



LARMAC

**FY 2026-2027 MASTER
BUDGET OVERVIEW**

BUDGET OVERVIEW

Each year, the association's volunteer Board of Directors performs a very careful review of the past year's expenses and income to best project the amount to collect from each member in the upcoming fiscal year.

When reviewing the budget, the Board considers several factors such as recurring contract costs, inflation, utility usage and rates, insurance, and appropriate reserve contributions (savings) each month to pay for repair, restoration and/or replacement of common area components as needed.

Did you know?

85% of the assessment funds operating expenses and 15% funds reserve (savings for the future) expenses.



4,000 + ACRES, ENDLESS MAINTENANCE RESPONSIBILITIES



Landscape & Tree Maintenance

Approximately 850 acres of irrigated landscaping plus fuel modification zones; nearly 40,000 trees throughout the community.



Trail Maintenance

17+ miles of hiking trails, including the Sienna Botanica Trail.



Basin Maintenance

Sienna Botanica Riverine System and the Horno Basin.



Pool Maintenance

13 pools, including 2 wading pools, 2 lap pools and one spa.



Irrigation & Turf Maintenance

591 miles of irrigation pipe, 1,600 miles of irrigation wire, & 280 irrigation controllers; 160 acres of turf, including parks and sports fields



Common Area Maintenance

26 playgrounds and parks, 4 clubhouses, 1 dog park, 1 skate park, 1 sports park, 2-disc golf courses, nine-hole putting course & five-hole practice green, etc.



Security Patrol Services

Protecting LARMAC assets.



Water Park Maintenance

Newly renovated and open Memorial Day weekend – mid-September 2026, fully staffed, reservable picnic areas and cabanas, snack bar, games, night swim events, etc.

FY 2026-2027 ASSESSMENT

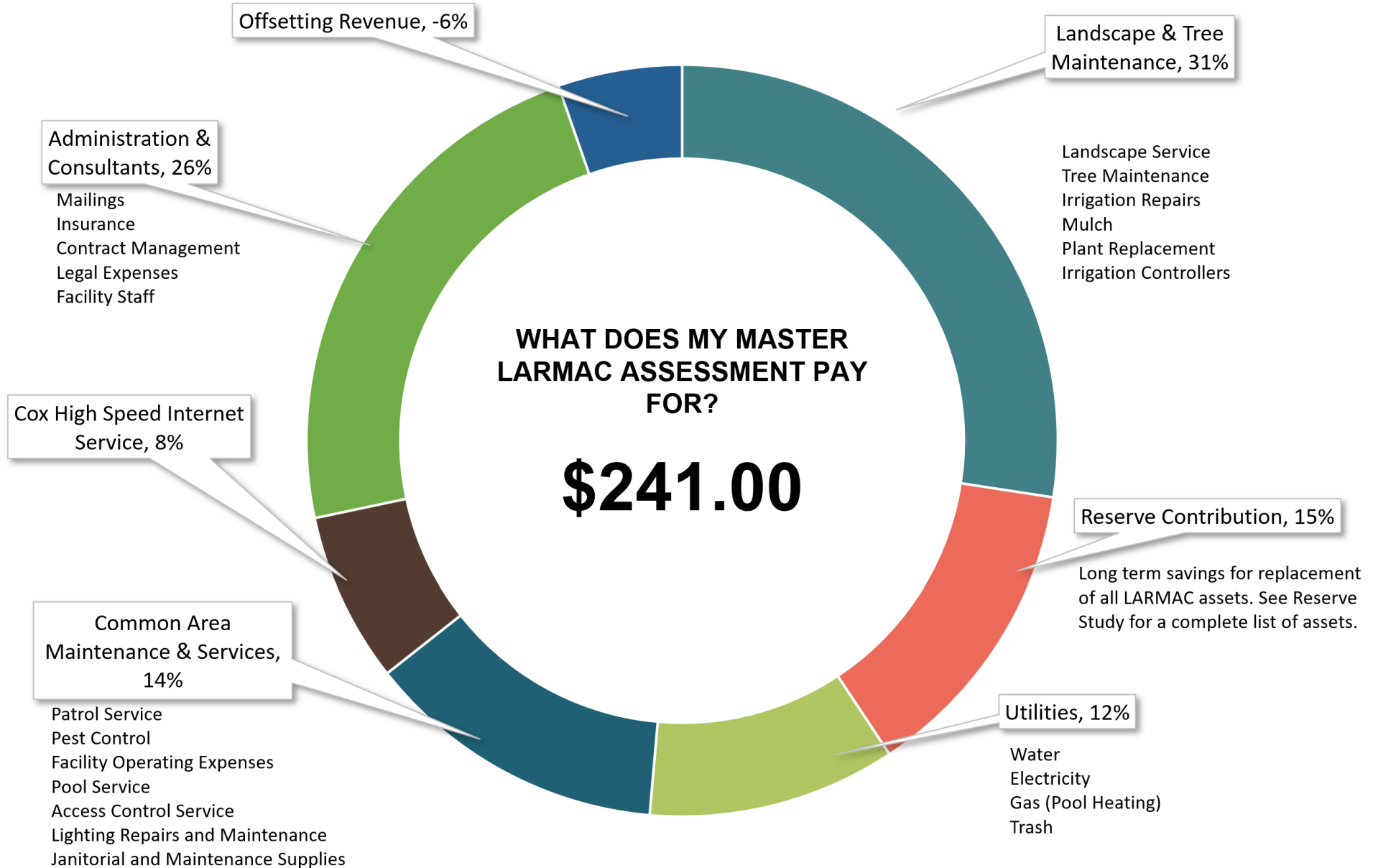
\$241.00

Monthly assessment increase effective June 1, 2026

Assessment increase – 4.3%

WHAT DOES MY MASTER
LARMAC ASSESSMENT PAY
FOR?

\$241.00



REVENUE OVERVIEW

REVENUE MIX

Revenue from monthly assessment makes up 94% of all revenue, LARMAC does receive revenue from other sources.

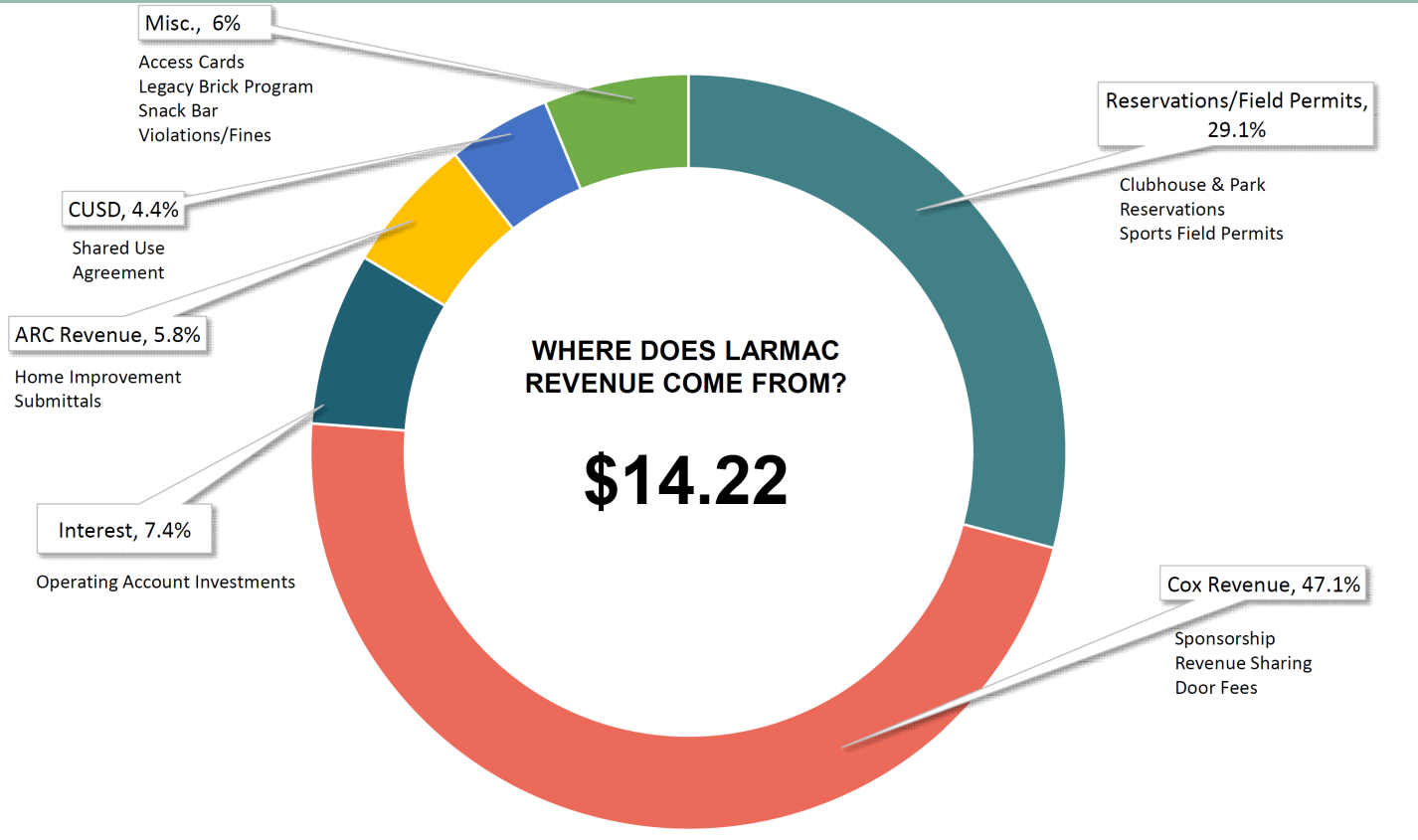
COX REVENUE

In the 2022 Resident Satisfaction Survey, 67% of residents said the Cox bulk internet service was a great value.

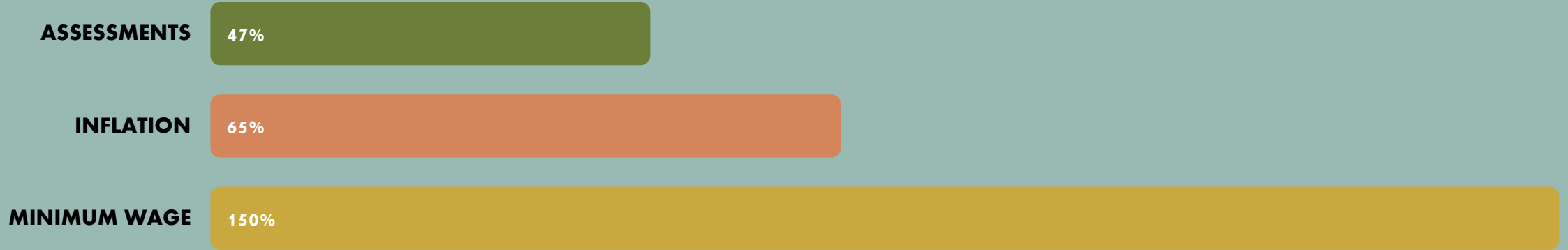
In 2024, LARMAC renegotiated that contract resulting in lower monthly rate and a significant bump in revenue to help offset expenses.

2025 REVENUE FUN FACTS

- 2,123 facility reservations (clubhouses, water park cabanas and picnic shelters, and parks)
- Approximately \$125,000 from Sports Field Permits
- Over \$7,000 from the Terramor Water Park snack bar



20-YEAR COMPARISON (2006–2026)



Assessment increases are well below inflation and minimum wage increases

01

ASSESSMENTS

Increased only 47% over 20 years — less than 2% per average increase year.

02

INFLATION

Up 65% over the same 20-year period — an average annual increase of 2.54%

03

MINIMUM WAGE

Up 150% over the same period — directly impacting LARMAC operations.

BUDGET & ASSESSMENT INCREASE DRIVERS - OPERATING

OPERATING BUDGET FY₂₀₂₆₋₂₀₂₇



Insurance Premiums

221% increase over last year due to multiple claims = \$387,000.



Contracted Services

Contract increases, primarily ranging from 1-4% for contracts such as patrol service, landscape/tree maintenance, and staffing.



Water

Anticipating a 10% increase from SMWD.

BUDGET & ASSESSMENT INCREASE DRIVERS - RESERVES

FY 2026-2027 RESERVE FUNDING CONTRIBUTION

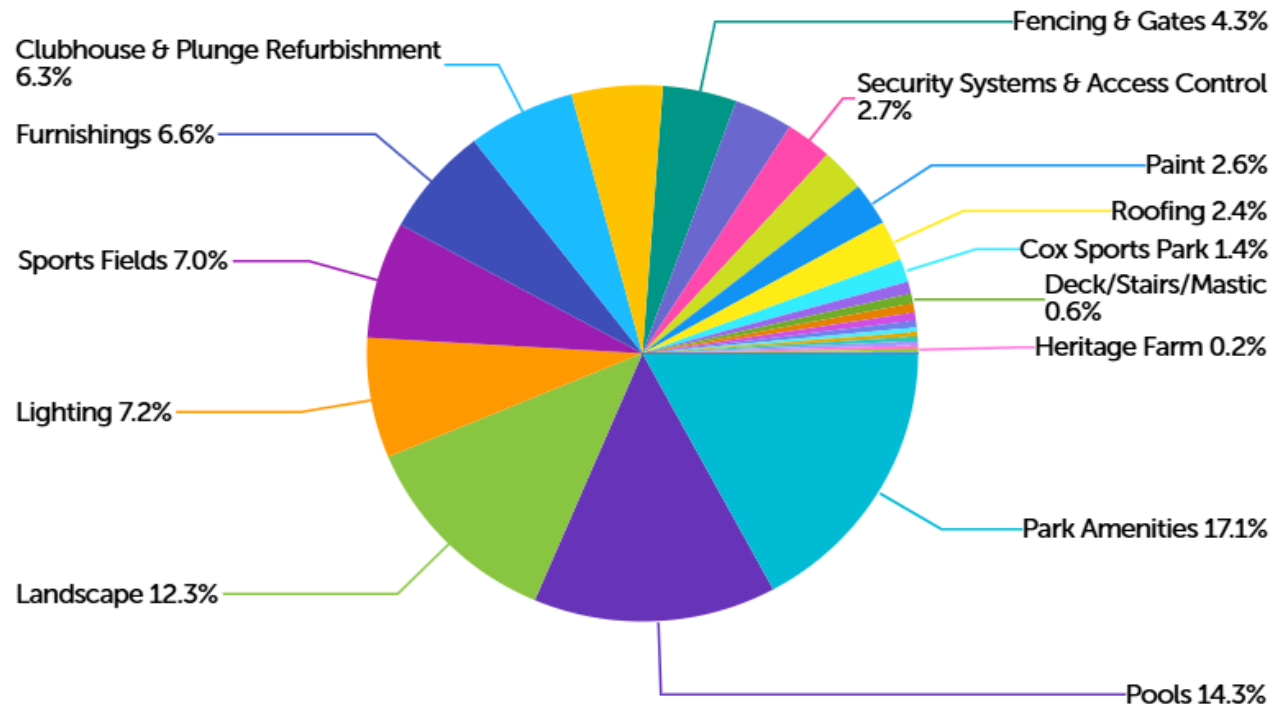
\$35.99

This is LARMAC's "savings" account used to repair, replace and improve community assets as detailed in the Reserve Study.

The reserve contribution represents 15% of the overall monthly assessment.

Reserve Contribution increase – 2.5%

LARMAC MASTER FY 26-27 RESERVE STUDY & RESERVE FUND OVERVIEW



\$9,765,324

Starting Reserve Balance

\$3,110,904

Contributions to Reserve

\$30,464,970

Current Replacement Cost

59%

Percent Funded

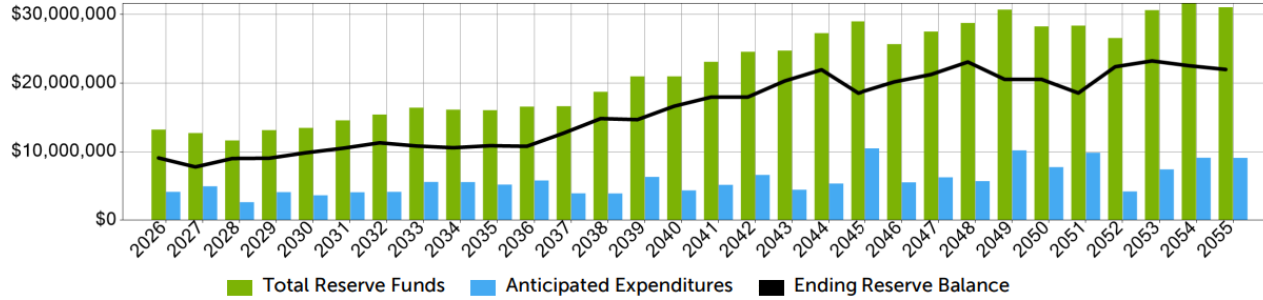
Approved FY 2027 Plan

Variable Annual Increase Funding Model

LARMAC - Master

Units: 7,236 | Start Date: 6/1/2026

This plan represents first-year reserve contribution of \$3,125,100 or \$35.99 monthly per unit and incorporates the following variable annual increases in funding: 7% in years 1-5, 4% in years 6-10, 2% in years 11-30. If maintained, this plan will meet all anticipated expenditures as they occur over the projected 30 years. If designated future year increases are not maintained the association may be unable to meet all future expense requirements. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all funding goals and expectations are being met.

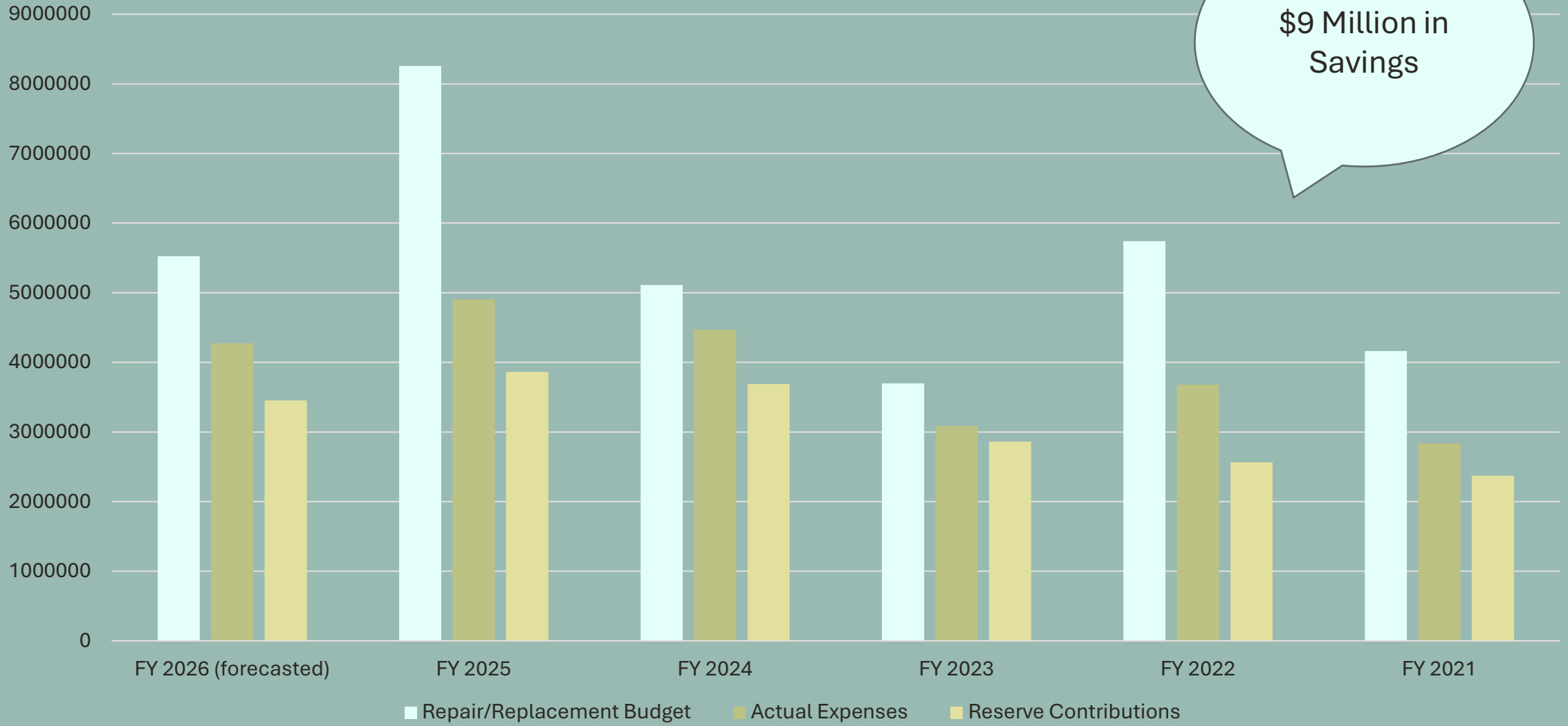


Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Ending Percent Funded
Duration: 5 years			Rate of Annual Reserve Contribution Increases: 7.00%			Additional Funds To Reserves: \$0.00			
2026-2027	\$3,125,100	\$35.99	\$9,765,324	\$324,140	\$13,214,564	\$4,133,452	\$9,081,112	\$16,955,221	54%
2027-2028	\$3,343,857	\$38.51	\$9,081,112	\$289,748	\$12,714,718	\$4,949,030	\$7,765,688	\$16,575,624	47%
2028-2029	\$3,577,927	\$41.21	\$7,765,688	\$288,341	\$11,631,956	\$2,632,660	\$8,999,296	\$18,518,549	49%
2029-2030	\$3,828,382	\$44.09	\$8,999,296	\$310,276	\$13,137,954	\$4,096,916	\$9,041,038	\$19,137,215	47%
2030-2031	\$4,096,369	\$47.18	\$9,041,038	\$324,699	\$13,462,106	\$3,624,203	\$9,837,903	\$20,263,001	49%
Duration: 5 years			Rate of Annual Reserve Contribution Increases: 4.00%			Additional Funds To Reserves: \$0.00			
2031-2032	\$4,383,114	\$50.48	\$9,837,903	\$349,677	\$14,570,694	\$4,077,388	\$10,493,306	\$21,085,276	50%
2032-2033	\$4,558,439	\$52.50	\$10,493,306	\$374,659	\$15,426,404	\$4,135,944	\$11,290,460	\$21,946,497	51%
2033-2034	\$4,740,777	\$54.60	\$11,290,460	\$380,373	\$16,411,610	\$5,586,073	\$10,825,537	\$21,474,121	50%
2034-2035	\$4,930,408	\$56.78	\$10,825,537	\$367,927	\$16,123,872	\$5,557,084	\$10,566,788	\$21,157,082	50%
2035-2036	\$5,127,624	\$59.05	\$10,566,788	\$368,619	\$16,063,031	\$5,197,265	\$10,865,765	\$21,345,182	51%
Duration: 20 years			Rate of Annual Reserve Contribution Increases: 2.00%			Additional Funds To Reserves: \$0.00			
2036-2037	\$5,332,729	\$61.41	\$10,865,765	\$372,321	\$16,570,815	\$5,788,767	\$10,782,049	\$21,076,690	51%
2037-2038	\$5,439,383	\$62.64	\$10,782,049	\$404,050	\$16,625,482	\$3,914,898	\$12,710,584	\$22,882,734	56%
2038-2039	\$5,548,171	\$63.90	\$12,710,584	\$473,577	\$18,732,332	\$3,907,813	\$14,824,519	\$24,907,746	60%
2039-2040	\$5,659,135	\$65.17	\$14,824,519	\$507,324	\$20,990,978	\$6,318,217	\$14,672,761	\$24,671,491	59%

LARMAC MASTER FY 26-27 RESERVE STUDY & RESERVE FUNDING PLAN OVERVIEW

Incremental increases built in to help offset inflation as well to help maintain “healthy” funding levels year after year.

Reserve Expenditures – YOY Budget vs. Expenses



COST-SAVING MEASURES IMPLEMENTED

OPERATIONAL EFFICIENCY



In-House Skilled Labor

Approximate savings of over \$350,000 over the past few years.



Irrigation System and Reduced Overseeding Program

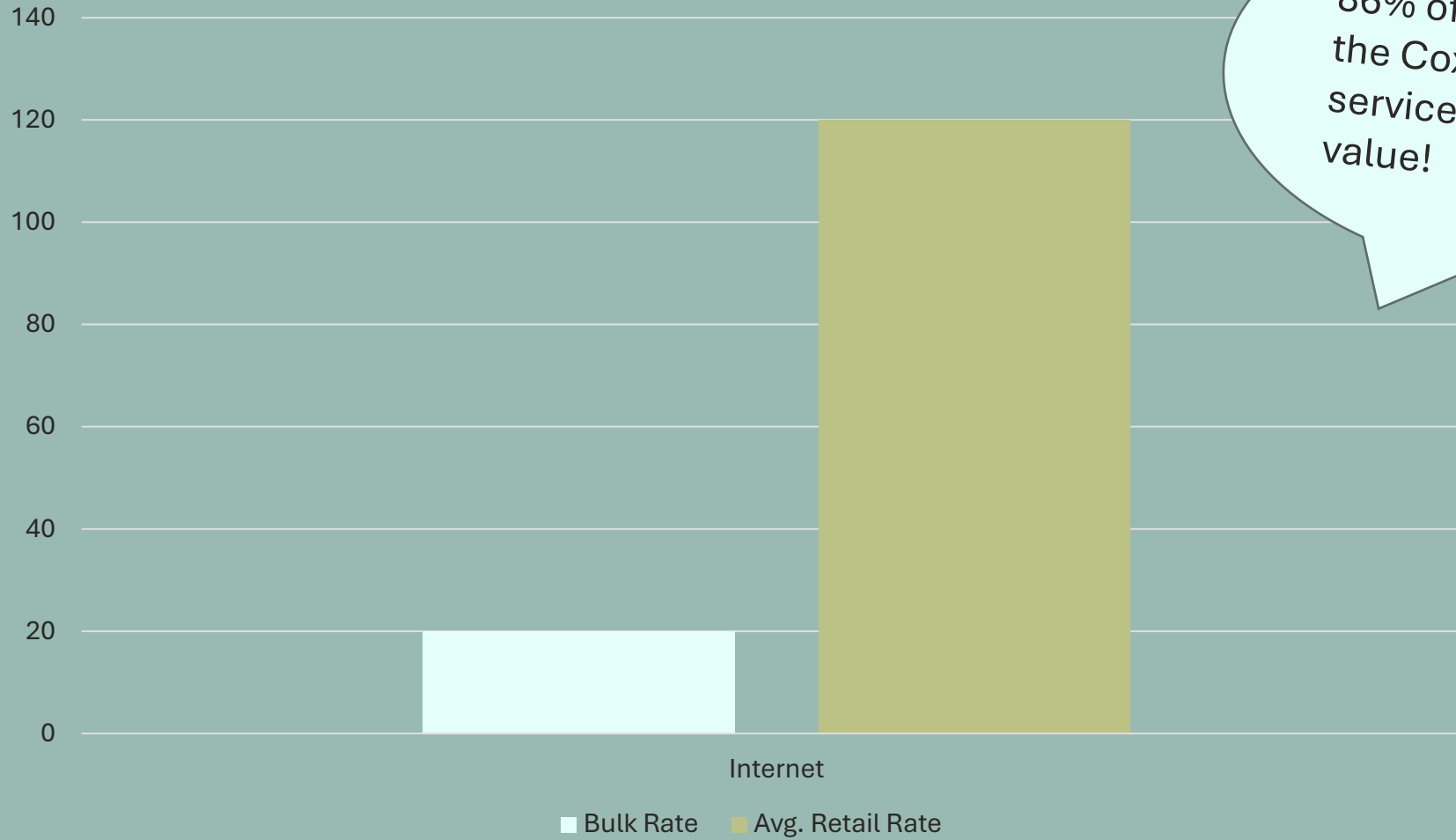
Rainy seasons help but we're also doing our part to reduce water consumption by reducing overseeding programs.



SMWD Rebate Projects

Antonio Parkway – Converted 21,000 sq. ft. of turf to a low-water use plant palette & conversion of 50,000 sq. ft. of spray irrigation to drip irrigation.

Delivering Savings to Homeowners from Cox Bulk Internet Agreement



86% of residents say the Cox bulk internet service is a GREAT value!

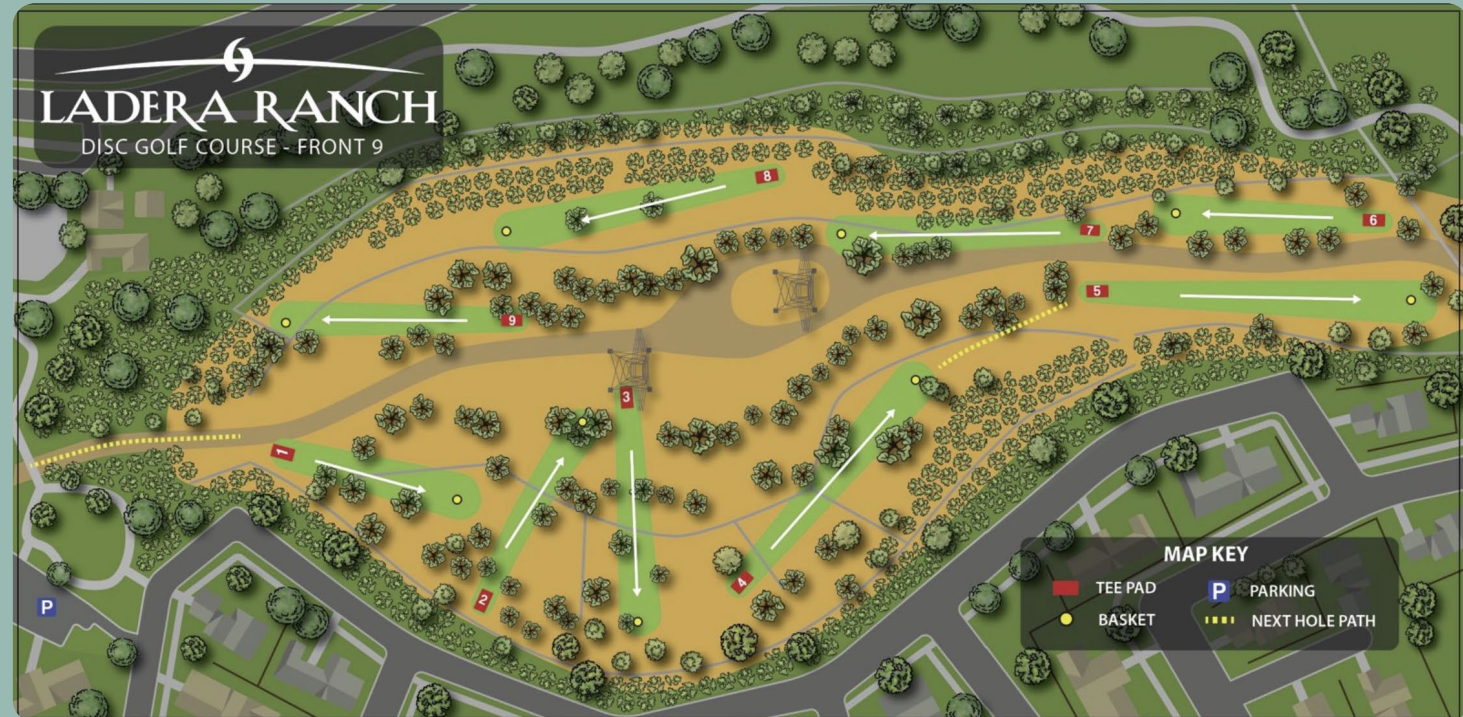
YOUR HOA AT WORK – RECENTLY COMPLETED PROJECTS

CAPITAL IMPROVEMENT PROJECTS

- Four (4) New Pickleball Courts - Funded by LARCS; future maintenance/repairs funded by LARMAC
- New ½ Court Basketball Court – Funded by LARCS; future maintenance/repairs funded by LARMAC
- 9 - Hole Disc Golf – Funded by LARCS; future maintenance/repairs funded by LARMAC
- Additional Projects:
- AED units at clubhouse facilities and Cox Sports Park
- Four (4) Reservable Cabanas at the Terramor Aquatic Park and Snack Bar
- Surveillance cameras at multiple facilities

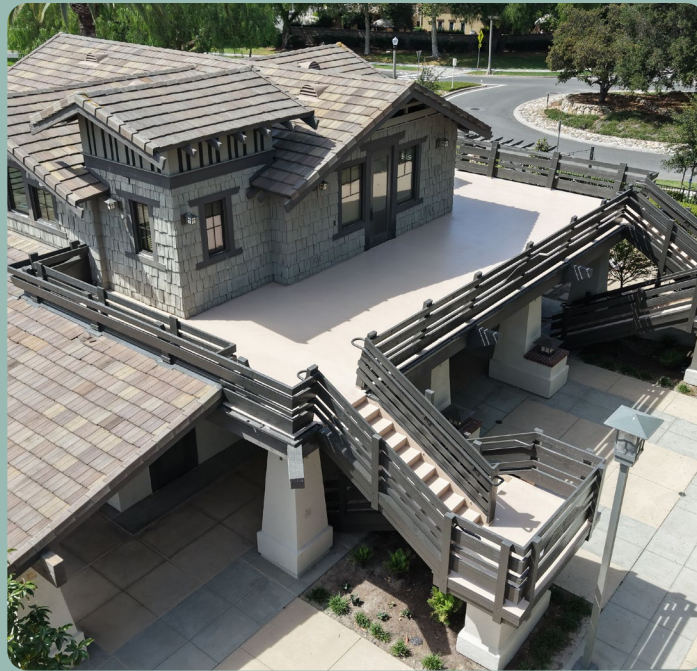


Fun Fact:
22,882 sport court reservations in 2025!



RESERVE PROJECTS

- Oak Knoll Village Club – Deck and Stairs Replacement
- Multiple Painting Projects Across Facilities – Avendale Village Club, Terramor Paseo, Oso Grande Park, and Oak Knoll Paseo
- Trellis Replacement and Painting Throughout the Community
- Acacia Removal and Landscape Improvement Projects
- Plunge Restroom Remodel
- New Clubhouse and Plunge Pool Signage
- New reservable amenity – Creighton Plunge Workspace
- Mission Hills Park – Nine-hole putting course, five-hole practice green and lawn games, new playground surface and structure, etc.
- New Exercise Equipment along Sienna Botanica Trail



RESERVE PROJECTS

- Terramor Aquatic Park - New structure with slides, restroom and shower renovation, new furnishings, games,
- Cox Sports Park Field #4 Artificial Turf
- Covenant Hills Tennis Court Refurbishment - Chain-link fencing, court resurfacing, painting, net and windscreen replacement, powder coated furnishings, etc.
- Resurface Flintridge Village Club Tennis Court
- Magnolia Lawn at the Oak Knoll Village Club
- Neighborhood Pocket Park Improvements
- Replaced Clubhouse and Plunge Pool Signage
- Pool Furniture Replacement
- Playground Shade Sail Replacement
- Light Pole Replacement
- Concrete Furnishings Replacement



RESERVE PROJECTS



REINVESTING IN LADERA RANCH - UPCOMING PROJECTS

Recent investments have focused on reimagining amenities, extending the useful life of key assets and improving the resident experience. Survey data shows 92% of residents LOVE it here and we want to keep it that way!



Cox Sports Park Artificial Turf Field Replacement

Last season, 2,331 players from AYSO, MLFF, and adult soccer leagues used the field, in addition to residents who enjoy passive, non-permitted use throughout the year.



Heritage Farm

Converting a community garden to a community farm to serve more residents in a variety of ways.



Oak Knoll Village Club Renovation

Interior renovation, replace furniture and TV, upgrade AV system, new flooring, and overall modernization without losing the original Craftsman design.



Flintridge Village Club Phase 2 Renovation

BBQ replacement, patio hardscape expansion, landscaping improvements and minor interior renovation.

A COMMITMENT TO BEST PRACTICES IN LADERA RANCH – THE PLACE WE CALL HOME



Resident Satisfaction Surveys

LARMAC uses surveys to improve the overall resident experience and to understand what why residents live here and what residents want.

Keep an eye out for the 2026 survey coming soon!



Reimagined Amenities

Survey feedback helps guide renovations to revitalize clubhouses, pools, playgrounds, landscapes, parks, etc.



Tree City USA

The first non-city to be awarded the designation further recognizing urban forest management and the importance of trees in Ladera Ranch.



Firewise USA – In Progress

Oak Knoll and Bridgepark Villages are certified, with additional villages to follow by the end of 2026.