575
75290	Signs	\$1,000	\$830	\$309
75380	Walkway/driveway	\$0	\$250	\$515
82000	Janitorial	\$4,800	\$3,600	\$4,944
83521	Health permit	\$673	\$0	\$695
SUBTOTAL		\$42,135	\$40,341	\$40,933

LANDSCAPE

Code	Expense	2026 budget	Jan–Sep actual	2027 model
80000	Landscape monthly contract	\$81,600	\$61,200	\$84,048
80090	Irrigation repairs	\$3,000	\$750	\$3,090
80100	Landscape miscellaneous	\$3,000	\$6,600	\$3,605
80190	Tree trimming	\$18,000	\$27,700	\$12,360
SUBTOTAL		\$105,600	\$96,250	\$103,103

POOL/SPA

Code	Expense	2026 budget	Jan-Sep actual	2027 model
81000	Pool/spa upkeep	\$9,440	\$10,345	\$12,360
	SUBTOTAL	\$9,440	\$10,345	\$12,360

RESERVES

Code	Expense	2026 budget	Jan-Sep actual	2027 model
90000	Regular reserve contribution	\$192,864	\$144,648	\$120,000
	SUBTOTAL	\$192,864	\$144,648	\$120,000

ADDITIONAL INSURANCE

Code	Expense	2026 budget	Jan-Sep actual	2027 model
—	Helix incremental excess coverage	—	—	\$41,040

ASSUMPTIONS, RISKS & BOARD QUESTIONS

Planning inflation

3% for vendor services and maintenance; 5% for utilities; 8% for insurance including the incremental \$38,000 Helix premium. These are model assumptions, not signed 2027 renewals or vendor quotations.

Legal compliance and litigation

\$10,000 is allotted for ordinary legal advice and compliance. It assumes lawful governance and timely records, election, meeting and financial procedures. The 2026 actual legal spend was \$28,356.92 through September. Pending lawsuits may create additional defense costs and are not capped or funded by this assumption.

Reserve study condition

The 2026 reserve specialist proposed \$120,000 annual reserve contributions while modeling approximately \$2.5 million in separate capital financing. A final \$1.6 million assessment would be \$900,000 lower. Thus \$120,000 annual reserves and \$519 dues are conditional negotiating figures, not professionally validated funding requirements. Obtain updated study and cash-flow projections incorporating roof useful lives, all remaining reserve components, fund balance, and the loan.

Roofing assessment

Reported roofing contract: about \$1.4 million; the requested \$1.6 million final assessment would leave about \$200,000 before engineering, permits, contingency, financing and other legitimate costs. Seek the signed contract, complete scope and actual loan terms. The Board must determine whether a reduction is legally and financially permissible.

Insurance accounting

The model treats the \$38,000 Helix premium as incremental to the booked general insurance premiums. Confirm there is no double-counting, and verify coverage limits and renewal prices.

Existing operating overruns

Through September, 2026 spending exceeded its year-to-date budget by \$55,525.54, including material legal, landscaping and maintenance overruns. A 2027 line-item proposal is not a guarantee that all large repair or litigation expenses will disappear.

Conservative dues scenario

If annual regular reserves remain \$192,864 rather than \$120,000, the annual model rises to \$683,049 and the monthly amount rounds to \$581 across 98 units.

Board response requested

Provide the 2027 renewal quotes, signed roofing contract, updated reserve study and funding schedule, legal exposure estimate and insurance tender/coverage status, assessment debt terms and repayment amounts, and a line-by-line explanation for deviations from the 2026 expense record.

Source documents: Cantrice Court 2026 adopted budget and reserve-study disclosures (20260101 CC Budget.pdf); September 30, 2026 owner financials (4084408_09 Owner Financials(1).pdf). Figures are independent estimates based on the supplied documents, not Board-approved figures.