

3 Chisolm HOA Q3 Board Meeting

Meeting commenced at 5:00 p.m. EST on September 8, 2025

This meeting was conducted via Zoom.

Board Members Present:

Darren Marshall - President
Amy Hutchens - Vice President
Gary Zuar - Treasurer
Jeff Fackler - Secretary

Board Members Not Present:

Agha Babanouri - Member at large

Property Owners Present:

There were no property owners present.

Tommy Knisley - Chisolm Property Manager

Old Business:

President Darren Marshall called the meeting to order at 5:03 p.m. EST.

Q2 Board Meeting Minutes were brought for approval or revisions by Secretary Jeff Fackler. There were no revisions made to the minutes presented. Darren Marshall motioned to approve the minutes. Gary Zuar seconded the motion. The minutes were approved.

New Business:

Financials:

Gary Zuar, Treasurer, provided the financial update. The below summary along with the July 2025 financial statement was distributed to all residents via email by Tommy Knisley on September 7th, 2025.

The financial statements include a balance sheet and the statement of operating results through July 31, compared to our Operating Budget.

The key highlights are as follows:

1. An operating profit of \$51K was generated, which was \$47K better than expected. As reported previously this is a result of an insurance settlement received in February and some timing differences.
2. Total operating expenses were \$20K favorable to budget.

There are some timing differences that will reverse by year end, however the initial outlook is that we will generate an approximate \$30K surplus by 12/31/25.

3. This is significant, because it will eliminate the operating fund equity deficit on the Balance Sheet, indicating continued improvement in our financial condition.

4. Cash in the Operating and Reserve Fund was \$36K and \$213K, respectively.

5. The Reserve Fund increased in 2025 due to the Special Assessment received on January 1, and the Exit/Transfer fees received to date.

We Budgeted \$81K to be spent on capital improvements for 2025. This was comprised of \$35K improvements in the Gym Building and \$46K for the Main Building.

Most of the \$34K spent to date was for the Gym Building. The Main Building improvements will be more than the \$46K budgeted, due to an unforeseen expenditure of \$50K for balcony repairs.

We will carefully manage our capital improvements over the next 3 years to insure we meet our 10 year financial plan projections and comply, within reason, to the Reserve Study. The certainty of an additional \$200K of Reserve Funding in 2026 and 2027 will allow for flexibility in managing our capital needs.

6. The Equity in the Operating and Reserve Fund is currently \$28K and \$225K, respectively.

We will continue to keep all residents apprised of our financial condition in a responsive and transparent manner.

As has been our practice, we have revised our 10 year financial projections with current information and approved changes from the original plan.

This includes, Special Reserve Fund Assessments in 2025-2027 of \$11,100 per resident and a projected second assessment in 2031-2033. This will be assessed and will need to be approved at that time.

It also includes approved Regime Fees with 3% inflation and increased exit/transfer fees.

The overall impact of the 10 Year Financial Plan is to responsibly deal with the capital needs of the Community in accordance with the Reserve Study and to address all operating expenses. As previously mentioned, the plan does not include the impact of the potential replacement of the Main Building Roof, which will be reassessed in Q4 of 2025.

The Total equity of the Operating and Reserve Fund will be approximately \$537K at the conclusion of the 10 year plan in 2035. This is less than the original plan and was due to the final changes made to the original assumptions.

Nonetheless, this still represents 40% of full Reserve Funding, a significant improvement to our current funding levels.

We will be preparing our 2026 Operating Budget in the coming weeks and will be prepared to discuss at the remaining Board meetings of 2025.

The updated 10 Year Operating and Capital Plan with budget sheets was also distributed to all residents by Tommy Knisley via e-mail on 9/7/2025.

Assumptions:

- This Plan revises the previous plan reviewed in November 2024 to include the final recommendations of residents and the Board
- Baseline established utilizing 2024 Actual Financial Results and 2025 Budget
- This includes 2025 increase in Regime Fees to \$1,450 and Special Reserve Fund Assessment of \$11,100 over 3 years or \$3,700 annually

- This also includes approved increases in Storage Fees and Exit/Transfer Fees
- Projections for 2026-2035 include 3% increase in Regime Fees and 3% increase in operating expenses for inflation
- Storage and Parking Fees remain constant over the 10 year period
- Capital Expenditures based on the 2023 Reserve Study
- Exit/Transfer Capital Contributions remain constant at \$44K per year reflecting 2025 increases
- Special Assessments to fund the capital expenditures of \$11,100 per resident are included in 2025-2027 and 2031-2033
- Investment income is not included in the plan to be conservative
- Results show Operating equity will grow approximately \$11,000 per year with a cumulative balance of \$95,000 in 2035
- Reserve Fund equity will increase to \$442,000 in 2035 after funding \$765,000 of Capital expenditures over the 10 year period
- Combined equity totals \$537,000, which is lower than the original plan, but still a significant improvement from our current financial condition
- This Plan will be assessed annually and revisions will be made as necessary
- A reminder, consistent with the previous plan, the potential cost of a new roof or continued future work on the foundation are not included in this Plan
- The Board will assess all information as it becomes available and keep all residents apprised

Risks:

- The increased Exit/Transfer Fees are less than the \$44K annually assumed in this Plan
- Expense inflation increases are greater than 3% annually (however regime fees would increase accordingly)
- Capital expenses need to be frequently assessed, including the careful attention on the roof and foundation funding

President update: Darren Marshall

There were no new matters presented.

Board Meeting Schedule for the remainder of 2025. Locations TBD. Zoom TBD if required. Communication will be made to all residents prior to meeting for location or method.

Q4: Monday, 12/8/2025 5:00 p.m. EST

The meeting was adjourned at 5:35 p.m.