

DORADO MASTER ASSOCIATION  
BUDGET & FINANCE COMMITTEE REPORT

January 2026,

This is a brief recap of the Budget & Finance Committee's efforts during the 2026 budget planning and preparation cycle, (from August 2025 through December 2025).

In late August 2025, the committee began compiling budget requests as they were submitted, looking at expense trends for the first half of the year, and putting together an initial draft of the proposed 2026 budget. Successive drafts were presented and reviewed during both the September and October 2025 board meetings, then a final draft was submitted to the board in November.

The committee prepared a narrative to enhance the board's understanding of the proposed 2026 budget, including a description of the expanded Repairs & Maintenance section, highlighting where operating expenses were expected to increase, (or decrease), and pointing out transfers to and transfers from both reserve accounts will be tracked at the project level. The committee also recommended transfers to both the general and road reserve accounts be made on a quarterly basis, (vs. at the end of the year), to boost interest earned.

The proposed 2026 budget was approved by a vote taken during the November board meeting, with 10 directors representing 426 lots, (77%), voting to approve, 2 directors representing 125 lots, (23%), voting to reject, and no directors abstaining from the vote.

The committee also prepared detailed instructions describing how to implement the budgeted year-end transfers between the operating account, the general reserve account, and the road reserve account. Those transfers, once made, established the beginning balances reflected in the approved budget for 2026. The committee's recommendations were implemented during the last two weeks of December 2025 and reported in the December 31st financial statements.

Respectfully submitted,

Budget & Finance Committee

David Bills  
Ellen Bussing  
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1/14/2026

## **2026 Budget Narrative**

### **Income**

The proposed budget reflects an 11.9% increase in the annual assessment from \$210 per Lot to \$235 per Lot, (or \$13,775 in total, across all twelve sub-associations), to cover anticipated increases in operating expenses, repairs & maintenance, and larger allocations to the general and road reserve accounts.

### **Operating Expenses**

2026 general & administrative expenses are forecast to be \$14,105, (an increase of 2.5% over the 2025 budget figure).

2026 landscape maintenance contract expenses are forecast to be \$22,650, reflecting a 25% increase. The current landscape maintenance contract was signed in the fall of 2021. The forecast for fiscal 2026 assumes an approximate ~4.5% annual increase since 2021.

The Landscape Committee is in the process of revising the entire scope of the landscape maintenance specification which will undoubtedly influence the monthly maintenance figure reflected in bids being solicited during the first quarter of 2026.

2026 utilities are forecast to come in at \$6,840, approximately \$2,000 below the 2025 budgeted figure, (since 2025 actual figures are trending below budgeted figures).

The line items grouped under "Repairs & Maintenance" at the bottom of the Operating Expense section contain expenditures which are, in fact, operational in nature; repairs represent ongoing needs that don't go away, and they carry a sense of urgency in terms of how quickly they must be addressed, whereas projects, (discussed below), afford the board more latitude in terms of deciding "if", "when", and "how much" should be spent, (while repairs typically do not afford that same degree of latitude).

### **Reserve Transfers**

Transfers into both the general and road reserve accounts will continue, as they have, though the committee is recommending the board apply the same project-level reporting granularity on transfers into reserves to mimic the project-level reporting granularity on transfers out of reserves, implemented for fiscal 2025.

There are three (3) projects to be funded from reserves: two (2) from the general reserve, and one (1) from the road reserve. The CC&R election and tree replacement expenditures would be funded from the general reserve, and the re-surfacing/seal coating of the roads maintained by the Master Association would be funded from the road reserve.

### **Conclusion**

The result of carefully allocating projected revenue between operating expenses, repairs & maintenance, and transfers into reserve accounts resulted in a balanced budget – 99.9% of the projected income has been allocated for 2026, (excluding interest earned on funds in the reserve accounts).

## **Budget + Finance Committee 2025 Year-End Recommendations**

For 2026, the committee recommended the general reserve and the road reserve be tracked at the project-level of granularity for both transfers into and out of the reserve accounts, building on the solid foundation established by the Budget & Finance Committee while preparing the 2025 budget.

For 2026, the committee recommended the funds earmarked for culvert cleaning and the re-surfacing of the golf course parking lot be moved to the road reserve account. This logical grouping places all funds related to roadway maintenance, asphalt repairs, culvert cleaning, curb replacement, re-surfacing, and the eventual re-paving projects into the road reserve account.

The committee recommended a transfer from the operating account to the road reserve account be made in late December, (and earmarked for road re-surfacing related expenditures in the future). This was an approved line item in the budget for fiscal 2025.

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The committee recommended a transfer from the operating account to the general reserve account for the remaining balance owed on the Bogardus Engineering contract signed in 2025. The final invoice for the remaining balance should be issued by Bogardus Engineering in early 2026.

At the committee's behest, the operating account balance was carefully monitored, and when the ending balance was projected to fall below \$5,000, the Treasurer initiated a transfer from the general reserve account to the operating account to ensure sufficient funds would be available through mid-January when first quarter assessment payments would be deposited.