

Water's Edge Homeowners Association, Inc.

2025 Annual Financial Report

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Prepared By:
Dana C. Wavle, HOA Treasurer
dana.wavle.cpa@gmail.com
January 30, 2026

Statement of Assets and Liabilities
WATER'S EDGE HOMEOWNERS ASSOCIATION, INC.
As of December 31, 2025

	<u>12/31/2025</u>
ASSETS	
<u>Current Assets</u>	
Cash	
9100 - Fifth Third Bank Checking Account	\$ 126,883
9200 - Old National Bank Checking Acct.	64,959
Total Cash	<u>191,842</u>
Accounts Receivable	
9310 - A/R Past Due Accounts ¹¹	3,920
9320 - A/R Bank Adjustment ¹²	16,282
Total Accounts Receivable	<u>20,202</u>
Total Current Assets	212,044
<u>Noncurrent Assets</u>	
9510 - Land (21.4 acres; estimated 1983 cost)	713,333
9520 - Buildings (insurance valuation)	17,595,737
9530 - Personal Property (insurance valuation)	70,017
Total Noncurrent Assets	18,379,087
TOTAL ASSETS	<u>\$ 18,591,131</u>
LIABILITIES & NET ASSETS	
<u>Liabilities</u>	\$ -
Total Liabilities	-
<u>Net Assets</u>	
9910 - Net Assets - Capital Assets	18,379,087
9920 - Net Assets - Reserves	60,510
9950 - Net Assets - Unrestricted	151,534
Total Net Assets	18,591,131
TOTAL LIABILITIES & NET ASSETS	<u>\$ 18,591,131</u>

Statement of Operating Results
WATER'S EDGE HOMEOWNERS ASSOCIATION, INC.
Fiscal Year Ended December 31, 2025

	12/31/2025	12/31/2024
REVENUE		
0100 Homeowners Assessments	\$ 496,344	\$ 460,897
0110 Interest Income	14	-
0120 Late Fees & Misc. Income	2,450	3,925
TOTAL REVENUE	\$ 498,808	\$ 464,822
EXPENSES		
1000 Administrative & Insurance		
1000-050 Management Fees	\$ 24,550	\$ 26,650
1000-055 Portal & Website Expense	2,713	-
1000-060 Office Expense	388	2,057
1000-070 Postage	122	110
1000-080 Meeting Expense	400	78
1000-150 Legal Fees	175	375
1000-400 Accounting Fees	350	500
1000-999 G & A Miscellaneous	469	351
1500-010 Insurance – General	44,855	43,734
1000-160 Other Professional Fees	-	272
1000-200 Bank Charges	-	58
1000-301 Donations	-	200
Total Administrative & Insurance	\$ 74,022	\$ 74,384
2000 Amenities – Pool & Courts		
2000-001 Pool Water Treatment/Testing ¹³	\$ 17,340	\$ 7,000
2000-002 Pool Electrical	465	-
2000-005 Pool Deck Washing/Staining	449	350
2000-010 Pool Building Repairs	139	10,585
2000-011 Pool Water/Sewer	2,353	1,091
2000-012 Pool Phone & Gate	613	962
2000-013 Pool Permit	250	250
2000-015 Pool Pump & Filtration	78	-
2000-016 Pool Area Cleaning	3,889	3,683
2000-021 Pool Gate Access	492	314
2000-100 Pool Winterization	427	-
2000-999 Pool Miscellaneous	32	-
2500-001 Courts Surface Repair	117	-
2500-100 Net Maintenance	186	-
2000-003 Pool Plumbing	-	855
2000-006 Pool Furniture Repair/Replace	-	478
2000-017 Pool Signage/Equipment	-	150
Total Amenities – Pool & Courts	\$ 26,829	\$ 25,718

Statement of Operating Results
WATER'S EDGE HOMEOWNERS ASSOCIATION, INC.
Fiscal Year Ended December 31, 2025

	12/31/2025	12/31/2024
3000 Landscaping		
3000-001 Lawn Care	\$ 52,850	\$ 58,405
3000-400 Tree Removal	90	1,600
3000-401 Tree Branch Removal	4,250	-
3000-951 Plantings	2,697	-
3000-300 Tree Trimming	-	50
3000-600 Irrigation System	-	380
Total Landscaping	\$ 59,887	\$ 60,435
 4000 Repairs – Buildings & Grounds		
4000-173 Building Electrical	\$ 412	\$ -
4000-200 Roof Repairs	4,769	8,509
4000-212 Chimney Chase Repair	12,118	-
4000-350 Gutter & Downspout Repair	1,155	3,000
4000-353 Gutter Cleaning	3,000	1,665
4000-400 Painting	95	155
4000-450 Siding Replacement & Repair	21,067	4,906
4000-651 Crawlspace/Attic Repairs	680	-
4000-655 Dryer Vents	412	190
4000-700 Deck Repair & Maintenance	13,445	7,217
4000-750 Lights – Fixture Repair/Replace	107	1,531
4000-800 Plumbing, Sewer, and Drains	5,313	210
4000-950 Rebill to Owner	380	-
4000-999 Buildings Miscellaneous	70	-
4500-100 Gazebo Maintenance	900	240
4500-201 Pest Control – Animal	685	2,158
4500-505 Signage	550	351
4500-999 Grounds Miscellaneous	107	-
4000-100 Building Structural Repair	-	2,845
4000-301 Chimney Repair – Cap	-	150
4000-751 Lights – Bulb Replacement	-	581
4000-996 Building Trash Contract	-	375
4000-997 General Maint. Miscellaneous	-	80
4000-998 Building Maint. Miscellaneous	-	39,518
4500-150 Clean Grates & Drains	-	140
4500-200 Pest Control – Insect	-	300
Total Repairs – Buildings & Grounds	\$ 65,264	\$ 74,121

Statement of Operating Results
WATER'S EDGE HOMEOWNERS ASSOCIATION, INC.
Fiscal Year Ended December 31, 2025

	12/31/2025	12/31/2024
5000 Utilities, Trash, & Snow Removal		
5000-001 Electricity	\$ 6,080	\$ 4,442
5000-002 Water/Sewer – SMW	1,069	466
5000-011 Previous Electricity (ONB) ¹⁴	3,928	-
5070-100 Snow Removal & Sanding	26,666	18,659
5500-001 Trash Removal	4,703	3,782
5500-003 Trash Buildings – Clean-Up	75	-
5500-010 Trash Buildings – Repair	140	260
Total Utilities, Trash, & Snow Removal	\$ 42,660	\$ 27,609
 6000 Capital Improvements		
6000-001 Siding and Painting	\$ 103,985	\$ 134,548
6000-002 Landscaping Master Plan	1,086	5,298
6000-003 Roads	35,200	-
6000-004 Subsidence Repairs	78,218	127,115
6000-005 Decks	-	7,635
Total Capital Improvements	\$ 218,489	\$ 274,595
 TOTAL EXPENSES	 \$ 487,152	 \$ 536,862
 SURPLUS / (DEFICIT)	 \$ 11,656	 \$ (72,039)

Water's Edge HOA, Inc.
Notes to the Financial Statements
December 31, 2025

1. According to the Water's Edge Homeowners Association bylaws, the Treasurer "shall cause a true statement of [HOA] assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each fiscal year."
2. Water's Edge HOA, Inc., is a non-profit corporation registered in the State of Indiana.
3. The organization operates on a cash basis whereby revenue and expenses are recognized when received and paid, respectively.
4. The Statement of Operating Results (income statement) is prepared on a cash basis.
5. The Statement of Assets and Liabilities (balance sheet) is prepared on a hybrid basis, where certain accounts are reported at historical cost, while other accounts are reported on a current valuation basis. The advantage of this approach is to provide a current estimate of the organization's assets for management, insurance, and oversight purposes.
6. Figures in the financial statements are rounded to the nearest dollar. Due to this rounding, some totals may not precisely agree with the sum of the individual figures.
7. PMI Indianapolis provided property management services through April 30, 2024. Pegasus Properties in Bloomington, IN, provided property management services starting on May 1, 2024. The Pegasus Properties contract expires on December 31, 2026. Thereafter, the contract automatically renews for periods of one year unless "on or before 60 days prior to the expiration of any period, either party notifies the other in writing via U.S. certified mail that it elects to terminate [the] Agreement."
8. Dues are collected from unit owners through Doorloop, a cloud-based property management system. Pegasus maintains the HOA checkbook and pays all vendors directly. Pegasus enters all revenue and expense transactions into a proprietary bookkeeping system designed and administered by Pegasus. The HOA treasurer enters the Pegasus data into QuickBooks to produce external financial statements for unit owners and other interested parties.
9. The financial data received from Pegasus is unaudited.
10. The year-end reports produced by QuickBooks may vary slightly from the year-end reports provided to the board by Pegasus due to minor accounting adjustments and the need to reclassify certain transactions.

11. Owner accounts are considered past due when they remain open and unpaid 31 days or more after the quarterly due date. As of December 31, 2025, the total past due balance was \$3,920.
12. The balance sheet includes a receivable account (9320 - A/R Bank Adjustment), with a year-end balance of \$16,282. On December 31, 2025, Pegasus Properties made a bank deposit at Fifth Third Bank in the amount of \$16,282. The bank was unable to use the deposit slip that accompanied the deposit. The bank made out a new deposit slip and entered an incorrect account number on the slip. As a result, the deposit was inadvertently posted to the wrong account. The error was discovered by Pegasus Properties and corrected on January 16, 2026.
13. Account #2000-001 (Pool Water Treatment/Testing) in 2025 includes \$4,750 that should have been billed and paid in 2024. The vendor sent an incorrect bill to Pegasus in October 2024. The error was discovered and corrected by Pegasus in March 2025 after the 2024 books were closed. The true expense for this account was \$12,590 in 2025, compared to \$11,750 in 2024.
14. Explanation of account #5000-011 (Previous Electricity ONB). After the transition from PMI Indianapolis to Pegasus Properties, the HOA and Pegasus worked together to identify and secure all HOA bank accounts. Two accounts were located at Old National Bank ("ONB") in Bloomington – one checking account and one savings account. After access was granted to the account by ONB, Pegasus and the HOA determined that the balance in the ONB checking account was \$3,928 less than expected. The difference was presumably due to Duke Energy payments as far back as 2023. These payments were not previously posted to the income statement. The decision was made to post these expenditures to the 2025 income statement under account #5000-011 (Previous Electricity ONB).
15. On January 22, 2026, the HOA board passed the following motion:

Motion to transfer all but \$1,000 from the Old National Bank account to the Fifth Third Bank primary checking account. For accounting purposes, this transfer will move the entire reserve account and all but \$1,000 from the operating account. The remaining balance in the operating account will be moved to Fifth Third Bank and the account closed by December 31, 2026. This will allow any stray transactions to clear.