REPORTS

Treasurer's Report

PARKFAIRFAX CONDOMINIUM UNIT OWNERS ASSOCIATION

Board Financial Report

Period Ended June 30, 2026 | Month 1 of Fiscal Year 2026–2027

Summary

This report presents the Association's financial position for June 2026, the first reporting month of the new fiscal year. Because only one of twelve budget months has elapsed, comparisons to the full annual budget are not yet meaningful; this report focuses on the current-month actual-to-budget results, the balance sheet, and cash and reserve positions. Key headline figures for the month:

- Total Assets: $12,287,678, including $10,222,972 in combined operating & reserve cash & investments.
- Operating results: total income of $1,081,526 exceeded budget by $7,298; total expenses and reserve contributions of $1,139,333 exceeded budget by $65,102.88, driven primarily by two large contract postings.
- Net Operating result: a deficit of $57,807.85, compared to a budgeted near-breakeven result of $3.00.
- Replacement Reserve balance: $11,351,903, after $313,711 in capital project spending.
- Owner delinquencies of $473,944 represent 3.82% of budgeted annual assessment income, see note below.
- $145,672 was received from the IRS – we are expecting a refund from the Commonwealth as well.

Operating Fund – Income Statement vs. Budget (June 2026)

Since June is the first month of the fiscal year, the current-month and year-to-date columns are identical. The table below summarizes results by major category:

Category	Actual	Budget	Variance
Total Income	$1,081,526.03	$1,074,228.00	$7,298.03
Utilities	$193,298.62	$190,055.00	($3,243.62)
Contracts	$235,222.80	$115,332.00	($119,890.80)
Repair & Maintenance	$51,311.32	$61,747.00	$10,435.68
Personnel	$211,154.50	$251,045.00	$39,890.50
Professional Services	$14,469.16	$14,591.00	$121.84
Administrative Expenses	$26,256.33	$27,124.00	$867.67
Taxes & Insurance	$57,260.10	$75,675.00	$18,414.90
Reserve Transfers	$323,245.00	$323,245.00	$0.00
Interest Transfers	$27,116.05	$15,417.00	($11,699.05)
Total Expenses & Reserve Transfers	**$1,139,333.88**	**$1,074,231.00**	**($65,102.88)**
Net Excess/(Deficit)	**($57,807.85)**	**($3.00)**	**($57,804.85)**

Drivers of the Unfavorable Expense Variance

- Painting Contract – $126,501.12 actual vs. $20,417.00 budget (($106,084.12)). Per management, this reflects a deposit invoice from Williams Professional for the Ward 3 painting project rather than a recurring monthly cost and should level out over the remaining months of the contract.
- Pool Management Contract – $38,800.00 actual vs. $16,125.00 budget (($22,675.00)). Management notes this includes the July pool management invoice, paid early; it will be adjusted out of July's actuals.
- Tree Removal and Pool Repairs/Maintenance were also over budget for the month (($11,282.00) and ($13,686.92), respectively), reflecting unplanned tree work and pool cleaning-equipment purchases.
- Offsetting favorable variances in Personnel ($39,890.50) and Taxes & Insurance ($18,414.90) were primarily timing-related (open positions/benefits enrollment, and insurance/tax accruals not yet due) and are expected to normalize as the year progresses.
- Interest Transfers were ($11,699.05) over budget for the month. The scheduled Reserve interest contribution of $15,417.00 was under-earned by $1,300.95, and an additional, unbudgeted $13,000.00 transfer of operating account interest to Reserves was posted during the month.

Cash & Investment Position

Combined operating and reserve cash and investments totaled $10,222,972.13 at month-end. All deposit accounts are held at FDIC-insured institutions; per the cash analysis, coverage extends beyond standard limits at several of the Association's banking relationships.

- Operating checking (NCB): $109,928.74, up $95,339.95 from the prior month's $14,588.79.
- Three certificates of deposit totaling $730,000.00 are held with BMW Bank and Optum Bank (4.65%) and Valley National Bank (4.15%), with staggered maturities of June 2026, December 2026, and June 2028.
- Operating cash has been volatile over the trailing six months, ranging from a high of approximately $1.94 million in January to a low of approximately ($90,773) in April, before recovering to $110,429 by June. The Board may wish to ask management for context on this swing, including the timing of large disbursements and reimbursements between the Operating and Reserve funds.

Notable Items and Risks

- Delinquent Assessments – Total owner delinquencies of $473,944.00 equal 3.82% of budgeted annual assessment income ($12,394,611.00), exceeding the 3% level generally regarded as an early indicator of potential cash-flow strain. The Board should monitor the aging of these receivables and confirm collection procedures are being actively pursued.
- Insurance Renewals – The Association's Accident Workers' Compensation policy expires soonest, on November 1, 2026. The Commercial, Excess, Crime, and Commercial Fleet policies all renew April 1, 2027.
- Prepaid Owner Balances – Current and prior-management prepaid assessment balances total $251,548.00. Management recommends the Board consider an escheatment policy for prepaid credit balances outstanding more than five years where refund checks have gone uncashed.

Prepared from the June 2026 comparative balance sheet, income statement, reserve income statement, fund balance sheet, cash analysis, financial analysis, variance analysis, and general ledger provided by FirstService Residential.