

**Budget Worksheet for April 22, 2026 Special Board Meeting
Timberton Village Homeowners' Association**

Category	FY25-26		FY26-27	Comments
	Budget	Projected Actual	Proposed Budget	
Revenue				FY25-26 projections based on actual through 2/28/26 plus estimate through 6/30/26
Dues	30,030	30,029.70	36,660	\$470/home (\$235/semi-annual payment) Net increase of \$85/year (22%)
Interest	2,600	2,466	0	FY26-27 will retain interest in reserve funds
TOTAL REVENUE	32,630	32,495.70	36,660	Budget increase of \$4,030 (12.35%)
Expenses				
Accounting	2,700	2,700	2,700	
Board Training	0	0	0	Self-conducted training at no cost
Electrical	660	700	750	Projected 7% increase for FY26-27
Emergency Prep.	0	0	0	
Insurance	4,300	4,872	3,960	Original worksheet: \$5,360. Reduction of coverage from \$6 mil to \$2 mil saves approx. \$1,400 – See Note 1
Social	300	300	300	
Taxes, licenses, fees, permits	485	1,150	895	Original worksheet: \$812. Includes income tax on CD interest, \$20 fee to Secy of State, and \$82.50 property tax
Miscellaneous	160	303	160	Rotary flags (\$160) budgeted. FY 25-26 included mailbox repair (\$143)
Ponds & Access Rd	1,760	1,760	1,760	No change in contract for FY26-27
Grounds Maint. Contract	18,421	18,421	19,360	New 2-year contract includes a roughly 4% increase over prior 2-year contract
VMC Land & Cap'l Improv	1,510	1,510*	1,500	Original worksheet: \$1,800. See Note 2 and Conting/Unalloc Funds below (additional \$)
Office & Postage	500	850	850	Original worksheet \$750. \$592 as of 2/28/26, plus anticipated annual meeting packet and mailing expenses
Combined Reserve Study & Contribution	0	400	3,500	Original worksheet \$4,200. Reduced by averaging study expense and contribution over three years – See Note 3
Website	0	0	865	Web related expense paid every 3 years
Total planned/ actual expense	30,797 Planned	32,966 Actual	36,660 Planned	Original worksheet \$38,817. See “What has Changed” – p.2
Over/Under Income (Planned v. Actual)	+1,833	< 470.30 >	0	Removed planned buffer of \$1,743. Any overage will require movement of funds from Contingency/Unallocated portion of checking
Use of Contingency/Unallocated Funds				
VMC Land and Cap'l Improv added FY25-26	0 Planned	3,190	0 Planned	\$2,340 approved Sep '25 + \$850 approved Mar '26 for multiple one-time, deferred maintenance expenses. FY25-26 EOY Contingency/Unallocated Balance approx. \$30k (split between checking + Edward Jones)

What has changed from the originally proposed budget?

- (a) Insurance expense was reduced by \$1,400 by cutting our coverage from \$6 million to \$2 million.
- (b) Tax expense was increased slightly due to recalculation.
- (c) VMC land and capital improvements was reduced from \$1,800 to \$1,500.
- (d) Office expense was increased from \$750 to \$850, primarily based on anticipated cost of annual meeting materials and mailing (more is required by statute than was sent in prior years).
- (e) The combined expense for the reserve study and contribution was decreased from \$4,200 to \$3,500 by averaging expenses over a three-year period.
- (f) The \$1,743 buffer was removed.

Collectively, these modifications reduced the total proposed budget by \$3,960, resulting in a total increase over last year's budget of 12.35%. The percentage dues increase (22%) is larger than the percentage budget increase because we will no longer be using interest from reserve accounts to fund our operational budget.

For additional background, see notes to original budget worksheet (March 2026 board meeting materials).

NOTES:

- 1. Insurance:** The original worksheet assumed we would keep the same insurance coverage carried for the last two years: \$6 million for both liability and officers' E&O. That coverage was increased two years ago from \$2 million based on anticipated added cost of \$800. Since then, insurance costs have risen dramatically. Based on board judgment and community input at the March 2026 board meeting, the board proposes returning to prior coverage levels, saving approximately \$1,400.
- 2. VMC Land and Capital Improvements:** Based on board judgment and community input at the March 2026 board meeting, the proposed budget for VMC Land and Capital Improvements was dropped from \$1,800 to \$1,500. This is slightly below the current year's \$1,510 budget. Any work that requires additional funding will need to be drawn from contingency.
- 3. Reserve Study and Contribution Averaging:** The original worksheet projected a \$1,500 professional reserve study cost plus a \$2,700 contribution to our Asset Reserve, for a combined total of \$4,200. This worksheet averages reserve study costs and contribution amounts over a three-year period, resulting in a figure just below \$3,500: one year of professional study at \$1,500 plus two years of self-study at \$400 (for computer program), plus three years contribution at \$2,700 per year, divided by three years, results in an average of \$3,467 (we rounded up to \$3,500 for the budget). Using this averaging method, we would contribute about \$2,000 to the Asset Reserve this year.

Assuming we follow the same course for the next two years, the contribution would be about \$3,100 per year for the next two years with the same total budget figure for combined professional reserve study as required by law. That study will be completed with input from our pond steward. This should give us a more accurate prediction of future expenses, at which point the three-year average can be adjusted up or down.

Additional information on the required studies and proposed contribution:

Washington law requires us to complete a professional study every third year. Our last was completed in late 2023 for FY 24-25, so our next should be completed late this year for FY 27-28. In intervening years, a self-study is allowed. None was completed for FY 2025-26. We have obtained a computer program to allow us to complete the required self-study for FY 26-27 and have run preliminary numbers. This program cost \$400 and includes data from our professional study.

The \$2,700 average annual contribution used in this proposed budget is the contribution suggested by the professional reserve study completed in late 2023. Notably, that study proposed this amount despite concluding we were 176% funded. That conclusion rested on an incorrect assumption that we had over \$56,000 in our Asset Reserve Fund. The correct balance (then and now) is \$42,580. Using the correct balance, it appears we are still 136% fully funded. Despite this level of funding, our preliminary run of the self-study program recommends a contribution of \$2,990 for full funding or \$2,000 for baseline funding.