

Queens Bay Homeowners Association FY25 Budget

Budget Columns

The working budget includes four columns:

- **FY2024 Budget** - Current budget.
- **FY24 YTD Estimated Total** - Projected total through year-end.
- **FY24 YTD Estimated Reserve Total**
- **FY25 Budget (0% Increase)** – Approved Budget
- **FY25 Reserves** - Reserve funds collected, and general funds transferred for building maintenance.

Revenues

- **HOA Dues:** No changes for FY25, remain unchanged at \$450/month (\$5,400 annually). The decision was made prior to the recent lobby incident, with careful consideration of the CC&R rules and the available financial data. The directors concluded that without sufficient information or a clear justification for an increase, maintaining the current dues was the most responsible choice. As always, the board remains committed to ensuring the financial stability of the HOA while balancing the needs and concerns of our community.
- **Reserve Contribution:** Set at \$83,488. A new reserve study will be conducted in fiscal year 2025.
- **Transfer Fees:** \$200 collected per condo sale or refinance for documentation.
- **Reserve Expenses:** \$47,291 designated for reserve expenses. Funds are used immediately to address infrastructure needs.
- **Other Revenue:** Interest, fines, reimbursements, sponsorships, donations from others to purchase lobby chairs, are not expected to generate significant revenue.

Expenses

Payroll

- Payroll is reduced for FY25.
- Building and grounds maintenance staff will transition from full-time to part-time.
- Security coverage will be minimal in winter and increased in summer. Security staff assist with cleaning tasks and pool closures, ensuring safety sweeps before locking gates.
- Pool covers are used in winter to maintain comfortable temperatures and reduce energy costs, saving approximately \$20/day.

Insurance

- The HOA uses a broker to obtain competitive insurance bids.
- Final insurance expense for 2025 is \$145,482. This included a one month extension for the policies to cover through January 30, 2025 due to the cancellation and to align all expiration to 1/30/26.

Alarm Service

- Monthly fee: \$180
- Annual inspection: \$287.98

Accounting

- Monthly fee: \$1,610 (15% increase).
- Additional charges:
 - W2 Filing: \$14.95
 - AZ Corporation Commission Report: \$75
 - Tax Return Preparation: \$875
 - Transfer Fees: \$50 per condo sale
- Reserve Study Fee: \$5,500 (one-time expense in 2025).

Legal

- Increased the legal expense due to challenges with resolving insurance claims

Gate Repairs

- Includes changing access codes.

Operating Supplies

- Reduced by \$5,904.
- Internet, CRM, and security cameras now have their own line items for better transparency.

Elevators

- Monthly service fee: \$1,100 pending new quote from Otis. The current service provider is TKE.
- A one-time fee of \$7,681.36 is required to update the firemen's key and panel. This update is mandated by the State of Arizona, which now requires all elevators statewide to use a standardized key. The panel and key must be upgraded to comply with the new state code

Utilities

- **Electric:** 8% increase
- **Gas:** 11.9% increase
- **Water Usage:** 9% increase effective January 1, 2025.
- **Sewer:** No projected increase for FY25.

Pool Maintenance

- Reduced
- Significant 2024 expenses included a new pool heater (3-year warranty), new spa heaters, and pumps. No major expenses anticipated for 2025.

Security Cameras

- Queens Bay HOA signed a three-year contract for a new system structured to be committed to one year at a time due to the CC&R's. The system offers enhanced security options and allows for a 90-day retention of the video feed.
- Budgeting \$120 per camera per year for 55 cameras.
- Reserve expense of \$4,900 for server replacement.

Internet/Website/CRM

- New line item for better transparency.
- Internet is currently free through Allo.
- Website and CRM software are essential communication tools for owners and guests.

Telephone/Mobile

- Covers elevator phone lines (required safety expense).

Board Meeting Expenses

- Includes costs for refreshments, projector, screen, and microphone for the annual meeting.

Major Maintenance (Building & Paint RDA)

- Designated expense for painting the lobby ceiling and recoating the front walkway

Major Maint - RDA

- Replacement of second backflow valves in the north and south towers for the fire suppression system. HOA replaced one in each tower.
- Replacement of the other backflow valve by the trash enclosure

General Building Maintenance

- Covers non-reserve building expenses.

Building Pipe Maintenance

- No change. Budget is based on typical past expenses, specifically for black pipe maintenance.

Summary of Key Expense Categories

- **Insurance & Utilities:** Total \$385,829 representing **48% of total expenses**.

This detailed budget aims to improve financial transparency and accountability for Queens Bay HOA while addressing the reserve deficit responsibly. The Board remains committed to ensuring accurate expense classification and prudent cash management for the benefit of all owners.

Fiscal year 2024 is projected to close with a positive balance of \$150,000 due to the HOA not updating any of the elevators. These funds will be allocated either to further reduce the reserve deficit or to cover expenses not reimbursed by insurance for the two ongoing claims.

At this time, it is uncertain whether any of the affected owners or their insurance companies will seek to recover their out-of-pocket expenses through subrogation. Having this surplus provides a financial cushion, helping to avoid the need for a special assessment on all owners, including the affected owners. Our ultimate goal is to maintain financial stability while minimizing any additional financial burden on the community.

QUEENS BAY RESORT CONDOMINIUM
BUDGET 2025

Unaudited

	2024 Budget Final	FY24 YTD Estimated Total	FY24 YTD Estimated Reserve Total	FY25 Budget 0% Increase	FY25 Reserves
Revenues					
Homeowner Dues	\$ 918,000	\$ 918,000		\$ 918,000	
Transfer Fees	2,500	1,400		1,400	
Late Fees	-	-		-	
Miscellaneous Income	500	-		-	
Interest Income	20	1,880		-	
Interest Income-Reserves	80	-		-	
Interest Income (reserves)		-	6,382		
Transfer To Reserves	(58,981)	(83,388)	83,448	(83,448)	83,448
Transfer to Reserves		-		(47,292)	47,292
Fine Income		500		-	
Repairs Reimbursement		1,900		-	
Sponsorships Income	-	1,200		-	
Total Revenues	862,119	841,492	89,830	788,660	130,740
Expenses					
Payroll	173,486	149,997		157,186	
Building Insurance	54,960	54,910		145,582	
FICA Expense	18,700	11,573		12,615	
Unemployment Expense	350	302		329	
Workmans Comp	2,750	3,893		4,243	
Alarm Service	43,000	1,453		2,447	
Bank Charges	100	100		100	
Accounting	21,000	18,165		26,390	
Legal	6,700	3,898		10,000	
Gate Repairs	500	860		860	
Operating Supplies	11,500	5,596		5,596	
Landscaping Services	7,500	8,070		7,500	
Elevator Service	124,861	12,601		20,700	
Printing	200	374		374	
Postage	600	466		600	
Office Supplies	1,800	2,046		1,800	
Electric	43,375	39,629		42,799	
Gas	16,250	12,433		13,913	
Water Usage	50,440	54,379		59,273	
Sewer	97,517	105,114		105,114	
Trash Removal	12,937	13,796		13,796	
Water softener expense	20,203	26,190		26,190	
Pool Chemicals	8,000	5,482		8,000	
Pool Maintenance	12,300	5,713		6,000	
Pest Control Service	4,800	4,803		4,803	
Security Camera	-	6,715		6,600	4900
Taxes	213	904		904	

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BUDGET 2025

Unaudited

	2024 Budget Final	FY24 YTD Estimated Total	FY24 YTD Estimated Reserve Total	FY25 Budget 0% Increase	FY25 Reserves
Internet/Website/CRM		2,416		2,416	
Licenses	500	610		610	
Telephone/Mobile Phone	2,000	1,457		1,500	
Board Meeting Expense	700	635		635	
Major Maint. - Bldg & Paint RDA	10,405	10,405		0	7835
Major Maint - RDA					11538
Building Pipe Maintenance	44,666	38,479		44,666	
General Building Maintenance	61,500	52,256		50,000	
Water Damages/Pipe Leaks	5,000	5,000		5,000	
Interest Expense	20	120		120	
Depreciation Expense	3,286	27,151		0	
Bad Debts Expense		0		0	
Sponsorships Expense	-	0		0	
Total Expenses	862,119	687,990		788,660	24273
Excess (Deficiency) of					
Revenues Over Expenses	\$ 0	\$ 153,502		(\$ 0)	\$ 106,467