

**PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2025**



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Plumas Eureka Estates Villas Homeowners Association
Blairsden, California

We have reviewed the accompanying financial statements of Plumas Eureka Estates Villas Homeowners Association, which comprise the balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the object of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Plumas Eureka Estates Villas Homeowners Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information in the schedules of operating expenses and administrative expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.



BODEN KLEIN & SNEESBY
Certified Public Accountants
April 22, 2026

**PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION**

Balance Sheet
December 31, 2025

ASSETS

	Operating Fund	Reserve Fund	Total
Cash and cash equivalents:			
Plumas bank - checking	\$ 42,806	\$ -	\$ 42,806
Plumas bank - savings	855	-	855
Plumas bank - money market	-	131,086	131,086
Alliance Assoc.bank - money market	-	28,170	28,170
Total cash and cash equivalents	<u>43,661</u>	<u>159,256</u>	<u>202,917</u>
Current assets:			
Assessments receivable	1,995	1,696	3,691
Prepaid income taxes	950	-	950
Prepaid expenses	<u>159,931</u>	<u>6,829</u>	<u>166,760</u>
Total other assets	<u>162,876</u>	<u>8,525</u>	<u>171,401</u>
Non-current assets:			
Building	68,479	-	68,479
Machinery and equipment	41,634	-	41,634
Vehicles and related	47,788	-	47,788
Accumulated depreciation	<u>(151,529)</u>	<u>-</u>	<u>(151,529)</u>
Total non-current assets	<u>6,372</u>	<u>-</u>	<u>6,372</u>
TOTAL ASSETS	<u>\$ 212,909</u>	<u>\$ 167,781</u>	<u>\$ 380,690</u>

LIABILITIES AND FUND BALANCES

Current liabilities:			
Accounts payable	\$ 2,452	\$ -	\$ 2,452
Payroll liabilities	300	-	300
Deferred income	13,968	-	13,968
Current portion of long term note payable	51,102	-	51,102
Due to/(from) other funds	<u>74,303</u>	<u>(74,303)</u>	<u>-</u>
Total current liabilities	<u>142,125</u>	<u>(74,303)</u>	<u>67,822</u>
Long term liabilities:			
Note payable - Plumas Bank	471,911	-	471,911
Contract liabilities - replacement reserve assessment in advance	<u>-</u>	<u>242,084</u>	<u>242,084</u>
Total long term liabilities	<u>471,911</u>	<u>242,084</u>	<u>713,995</u>
Fund balances	<u>(401,127)</u>	<u>-</u>	<u>(401,127)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 212,909</u>	<u>\$ 167,781</u>	<u>\$ 380,690</u>

See independent accountant's review report and notes to financial statements.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Statement of Revenues, Expenses and Changes in Fund Balance
For the Year Ended December 31, 2025

	Operating Fund	Reserve Fund	Total
Revenues:			
Monthly dues	\$ 619,761	\$ 51,828	\$ 671,589
Special assessment	-	6,215	6,215
Interest income	1	509	510
Late fees	4,536	-	4,536
Other income	50	-	50
Total revenues	<u>624,348</u>	<u>58,552</u>	<u>682,900</u>
Expenses:			
Operating costs	311,236	-	311,236
Administrative costs	218,450	-	218,450
Interest expense	35,012	-	35,012
Depreciation	2,089	-	2,089
Major repairs and replacements	-	58,552	58,552
Total expenses	<u>566,787</u>	<u>58,552</u>	<u>625,339</u>
EXCESS OF REVENUES OVER EXPENSES	57,561	-	57,561
Fund balance, beginning	<u>(458,688)</u>	<u>-</u>	<u>(458,688)</u>
FUND BALANCE, ENDING	\$ (401,127)	\$ -	\$ (401,127)

See independent accountant's review report and notes to financial statements.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Statement of Cash Flows
For the Year Ended December 31, 2025

	Operating Fund	Reserve Fund	Total
Cash flows from operating activities:			
Excess of revenues over expenses	\$ 57,561	\$ -	\$ 57,561
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Depreciation	2,089	-	2,089
Changes in operating assets and liabilities:			
Assessments receivable	11,245	(1,696)	9,549
Prepaid expenses	(97,951)	(6,829)	(104,780)
Prepaid income tax	354	-	354
Accounts payable	1,139	-	1,139
Payroll liabilities	43	-	43
Deferred income	8,035	-	8,035
Contract liabilities	-	78,171	78,171
Total adjustments	(75,046)	69,646	(5,400)
Net cash provided by operating activities	(17,485)	69,646	52,161
Cash flows from financing activities:			
Principal payments on note payable	(47,955)	-	(47,955)
Due to (from) other fund	83,188	(83,188)	-
Net cash (used) provided by financing activities	35,233	(83,188)	(47,955)
Net increase (decrease) in cash and cash equivalents	17,748	(13,542)	4,206
Cash and cash equivalents, beginning of year	25,913	172,798	198,711
CASH AND CASH EQUIVALENTS,			
END OF YEAR	\$ 43,661	\$ 159,256	\$ 202,917

See independent accountant's review report and notes to financial statements.

**PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION**

Notes to Financial Statements
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Association -

Plumas Eureka Estates Villas Homeowners Association was incorporated in 1978, under the general nonprofit corporation law of the State of California. The specific and primary purpose for which this association was formed is to repair, maintain, and manage the common area of the Homeowners Association located in Blairsden, California. The common area the Association oversees is the exterior of the residential units, including roofs, landscaping, paved parking areas and maintenance building. The Homeowners Association is supported by monthly assessments to its 110 individual homeowner units.

b. Fund accounting -

The Homeowners Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Homeowners Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for general operations of the Homeowners Association.

Reserve Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

The Association uses the accrual method of accounting when recording transactions. Revenue is recorded when earned, and expenses are recorded when the obligation is incurred.

c. Member assessments -

Association members are subject to monthly assessments to provide funds for Plumas Eureka Estates Villas Homeowners Association's operating expenses and major repairs, and major replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Associations performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis. The performance obligations related to its replacement fund assessments are satisfied when these funds are expended for their designated purpose.

See independent accountant's review report.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Notes to Financial Statements
December 31, 2025

d. Assessments receivable –

Assessments receivable at the balance sheet date are stated at amounts expected to be collected from outstanding assessments from unit owners. The Associations' policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Uncollectible assessments are estimated by management based on an evaluation of past due balances and past experiences. The estimated allowance for credit losses, is based, generally on amounts past due greater than 90-120 days. There was no allowance for credit losses at December 31, 2025. Assessments receivable at January 1, 2025 was \$13,240.

e. Property and equipment -

The Homeowners Association capitalizes all property and equipment to which it holds title or has other evidence of ownership. Real property owned by individual unit owners in common and improvements made by the Homeowners Association to such property are not capitalized in the financial statements. The maintenance building is recorded at cost and is being depreciated over thirty-one and a half years.

Machinery and equipment acquired by the Homeowners Association is recorded at cost. The assets are depreciated over five to seven years using the straight-line method of depreciation.

f. Interest income -

Interest income is allocated to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

g. Income taxes -

Plumas Eureka Estates Villas Homeowners Association may be taxed either as a homeowners' association or as a regular corporation. For the year ended December 31, 2025, the Association was taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporation rates.

The Association recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. There was no impact on the Association's financial statements.

See independent accountant's review report.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Notes to Financial Statements
December 31, 2025

The Association files tax returns in the United States federal jurisdiction and in the State of California. The Association's federal income tax returns remain subject to examination by the Internal Revenue Service for 3 years and the California income tax returns remain subject to examination by the Franchise Tax Board for 4 years.

h. Contract liabilities - replacement reserve assessments paid in advance -

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability – replacement reserve assessment paid in advance is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the replacement reserve assessments.

i. Concentration of credit risk -

At times throughout the year, cash balances may exceed federally insured limits. The Association has not incurred any losses and believes it is not exposed to any significant credit risk on these balances.

j. Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - FUTURE MAJOR REPAIRS AND REPLACEMENTS:

The Association's governing documents require funds to be accumulated for future repairs and replacements. Accumulated cash is held in separate accounts and is generally not available for operating purposes.

The Association is funding for such major repairs and replacements based on a study that contains estimates of current replacement costs and considers amounts previously accumulated. Actual expenditures, however, may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available.

**PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION**

Notes to Financial Statements
December 31, 2025

NOTE 3 - INCOME TAXES:

The Association incurred \$354 in income tax expense for 2025.

NOTE 4 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

For purposes of the statement of cash flows, the Association paid no income taxes and \$35,012 in interest for the year ended December 31, 2025. Additionally, the Association defines cash equivalents as cash and certificates of deposits with maturities of three months or less.

NOTE 5 - NOTE PAYABLE - PLUMAS BANK:

The Association obtained a \$800,000 loan from Western Alliance Bank. The proceeds were used to complete a substantial roofing and painting project. The note is payable in 180 monthly payments of \$6,914 with an adjustable interest rate currently at 6.201 percent. The outstanding balance at December 31, 2025 was \$523,013. Required future principal payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	51,102
2027	54,456
2028	58,031
2029	61,840
2030 and thereafter	297,584
Total	<u>\$ 523,013</u>

NOTE 6 - SUBSEQUENT EVENTS:

Management has evaluated the potential for subsequent events through the available for issuance date of the financial statements, April 22, 2026.

See independent accountant's review report.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Schedule of Operating Costs
For the Year Ended December 31, 2025

Labor	\$ 198,255
Repairs and maintenance	33,533
Health and welfare	24,287
Utilities	22,840
Payroll taxes	16,649
Supplies	5,514
Retirement plan expense	5,620
Landscaping	<u>4,538</u>
 Total operating costs	 <u>\$ 311,236</u>

See independent accountant's review report.

PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION
Schedule of Administrative Costs
For the Year Ended December 31, 2025

Insurance	\$ 204,129
Legal and accounting	8,156
Printing and postage	2,021
Telephone	1,511
Annual meeting	1,500
Contingency	404
Payroll processing fee	375
Income tax	<u>354</u>
Total administrative costs	<u>\$ 218,450</u>

See independent accountant's review report.

**PLUMAS EUREKA ESTATES VILLAS
HOMEOWNERS ASSOCIATION**
Required Supplementary Information
On Future Major Repairs and Replacements
For the Year Ended December 31, 2025

The Corporation's governing documents require it to maintain common areas and the exterior surfaces of each unit. The Board of Directors has the responsibility to provide for future major repairs and replacements. Therefore, the Board, from time to time, conducts studies of the major improvements which may require significant expenditures for repairs or replacements in the future.

Even using information provided by the reserve study to predict future expenditures, actual expenditures may vary from the estimated future expenditures and the variation may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed the Corporation has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following table is based on the study dated September 9, 2021 and presents significant information about the components of common property. A new study is projected to be finished in the summer of 2026.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Replacement Funds at 12/31/25</u>
Roofs (110 villas)	1-19	\$ 1,146,460	\$ 77,482
Roads	1-2	407,842	27,564
Decks	1-30	578,863	39,122
Painting	1	85,438	5,775
Misc. maintenance equipment	1-26	<u>137,795</u>	<u>9,313</u>
TOTALS		<u>\$ 2,356,398</u>	<u>\$ 159,256</u>

Estimated current replacement costs are amounts calculated in today's dollars, at the date of the study, for ongoing repairs and replacements through the year 2055.

See independent accountant's review report.