

BMHOA Financial analysis as of November 2025

HOA Maintenance fee general considerations:

Members of BMHOA have an obligation to pay HOA fees. Homeowners are provided with disclosure documents consisting of the HOA bylaws, DOR's /CC&Rs, (covenants, conditions and restrictions and all amendments). BMHOA dues address the cost of maintenance of common areas, insurance, landscaping, management fees, utilities, security, and other services.

HOA budget best practices:

Include in your annual budget: Utilities (water, electricity,), Insurance, landscaping maintenance needs, snow & ice street treatment, security, HOA management fees, reserve fund contributions. Anticipate income to purely come from dues. Project expenses with the current conditions of the economy in mind. Leftover operating funds should account for about 20 percent of your yearly dues. Be sure not to count any leftover funds. The HOA does have the right to raise HOA assessments if the need arises and it is best practice to do so. The consequences of low HOA dues will inevitably lead to inadequate maintenance of common areas and a diminished curb appeal. In turn, property values will decline.

What happens when members don't pay their dues?

The HOA charges a compounding late fee-\$25/month- on top of the dues. After 3 months a lien will be filed on the homeowner's property.

BM HOA Lien process:

When a lien is filed on behalf of the BMHOA, the original amount plus estimated legal costs, fees, any all-other costs. The lien once filed accrues interest 1%/month and late fees continue @ \$25/month. The resulting lien could be as much as \$800 when filed still accruing 25/month and interest. By this time the member would have received 7 mailed notices minimum.. When a threshold of 5% of the HOA (295 x .05 = 15 properties) exists then that must be included in budgeting as it is a threat to the reserve. Currently there are 10 liens filed to the amount of \$71 K plus. Since 2021, \$37,001 has been collected when liens are paid off. Current net worth is about \$143,844. Last 12 months' expenses are \$97,139. Next 12 months budget is \$103,610, with no contribution to the reserve (\$20K) rather cashing in CD's and reduce reserve to \$40,000, Reserve goal is \$72,000. Rather than adding to the reserve, we are reducing it and this necessitates dues increase to maintain the goals of the BMHOA. With the projected budget of \$103,610, a dues increase is needed to meet that number and maintain the reserve of 70% or \$72,527.

Dues currently \$225/year raise \$66,375 with a 5% shortfall or \$3319.

Raising the dues to \$350/year would generate \$103,250 to equal our budget.

This needs to be addressed in 2026.