

Beginning January 1, 2026, monthly dues will increase 10% to \$495 (or \$5,940 annually). This represents an increase of \$45 per month/\$540 per year.

We want to provide you with a clear explanation of how these funds will be used and why this increase is necessary.

## Why the increase is Needed

### Responsible Financial Planning

Since spring 2023, the Board has closely monitored cash flow to reduce the reserve deficit and maintain operations while keeping expenses as lean as possible. Over the past two years, the \$500,000 reserve deficit has been eliminated. However, reserves remain underfunded due to 20 years without adequate contributions.

### Updated Reserve Study

- The last reserve study was done in 2005; [a new reserve study was completed in 2025](#).
- Current funding: 47% (projected balance: \$780,672 at end of FY25).
- Fully funded reserves should total \$1,669,784.
- In FY26, \$175,000 will be allocated to reserves (a \$91,552 increase).
- Over the next four years, contributions will increase by 5% annually to gradually improve funding.
- The Board recommends the next study be conducted in **2029**.

**Reserves Cover Major Expenses:** roofs, pool and mechanical systems, four elevators, HVAC units for common areas, carpet replacement, plumbing, painting, parking lot maintenance and more.

### Key Cost Drivers in 2026

- **Reserves:** Contributions will rise 47% (about \$1,029 annually/\$86 monthly per condo)
- **Utilities:** Increases include electricity +8%, gas +8%, water +8.9%, sewer +1%, Trash +9% ([water, sewer and trash were increased by the city effective September 1, 2025](#))
- **Insurance:** The industry projects 7-10% increase. Director Buckner is seeking competitive bids to keep cost as low as possible, but we must budget responsibly for expected increases.

### Our Commitment to You

- **Transparency:** We will continue to explain how your dues are spent and provide updates through our newsletter.
- **Open Communication:** Questions or concerns may be directed to the HOA via [email](#).
- **Ongoing Oversight:** The Board will regularly review finances and seek ways to minimize increases without compromising the safety, upkeep, and value of our community.

We recognize that dues increase can affect households differently, and we sincerely appreciate your understanding and support. These steps ensure Queens Bay remains a well-maintained, financially secure, and safe community for all residents.

## QUEENS BAY RESORT CONDOMINIUM

BUDGET 2026

Draft

	FY25 Budget 0% Increase	FY25 Reserves	FY25 YTD Projected Actual as of November	FY25 YTD Projected Reserves as of November	FY26 Proposed Budget 10% Increase + \$45 = \$495	FY26 Reserves
<b>Revenues</b>						
Homeowner Dues	918,000		918,000		1,009,800	
Transfer Fees	1,400		2,000		2,500	
Late Fees	-		100			
Miscellaneous Income	-		-			
Interest Income	-		1,931		200	
Interest Income-Reserves	-				458	
Interest Income (reserves)	-			7,128	(458)	458
Transfer To Reserves	(83,448)	83,448	-	83,448	(175,000)	175,000
Transfer to Reserves	(47,291)	47,291		47,291	(19,827)	12,839
Fine Income	-		(250)			
Insurance Reimbursement - Lobby			47,811			
Repairs Reimbursement	-		-			
Sponsorships Income	-		3,150			
<b>Total Revenues</b>	<b>788,661</b>	<b>130,739</b>	<b>972,742</b>	<b>137,867</b>	<b>817,673</b>	<b>188,297</b>
<b>Expenses</b>						
Payroll	157,186		132,369		154,547	
Building Insurance	145,582		146,046		156,585	
FICA Expense	12,615		10,078		10,884	
Unemployment Expense	329		329		355	
Workmans Comp	4,243		4,243		4,582	
Alarm Service	2,447		1,075		1,161	
Bank Charges	100		(401)	3	600	
Accounting	26,390		26,390		21,532	
Legal	10,000		788		10,000	
Gate Repairs	860		860		860	
Operating Supplies	5,596		7,237		7,816	
Landscaping Services	7,500		7,500		8,100	
Elevator Service	20,700		23,267		17,665	
Printing	374		231		374	
Postage	600		506		600	
Office Supplies	1,800		1,800		1,800	
Electric	42,799		42,799		46,223	
Gas	13,913		13,913		15,026	
Water Usage	59,273		59,273		64,548	
Sewer	105,114		105,114		106,270	
Trash Removal	13,796		15,760		17,178	
Water softener expense	26,190		26,190		28,285	
Pool Chemicals	8,000		8,000		8,640	
Pool Maintenance	6,000		6,033		6,516	
Pest Control Service	4,803		6,265		6,453	
Security Camera	6,600	4,900	6,600	4,900	6,600	
Taxes	904		5,659		5,829	
Internet/Website/CRM	2,416		1,252		2,416	
AZ PTE Estimated Taxes			1,920		1,978	
Licenses	610		610		610	
Telephone/Mobile Phone	1,500		1,669		1,719	
Board Meeting Expense	635		160		635	
Major Maint. - Bldg & Paint RDA	-	8,800	-	289		160,458
Major Maint - RDA		14,444	-	48,100		15,000
Building Pipe Maintenance	44,666		44,666		44,666	
General Building Maintenance	50,000		50,000		51,500	
Water Damages/Pipe Leaks	5,000		-		5,000	
Interest Expense	120		68		120	

## QUEENS BAY RESORT CONDOMINIUM

## BUDGET 2026

Draft - Figures from September 2025

	FY25 Budget 0% Increase	FY25 Reserves	FY25 YTD Projected Actual as of November	FY25 YTD Projected Reserves as of November	FY26 Proposed Budget 10% Increase + \$45 = \$495	FY26 Reserves
Depreciation Expense	-		26,242			
Bad Debts Expense	-		-			
Insurance Expense - Lobby			102,561			
Insurance Expense - Stack 33			4,141			
Sponsorships Expense	-		2,850			
<b>Total Expenses</b>	<b>788,661</b>	<b>28,144</b>	<b>894,063</b>	<b>53,292</b>	<b>817,673</b>	<b>175,458</b>
<b>Excess (Deficiency) of</b>						
<b>Revenues Over Expenses</b>	<b>-</b>	<b>102,595</b>	<b>78,679</b>	<b>132,967</b>	<b>(0)</b>	<b>12,839</b>