



COVER NOTE TO MEMBERS – BUDGET, LEVY AND EQUITY OVERVIEW

Dear Members,

As part of presenting the 2026/2027 financial year budget, we provide the following overview of key year-on-year proposed changes in the Base Levy, Capital Reserve Levy, and the Association's Total Equity position after having regard to the movement in the different Capital Reserves.

1. Levy Income – Year-on-Year Increase

The year-on-year adjustment ensures that rising operational costs, municipal tariff changes, staffing requirements and estate maintenance obligations can be sustainably managed.

2025/2026	Current Base Levy	R3319
2026/2027	Proposed Base Levy	R3541
Increase year-on-year		6.7%

There is no increase in the Village Defined Levy for the 2026/2027 financial year, as the current levy level is deemed adequate to fully provide for the services rendered by the external contractor.

2. Capital Reserve Levy – Year-on-Year Increase

The year-on-year increase supports ongoing reserve strengthening to ensure that long-term infrastructure renewals and estate asset lifecycle requirements remain funded at responsible levels.

2025/2026 Current Capital Reserve Levy	R280
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OUNBAAI HOMEOWNERS ASSOCIATION EXTRAORDINARY GENERAL MEETING 2026

2026/2027 Proposed Capital Reserve Levy	R310
Increase year-on-year	10,8%

3. Total Equity – Year-on-Year Movement

The Association's Total Equity reflects the cumulative effect of the operating surplus after tax and transfers to and from reserves.

Total Equity at 28 February 2026	R 54,676,402
Budgeted Total Equity at 28 February 2027	R 55,851,371
Budgeted increase	R 1,174,969

This improvement demonstrates continued financial resilience and a positive strengthening of reserves. However, a more detailed view of the adequacy of the Association's reserves will be obtained during the new financial year in consultation with a professional external firm of advisors who specialise in the field.

Should members require additional detail, the full budget schedules and reserve allocations follow in the EGM pack and remain available at the HOA Office for review.

Kind Regards,

Oubaai Homeowners Association