

# LaSolana Operating Budget and Reserve Fund

- LaSolana has two sources of funding – an **Operating Budget** and a **Reserve Fund**.
- The **Operating Budget** is used for **recurring costs** -- utilities, maintenance, supplies, personnel expenses, and administration.
- The **Reserve Fund** is used for **non-recurring capital expenses** such as new roofs, pavement, lighting, painting, etc.
- The **Operating Budget** is an **annual budget** – it resets each year. Reserve Funds **carry over** from year to year.
- Monthly **homeowner assessments** provide almost 100% of contributions to both Operating and Reserve Funds. Other contributions include CARE fees, clubhouse rental fees, and interest.
- **28%** of our **2023 homeowner assessments** go to the Reserve Fund, **72%** to the Operating Budget.
- Reserve Fund contributions in 2023 are budgeted at **\$328,000**. Planned Reserve expenses are **\$400,000**.
- Annual increases in our **Homeowner Assessments** have averaged **3.9%** from 2013 to 2023. The 2023 increase was **8.1%** due to inflation.