

Description	Current Period			Year-to-date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
OPERATING							
INCOME							
40-4000 Assessments	\$ 59,520.00	\$ 59,520.00	-	\$ 714,240.00	\$714,240.00	-	\$ 714,240.00
40-4010 Clubhouse Income	-	-	-	\$ 300.00	-	\$ 300.00	-
40-4045 Late Fees	-	-	-	\$ 149.50	-	\$ 149.50	-
TOTAL INCOME	\$ 59,520.00	\$ 59,520.00	-	\$ 714,689.50	\$714,240.00	\$ 449.50	\$ 714,240.00
EXPENSES AND RESERVE FUNDING							
ADMINISTRATIVE & MANAGEMENT							
1 50-5000 Accounting	-	-	-	\$ 200.00	-	(\$ 200.00)	-
50-5045 Legal Fees	-	\$ 62.50	\$ 62.50	-	\$ 750.00	\$ 750.00	\$ 750.00
50-5050 Management Fees	\$ 2,015.75	\$ 2,015.75	-	\$ 24,189.00	\$ 24,189.00	-	\$ 24,189.00
2 50-5067 Gifts	-	-	-	\$ 200.00	-	(\$ 200.00)	-
3 50-5070 Office Expense	\$ 697.06	\$ 225.00	(\$ 472.06)	\$ 3,198.61	\$ 2,700.00	(\$ 498.61)	\$ 2,700.00
TOTAL ADMINISTRATIVE & MANAGEMENT	\$ 2,712.81	\$ 2,303.25	(\$ 409.56)	\$ 27,787.61	\$ 27,639.00	(\$ 148.61)	\$ 27,639.00
TAXES & INSURANCE							
53-5300 Audit & Tax Preparation	\$ 250.00	\$ 304.13	\$ 54.13	\$ 3,900.00	\$ 3,650.00	(\$ 250.00)	\$ 3,650.00
4 53-5310 Fidelity Bond	\$ 207.50	\$ 137.13	(\$ 70.37)	\$ 2,490.00	\$ 1,646.00	(\$ 844.00)	\$ 1,646.00
5 53-5330 Insurance	\$ 7,494.50	\$ 9,025.13	\$ 1,530.63	\$ 89,934.00	\$108,302.00	\$ 18,368.00	\$ 108,302.00
6 53-5361 Federal & State Taxes	-	\$ 1,583.37	\$ 1,583.37	-	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00
TOTAL TAXES & INSURANCE	\$ 7,952.00	\$ 11,049.76	\$ 3,097.76	\$ 96,324.00	\$132,598.00	\$ 36,274.00	\$ 132,598.00
UTILITIES							
7 57-5710 Electric	\$ 3,972.17	\$ 2,670.38	(\$ 1,301.79)	\$ 30,852.88	\$ 32,045.00	\$ 1,192.12	\$ 32,045.00
8 57-5730 Trash Removal	\$ 850.00	\$ 1,320.00	\$ 470.00	\$ 10,518.00	\$ 15,840.00	\$ 5,322.00	\$ 15,840.00
9 57-5740 Water/Sewer & MES	\$ 3,799.47	\$ 10,250.00	\$ 6,450.53	\$ 108,896.17	\$123,000.00	\$ 14,103.83	\$ 123,000.00
TOTAL UTILITIES	\$ 8,621.64	\$ 14,240.38	\$ 5,618.74	\$ 150,267.05	\$170,885.00	\$ 20,617.95	\$ 170,885.00
GENERAL MAINTENANCE & REPAIRS							
60-6006 HVAC Repairs	-	\$ 90.75	\$ 90.75	\$ 165.00	\$ 1,089.00	\$ 924.00	\$ 1,089.00
60-6010 Clubhouse Cleaning	\$ 265.00	\$ 286.75	\$ 21.75	\$ 3,180.00	\$ 3,441.00	\$ 261.00	\$ 3,441.00
60-6011 Clubhouse Supplies	\$ 295.39	\$ 25.00	(\$ 270.39)	\$ 295.39	\$ 300.00	\$ 4.61	\$ 300.00
10 60-6013 Clubhouse Internet	\$ 129.00	-	(\$ 129.00)	\$ 1,444.80	-	(\$ 1,444.80)	-
11 60-6030 Fire/Sprinkler Monitoring & Maint.	-	\$ 516.63	\$ 516.63	\$ 7,428.60	\$ 6,200.00	(\$ 1,228.60)	\$ 6,200.00
12 60-6035 General Maintenance	-	\$ 3,000.00	\$ 3,000.00	\$ 49,477.70	\$ 36,000.00	(\$ 13,477.70)	\$ 36,000.00
60-6036 Fire System & Security-telephone	-	\$ 71.62	\$ 71.62	\$ 166.36	\$ 859.00	\$ 692.64	\$ 859.00
60-6055 Pest Control	-	\$ 41.63	\$ 41.63	\$ 500.00	\$ 500.00	-	\$ 500.00
TOTAL GENERAL MAINTENANCE & REPAIRS	\$ 689.39	\$ 4,032.38	\$ 3,342.99	\$ 62,657.85	\$ 48,389.00	(\$ 14,268.85)	\$ 48,389.00
LANDSCAPING & GROUNDS							
13 65-6510 Grounds Maintenance	\$ 3,900.00	\$ 583.37	(\$ 3,316.63)	\$ 15,105.00	\$ 7,000.00	(\$ 8,105.00)	\$ 7,000.00
14 65-6540 Landscaping Contract	-	\$ 6,419.12	\$ 6,419.12	\$ 71,328.90	\$ 77,029.00	\$ 5,700.10	\$ 77,029.00
15 65-6580 Snow Removal	\$ 3,922.50	\$ 2,500.00	(\$ 1,422.50)	\$ 24,688.50	\$ 30,000.00	\$ 5,311.50	\$ 30,000.00
TOTAL LANDSCAPING & GROUNDS	\$ 7,822.50	\$ 9,502.49	\$ 1,679.99	\$ 111,122.40	\$114,029.00	\$ 2,906.60	\$ 114,029.00
RESERVE CONTRIBUTION EXPENSES							
70-7000 Reserve Contribution Expenses	\$ 18,391.67	\$ 18,391.63	(\$ 0.04)	\$ 220,700.04	\$220,700.00	(\$ 0.04)	\$ 220,700.00
TOTAL RESERVE CONTRIBUTION EXPENSE	\$ 18,391.67	\$ 18,391.63	(\$ 0.04)	\$ 220,700.04	\$220,700.00	(\$ 0.04)	\$ 220,700.00
TOTAL DISBURSEMENTS	\$ 46,190.01	\$ 59,519.89	\$ 13,329.88	\$ 668,858.95	\$714,240.00	\$ 45,381.05	\$ 714,240.00
OPERATING NET INCREASE (DECREASE)	\$ 13,329.99	\$ 0.11	\$ 13,329.88	\$ 45,830.55	-	\$ 45,830.55	-

Notes 01/21/26

- Consultation with auditing firm re: transition to accrual basis accounting.
- Nominal gratuity paid to attorney for reviewing the Cattail Creek Country Club agreements.
- YTD includes \$795 FHA certification (triennial), \$300 FinCen Beneficial Ownership Interest filing (2025), and \$160 1-year Zoom license.
- The premium for "Crime" and "Umbrella" policies purchased through the new insurance carrier was determined and paid for subsequent to the approval of the 2025 budget (Dec'24). The combined premium for 2025 exceeds the amount budgeted for the Fidelity Bond. Monthly cost overruns will continue throughout 2025.
- Monthly cost savings resulting from change in insurance carrier (effective 01/01/25) will continue throughout 2025.
- Tax expense was included as part of 2025 Operating budget. However, per discussion with auditor and the Board Resolution approved Dec'25 (retroactive to 01/01/25), income tax expense is being classified as a Reserve expense (given it is triggered by the interest earned on Reserve Fund cash and investments) as long as net investment revenue (interest revenue minus income tax expense) equals or exceeds the investment revenue called for in the Reserve Study Funding Plan. Expense is expected to remain under budget through year end and will help offset the overage in General Maintenance.
- BGE bills are paid one month in arrears. Expenses include one month of estimated expense (1/12 of budget), which will be adjusted to actual in December. Milder weather in 2Q offset most of the 1Q overrun. However, we are likely to see higher expenses than budgeted in 4Q 2025 (per BGE notices), due to increasing utility costs.
- Trash removal contract was renegotiated in 01'25, reducing monthly cost by \$318, effective 02'25. Monthly cost savings will continue throughout the year.
- MES bills are paid one month in arrears. Expenses have been adjusted to actuals, following Jan'26 receipt of Dec'25 invoice. Expenses fluctuate because, in addition to routine monitoring, MES performs routine maintenance and intermittent repairs on both the Water Supply System (WSS) and Wastewater Treatment Plan (WWTP), which vary in complexity and cost. Excluding Reserve maintenance, expenses for Q4'25 ran unexpectedly and significantly below budget.

Notes continued on next page.

Description	Current Period			Year-to-date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
RESERVES							
INCOME							
40-4040 Interest Reserves	\$ 4,155.51	-	\$ 4,155.51	\$ 50,751.39	-	\$ 50,751.39	-
40-4075 Reserve Contribution	\$ 18,391.67	-	\$ 18,391.67	\$ 220,700.04	-	\$ 220,700.04	-
TOTAL INCOME	\$ 22,547.18	-	\$ 22,547.18	\$ 271,451.43	-	\$ 271,451.43	\$ 0.00
EXPENSES AND RESERVE FUNDING							
TAXES & INSURANCE							
6 53-5362 Federal Income Tax - Reserve	\$ 872.66	-	(\$ 872.66)	\$ 10,657.79	-	(\$ 10,657.79)	-
6 53-5363 State Income Tax - Reserve	\$ 332.44	-	(\$ 332.44)	\$ 4,060.11	-	(\$ 4,060.11)	-
TOTAL TAXES & INSURANCE	\$ 1,205.10	-	(\$ 1,205.10)	\$ 14,717.90	-	(\$ 14,717.90)	-
RESERVES: PERMANENT IMPROVEMENTS							
16 80-8002 Reserve- Brick Walkways	\$ 29,325.00	-	(\$ 29,325.00)	\$ 29,325.00	-	(\$ 29,325.00)	-
17 80-8075 Reserve- Roof Replacement	\$ 449,864.50	-	(\$ 449,864.50)	\$ 459,864.50	-	(\$ 459,864.50)	-
18 80-8077 Reserve- Wastewater Treatment System	-	-	-	\$ 13,946.08	-	(\$ 13,946.08)	-
19 80-8090 Reserve- Water Supply System	-	-	-	\$ 3,447.55	-	(\$ 3,447.55)	-
TOTAL RESERVES: PERMANENT IMPROVEMENTS	\$ 479,189.50	-	(\$ 479,189.50)	\$ 506,583.13	-	(\$ 506,583.13)	-
RESERVE EXPENSES							
90-9030 Reserve Study	-	-	-	\$ 3,850.00	-	(\$ 3,850.00)	-
TOTAL RESERVE EXPENSES	-	-	-	\$ 3,850.00	-	(\$ 3,850.00)	-
TOTAL DISBURSEMENTS	\$ 480,394.60	-	(\$ 480,394.60)	\$ 525,151.03	-	(\$ 525,151.03)	(\$ 0.00)
RESERVES NET INCREASE (DECREASE)	(\$ 457,847.42)	-	(\$ 457,847.42)	(\$ 253,699.60)	-	(\$ 253,699.60)	-
NET INCREASE (DECREASE)	(\$ 444,517.43)	\$ 0.11	(\$ 444,517.54)	(\$ 207,869.05)	-	(\$ 207,869.05)	-

Notes 01/21/26

- Mary and Tony Vogt's 2024 gift to VCC to cover Internet costs for 2 years was recorded in the 2024 financial statements. However, the related expense is recorded as it is incurred.
- In addition to ongoing inspection and monitoring of the fire sprinkler and fire suppression system, we incurred costs for repairs & replacements (power supplies; section of pipe due to a pinhole leak). In addition, we incurred an unbudgeted \$2,980 expense (Nov'25) for the Fire Department Connection 5-year Hydrostatic Test and 3-year Air Leak Test.
- Given the maintenance requests from residents (due in part to the incessant spring rains) and the repairs identified during the spring'25 walk-through, the Board opted to apply some of the cost savings from other budgeted line items to needed General Maintenance. 2025 expenses include maintenance of the mailboxes for the single family home and resolution of the outstanding driveway flooding issue at one of the villas.
- Grounds maintenance reflects expenses outside the landscaping contract, including non-routine expenses (e.g., removal of dead/dying trees) and expenses incurred per the contract with Mead Tree & Turf for maintenance of the community's tree canopy (treatment for pests and deep root fertilization). The projected cost overrun for grounds maintenance is expected to slightly exceed the cost savings garnered from the revision of the landscaping contract.
- Variance is due primarily to the downward revision of the landscaping contract, reflecting the assumption of easement mowing by Cattail Creek Country Club.
- Snow removal expenses incurred 1Q'25 and in Dec'25 were below budget, in part due to cost savings realized from changing vendor (to 21st Century).
- Tax expense was included as part of 2025 Operating budget. However, per discussion with auditor and the Board Resolution approved Dec'25 (retroactive to 01/01/25), income tax expense is being classified as a Reserve expense (given it is triggered by the interest earned on Reserve Fund cash and investments) as long as net investment revenue (interest revenue minus income tax expense) equals or exceeds the investment revenue called for in the Reserve Study Funding Plan. Expense is expected to remain under budget through year end and will help offset the overage in General Maintenance.
- Brickwork repairs identified during the spring walk-through and reported by residents were completed by Atlantic Maintenance Group (AMG) throughout the community. Brickwork repairs were completed slightly ahead of the timing anticipated in the 2023 Reserve Study (based on actual deterioration); the updated timing has been accounted for in the updated 2025 Reserve
- Costs include \$10k for the Roof Assessment study and expenditures for Phase 1 of the Roof Replacement project (\$410,820 for new roofs; \$39,044.50 for replacement gutters and downspouts). Roof replacement is expected to be completed by the end of 2027 and is a planned Reserve Study expenditure.
- MES replaced a mixer in October (expensed in November).
- MES replaced a repressurization pump in September (expensed in October).

Operating
Assets

CASH		
10-1015-00	Pinnacle - Operating -8550	\$ 60,281.91
Total CASH		<u>\$ 60,281.91</u>

ACCOUNTS RECEIVABLE

14-1400-00	Account Receivable- Homeowner	\$ 160.00
Total ACCOUNTS RECEIVABLE		<u>\$ 160.00</u>

OTHER CURRENT ASSETS

¹ 15-1510-00	Prepaid Insurance	\$ 2,704.00
Total OTHER CURRENT ASSETS		<u>\$ 2,704.00</u>

Total Assets
\$ 63,145.91
Liabilities & Equity
CURRENT LIABILITIES

² 20-2000-00	Account Payable	\$ 19,131.80
20-2010-00	Prepaid Assessments	36,185.08
³ 20-2060-00	Due to Reserve Fund	30,646.01
Total CURRENT LIABILITIES		<u>\$ 85,962.89</u>

EQUITY

⁴ 32-3200-00	Retained Earnings- Operating	\$ (68,647.53)
⁵	Net Income Gain / (Loss)	45,830.55
Total EQUITY		<u>\$ (22,816.98)</u>

Total Liabilities & Equity
\$ 63,145.91
NOTES ^{01/21/26}

- ¹ Community Association Underwriters required a prepayment in Dec'25 of the 2026 premium for the Fidelity Bond; to be expensed ratably throughout 2026.
- ² Jan'25 estimates for MES and BGE were adjusted to actuals following receipt of Dec'25 invoices. Dec'25 payables: MES (\$9,092.60), BGE (\$2,189.10 Nov; \$3,850.10 Dec), Meade T&T (\$4,000 - prune trees).
- ³ Amount owed to (i.e., borrowed from) the Reserve Fund. *See Reserve Statement, Note 9.*
- ⁴ 01/01/25 balance brought forward (as adjusted, per 2024 audit); represents accumulated operating losses.
- ⁵ *See Operating Income Statement, YTD, for details.*

Reserves
Assets

CASH		
10-1200-01	Pinnacle - Reserve -8576	\$ 28,182.80
10-1211-01	Reserve-Morgan Stanley-Cash Savings-3208	18,948.76
10-1221-01	Reserve-MS Bank-Savings Deposit	185,520.28
Total CASH		<u>\$ 232,651.84</u>
6 INVESTMENTS		
12-1231-01	Flagstar Bank-CD (4.075%, 2/27/26)	\$ 100,000.00
12-1243-01	Discover-CD (4.95% 3/30/26)	75,000.00
12-1245-01	Discover-CD (4.5% 4/27/26)	50,000.00
12-1249-01	Bank of China-CD (4.20% 1/15/26)	50,000.00
12-1254-01	City National Bank-CD (3.80% 02/25/26)	230,000.00
12-1267-01	Bank United-CD (1.35% 12/8/26)	100,000.00
12-1268-01	Synchrony-CD (4.8% 8/25/26)	200,000.00
7 Total INVESTMENTS		<u>\$ 805,000.00</u>
ACCOUNTS RECEIVABLE		
8 14-1401-01	A/R - Homeowners - Reserves	\$ 12,990.50
Total ACCOUNTS RECEIVABLE		<u>\$ 12,990.50</u>
OTHER CURRENT ASSETS		
9 15-1060-01	Due From Operating	\$ 30,646.01
10 15-1521-01	Prepaid Income Taxes - Reserve	2,597.21
15-2000-01	Accrued Interest Receivable	8,269.44
Total OTHER CURRENT ASSETS		<u>\$ 41,512.66</u>
Total Assets		<u>\$ 1,092,155.00</u>

Liabilities & Equity

CURRENT LIABILITIES		
11 20-2001-01	Accounts Payable - Reserves	\$ 52,035.00
10 20-2041-01	Income Tax Payable - Reserve	140.11
Total CURRENT LIABILITIES		<u>\$ 52,175.11</u>
EQUITY		
12 32-3210-01	Retained Earnings- Reserves	\$ 1,293,679.49
13	Net Income Gain / (Loss)	(253,699.60)
Total EQUITY		<u>\$ 1,039,979.89</u>
Total Liabilities & Equity		<u>\$ 1,092,155.00</u>

NOTES 01/21/26

- ⁶ Investments in marketable CDs (Certificates of Deposit) are expected to be held until maturity and are therefore carried at cost. Selling a CD prior to maturity could result in gains or losses, since market values are dependent on interest rates and could differ from original purchase cost. Investment selection is based upon rates and cash flow demands.
- ⁷ Monies from CDs maturing 12/02/25 (\$115k) and 12/18/25 (\$80k) were transferred to MS savings account, to ensure funds were available to pay for Phase 1 of the roof replacement project.
- ⁸ Unit owners owe VCC for the purchase of roof project enhancements that are the responsibility of the homeowner (attic fans, skylights, and gutter guards).
- ⁹ Amount borrowed by the Operating Fund. See *Operating Statement, Note 3*.
- ¹⁰ Income tax expense and related prepaid asset and/or payable were reclassified from Operating to Reserve for 2025, per discussion with auditor and per Dec'25 Board Resolution (allocating income tax expense to Reserve Fund, retroactive to 01/01/2025). Estimated income taxes paid for 2025, YTD, a) exceed Treasurer's estimate of VCC Federal tax expense; and b) are below Treasurer's estimate of VCC State tax expense. Income tax expense is recognized as interest revenue is earned.
- ¹¹ Amount due to Construction Insight for gutters & downspouts and roof project enhancements. See *Note 8*.
- ¹² 01/01/25 balance brought forward (as adjusted, per 2024 audit).
- ¹³ See *Reserves Income Statement, YTD*, for details. Includes \$450k expenditure for Phase 1 of roof replacement project.