September 2026 Homeowner Reports

Dear Falcon Heights Homeowners,

Although the September Board of Directors meeting was canceled due to a lack of quorum, the Board still wanted to ensure that homeowners have access to the reports and financial information that would normally have been presented at the meeting.

The following materials are being provided for your information and include:

- Chairmans Report
- Current Financial Reports and Narrative
- Managing Agent Report
- Maintenance Report

We hope these reports provide a helpful update on Association operations, ongoing projects, financial activity, and other matters affecting the community.

If you have any questions, please feel free to call or email the office. We look forward to seeing everyone at our next regularly scheduled Board meeting on **November 12, 2026**.

Chairman’s Community Update September 2026

Dear Homeowners,

As summer begins to wind down, things continue to move along well throughout Falcon Heights. Our landscaping season is beginning to wrap up, and crews have recently completed aerating and fertilizing the lawns throughout the community. As we transition into fall, seasonal landscaping activities will gradually decrease and preparations for the cooler months will begin.

As part of our end-of-season work, we will also be freshening up and repainting the speed bumps throughout the community before the end of the year. We are also looking at replacing several of the trees that had to be removed this year, with the goal of getting new trees planted while seasonal conditions are still favorable.

We are also preparing for Phase Two of the roofing project, with roofing work expected to begin soon. We look forward to continuing the progress that has been made on this important long-term investment in our community.

Financially, the Association continues to remain focused on responsible management of our resources. Collection efforts on several older outstanding accounts have been successful, resulting in the recovery of significant funds owed to the Association and a substantial reduction in our overall accounts receivable balance. We will continue to monitor accounts closely and work to ensure that Association funds are collected, managed, and preserved responsibly.

As we move into the final months of the year, we are also beginning preparations for the 2027 budget process. Over the coming months, we will be reviewing expenses, anticipated needs, and future projects as we develop next year’s proposed budget.

Overall, Falcon Heights continues to move forward in a positive direction. With summer projects winding down, Phase Two of the roofing project preparing to begin, and fall just around the corner, we look forward to a productive and hopefully uneventful remainder of the year.

Thank you to everyone in the community for your continued cooperation and support. We hope everyone enjoys the beginning of the fall season.

Anthony Anghinetti
Board Chairman

Financial Report
September 10, 2026

Financial Overview

The following analysis is provided to give homeowners a clear overview of the Association's financial position as of August 31, 2026. The Association continues to meet its operating obligations, actively pursue outstanding receivables, preserve and invest Association funds, and plan for future expenses and capital needs.

This report is intended to provide additional context to the monthly financial statements and assist homeowners in understanding how Association funds are being collected, managed, invested, and utilized.

Balance Sheet

The Association remains in a stable financial position as of August 31, 2026. Operating Checking ended the month with a balance of **$32,229.26**, providing a healthy operating balance at month-end. Excess operating funds will be transferred to reserves and held for future Association expenditures and projects.

The Association's Wells Fargo Certificate of Deposit matured on **August 19, 2026**, generating **$9,678 in interest income**. Those funds are being reinvested into a new **12-month Certificate of Deposit earning 4.1%**, allowing Association funds not currently needed for operations to continue earning interest.

Prepaid Construction Costs remain at **$970,477.03**, representing funds associated with the ongoing roofing project. Other Balance Sheet accounts remain relatively consistent, with no significant changes requiring additional explanation at this time.

Revenue Analysis

Overall revenue remains stable through August 31. Compared with the same period in 2025, total revenue is down just **0.8%**, while condominium fee collections are approximately **1.5% lower**, primarily reflecting somewhat slower payment activity on routine homeowner accounts.

Compared with the 2026 year-to-date budget, revenue is approximately **$11,000 below projections, or 97.9% of budget**. Late fee and fine revenue is above projections primarily due to the successful recovery of **$8,160.50** from a delinquent account that had been outstanding for approximately three and a half years. The Association also anticipates recovering approximately **$15,000 from another long-outstanding account within the next 30 days**.

Interest income is slightly below projections due to lower CD rates available during the year. Otherwise, revenue categories remain within normal ranges.

Accounts Receivable

Total outstanding accounts receivable as of August 31, 2026 was **$51,227.10**, compared with **$91,289.81** at August 31, 2025. This represents a year-over-year reduction of **$40,062.71, or approximately 43.9%**.

The improvement is primarily attributable to the successful recovery of **more than $50,000 from two significant delinquent accounts associated with foreclosure proceedings**, following extended collection efforts by the Association. In addition, several older delinquent accounts dating back to 2021 continue to make payments, steadily reducing those outstanding balances.

While routine collections have slowed somewhat in recent months, the Association has made substantial progress in reducing its overall accounts receivable balance during the past year.

Administrative Expenses

Year-to-date administrative expenses are **$1,797.29 over budget**. The variance is primarily attributable to slightly higher liability insurance costs and accounting expenses, including a higher-than-anticipated cost for preparation of the Association's financial statements.

Legal expenses incurred year to date totaled **$13,995.25** prior to recoveries. The Association recovered **$3,119.13 in legal costs** associated with the long-outstanding account discussed above, reducing the Association's net legal expense to **$10,876.12**. Legal expenses are currently slightly under budget, although additional legal costs are anticipated during the final quarter of 2026.

Repairs & Maintenance

Year-to-date repairs and maintenance expenses total **$134,138.71**, compared with a budget of **$133,580.00**, resulting in a variance of just **$558.71, or approximately 0.4% over budget**.

This variance is primarily attributable to the **$5,371.35 unplanned replacement of the RV lot fence** earlier in the year. An insurance claim was not filed because the applicable deductible was approximately equal to the cost of the repair, making it more economical for the Association to pay the expense directly.

Despite this unexpected expenditure, other repairs and maintenance categories remain generally within normal budget parameters.

Landscaping Expenses

Year-to-date landscaping expenses total **$15,402.40**, compared with a budget of **$10,400.00**, resulting in a variance of **$5,002.40 over budget**.

The variance is primarily attributable to two items: a **2025 irrigation winterization/closeout expense that was not billed until 2026**, and the necessary removal of several trees that died during the year and presented safety concerns.

These items account for the majority of the landscaping variance and represent either a prior-year expense recognized in the current year or necessary unanticipated tree removal rather than an ongoing increase in routine landscaping costs.

Utility Expenses

Year-to-date utility expenses total **$68,626.85**, compared with a budget of **$67,560.00**, resulting in a variance of **$1,066.85, or approximately 1.6% over budget**.

Utility costs fluctuate based on usage and changing rates and can be difficult to predict precisely. The current variance is relatively minor, and utility expenses remain within normal budget expectations.

Year-to-Date Financial Summary

Total expenses through August 31, 2026 were **$306,067.26**, compared with a year-to-date budget of **$298,317.00**, resulting in a variance of **$7,750.26, or approximately 2.6% over budget**. As detailed above, much of this variance is attributable to identifiable unplanned or timing-related expenses, including the RV lot fence replacement, prior-year irrigation costs, and necessary tree removals.

Year-to-date net income is **$264,468.55**, compared with budgeted net income of **$278,849.00**, a difference of **$14,380.45**. This places the Association at approximately **94.8% of its year-to-date budgeted net income** through August.

Looking ahead to the final quarter, the Association anticipates additional collections from outstanding accounts, while several seasonal expense categories, particularly landscaping, are expected to decline. Based on current trends, management expects the Association's financial position to continue improving through year-end, with the goal of finishing the year at or near projected revenue levels while maintaining careful control of expenses.

Falcon Heights Condominium Assn.
Balance Sheet
As of August 31, 2026

			Aug 31, 26
ASSETS			
Current Assets			
Checking/Savings			
Checking and Savings			
120 · Operating Checking WF		32,229.26	
124 · WF Reserve Savings		5,606.47	
Total Checking and Savings			37,835.73
Investment Accounts			
126 · Investment CDs- TD Ameritrade			
126E · Cash/Cash Alternatives-CDs	1,087.77		
126G · Wells Fargo CD 12 month	209,678.00		
Total 126 · Investment CDs- TD Ameritrade		210,765.77	
Total Investment Accounts			210,765.77
140 · Petty Cash			
141 · HOA Petty Cash		504.14	
142 · Events Committee Petty Cash		526.40	
Total 140 · Petty Cash			1,030.54
600 · Discrepancy Account			755.00
Total Checking/Savings			250,387.04
Accounts Receivable			
800 · Accounts Receivable			-11,740.00
Total Accounts Receivable			-11,740.00
Other Current Assets			
820 · Undeposited Funds			745.00
850 · Market Appr/Depr Investment CDs			-229.70
860 · Pre Paid Construction Cost			970,477.03
Total Other Current Assets			970,992.33
Total Current Assets			1,209,639.37
Fixed Assets			
910 · Furniture & Fixtures			2,658.49
911 · Accum. Depreciation			-14,693.97
912 · Buildings			20,097.50
913 · Land			192,163.92
914 · Building Improvements			-23,580.85
916 · Community Capitol Improvements			178,674.15
917 · Equipment			10,670.00
Total Fixed Assets			365,989.24
Other Assets			
915 · Community Hall Deposits			-200.00
Total Other Assets			-200.00

Falcon Heights Condominium Assn.
Balance Sheet
As of August 31, 2026

	Aug 31, 26
TOTAL ASSETS	**1,575,428.61**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
950 · Accounts Payable	3,695.23
Total Accounts Payable	3,695.23
Other Current Liabilities	
955 · Accrued Expenses	10,135.00
Total Other Current Liabilities	10,135.00
Total Current Liabilities	13,830.23
Long Term Liabilities	
Ghost Ridge Roofing Contract	-125,000.00
Total Long Term Liabilities	-125,000.00
Total Liabilities	-111,169.77
Equity	
1601 · Retained Earnings	1,052,132.33
3000 · 311 - Opening Balance Equity	-3,077,674.44
960 · Reserve	369,900.00
970 · Opening Balance Equity	3,077,771.94
Net Income	264,468.55
Total Equity	1,686,598.38
TOTAL LIABILITIES & EQUITY	**1,575,428.61**

Falcon Heights Condominium Assn.
Profit & Loss
January through August 2026

			Jan - Aug 26
Ordinary Income/Expense			
Income			
4000 · Condominium Fees			540,601.07
4001 · Late Fees Collected			3,428.89
4002 · RV Lot Fees			4,600.00
4003 · Community Hall Rental			600.00
4007 · Transfer Fees			4,200.00
4010 · Interest Income			9,565.97
4013 · Filing Fees			126.42
4018 · Fines Collected			8,125.24
Total Income			571,247.59
Gross Profit			571,247.59
Expense			
1000 · Administrative Expenses			
1001 · Liab. Ins., D&O, Bond		19,578.73	
1002 · Managing Agent Fees		32,000.00	
1003 · Security Gate		3,664.34	
1004 · Postage		191.58	
1005 · Professional Services			
1005a · Legal Fees	10,876.12		
1005b · Accounting Fees	5,000.00		
1005 · Professional Services - Other	50.00		
Total 1005 · Professional Services		15,926.12	
1006 · Merchant deposit fees		11,191.58	
1008 · Fees & Dues		1,152.93	
1010 · Office Supplies		937.58	
1011 · Events		77.30	
1014 · Bank Service Charges		72.80	
1018 · Misc Admin Expense		1,326.33	
1020 · Income Taxes		1,780.00	
Total 1000 · Administrative Expenses			87,899.29
1015 · Reconciliation Discrepancies			0.01
1100 · Repairs & Maintenance Expenses			
1101 · General Repair		3,350.15	
1103 · Maint. Supplies		1,663.99	
1104 · RV Lot Repairs and Maint		5,371.35	
1105 · Buidling Maintenance		867.50	
1106 · Park Maint and Supplies		1,232.55	
1108 · Contract Labor		3,773.17	
1109 · Annual Maint. Contract		117,880.00	
Total 1100 · Repairs & Maintenance Expenses			134,138.71
1200 · Landscape Expenses			
1201b · Upkeep, Fertilizer		4,642.46	
1201c · Alley/Gnrl Cleanup		953.00	
1201d · Irrigation		5,506.94	

Falcon Heights Condominium Assn.
Profit & Loss
January through August 2026

		Jan - Aug 26
1201e · Tree removal/Trim	4,300.00	
Total 1200 · Landscape Expenses		15,402.40
1400 · Utility Expenses		
1401 · Garbage	59,557.28	
1402 · Computer and Internet	3,250.03	
1403 · Gas		
1403a · Gas-Community Center	725.43	
1403b · Gas-Office	437.38	
Total 1403 · Gas	1,162.81	
1404 · Electricity		
1404a · Street Lights	2,899.95	
1404b · Security Gate	311.84	
1404c · Office	418.38	
1404d · Community Center	622.77	
Total 1404 · Electricity	4,252.94	
1405 · Telephone	403.79	
Total 1400 · Utility Expenses		68,626.85
Total Expense		306,067.26
Net Ordinary Income		265,180.33
Other Income/Expense		
Other Income		
1602 · Falcon Heights WSD		0.00
Total Other Income		0.00
Other Expense		
1500 · Capital Improvement Projects		711.78
Total Other Expense		711.78
Net Other Income		-711.78
Net Income		**264,468.55**

Falcon Heights Condominium Assn.
Profit & Loss Budget vs. Actual
January through August 2026

	Jan - Aug 26	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Condominium Fees	540,601.07	552,000.00	-11,398.93	97.9%
4001 · Late Fees Collected	3,428.89	2,800.00	628.89	122.5%
4002 · RV Lot Fees	4,600.00	4,955.00	-355.00	92.8%
4003 · Community Hall Rental	600.00	1,200.00	-600.00	50.0%
4007 · Transfer Fees	4,200.00	4,200.00	0.00	100.0%
4010 · Interest Income	9,565.97	11,131.00	-1,565.03	85.9%
4013 · Filing Fees	126.42			
4018 · Fines Collected	8,125.24	880.00	7,245.24	923.3%
Total Income	571,247.59	577,166.00	-5,918.41	99.0%
Gross Profit	571,247.59	577,166.00	-5,918.41	99.0%
Expense				
1000 · Administrative Expenses				
1001 · Liab. Ins., D&O, Bond	19,578.73	19,080.00	498.73	102.6%
1002 · Managing Agent Fees	32,000.00	32,000.00	0.00	100.0%
1003 · Security Gate	3,664.34	3,760.00	-95.66	97.5%
1004 · Postage	191.58	100.00	91.58	191.6%
1005 · Professional Services				
1005a · Legal Fees	10,876.12	16,000.00	-5,123.88	68.0%
1005b · Accounting Fees	5,000.00	0.00	5,000.00	100.0%
1005 · Professional Services - Other	50.00			
Total 1005 · Professional Services	15,926.12	16,000.00	-73.88	99.5%
1006 · Merchant deposit fees	11,191.58	11,070.00	121.58	101.1%
1008 · Fees & Dues	1,152.93	1,350.00	-197.07	85.4%
1010 · Office Supplies	937.58	805.00	132.58	116.5%
1011 · Events	77.30	690.00	-612.70	11.2%
1014 · Bank Service Charges	72.80	147.00	-74.20	49.5%
1018 · Misc Admin Expense	1,326.33	1,100.00	226.33	120.6%
1020 · Income Taxes	1,780.00			
Total 1000 · Administrative Expenses	87,899.29	86,102.00	1,797.29	102.1%
1013 · Investment Mgt Fees	0.00	675.00	-675.00	0.0%
1015 · Reconciliation Discrepancies	0.01			
1100 · Repairs & Maintenance Expenses				
1101 · General Repair	3,350.15	4,000.00	-649.85	83.8%
1102 · Painting	0.00	1,500.00	-1,500.00	0.0%
1103 · Maint. Supplies	1,663.99	3,400.00	-1,736.01	48.9%
1104 · RV Lot Repairs and Maint	5,371.35	1,000.00	4,371.35	537.1%
1105 · Buidling Maintenance	867.50	800.00	67.50	108.4%
1106 · Park Maint and Supplies	1,232.55	1,000.00	232.55	123.3%
1107 · Snow Removal	0.00	2,000.00	-2,000.00	0.0%
1108 · Contract Labor	3,773.17	3,200.00	573.17	117.9%

Falcon Heights Condominium Assn.
Profit & Loss Budget vs. Actual
January through August 2026

	Jan - Aug 26	Budget	$ Over Budget	% of Budget
1109 · Annual Maint. Contract	117,880.00	116,680.00	1,200.00	101.0%
Total 1100 · Repairs & Maintenance Expenses	134,138.71	133,580.00	558.71	100.4%
1200 · Landscape Expenses				
1201b · Upkeep, Fertilizer	4,642.46	4,000.00	642.46	116.1%
1201c · Alley/Gnrl Cleanup	953.00	900.00	53.00	105.9%
1201d · Irrigation	5,506.94	2,000.00	3,506.94	275.3%
1201e · Tree removal/Trim	4,300.00	3,500.00	800.00	122.9%
Total 1200 · Landscape Expenses	15,402.40	10,400.00	5,002.40	148.1%
1400 · Utility Expenses				
1401 · Garbage	59,557.28	60,000.00	-442.72	99.3%
1402 · Computer and Internet	3,250.03	1,280.00	1,970.03	253.9%
1403 · Gas				
1403a · Gas-Community Center	725.43	580.00	145.43	125.1%
1403b · Gas-Office	437.38	430.00	7.38	101.7%
Total 1403 · Gas	1,162.81	1,010.00	152.81	115.1%
1404 · Electricity				
1404a · Street Lights	2,899.95	2,920.00	-20.05	99.3%
1404b · Security Gate	311.84	400.00	-88.16	78.0%
1404c · Office	418.38	790.00	-371.62	53.0%
1404d · Community Center	622.77	760.00	-137.23	81.9%
Total 1404 · Electricity	4,252.94	4,870.00	-617.06	87.3%
1405 · Telephone	403.79	400.00	3.79	100.9%
Total 1400 · Utility Expenses	68,626.85	67,560.00	1,066.85	101.6%
Total Expense	306,067.26	298,317.00	7,750.26	102.6%
Net Ordinary Income	265,180.33	278,849.00	-13,668.67	95.1%
Other Income/Expense				
Other Income				
1602 · Falcon Heights WSD	0.00			
Total Other Income	0.00			
Other Expense				
1500 · Capital Improvement Projects	711.78			
Total Other Expense	711.78			
Net Other Income	-711.78			
Net Income	**264,468.55**	**278,849.00**	**-14,380.45**	**94.8%**

Managing Agent Report – September 10, 2026

Administrative & Financial Operations

Routine administrative and financial operations continue as normal, including accounts receivable and payable, homeowner billing, collections, account reconciliation, vendor payments, and general Association correspondence and recordkeeping.

Tree Removal & Replacement

Two pine trees that declined and died rapidly over the past month were removed and the stumps ground. These are among approximately five to six trees lost throughout the community over the summer.

We are currently identifying replacement trees and anticipate purchasing and planting them within the next 30 days, weather permitting. With seasonal nursery pricing now available, we hope to take advantage of end-of-season sales while also getting the new trees established before colder weather arrives.

2027 Budget Planning

Preliminary work has begun on the Association’s 2027 budget. This includes reviewing year-to-date and prior-year expenditures, analyzing expense trends and areas where actual costs have differed from projections, and identifying anticipated operating and capital needs for the coming year.

This analysis will be used to develop financial forecasts and establish realistic budget requirements for 2027. During the final quarter of 2026, anticipated for November or December, a homeowner Budget Committee will be formed to review the preliminary budget and provide input and recommendations.

Following that review, the proposed 2027 budget will be finalized for presentation to the Board in January.

Respectfully submitted,

Samantha Mitchell
Managing Agent

Facilities & Maintenance Report

HOA/Community: Falcon Heights**. Reporting Period**: July-August

Prepared By: Paul Montieth - Facilities Management Contractor

Date Submitted: 09/10/2026

Distribution: Board of Directors and Community Members

1. Executive Summary

During the reporting period, the Facilities & Maintenance team completed routine upkeep and corrective repairs across common areas, addressed resident-reported issues, and advanced planning for upcoming projects. Notable highlights include. Lawns were aerated, fertilized and seeded. Normal maintenance continues as scheduled. No major projects or issues to report.

We continue to work diligently on overall site conditions. The crew continues to complete tasks to maintain safety, appearance, and function of the HOA common areas.

2. Open Items and Follow-Up Needed

The following items remain in progress or require additional time, parts, vendors, scheduling, or approvals:

None

3. Upcoming Projects and Planned Work (Next 30-90 Days)

- Repainting of speed bumps
- Clean up of Alleys
- Brush and tree limb trimming
- Fall Leaves

4. Safety, Compliance, and Risk Notes

Items observed or addressed that relate to resident safety, liability reduction, or compliance:

- **Hazards Corrected**: None needed correction.
- **Hazards Pending:** None
- Sign-Off

Submitted By: Paul Montieth Facilities Contractor