

BMHOA Financial analysis March 27/2026

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. 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.

BM HOA Lien process:

A lien filed on behalf of the BMHOA, the original amount plus estimated legal costs, fees, any all-other costs. A lien filed accrues interest 1%/month and late fees continue \$25/month. ***By this time the member would have received 7 mailed notices minimum***. Currently there are 10 properties with liens filed to the amount of \$75 K +

Current net worth is about \$104,270. 9/2024 to 9/2025 expenses were 78,415. Year 26-27 budget is \$107,210 with a contribution to the reserve (\$20K) rather cashing in CD's and reduce reserve to \$40,000, Reserve goal is \$75,000 minimum As we have not been 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 \$107,210, a dues increase is needed to meet that number and maintain the reserve of 70% or \$75,000.

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

Raising the dues to \$350/year would generate \$103,250, including a contribution to the reserve and close to the projected budget. Of \$107,210.

This needs to be brought up in the April meeting and addressed in 2026.