

# **Finance Report**

*2026 Annual Meeting*

*Anchor Cove Marina Condominium Association*

*David Hansen - Treasurer*

# Operating Income High Level View

*Anchor Cove Marina Condominium Association*

|                      | 2027<br>Budget | 2026<br>Budget | 2027-2026<br>Budget Diff |      | Reference Information |                |                  |
|----------------------|----------------|----------------|--------------------------|------|-----------------------|----------------|------------------|
|                      |                |                |                          |      | 2024<br>Actual        | 2025<br>Actual | 2026<br>Forecast |
| Revenue              | 755,308        | 675,262        | 80,046                   | 12%  | 667,071               | 679,174        | 675,080          |
| Expense              | 754,300        | 669,902        | 84,399                   | 13%  | 581,042               | 576,628        | 684,743          |
| Net Operating Income | 1,008          | 5,360          | (4,353)                  | -81% | 86,029                | 102,546        | (9,663)          |

## Board's budgeting approach

### 1) Establish overall goal for net operating income

Maintain long-term target level of deferred maintenance reserve balance. Balance is currently just above the \$400,000 target. Therefore, operating income close to \$0 is reasonable for 2027.

### 2) Evaluate inflation and other likely expense changes

Overall expenses to increase by 13% from 2026 budget, mainly due to higher insurance premium, electricity, and other inflationary impacts.

### 3) Determine whether the monthly assessment needs to change

Monthly assessments will need to increase by 12% in 2027, and the operating income will be \$1,008 (which is "close to \$0" determined to be appropriate in step 1).

## Expense

### Anchor Cove Marina Condominium Association

|                       | 2027<br>Budget | 2026<br>Budget | 2027-2026<br>Budget Diff |            |  | Reference Information |                |                  |
|-----------------------|----------------|----------------|--------------------------|------------|--|-----------------------|----------------|------------------|
|                       |                |                |                          |            |  | 2024<br>Actual        | 2025<br>Actual | 2026<br>Forecast |
| Labor                 | 244,351        | 227,140        | 17,210                   | 8%         |  | 196,482               | 202,112        | 231,629          |
| Utilities             | 142,758        | 130,048        | 12,710                   | 10%        |  | 121,838               | 126,578        | 130,798          |
| DNR Lease             | 41,251         | 40,277         | 974                      | 2%         |  | 36,624                | 38,632         | 39,853           |
| Repairs / Maintenance | 92,300         | 92,300         | 0                        | 0%         |  | 77,221                | 52,112         | 92,300           |
| Professional Services | 18,600         | 36,137         | (17,537)                 | -49%       |  | 28,487                | 25,901         | 24,137           |
| Insurance             | 196,199        | 138,286        | 57,913                   | 42%        |  | 116,676               | 126,693        | 154,837          |
| Other General Expense | 18,842         | 5,713          | 13,129                   | 230%       |  | 3,715                 | 4,600          | 11,190           |
| <b>Total Expense</b>  | <b>754,300</b> | <b>669,902</b> | <b>84,399</b>            | <b>13%</b> |  | <b>581,042</b>        | <b>576,628</b> | <b>684,743</b>   |

**\$84k expense increase: insurance \$58k, electricity \$13k, inflationary impacts on wages and other lines \$12k, all else \$1k**

#### Key expense budget increases by line:

- > Labor: merit increases, additional maintenance hours, and bring bookkeeping service in-house
- > Utilities: higher electricity rates, offset in income by slip owner payments
- > Professional Services: bring bookkeeping service in-house
- > Insurance: 25% higher coverage limit
- > Other General Expense: introduce ACH payment option for owner payments, and software cost to bring bookkeeping service in-house

## Revenue

### Anchor Cove Marina Condominium Association

|                                 | 2027<br>Budget | 2026<br>Budget | 2027-2026<br>Budget Diff |            | Reference Information |                |                  |
|---------------------------------|----------------|----------------|--------------------------|------------|-----------------------|----------------|------------------|
|                                 |                |                |                          |            | 2024<br>Actual        | 2025<br>Actual | 2026<br>Forecast |
| Slip Owner - Monthly Assessment | 662,834        | 591,816        | 71,018                   | 12%        | 586,751               | 591,953        | 591,816          |
| Slip Owner - Electric           | 66,924         | 58,213         | 8,710                    | 15%        | 53,349                | 55,237         | 58,213           |
| Interest Income                 | 17,398         | 16,080         | 1,318                    | 8%         | 18,514                | 17,764         | 17,398           |
| Other Revenue                   | 8,152          | 9,152          | (1,000)                  | -11%       | 8,457                 | 14,220         | 7,652            |
| <b>Total Revenue</b>            | <b>755,308</b> | <b>675,262</b> | <b>80,046</b>            | <b>12%</b> | <b>667,071</b>        | <b>679,174</b> | <b>675,080</b>   |

Monthly assessments will increase by 12% in January 2027 to reflect higher insurance premiums, other inflationary impacts, and the goal of achieving operating income close to \$0.

For reference, the last increase was in January 2023.

| Slip Numbers                      | New<br>(Jan 2027) | Current  |
|-----------------------------------|-------------------|----------|
| A1-A25; B27-B50                   | \$341.47          | \$304.89 |
| A26; B51-B75; C76-C125; D139-D153 | \$314.10          | \$280.45 |
| D126-D138                         | \$286.79          | \$256.06 |
| D154-D166                         | \$434.31          | \$387.78 |
| D167                              | \$546.27          | \$487.74 |

# Capital Replacement Funding

## Anchor Cove Marina Condominium Association

| Amounts in \$ thousands, based on 2026 costs without inflation | Actual       | Forecast     | Budget     | Very preliminary longer term estimates |           |           |               |              |
|----------------------------------------------------------------|--------------|--------------|------------|----------------------------------------|-----------|-----------|---------------|--------------|
|                                                                | 2025         | 2026         | 2027       | 2028                                   | 2029      | 2030      | 2031-2040     | 2041-2050    |
| <b>EXPENDITURES</b>                                            |              |              |            |                                        |           |           |               |              |
| Dock Piling                                                    | 139          | 405          | 0          | 10                                     | 0         | 0         | 0             | 1,900        |
| West Breakwater                                                | 4,814        | 2,149        | 195        | 655                                    | 0         | 0         | 0             | 0            |
| North Breakwater                                               | 0            | 0            | 0          | 0                                      | 0         | 0         | 500           | 0            |
| Marina Docks                                                   | 0            | 2,592        | 444        | 0                                      | 0         | 0         | 2,500         | 0            |
| Dock Roofs and Support                                         | 0            | 0            | 0          | 0                                      | 0         | 0         | 7,000         | 0            |
| Bulkhead and Gangways                                          | 0            | 0            | 0          | 0                                      | 0         | 0         | 1,000         | 1,000        |
| On-Shore Assets                                                | 0            | 0            | 0          | 0                                      | 0         | 0         | 0             | 500          |
| Dredging                                                       | 93           | 1,156        | 4          | 2,309                                  | 0         | 0         | 0             | 0            |
| <b>Total Expenditures</b>                                      | <b>5,046</b> | <b>6,301</b> | <b>643</b> | <b>2,974</b>                           | <b>0</b>  | <b>0</b>  | <b>11,000</b> | <b>3,400</b> |
| <b>SOURCES OF FUNDS</b>                                        |              |              |            |                                        |           |           |               |              |
| Special Capital Assessment                                     | 2,451        | 5,144        | 0          | 3,000                                  | 0         | 0         | 11,000        | 3,400        |
| Interest Income                                                | 135          | 33           | 2          | 2                                      | 0         | 0         | 0             | 0            |
| <b>Total Sources of Funds</b>                                  | <b>2,585</b> | <b>5,178</b> | <b>2</b>   | <b>3,002</b>                           | <b>0</b>  | <b>0</b>  | <b>11,000</b> | <b>3,400</b> |
| <b>Available funds at end of year</b>                          | <b>1,765</b> | <b>642</b>   | <b>0</b>   | <b>28</b>                              | <b>28</b> | <b>28</b> | <b>28</b>     | <b>28</b>    |

**All funds collected in 2026 are planned to be spent by the end of 2027**

- Vendor contracts are in place for D-Dock, east dredging, creosote dock pile removal
- No cushion to provide for out of scope work or surprises - important project goal is to avoid need for additional funding before 2028

**2028 goal: dredge remainder of marina, complete corrosion protection**

# HOA Management Software

*Anchor Cove Marina Condominium Association*

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- **Considering new software (PayHOA) beginning January 2027**
- **Will handle accounting, invoicing, and payments**
- **Replace QuickBooks**

## **Owner portal**

Log in to see invoices and payment history as well as marina communications and documents

## **Autopayment**

Ability to set up monthly autopay

## **Bookkeeping efficiency**

Designed to match tasks associated with HOA ownership and board structure

## **Other capabilities**

Communication, website, document repository

## **Important owner actions when implemented**

- Establish login credentials to access account and marina information
- Consider setting auto-payment for monthly invoices (checks are inefficient to handle, plus mail and bank delivery is increasingly unreliable)
- Consider switching from paper statements to electronic (email). Paper statements are expensive for the marina.

**Cash Balance**  
*Anchor Cove Marina Condominium Association*

|                                     | <b>Year-End<br/>2025<br/>Actual</b> | <b>Forecast<br/>change<br/>in 2026</b> | <b>Year-End<br/>2026<br/>Forecast</b> | <b>Budget<br/>change<br/>in 2027</b> | <b>Year-End<br/>2027<br/>Budget</b> | <b>Target balance / other notes</b>                 |
|-------------------------------------|-------------------------------------|----------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|-----------------------------------------------------|
| <b>Operating cash</b>               | <b>60,366</b>                       | (366)                                  | <b>60,000</b>                         | 0                                    | <b>60,000</b>                       | \$60,000 target                                     |
| <b>Deferred maintenance reserve</b> | <b>474,503</b>                      | (9,297)                                | <b>465,206</b>                        | 1,008                                | <b>466,214</b>                      | \$400,000 long term target                          |
| <b>Capital replacement reserve</b>  | <b>1,765,086</b>                    | (1,123,550)                            | <b>641,536</b>                        | (641,472)                            | <b>64</b>                           | Target will vary based on capital replacement needs |
| <b>DNR lease security deposit</b>   | <b>76,670</b>                       | 1,000                                  | <b>77,670</b>                         | 1,000                                | <b>78,670</b>                       | \$75,000 required in DNR lease                      |
| <b>Total cash</b>                   | <b>2,376,625</b>                    | (1,132,213)                            | <b>1,244,412</b>                      | (639,464)                            | <b>604,948</b>                      |                                                     |