

TREASURER'S REPORT

By Van Rametta, OHCC Treasurer

"Where does all the money go?"

Not long ago a homeowner asked me that question. For many of you, this article may be a review. But for those who wonder where their HOA dues go, this is a straightforward explanation of the basics.

The best way to understand HOA cash flow is to think of our HOA like a household budget — just on a much larger scale. Instead of one home, we're responsible for over 1,600. And just like any well-run household, our financial plan must balance today's needs with tomorrow's obligations. To do that, it helps to think in terms of three primary "buckets."

Bucket #1. Daily Operations — Taking Care of Today

This is the largest portion of your monthly assessments. Examples include landscaping, water, utilities, insurance, staffing, and routine maintenance. These are the services you see every day — the green fairways, maintained common areas including tree trimming and landscape pruning, functioning facilities, and the overall appearance of our community.

Bucket #2. Reserves — Planning for the Future

Reserves are funds set aside over time to repair and replace major common area components like roads, buildings, bocce courts, racquet sports court surfaces, and other infrastructure. Reserve funding is a long-term plan, not a snapshot and importantly, reserves are not meant to take care of day-to-day services nor emergencies (which are frequently covered by insurance).

For example, recently all 11 of our tennis/pickleball courts were resurfaced, at a cost of about \$44,000. Because of good reserve planning, we did not have to "find" the money, it was already in reserves. We knew that the useful life of a court's surface is four years. So, four years ago, we started putting one-fourth of the expected cost into a reserve each year-just to pay this expense. Beginning this year, we will start the process again, adding an estimated inflation factor, to ensure that four years from now the funds are reserved for this exact expense. That is how reserves work! And that's how we keep the community beautiful and functioning and our finances stable.

Reserves aren't set to an amount that assumes everything needs to be replaced today. In a community like ours, major components are repaired and replaced over decades — not all at once. Reserves are intended for the repair and replacement of existing assets, rather than new or upgraded improvements. Our objective is steady, predictable funding so that these large projects can be managed without sudden financial shocks to homeowners.

Bucket #3. Capital Improvements — Enhancing the Community

From time to time, the Association undertakes projects that go beyond maintaining or replacing existing assets. These are considered Capital Improvements. Examples might include upgrades to amenities, new features, or improvements that enhance how our facilities function or are enjoyed. These projects are evaluated carefully and funded through appropriate means

— often using accumulated operating surpluses or designated capital funds — while ensuring that reserve funding and day-to-day operations funding remain sound.

Looking at the Full Picture

It's easy to focus on a single number — a line item, a percentage, or a year-over-year change. But no one number tells the full story. Financial health is determined by how all the pieces work together over time.

The Board's responsibility is to manage these costs carefully while maintaining the financial stability of the Association. Like any large operation, there are also times when unexpected needs arise — such as emergency repairs, weather-related impacts, or professional services. These are managed within the overall operating framework with careful attention to maintaining financial stability.

Our goals remain consistent:

- Maintain the community at a high standard;
- Plan responsibly for long-term needs; and
- Try to avoid special assessments through disciplined funding.

In fact, OHCC has operated for over 40 years without a special assessment! That history reflects a long-standing commitment to careful financial planning.

A Shared Responsibility

Every homeowner contributes to the strength and stability of our community. With that comes a shared interest in understanding how the system works, not just individual pieces of it. So, I hope this overview helps provide some clarity and context around how your HOA dollars are used, and more importantly, why they are managed the way they are.

As always, transparency remains a priority, and we will continue working to keep the community informed and our financial outlook strong.

Balance Sheet: February 28, 2026

Operating Cash	\$ 820,360
Reserves & Other Assets	\$4,777,655
Total Assets	\$5,598,015
Current Liabilities	\$ 607,309
Reserve & Capital Obligations	\$4,622,503
Total Liabilities & Obligations	\$5,229,812
Equity	\$ 333,604
Plus Net Actual	\$ 34,600
Total Equity	\$ 368,203

Income and Expense Statement:

Eleven months ended February 28, 2026

	Budget	Actual	Variance
Income	\$9,406,230	\$9,432,393	\$ 26,163
Expenses	\$9,552,961	\$9,397,794	\$ 155,167
Net	\$ (146,731)	\$ (34,600)	\$ 181,330