SUNSET LAKE ASSOCIATION

		General Operating Funds (Unrestricted)	Dam & Lake Funds (Restricted)	Reserve Funds (Restricted)	Budget Assumptions
		2026 Budget			
*	**PROJECTED BEGINNING BALANCES**		136,942	133,883	The balances as of 8/31/2025 in the Dam & Lake Funds and Reserve Funds accounts will roll forward into the 2026 operating year. There will be no excess 2025 General Operating funds to transfer to the restricted accounts.
3010	Annual Operating Assessment	128,800			All leaseholders will pay their assessments on time (322 lots * $400)
3020	Boat and UTV Permits	9,600			Consistent with average actual income from 2020 - YTD 2025
3030	Building Permits	1,000			Consistent with average actual income from 2020 - YTD 2025
3040	Fines & Penalties	-			All members will comply with Rules & Regulations and make timely assessment and real estate tax payments
3050	Farm Lease Income	5,400			All contractual payments will be received on time (no known revisions to existing contract)
3060	Interest Income on Bank Accounts	3,500			Conservative estimate due to uncertain interest rate environment and decreasing balance in Restricted Funds
3070	Lease Transfer Fees	3,500			Conservative estimate due to uncertain interest rate environment, consistent with average actual income from 2024 - YTD 2025
3090	Cable Franchise Fee	1,600			YTD 2025 actual income annualized
3091	Tower Ground Rental	1,200			All contractual payments will be received on time (no known revisions to existing contract)
3110	Hall Rental	1,200			Increase rental fee from $75 to $100 and rent at least once per month
3120	Chlorine Tablet Sales	1,000			Consistent with average actual income from 2024 - YTD 2025
3300	Miscellaneous Income	400			Consistent with average actual income from 2024 - YTD 2025
	TOTAL OPERATING INCOME $	**157,200.00**			
4005	Office & Hall Supplies	(5,750)			Possible Internet upgrade, new TV and microphone for Board meetings, increase in postage rates and Quickbooks subscription
4050	Grounds Maintenance	(4,150)			Consistent with average actual expense from 2020 - YTD 2025 (excluding the $25,000 tornado cleanup done in 2022)
4070	Roads Maintenance	(22,000)			West Lake roads to be oiled, begin maintenance rotation of road signs, possible widening of road entrances along Emerson Airline
4090	Equipment Maintenance	(4,600)			Consistent with average actual expense from 2020 - YTD 2025 (excluding the $17,000 for new mower in purchased in 2022)
4095	Gasoline	(3,500)			Keep the same as current budget
4100	Conservation & Watershed	(7,100)			$3,000 fish stocking, $1,500 land lease for runoff barrier, $2,600 acquatic weeds and drainage control
4119	Cost of Boat/UTV Permit Stickers	(500)			Current inventory unknown so just used an even dollar estimate
4120	Cost of Chlorine Tablets	(500)			Current inventory unknown so just used an even dollar estimate
4300	Property Taxes	(5,250)			Consistent with 2025 actual expense
4400	Insurance	(12,000)			Consistent with renewal contract
4500	Professional Fees	(4,000)			$1,000 for tax return preparation, $3,000 for potential legal consultations (no outstanding or anticipated legal issues currently)
4505	Organizational License/Dues	(450)			Consistent with average actual expense from 2020 - YTD 2025
4600	Utilities	(11,200)			Consistent with average actual expense from 2024 - YTD 2025 plus 3% increase
4700	Payroll Expenses	(76,100)			Increase wages to remain competitive, 28 hours per week for Office Manager, 35 hours per week for Maintenance Manager
4950	Miscellaneous Expenses	(100)			Even dollar estimate to balance the budget
	TOTAL OPERATING EXPENSE $	**(157,200.00)**			
	NET OPERATING INCOME $	-			
3011	Annual Restricted Dam/Lake Assessment	32,200			All leaseholders will pay their assessments on time (322 lots * $100)
*	Internal Transfer of Funds (already approved)	70,400	(70,400)		Fabrication and installation of Tower gate price estimate already approved by the board, still awaiting completion of work
4020	Dam & Lake Maintenance	(102,600)			Tower gate, new lake signs, buoy mainenance, boat dock improvements, spillway and retention pond maintenance
*	Internal Transfer of Funds (*only as needed*)	25,000		(25,000)	Transfer funds from Restricted Reserve Funds to Unrestricted Operating Funds only as deemed necessary by Executive Committee
**	Unplanned/Emergency Expenses (*only as needed*)	(25,000)			Storm cleanup, emergency repairs, taxes, legal fees, improvement projects only as deemed necessary by Executive Committee
	NET OTHER INCOME $	-			
	NET INCOME $	-			
*	**PROJECTED ENDING BALANCES**		**66,542**	**108,883**	Assuming Tower replacement does not exceed original estimate and entire amount of contingency funds is needed.

* At the end of each year, any remaining Net Operating Income that the Board has not already approved for pending expenses, is transferred from the Unrestricted General Operating accounts to the Restricted Funds accounts to be retained for future use. As of 8/31/2025, there was **$136,932** accumulated in the Dam & Lake Funds and **$133,883** accumulated in Reserve Funds (invested in an interest-bearing accounts).

** This Operating Budget authorizes the SLA Board of Directors to spend **up to $25,000** of the Reserve Funds as needed for unplanned/emergency expenses (such as storm cleanup, emergency repairs, taxes, legal fees, improvement projects). Any use of Reserve Funds in excess of $25,000 requires a membership vote of approval.

REMINDER: Fundraising is not part of the operating budget because fundraising efforts are led by a volunteer Booster Club, not the SLA Board. A separate fundraising account is managed by the Booster Club.