ADAMS RIDGE HOMEOWNERS ASSOCIATION

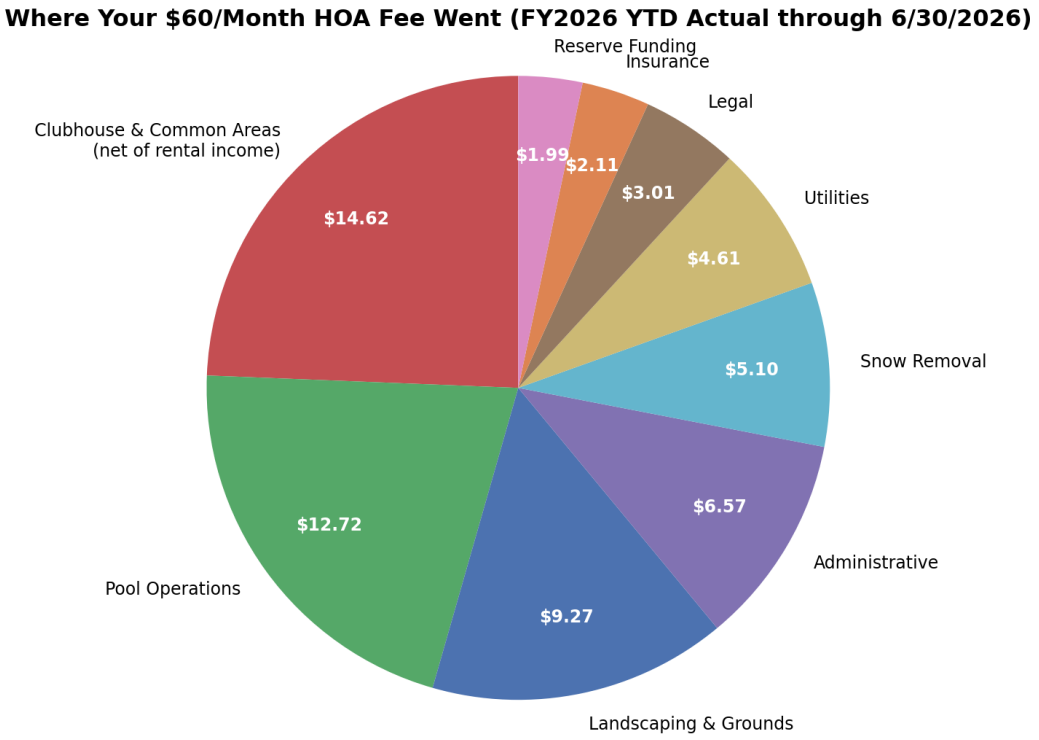
2026 FINANCIAL REPORT AS OF June 30TH

Income (through 6/30/2026)

- Budget (Annual): $684,010
- Actual (YTD): $333,947 (48.8% of annual)
- Collections: As of 6/30/2026, total outstanding owner receivables were $16,871.96, representing approximately 97.7% collection of regular assessments billed. Of this total, $840.00 relates to the 2025 special assessment.

Expenses (through 6/30/2026)

Management Company	Administrative/Payroll	Maintenance	Reserve Funding
Budget (Annual): $71,400	Budget (Annual): $135,860	Budget (Annual): $452,664	Budget (Annual): $24,000
Actual (YTD): $35,700 (50.0% of annual)	Actual (YTD): $54,187.29 (39.9% of annual)	Actual (YTD): $265,703.68 (58.7% of annual)	Actual (YTD): $12,000 (50.0% of annual)



Note: Swale Maintenance ($15,000 budgeted annually) has $0 recorded in actuals through 6/30/2026 and is not reflected above. Clubhouse & Common Areas is shown net of $10,305.00 in Clubhouse Rental Income received YTD.

Dollar figures show each category's share of the $60/month assessment, based on FY2026 actual expenses through 6/30/2026, across 894 households.

Note: Swale Maintenance is budgeted at $15,000/year, but no invoiced expenses have been recorded through 6/30/2026, so it does not appear in the chart above. Future years' budgets and this pie chart will need to incorporate an estimated annual Swale Maintenance cost (current estimate: $15,000/year).

What's Included in Each Category

Category	What It Covers
Clubhouse & Common Areas	Clubhouse maintenance and supplies, pest control, security system, recreation committee, concrete, holiday decorations, playgrounds/courts, and common area repairs
Pool Operations	Pool manager and lifeguard payroll, pool maintenance, repairs, swim team, and pool materials/supplies
Landscaping & Grounds	Mowing and Landscaping, additional landscaping, tree maintenance, and pond maintenance (detention/retention ponds, including seasonal aquatic maintenance)
Administrative	Management fee, accounting, print/postage/supplies, website, meetings, bank charges, and payroll processing
Snow Removal	Contracted snow and ice removal for roads and common areas

Utilities	Electricity, water, sewage, gas, trash removal, telephone, and miscellaneous utility costs
Legal	Legal fees related to collections and general Association legal matters
Insurance	General Association insurance and workers' compensation insurance
Reserve Funding	Ongoing contribution to the Association's capital reserve account

Note: Landscaping & Grounds above includes $3,670.68 in pond maintenance. This was previously recorded under a separate account not reflected in prior category summaries and has been incorporated here. Clubhouse & Common Areas is shown net of $10,305.00 in Clubhouse Rental Income received through 6/30/2026, since this income directly offsets the cost of operating and maintaining the Clubhouse.

Total Budgeted Expenses (Annual FY2026): $683,924
Total Actual Expenses through 6/30/2026 (YTD): $367,590.97 (53.7% of annual)

Balance in Reserve Account

- Reserve Accounts as of 12/31/2022: $369,769
- Reserve Accounts as of 6/30/2023: $370,703
- Reserve Accounts as of 12/31/2023: $361,144
- Reserve Accounts as of 6/30/2024: $361,646
- Reserve Accounts as of 12/31/2024: $412,413
- Reserve Accounts as of 6/30/2025: $492,078
- Reserve Accounts as of 12/31/2025: $451,074.44
- Reserve Accounts as of 6/30/2026: $444,055.36

Balance Sheet (as of 6/30/2026)

Assets	
Operating Accounts	$61,811.49
Reserve Accounts	$444,055.36
Accounts Receivable	$16,871.96
Prepaid Insurance	$22,442.72
Total Assets	**$545,181.53**
Liabilities	
Prepaid Owner Assessments	$34,549.15
Total Liabilities	**$34,549.15**
Equity	
Retained Earnings	$86,420.05

Net Income (YTD)	($19,843.03)
Reserve Fund Equity	$444,055.36
Total Equity	**$510,632.38**
Total Liabilities and Equity	**$545,181.53**

Reserve Accounts appear under both Assets and Equity, consistent with fund accounting for restricted reserve funds; this is standard presentation and does not double-count the Association's net worth.

Financial Notes:

- The HOA dues were $55 per month in 2004. HOA dues were as low as $45 per month. In 2024, HOA dues increased to $60 per month to account for inflationary pressures.
- In 2025, the HOA did a one-time special assessment ($53,640 collected) to begin funding pool and common area improvements. Work has been completed in three areas: pool mechanical repairs and upgrades (including pool painting and lighting), retaining wall replacement, and landscaping improvements. The retaining wall replacement was an urgent safety- and insurance-driven project, as the prior structure posed a risk of collapse, and alone accounted for over $50,000 of spend. Total project expenditures across all vendors have reached approximately $85,500 to date, more than the amount collected via the special assessment, with the additional cost covered by reserves and operating funds. As communicated when the assessment was first introduced, this special assessment was intended to begin these improvements rather than fund all future pool capital needs. The pool facility is aging, and additional capital investment is expected to be needed over the next 10 years to continue meeting safety standards and community expectations; the Board is planning accordingly to manage these future costs responsibly.
- Maintenance Expenses include: Clubhouse, Christmas Lights, Cleaning, Concrete, Equipment, Security Systems, Landscaping, Playground, Pool Repairs, Swim Team, Pool Operation (not including managers and lifeguards), Trees, Swales, Snow Removal
- The Association received $23,438 in Insurance Claims Income in April 2026, an unbudgeted one-time inflow related to an insurance settlement. This income is reflected in the Actual figures above but was not part of the original FY2026 budget.
- Swale Maintenance is budgeted at $15,000 annually; no expenses were recorded against this line through 6/30/2026.
- Much of our amenities are aging, which is likely going to cost a significant amount of money on repairs and replacements in the near future. The Board is focused on increasing the reserve accounts so that we can begin doing capital repairs and replacements of such amenities. Of particular concern are our concrete sidewalks and the tennis court/basketball court.
- A pool equipment breakdown identified earlier this summer has been resolved with the installation of two new high-efficiency natural gas pool heaters. This work was invoiced at $44,837.17 (Barber's Chemicals, Inc., dated July 9, 2026) and, because it was completed after the 6/30/2026 reporting period, will be reflected in next year's financial report rather than the FY2026 figures shown here.
- The winter pool cover is reaching the end of its useful life and is anticipated to require approximately $10,000 to replace; this will be factored into near-term budget planning.

Upcoming Capital Needs

The Board has identified the following items as known or anticipated capital needs, in addition to the ongoing pool capital investment described above:

- Concrete sidewalks and the tennis court/basketball court, both showing signs of age
- Winter pool cover replacement (~$10,000, discussed above)
- Baby pool renovation (~$45,000)
- Continued pool complex capital investment over the next 10 years, as described above

Cost estimates for the sidewalk, court, and HVAC items are not yet finalized; the Board will provide updates as these are developed.

- Ongoing maintenance projects include the removal and replacement of diseased trees and repairing and replacing concrete in common areas. The pool retaining wall repair project (Hohman Landscaping) has been completed, with total payments of $58,874.00 (retaining wall replacement, sod installation, and tree/shrub installation).

Monthly Dues Increase to $70/Home – Approved

This increase was voted on and approved by the Board and will take effect 1/1/2027. It is not reflected in the FY2026 actuals or budget figures presented elsewhere in this report, which cover the period through 6/30/2026.

The Board approved a $10/month increase to the HOA assessment, from $60 to $70 per household, effective 1/1/2027. This increase is driven by two maintenance needs: Swale Maintenance, budgeted at $15,000/year but not yet funded in the current budget, and Tree Maintenance, which has run at approximately $22,400–$25,000/year. Together, these represent a combined $40,000/year in maintenance costs that the Board believes should be reliably funded going forward. The larger increase also builds in additional capacity toward the Association's other identified capital needs, described below.

At 894 households, a $10/month increase generates approximately $107,280 in additional annual revenue. Applying this conservatively – that is, assuming the full $40,000 combined maintenance need is funded from this new revenue – leaves approximately $67,280/year available for new capital enhancements, such as the anticipated winter pool cover replacement (~$10,000), the baby pool renovation (~$45,000), or a contribution toward the sidewalk and court needs described above.

Item	**Annual Amount**
New revenue from $10/month increase (894 homes)	$107,280
Allocated to maintenance (Swale $15,000 + Tree $25,000)	$40,000
Available for new capital enhancements	**$67,280**

Some residents may ask why the Association doesn't simply draw on the existing $444,055 reserve balance to cover Swale and Tree Maintenance rather than raising dues. Reserve funds are generally intended for major, non-recurring capital replacements – items like roofing, pavement, pool equipment,

and clubhouse systems that wear out on a multi-year replacement cycle – not for routine, recurring annual maintenance costs. Swale and Tree Maintenance recur every year as ordinary operating expenses, so funding them from reserves would deplete the reserve balance year after year without addressing the underlying gap, while leaving less available for the capital items reserves are meant to cover. General industry guidance suggests associations maintain reserves at 70% or more of a professionally calculated "fully funded" target, and contribute roughly 15–40% of the annual assessment budget toward reserves each year; Adams Ridge's current reserve contribution of approximately $24,000/year represents only about 3.5% of the annual assessment budget, well below that range. As a simplified, order-of-magnitude illustration – separate from the "percent funded" metric described above, which requires a full reserve study to calculate – a commonly cited rule of thumb holds that a reserve balance should equal at least 70% of the Association's annual operating budget. Applied to Adams Ridge's $683,924 annual budget, that would suggest a reserve target of approximately $478,747. Against the current $444,055.36 balance, that points to a gap of roughly $34,691 (Adams Ridge is at approximately 64.9% of this proxy benchmark). This figure is illustrative only and should not be treated as a substitute for a professional reserve study, which would account for the specific age, condition, and replacement cost of the Association's actual components rather than a general budget-based proxy. Without a comprehensive reserve study – an independent, professional analysis of the remaining useful life and replacement cost of all major Association components – the Board cannot say with confidence whether the current reserve balance is adequate to meet upcoming needs, including the pool capital items described above. The Board recommends commissioning such a study in the near term to establish a data-driven reserve funding target, rather than drawing down the existing balance to cover recurring operating costs.

How Adams Ridge Compares to Similar Communities

Based on publicly available industry data, single-family HOA communities nationally typically charge between $170 and $300 per month, with communities that include a pool and clubhouse commonly falling in the $200–$350 per month range. Pennsylvania HOA fees average around $150/month across all property types statewide, with associations offering more extensive amenities (pools, clubhouses, community centers) generally ranging from $100 to over $500 per month depending on the scope of shared facilities. Nationally, the median HOA/condo fee was reported at approximately $125–$135/month in recent surveys, though this figure blends many communities with few or no shared amenities.

At $60/month currently, and $70/month effective 1/1/2027, Adams Ridge remains well below typical published ranges for single-family communities with a pool and clubhouse, even after the approved increase. This suggests the Association has historically kept dues low relative to comparable amenity-rich communities, which is part of why reserve funding and swale maintenance funding have lagged behind long-term capital needs.

Sources: iPropertyManagement HOA Statistics; HOAStart "What is a Normal Monthly HOA Fee" and "Average HOA Fees By State"; Axios Philadelphia (Pennsylvania HOA fee data); Realtor.com HOA fee reporting via Axios and Yahoo Finance. Figures are general industry benchmarks, not survey data specific to Adams Ridge's immediate area, and are provided for general context only.