

Budget Overview 2027

2026 Highlights

YTD August undadjusted net income \$145k

Operating cash of \$160K

No outstanding accounts receivable

Stayed true to 2026 budget: No capital commitments thus far

Total reserve funds now over \$1.5 million including interest.

Reserve contributions YTD of \$100K against FY target of \$176K

Certificate of Deposit Account Registry Service (CDARS) established for Bldg and Pier Reserves

Expense controls have allowed for unplanned landscaping projects (tree trimming and bushwacking)

Relationship established with CMA CFO. We received \$250 good faith cash refund in June.

2026 Remaining open items

Hurricane season still open

Ongoing litigation. Potential to bleed into 2027

Financial reporting needs improvement on quality (timing and accuracy).

Awaiting quotes on Road paving, signage, sidewalk and pier repairs. Will impact 2027.

Meet or exceed targets for reserve funds

Budget Overview 2027

Master HOA fees of \$117 have not been raised since 2024 (3 years)

Cumulative inflation rate from December 2023 itd July 2026 is 7.86%

CMA has kept both revenues and expenses in their proposed budget flat year to year.

CMA has made some trade-offs and underestimated some line items (depreciation and COGS transmitters)

CMA management fee increasing 5% year over year

Proceed with pier, roadway and sidewalk repairs in 2027

At suggestion of 5 HOA Presidents, raise rates to \$135. (15%)

Goal would be to keep rates steady for another 3 years (2027-2029)

Replenish reserve funds and keep our neighborhood safe and beautiful

The \$50 monthly assessment remains in place (covered in the \$135)

Risks:

Always the threat of natural disaster

Depletion of reserves when we proceed with repaving of roads, sidewalks and piers.

Goal would be to keep rates steady for another 3 years (2027-2029)

Unknown end date of current lawsuit with Scratch

2027 Expense Analysis

CMA Proposed 2027 Fees	\$627,588
Transponder Sales	\$3,000
Misc Income	\$3,100
 Total Revenue per CMA	 \$633,688
 Total Expense per CMA	 \$633,688
 Less G&A (target reserve)	 \$172,948
 Operating Expenses	 \$460,740

Add in: Increases or omissions per Treasurer analysis

Depreciation expense if we spend \$1.5M in April 2027	\$75,000
Depreciation expense - current RR is \$1513	\$6,652
Cost of Goods Sold - Transponders	\$3,000
Income Taxes	\$800
Insurance increase	\$500
	\$546,692

If no fees are raised:	
Revenue- HOA Fees only	\$627,588
Misc Revenue	\$6,100
Expense	\$546,692
 Net Operating Income	 \$86,996

	2026 Reserve Budget		Revised Reserve Target numbers	2027 Reduction
Roadway Reserve	\$ 129,497.00	73.6%	\$64,055	(\$65,442)
Boardwalk	\$ 34,332.00	19.5%	\$16,982	(\$17,350)
Building Reserve	\$ 12,046.00	6.8%	\$5,959	(\$6,087)
Total	\$ 175,875.00	100.0%	\$86,996	(\$88,879)

Operating Expense	\$546,692
Reserve Expense	\$86,996
Total	\$633,688
Gap to HOA Fees	\$0
 Per homeowner	 \$0

2027 Depreciation Expense Impact - No raise in fees

Depreciation expense:		
	Monthly	Annual
Current Run rate	\$1,513	\$18,152
Gross Asset value	\$1,500,000	Taken from Reserve accounts
Divided by 180 months	\$8,333	
Current plus new rate	\$9,846	
Annual number - current plus new		\$118,152
Current FY Run Rate for 2027		\$18,152
Roadway/Pier new cap April 1, 2027		\$75,000
Total depreciation expenses 2027		\$93,152
Total depreciation expenses 2028		\$118,152
Target Reserve		\$86,996
Shortfall		\$31,156
Per lot owner		\$70
Per month		\$6

Revenue Analysis for 2027 Budget

	2027 Budget
HOA Fees submitted	\$627,588
Proposed at \$135 per month	\$724,140
Plus transponder and Misc.	\$6,100
Total revenues	\$730,240
Revised Expense budget	\$546,692
Net income from operations	\$183,548
Target reserve contributions	\$150,000
Net income after reserve	\$33,548

Year to Year budget change

GL CODE	Account Name	2026 Budget	2027 Budget	YTY Change	YTY Pct
3000	Annual Dues	\$627,588.00	\$724,140.00	\$96,552.00	15%
3240	Transponder Sales	\$3,000.00	\$3,000.00	\$0.00	0%
3295	Misc Income	\$3,100.00	\$3,100.00	\$0.00	0%
	Total Income	\$633,688.00	\$ 730,240.00	\$96,552.00	15%
2400	Cost of goods sold- transponders	\$0.00	\$3,000.00	\$3,000.00	
4010	Insurance GL/DO/Prop	\$15,000.00	\$16,500.00	\$1,500.00	10%
4020	Management Fees	\$47,255.00	\$49,617.80	\$2,362.80	5%
4030	Legal Fees	\$50,000.00	\$50,000.00	\$0.00	0%
4040	Office and Admin CMA	\$2,300.00	\$2,400.00	\$100.00	4%
4048	Office Supplies/Printing	\$1,000.00	\$750.00	-\$250.00	-25%
4102	Income Tax -Federal	\$9,200.00	\$9,800.00	\$600.00	7%
4103	Income tax - State	\$2,000.00	\$2,200.00	\$200.00	10%
4155	Acctg fees for TRs &1099	\$1,500.00	\$715.00	-\$785.00	-52%
4450	Website	\$1,000.00	\$1,000.00	\$0.00	0%
4500	Office Rental	\$7,200.00	\$7,200.00	\$0.00	0%
4550	Office Computer Software	\$200.00	\$200.00	\$0.00	0%
4999	Provision for Bad Debt Expense	\$2,808.00	\$0.00	-\$2,808.00	-100%
4451	General Administrative Expense	\$175,875.00	\$150,000.00	-\$25,875.00	-15%
	Total Administrative	\$315,338.00	\$293,382.80	-\$21,955.20	-7%
4800	Other Landcaping Svcs	\$6,000.00	\$6,000.00	\$0.00	0%
5030	Landscape Contract	\$71,500.00	\$72,306.00	\$806.00	1%
5060	Pine Straw Mulch	\$17,000.00	\$17,500.00	\$500.00	3%
5130	Irrigation Repairs Supplies	\$10,000.00	\$10,000.00	\$0.00	0%
	Total Landscaping	\$104,500.00	\$105,806.00	\$1,306.00	1%
7070	Guardhouse Repair and Maintenance	\$3,000.00	\$3,600.00	\$600.00	20%
7073	Maintenance Gate	\$4,000.00	\$4,000.00	\$0.00	0%
7074	Maintenance Repair Boardwalk	\$3,000.00	\$3,000.00	\$0.00	0%
7089	Maint. General Repair	\$1,500.00	\$1,500.00	\$0.00	0%
7305	Pest Control	\$500.00	\$500.00	\$0.00	0%
7369	Depreciation Expense	\$11,500.00	\$93,151.68	\$81,651.68	710%
	Total Repairs and Maintenance	\$23,500.00	\$105,751.68	\$82,251.68	350%
7430	Controlled Access	\$157,350.00	\$159,151.04	\$1,801.04	1%
8000	Utilities Electricity	\$25,000.00	\$25,000.00	\$0.00	0%
8020	Utilities Water/Sewer	\$1,800.00	\$1,400.00	-\$400.00	-22%
8050	Utilities Internet Service	\$6,200.00	\$6,200.00	\$0.00	0%
	Total CA plus Utilities	\$190,350.00	\$191,751.04	\$1,401.04	1%
	Total Operating Expenses	\$ 633,688.00	\$ 696,691.52	\$ 63,003.52	10%
	Net operating income with reserve target	\$ -	\$ 33,548.48	\$ 33,548.48	11%

Current RR is 18,151.68

	No increase	With increase
2027 Reserve Targets	\$86,996	\$150,000
Roadway Reserve Target	\$64,055	\$110,445
Reserves Boardwalk Target	\$16,982	\$29,281
Reserves Building Target	\$5,959	\$10,274
2027 Reserve Target	\$86,996	\$150,000

Reserve Funding Expenses- Contributions

	Actuals 2022	Actuals 2023	Actuals 2024	Actuals 2025	YTD August Actuals 2026	Target 2026	Growth 2022-2026
Roadway	\$ 30,000	\$ 374,256	\$ 285,139	\$ 137,017	\$ 100,000	\$ 129,497	\$ 926,412
Boardwalk	\$ 15,000	\$ 14,920	\$ 16,734	\$ 52,250	\$ -	\$ 34,332	\$ 98,904
Capital Fund		\$ (3,200)					\$ (3,200)
Buildings			\$ -	\$ 27,667	\$0	\$ 12,046	\$ 27,667
Totals	\$ 45,000	\$ 385,976	\$ 301,873	\$ 216,933	\$ 100,000	\$ 175,875	\$ 1,049,782
HOA Fees	\$ 407,937	\$ 716,460	\$ 673,920	\$ 650,754	\$ 418,392	\$ 627,588	\$ 2,867,463
E/R Percent	11%	54%	45%	33%	24%	28%	37%

	Balance Sheet				YTD August	Growth
	2022	2023	2024	2025	2026	2022-2026
Roadway	\$525,317	\$797,747	\$1,077,886	\$1,221,757	\$1,364,442	\$839,125
Boardwalk	\$28,200	\$43,189	\$59,923	\$107,695	\$107,857	\$79,657
Interest			\$37,765	\$42,856	\$ 24,322	\$104,943
Building				\$11,239	\$ 11,248	\$11,248
Totals	\$553,517	\$840,936	\$1,175,574	\$1,383,547	\$1,507,869	\$954,352
Contributions exceeded growth						\$95,430
Reserve spending:						
Gate Access						
Roads/Sidewalks						
2025 Income taxes						
Guardhouse painting and roof repairs						
						\$ -

Risks and opportunities for 2027

Risks

Natural Disaster - no hurricanes since 2020

Extended and or potential new litigation

Depletion of Roadway and Pier reserve funds

Opportunities:

Legal dispute settlement

Defer on road paving and pier repair (bathroom exception).

Raise fees to help replenish reserve funds.

Treasurer's Note: (Opinion)

Roads should be repaired in 2027 as it would be 4 years since assessment was made

All HOA's should be prepared for fee increase in 2027. Charges have held firm since 2024.

[illegible]