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Eagle Pointe Shores

BUDGET DISCUSSION

Presented by:
Jason Lopez
EPS Treasurer

14 November 2024

Budget BLUF (*Bottom Line Up Front*)

- ▶ Expenses that have historically exceeded budget¹:
 - ▶ Court Costs
 - ▶ Professional & Legal Fees
 - ▶ Annual Grounds Contract
 - ▶ Postage & Printing
- ▶ 2023 Taxes were an anomaly due to the sale of property
 - ▶ 100% of property sale profits were deposited in Reserve Account
 - ▶ Should have earmarked ~30% to Operating account to account for taxes
 - ▶ Suspended monthly Reserve contributions in June 2024 to account for 2023 Federal & State taxes within the Operating account
- ▶ Brownstone management fees may dramatically increase in 2025
- ▶ Insurance costs will increase in 2025

DIFFICULT BUDGETARY DECISIONS WILL NEED TO BE MADE FOR 2025

¹ Criteria = more than 2 years of exceeding annual budget

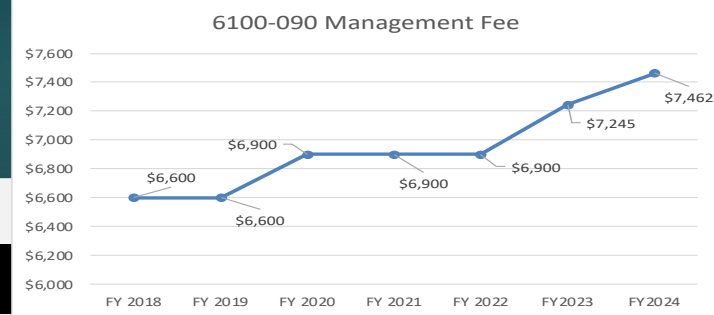
Draft 2025 Budget

Eagle Pointe Shores Homeowners Association

PROPOSED 2025 Budget

146 Paying Lots @ \$800

	ACTUALS 2023	Actuals To Date 2024 FY 2024	2024 Budget \$800 Lot	2025 DRAFT \$800 Lot
4500-000 Income From Assessments	\$116,800.00	\$116,800	\$116,800	\$116,800
Less Delinquency (12 Lots)	-\$9,600.00	-\$9,600	-\$9,600	-\$9,600
TOTAL INCOME	\$123,587	\$107,200	\$107,200	\$107,200
Administrative Expenses				
6100-010 Postage & Printing & Supplies	\$435	\$108	\$500	\$500
6100-020 Court Costs	\$5,631	\$1,332	\$6,000	\$4,000
6100-030 SCC/ CIC Annual Reports	\$105	\$0	\$250	\$250
6100-040 Professional & Legal Fees	\$2,942	\$8,748	\$2,250	\$2,250
6100-080 Voluntary Contribution to other Assoc.	\$700	\$700	\$700	\$700
6100-090 Management Fee	\$7,245	\$6,218	\$7,462	\$9,000
6100-100 Bank Charges	\$10	\$10	\$50	\$50
6100-110 Insurance	\$1,842	\$2,357	\$1,600	\$2,500
6100-120 Taxes (Federal & State)	\$647	\$28,700	\$500	\$500
6100-121 Taxes - Real Estate	\$806	\$728	\$825	\$825
6100-130 Web-Site Maintenance	\$497	\$0	\$497	\$497
Total Administrative Expenses	\$22,625	\$48,902	\$20,634	\$21,072
Common Area Maintenance				
6201-010 Annual Grounds Contract	\$26,300	\$25,300	\$26,000	\$26,000
6201-021 Additional Grounds	\$0	\$0	\$1,000	\$1,000
6201-060 Snow Removal and Ice Treatment	\$0	\$0	\$2,000	\$2,000
Total Common Area Maint.	\$26,300	\$25,300	\$29,000	\$29,000
Other Common Area Expenses				
6300-010 Common Area General Repairs & Maintenance	\$125	\$0	\$1,700	\$1,700
6300-061 Common Area Entrance Gate Maint/Repairs	\$0	\$316	\$800	\$800
Total Other Common Area Expenses	\$125	\$316	\$2,500	\$2,500
Utilities				
6700-100 Electricity	\$470	\$400	\$550	\$550
Total Utilities Expenses	470	\$400	\$550	\$550
Reserve Contribution	\$54,000	\$54,000	\$54,000	\$54,000
SUBTOTAL EXPENSES	\$103,520	\$128,918	\$106,684	\$107,122
SUBTOTAL CASH FLOW	\$20,067	-\$21,718	\$516	\$78



Historically, these have **not** been adequately budgeted

- Fee increase = ~20.6%
- Historical increase = ~3.0 - 4.5%
- Recommended Budget = \$7,800 (~4.5%)

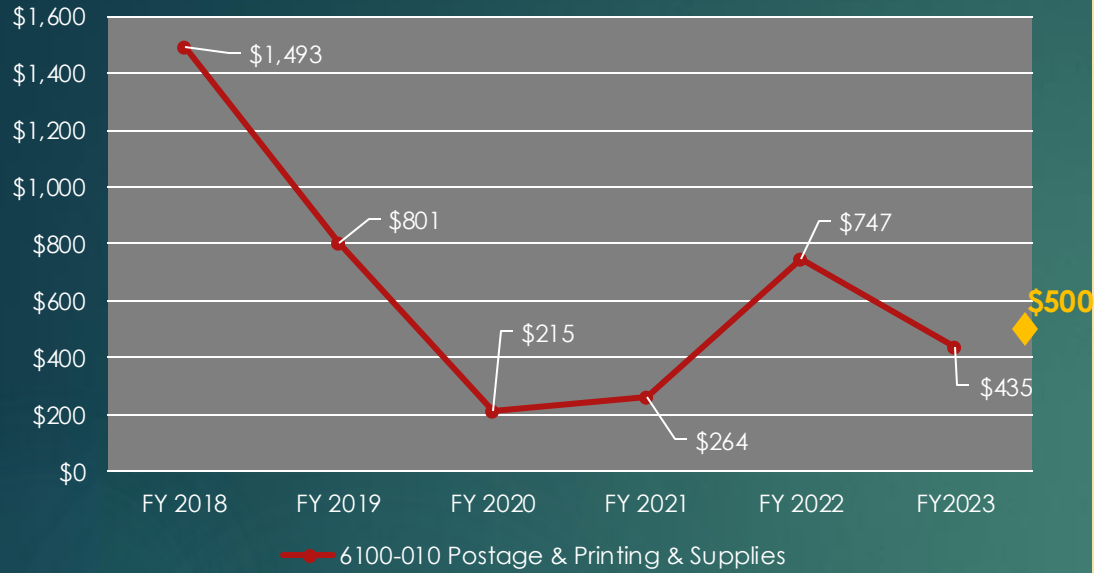
Insurance increase

Keeping taxes to historical norms

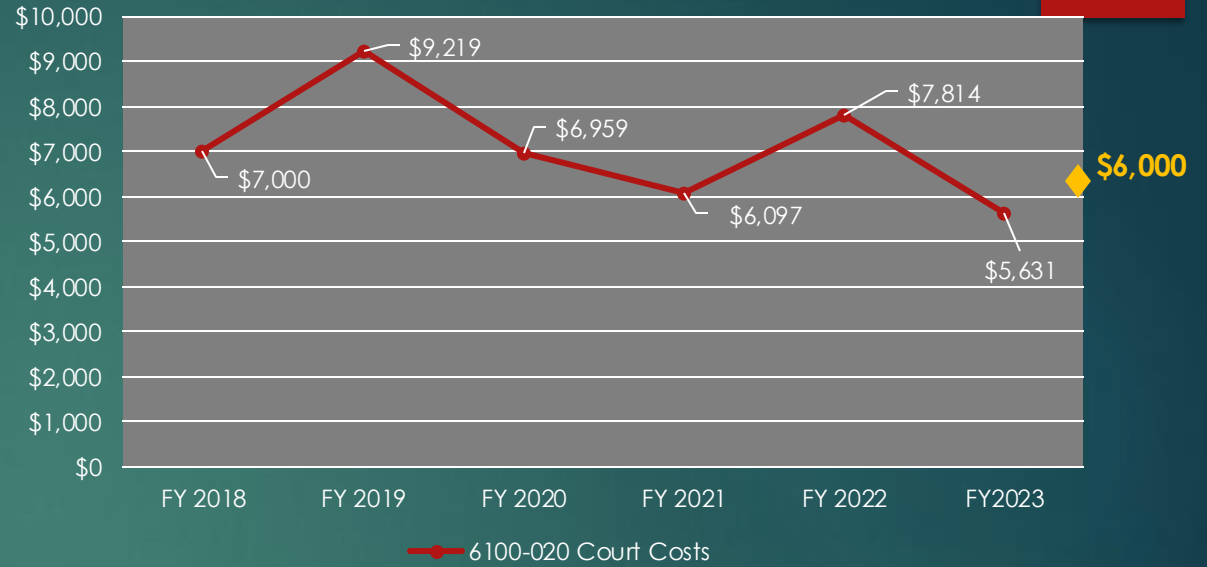
Not much of a margin

Historical Performance to Budget

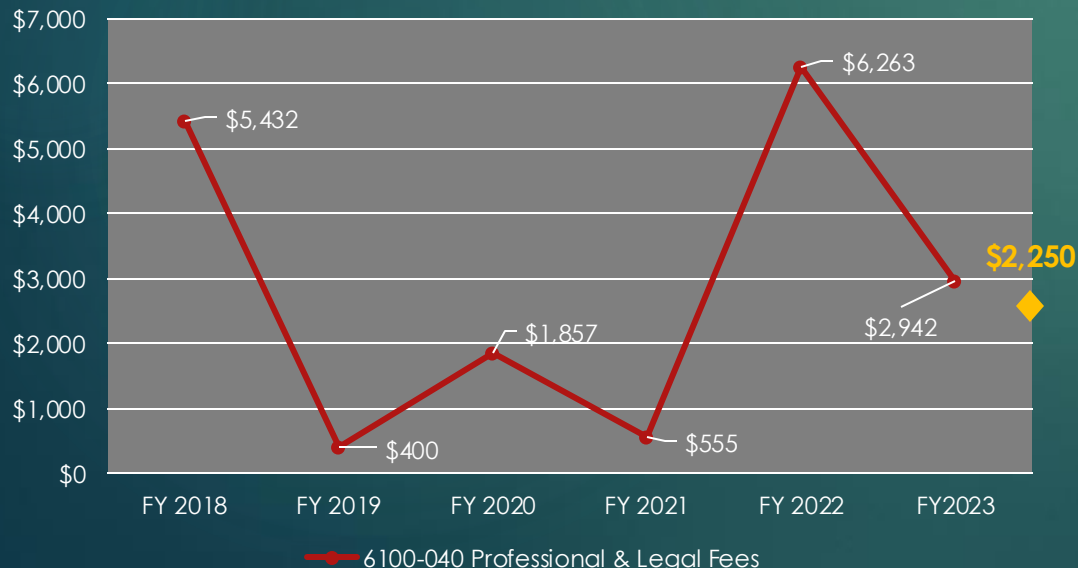
6100-010 Postage & Printing & Supplies



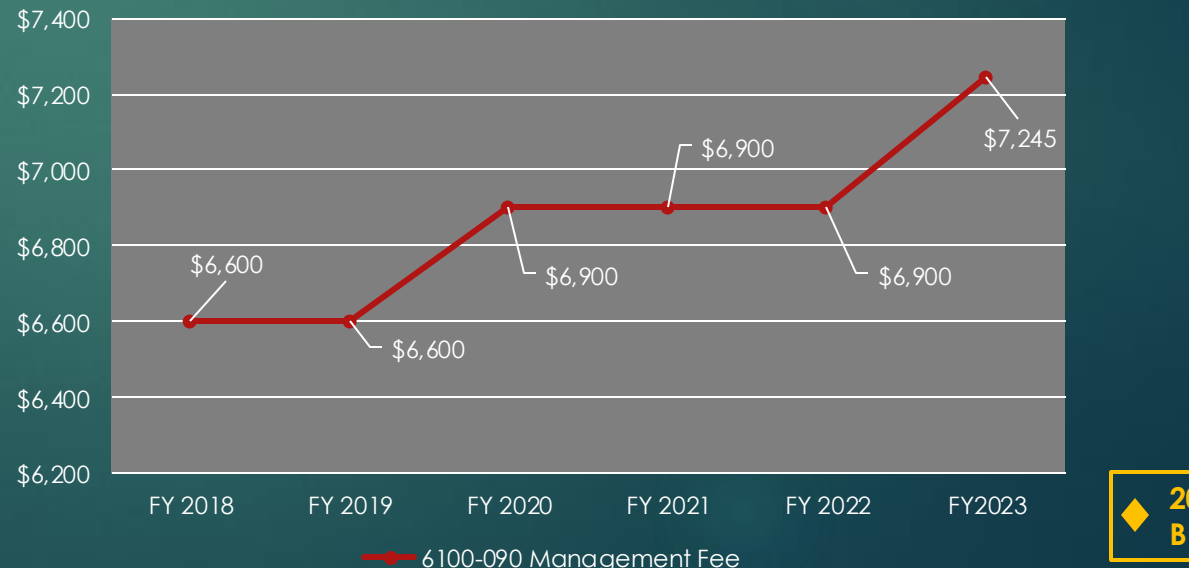
6100-020 Court Costs



6100-040 Professional & Legal Fees



6100-090 Management Fee

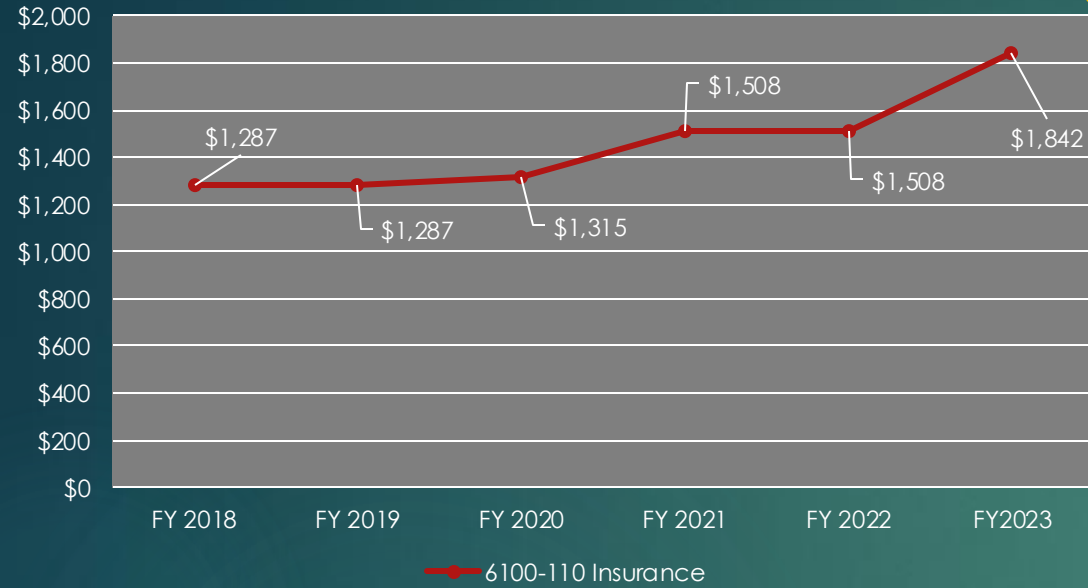


◆ 2025 Proposed Budget

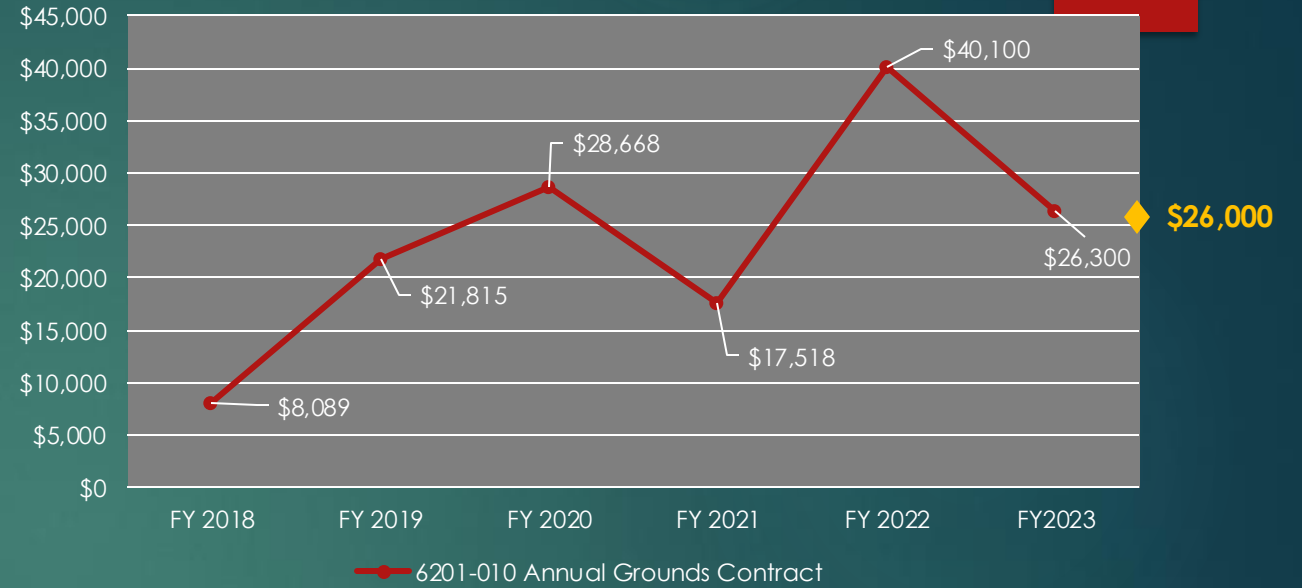
Historical Performance to Budget

6100-110 Insurance

\$2,500 ◆

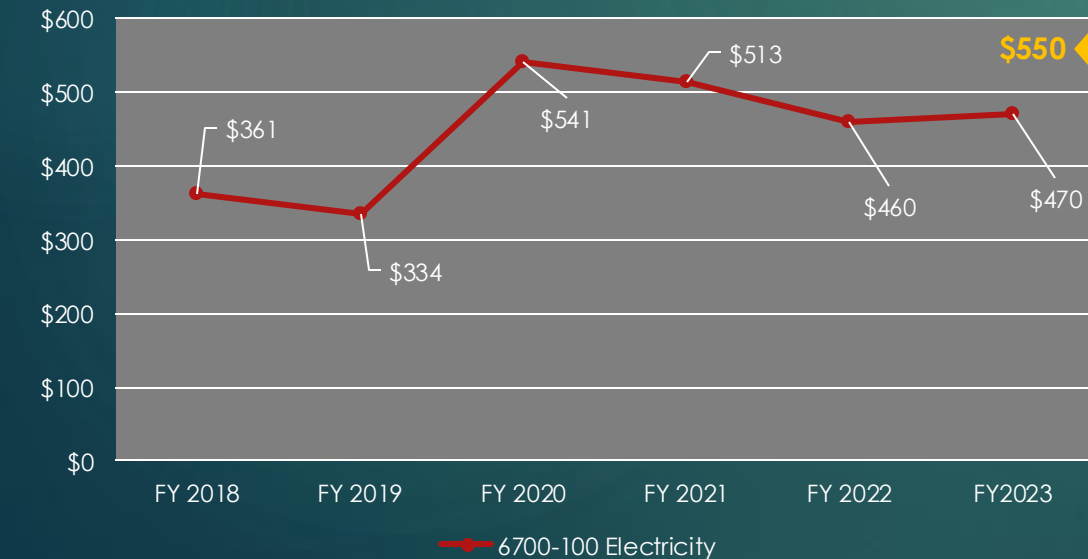


6201-010 Annual Grounds Contract

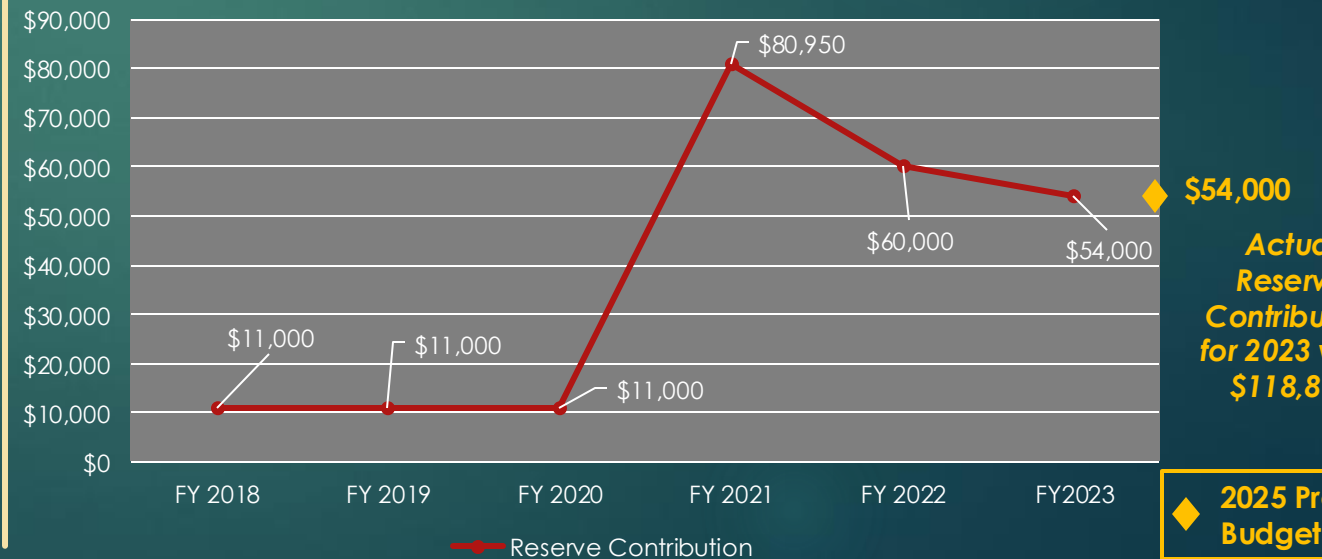


6700-100 Electricity

\$550 ◆



Reserve Contribution

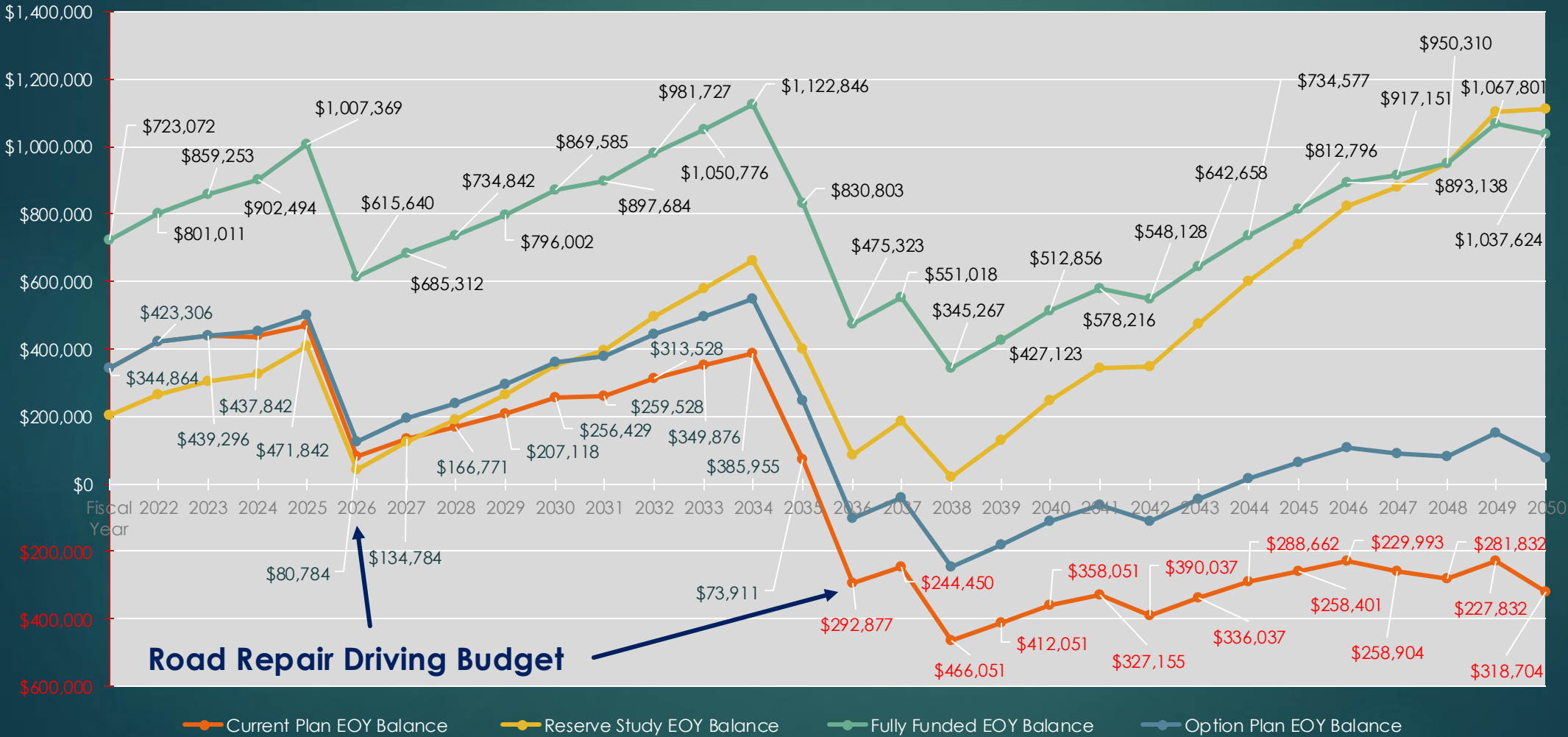


Actual Reserve Contribution for 2023 was: \$118,871

◆ 2025 Proposed Budget

Reserve Contribution and Outlook

Reserve Funding
Current vs Study vs Option



- Current Plan will not meet Reserve requirements
- Reserve Study has been historically inaccurate
- Road Repair estimates within Reserve Study are likely too low
- Soliciting updated road repair estimates
- Option of increasing annual contributions by \$1,460 still does not meet the need
- Next Reserve study due 2027

Option Plan = increase Annual Fee to \$900/yr per lot

Conclusions

- ▶ Professional Fees and Court Costs are not adequately accounted for in the budget given historical trends. Consequently, the overrun is being absorbed by the Operating funds.
- ▶ Increasing the annual Reserve contribution will help...but will need to be reassessed after more accurate road repair estimates have been received. A stepwise increase in annual Reserve contributions throughout the upcoming years will likely be needed.
- ▶ Brownstone annual contract fee may dramatically increase in 2025 and will need negotiation to be affordable.
- ▶ Proposed Draft 2025 budget is a reasonable near-term compromise given recent trends and constraints.

As of 30SEP24

Assets	Operating	Reserve	Total
Assets			
Checking - Operating Account	\$53,954.80		\$53,954.80
Secondary Reserve - Money Market		\$249,646.70	\$249,646.70
Eagle - CD SB 0169 - 4.64% July 2025		\$107,682.90	\$107,682.90
Eagle - CD - Select #2709 - 4.64% March 2025		\$101,176.33	\$101,176.33
Eagle - Alliance Road Acct	\$4,020.68		\$4,020.68
Total Assets	\$57,975.48	\$458,505.93	\$516,481.41