Dear Neighbors,
Prairie Crossing's fourth decade as a conservation community comes with many challenges. But thanks to the responsible stewardship of the association over the past three deacdes, our neighborhood is in a strong financial position. With continued careful planning and the involvement of our entire neighborhood, we can continue to live in accordance with our guiding principles and live in a place we can all be proud of.

The Board of Directors is pleased to present a draft budget for review by the homeowners for the 2027 fiscal year. Please see our note below and view the draft budget on the HOA website or the Foster Premier website. A copy will also be mailed to your home.

If you have comments or questions, please email board@pchoa.com and our property manager at propertymanager@pchoa.com.

Thank you for your engagement on this important topic,

PCHOA Board of Directors

Highlights of the 2027 Draft Budget
You are invited to review the entire document, but the board would like to highlight the following changes and planned improvements to the association's common property for next year:

- Assessments will remain flat for 2027 at $410 per quarter.
- The proposed 2027 operating budget decreased slightly from 2026, reflecting a combination of reductions where they could be made, contracted increases, expected impact of inflation, and increases to some line items aligned to board priorities.
- In 2027, operating expenses are projected to increase by approximately $24,000, offset by a lower reserve contribution compared to 2026.
- Notable changes to the operating and reserve budgets include:
    - Lake Management - operating budget increase to return to the practice of having a qualified Lake Manager, estimated cost is $15,000. This change away from volunteer management was recommended by our Lake Management Committee.
    - Environmental Management - The operating budget for our Environmental Management contracted hour was increased by 25% to represent a full year's worth of hours. Additionally, there is a $101,000 reserve project to remove long-standing invasive species in common areas that is above and beyond the regular maintenance of our prairies. This project will be a big step in eliminating encroaching threats to our prairie.
    - Storage Shed – The budget provides $24,000 for the purchase and future siting of a dedicated storage shed. This will allow the association to consolidate two rented storage areas and consolidate HOA property generously stored on various homeowner's property.
- Reserve projects planned for 2027 from the Reserve Study:

- Replacement of two playgrounds in the Station Village area, and planning for replacement of the Tennis Court playground in 2028
- Refreshing of the Station Village gazebo
- Continued improvement of Association trails
- Planning and implementation of Village Green tree rehabilitation/replacement

Board and Finance Committee notes on reasoning for proposed 2027 operating and reserve budget, and flat assessments

The board is committed to thoughtful, informed decisions to meet our fiduciary responsibilities to the HOA, balancing short-term needs and long-term, sustainable financial health.
This includes:

- Keeping up with inflation and recommended reserve contributions to avoid future double-digit catch-up assessment increases like we had the last two years to reach an adequate operating budget. The current association operating budget is meeting the needs of the community, although continuing upward pressure from rising labor costs and inflation is anticipated.
- The association spent less than expected in 2026 in operating expenses and reserves due to (in part) fewer legal costs, reduced pricing on burns and fence repairs, some lower-priority lake projects not completed, delayed playground projects due to scheduling, and better-than-expected condition of association trails.
- Two years of success with the new approach to lake management and a forthcoming proactive Lake Management Plan gives the board increased confidence that a large lake dredging project will not be necessary in the foreseeable future.

Balancing short- and long-term asset management is more challenging for Prairie Crossing than other associations due to the association's large, expensive natural assets, which can be unpredictable. The Board is therefore managing reserves carefully to be prepared for commensurate large, unexpected expenses.
That will be accomplished with a new Reserve Study. The current reserve study predicted replacement costs prior to recent record inflation and anticipated a large dredging project for Lake Leopold. Thanks to the work of our volunteers, committees, and contractors, there is a better understanding of those needs.
A new Reserve Study will be conducted to update guidance and more realistic costs for reserve funding and provide fresh input to the 5-year budget plan. This new reserve study will be better informed by PC-specific information from our Land Management and Lake Management reports, the comprehensive playground inspection, a Village Green tree audit, and other inputs we identify.

Thank you to all of the volunteers and community members who have given their input into creating this approved draft budget. In accordance with our declarations and covenants, homeowners have 30 days to review the included draft budget prior to board adoption.