

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.

### **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 - Figures from September 2025

|                                 | FY25<br>Budget | FY25<br>Reserves | FY25 YTD<br>Actual as of<br>December | FY25 YTD<br>Reserves as of<br>December | FY26 Budget<br>10% Increase +<br>\$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                 | -              |                  | 2,199                                |                                        | 200                                           |                |
| Interest Income-Reserves        | -              |                  |                                      |                                        | 458                                           |                |
| Interest Income (reserves)      | -              |                  |                                      | 12,906                                 | (458)                                         | 458            |
| Transfer To Reserves            | (83,448)       | 83,448           | -                                    | 8,366                                  | (175,000)                                     | 175,000        |
| Transfer to Reserves            | (47,291)       | 47,291           |                                      | -                                      | (43,278)                                      |                |
| 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>973,010</b>                       | <b>21,272</b>                          | <b>794,222</b>                                | <b>175,458</b> |
| <b>Expenses</b>                 |                |                  |                                      |                                        |                                               |                |
| Payroll                         | 157,186        |                  | 130,863                              |                                        | 152,902                                       |                |
| Building Insurance              | 145,582        |                  | 146,046                              |                                        | 156,585                                       |                |
| FICA Expense                    | 12,615         |                  | 10,011                               |                                        | 10,812                                        |                |
| Unemployment Expense            | 329            |                  | 300                                  |                                        | 324                                           |                |
| Workmans Comp                   | 4,243          |                  | 3,405                                |                                        | 3,677                                         |                |
| Alarm Service                   | 2,447          |                  | 895                                  |                                        | 967                                           |                |
| Bank Charges                    | 100            |                  | (341)                                | 3                                      | 600                                           |                |
| Accounting                      | 26,390         |                  | 26,215                               |                                        | 21,351                                        |                |
| Legal                           | 10,000         |                  | 788                                  |                                        | 10,000                                        |                |
| Gate Repairs                    | 860            |                  | 790                                  |                                        | 860                                           |                |
| Operating Supplies              | 5,596          |                  | 5,764                                |                                        | 6,225                                         |                |
| Landscaping Services            | 7,500          |                  | 8,853                                |                                        | 9,561                                         |                |
| Elevator Service                | 20,700         |                  | 22,228                               |                                        | 16,595                                        |                |
| Printing                        | 374            |                  | 231                                  |                                        | 374                                           |                |
| Postage                         | 600            |                  | 462                                  |                                        | 600                                           |                |
| Office Supplies                 | 1,800          |                  | 1,175                                |                                        | 1,800                                         |                |
| Electric                        | 42,799         |                  | 41,133                               |                                        | 44,424                                        |                |
| Gas                             | 13,913         |                  | 9,469                                |                                        | 10,227                                        |                |
| Water Usage                     | 59,273         |                  | 53,886                               |                                        | 58,682                                        |                |
| Sewer                           | 105,114        |                  | 96,586                               |                                        | 106,270                                       |                |
| Trash Removal                   | 13,796         |                  | 15,702                               |                                        | 17,115                                        |                |
| Water softener expense          | 26,190         |                  | 22,740                               |                                        | 24,559                                        |                |
| Pool Chemicals                  | 8,000          |                  | 4,773                                |                                        | 5,155                                         |                |
| Pool Maintenance                | 6,000          |                  | 6,964                                |                                        | 7,521                                         |                |
| Pest Control Service            | 4,803          |                  | 5,805                                |                                        | 5,979                                         |                |
| Security Camera                 | 6,600          | 4,900            | 6,682                                |                                        | 6,600                                         |                |
| Taxes                           | 904            |                  | 6,284                                |                                        | 6,473                                         |                |
| Internet/Website/CRM            | 2,416          |                  | 1,186                                |                                        | 2,416                                         |                |
| AZ PTE Estimated Taxes          |                |                  | 1,280                                |                                        | 1,318                                         |                |
| Licenses                        | 610            |                  | 490                                  |                                        | 610                                           |                |
| Telephone/Mobile Phone          | 1,500          |                  | 1,669                                |                                        | 1,719                                         |                |
| Board Meeting Expense           | 635            |                  | 160                                  |                                        | 635                                           |                |
| Major Maint. - Bldg & Paint RDA | -              | 8,800            |                                      |                                        |                                               | 72,620         |
| Major Maint - RDA               |                | 14,444           |                                      |                                        |                                               | 15,000         |
| Building Pipe Maintenance       | 44,666         |                  | 28,467                               |                                        | 44,666                                        |                |
| General Building Maintenance    | 50,000         |                  | 35,346                               |                                        | 51,500                                        |                |
| Water Damages/Pipe Leaks        | 5,000          |                  | -                                    |                                        | 5,000                                         |                |
| Interest Expense                | 120            |                  | 182                                  |                                        | 120                                           |                |

QUEENS BAY RESORT CONDOMINIUM  
BUDGET 2026  
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|                               | <b>FY25<br/>Budget</b> | <b>FY25<br/>Reserves</b> | <b>FY25 YTD<br/>Actual as of<br/>December</b> | <b>FY25 YTD<br/>Reserves as of<br/>December</b> |  | <b>FY26 Budget<br/>10% Increase +<br/>\$45 = \$495</b> | <b>FY26 Reserves</b> |
|-------------------------------|------------------------|--------------------------|-----------------------------------------------|-------------------------------------------------|--|--------------------------------------------------------|----------------------|
| Depreciation Expense          | -                      |                          | 39,882                                        |                                                 |  |                                                        |                      |
| Bad Debts Expense             | -                      |                          | -                                             |                                                 |  |                                                        |                      |
| Insurance Expense - Lobby     |                        |                          | 102,561                                       |                                                 |  |                                                        |                      |
| Insurance Expense - Stack 33  |                        |                          | 4,141                                         |                                                 |  |                                                        |                      |
| Sponsorships Expense          | -                      |                          | 3,015                                         |                                                 |  |                                                        |                      |
| <b>Total Expenses</b>         | <b>788,661</b>         | <b>28,144</b>            | <b>846,088</b>                                | <b>3</b>                                        |  | <b>794,222</b>                                         | <b>87,620</b>        |
| <b>Excess (Deficiency) of</b> |                        |                          |                                               |                                                 |  |                                                        |                      |
| <b>Revenues Over Expenses</b> | <b>-</b>               | <b>102,595</b>           | <b>126,922</b>                                | <b>21,272</b>                                   |  | <b>(0)</b>                                             | <b>87,838</b>        |