



To Our SDCEA Homeowners,

At the open session board meeting on November 18th, the Board of Directors approved the 2026 Operating Budget, Reserve Plan, Capital Plan, User Fees, and related assessment adjustment effective January 1, 2026. The new monthly assessment will be \$195.00.

This budget is the result of months of analysis and collaboration between our Director of Financial Operations, Department Managers, and the Budget Development Committee. Our assessments are calculated as the sum of three main components: 1. Operating Expenses, 2. Reserve Funding for the repair, replacement, or renovation of existing assets, 3. Capital Funding for new improvements.

The increase in assessments is largely due to an increase to our reserve funding. This has been the process recommended by the Board and management. We also are experiencing increases in our daily operating expenses. We strive to provide a fair and accurate budget that is based on trends and actual financial data that are our best represent our expected expenses and revenues.

Like your personal home budgets and businesses, we too are experiencing inflationary pressures and impacts from tariffs. We are adding funds to the reduction of vegetative fire fuel around the community. Our program to reduce fire fuel has been extremely important for the safety of the community and has had a great impact on our insurance rates for the year. It is money well spent.

Our Budget Development Committee, made up of fellow homeowners, our Treasurer and one other Board Member spent many hours in preparation for a week long meeting in which they carefully reviewed and scrutinized each line item of the draft budget. At the end of the week, the committee unanimously approved the draft that was sent to the Board proforma. As a group, they balanced the needs of the operation, the need for reserve expenditures, reasonable revenue targets, and user fees with the needs of the homeowners and the monthly assessment. Overall, the committee, management and the Board of Directors are focused on financial health and long term sustainability of San Diego Country Estates Association.

You are able to view a summary of the budget by logging in to your owner portal, selecting Shared Documents and Budget 2026. For more details you can email execsec@sdcea.net.

Thank you, SDCEA