

## 2025 - 2026 Proposed Budget

Enclosed is the proposed budget for the FGHA fiscal year September 2025 – August 2026 (FY2026). The FGHA Board has reviewed and approved the proposed budget. The Board will continue to review all expenses into next fiscal year and identify and implement cost savings, as it has been doing this past year.

### Budget Adoption Process

On July 1, 2018, Washington State law changed the budget approval process described in FGHA CC&R ([link to CC&R Article VII on FGHA website](#)). The FGHA Board proposes the budget to the homeowners at the September annual meeting for voting. The budget is passed, unless a majority (>50%) of all homeowners vote to reject it. A detailed explanation can be found in the July 2023 meeting notes Executive Summary ([link to meeting notes on FGHA website](#)).

### Proposed Budget

This proposed budget is for the overall yearly operational budget. The Special Parks assessment and projects have successfully been completed, on schedule and under budget. Special Parks assessment surplus has been set aside for any future additional work on Allen Park and Toddler Park.

### Operational Budget

We are pleased to say the proposed operational budget has NO increase this coming year. The yearly dues assessment will continue to be \$450 starting 1 Jan 2026, payable in one payment or billed semiannually in January 2026 and July 2026. The FGHA board members carefully reviewed expenses, trimmed costs and negotiated the renewal of contracts for services throughout the current fiscal year, resulting in a projected finish under budget. Unfortunately, the WA State legislature and Governor Ferguson have recently passed a surprise new additional sales tax of 10.2% on security services and other services that FGHA utilize for ongoing operations, effective 1 Oct 2025 (Senate Bill 5814). Due to the budget cushion this current fiscal year, the only significant change to the budget is to reduce the number of off duty King County Sheriff Officers from two to one.

Rationale for no homeowner semiannual dues increase:

- Security contract - Contract with Pacific Coast Security. 2.36% contract increase 1 Sept 2025 and the 10.2% new additional sales tax from 1 Oct 2025, resulting in overall budget increase of 11.44%. Planned move to hybrid patrol vehicle will help reduce fuel costs.
- Security other – Reduce the number of King County off-duty officers & patrol cars from 2 to 1; KC Sheriff 1 Jan 2026 forecast cost increase, assumes 3%.
- Common properties, other – No planned budget increase. Forecast 2% contract increase April 2026.
- Special Events/Community – August concerts in Allen Park, Sept Last Splash. Cost saving; eliminate USPS mailings, eliminate Last Splash giveaways, careful contract review and management; budget decrease from \$20k to \$14k, includes the King County Alan Painter Grant.
- Bad Debt Expense – Budget decrease to \$20k from \$24k, CPA recommendation and careful management
- Dues/subscriptions – Quicken Accounting Software increase, HOALife Software increase, new additional sales tax; budget increase from \$8k to \$11k
- Insurance – Insurance premium increases, budget increase to \$27k from actual \$24,734, 9.2% increase
- Accounting/audit – Includes tax preparation expenses. Increase to \$7,800 from \$7,075 actual, 10.3% increase
- Legal fees/counsel advice – Increase to \$20k from \$15,120. 32% budget increase.

### What this means for homeowners

Year	Yearly Dues Assessment*
Current FY2025	\$450
Proposed FY2026	\$450

\*payments may be made once in January 2026 or two halves in January and July 2026

<b>Proposed budget - FY2026</b>				
8-12-2025				
assessment increase (1 Jan 2026) =				
0%	<b>2024-2025</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>Comments</b>
	<b>YEAR END</b>	<b>Prelim year end</b>	<b>YEAR END</b>	
	Budget	Projected Actual	Budget	
<b>ORDINARY INCOME</b>				
Assessments	653,000	653,000	<b>674,736</b>	No increase \$450 annual dues, starting 1 Jan 2026
Penalties, Fees & Other	54,000	83,032	<b>54,000</b>	
Interest Income	240	156	<b>180</b>	Reduced, to reflect actual trend down
<b>Total Ordinary Income</b>	<b>707,240</b>	<b>736,188</b>	<b>728,916</b>	
<b>OPERATING EXPENSE:</b>				
<b>ADMINISTRATIVE EXPENSES</b>				
Security - Contract	406,264	403,578	<b>452,731</b>	Increase to \$452,731 from \$406,264; includes fuel. 11.44% overall increase, due to new sales tax includes 10.2% sales tax from 1 Oct 2025.
Security - Other	60,288	56,618	<b>30,136</b>	KC Sheriff costs; 1 officers + 1 patrol cars; each officer doing 6 x 4hr shifts/month; assume 3% increase 1 Jan 2026. Assumes at this time this is not subject to new 10.2% sales tax
Common Properties - Contract	36,828	32,704	<b>32,004</b>	Budget decrease, to reflect actual new contract cost.
Common Properties - Other	16,070	6,164	<b>16,070</b>	No change
Accounting Bookkeeping	30,000	30,000	<b>30,000</b>	
Recording Secretary	30,000	30,000	<b>30,000</b>	
Special Events/Community	20,004	8,374	<b>14,004</b>	Decrease to \$14k from \$20k
Utilities	16,040	12,893	<b>15,000</b>	Decrease to \$15k from \$16k
Bad Debt Expense	24,000	24,000	<b>20,004</b>	Decrease to \$20k from \$24k
<b>Total Administration</b>	<b>639,494</b>	<b>604,331</b>	<b>639,949</b>	
<b>OFFICE EXPENSES</b>				
HO Mailings	5,400	4,858	<b>4,908</b>	Decrease to \$4,900 from \$5,400.
Postage	3,000	2,871	<b>3,000</b>	No change
Supplies	1,000	1,251	<b>1,404</b>	Increase from \$1,000 to \$1,400; reflects actual
Dues/Subscriptions	8,000	10,845	<b>11,004</b>	Increase from \$8k to \$11,000. Software subscriptions increased, see narrative
Computer Software/Hardware	240	0	<b>240</b>	
Taxes - Property/IRS	2,000	2,217	<b>2,300</b>	March 2025 actual = \$2,217
<b>TOTAL OFFICE</b>	<b>19,640</b>	<b>22,042</b>	<b>22,856</b>	
<b>PROFESSIONAL FEES</b>				
Insurance	26,420	24,734	<b>27,000</b>	Increase to 27,000, 9.2% increase from actual
Accounting/Audit	6,350	7,075	<b>7,800</b>	Increase to \$7,800 from \$7,075 2025 actual, 10.3% increase. Now audit + tax prep
Legal Fees-Counsel/Advice	15,120	24,907	<b>20,004</b>	Increase to \$20,000 from \$15,120; 32% increase
<b>TOTAL PROFESSIONAL FEES</b>	<b>47,890</b>	<b>56,716</b>	<b>54,804</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>707,024</b>	<b>683,089</b>	<b>717,609</b>	
<b>NET INCOME (LOSS)</b>	<b>216</b>	<b>53,099</b>	<b>11,307</b>	FY2026 budget accommodates any additional unanticipated 10.2% sales tax requirements.