Breakwater Annual Meeting Financial Summary

26 January 2026

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Breakwater 2025 Financial Summary

Breakwater had a good financial year

- Revenue was $2k higher than budget due to Transfer fees of $15k above budget of $11k
- Op Expenses were $3k over budget; Non-Op expense over $9k for ‘24 estimated income tax, will get $6k refund to apply to ‘25 taxes
- Reserve contributions of $354k on budget
- Reserve Expenses were $216k, $25k over the plan: garage ramp cost ($46k), unexpected boiler pump replacements ($21k)
- Reserve Interest was $41k, 3.2% average net interest; Note that we have about 40% of Reserve funds in 2 year CDs

Details	Actual	Budget	Variance	Comment
• **Revenue Totals**	**$1100**	**$1098**	**+$2**	**Total revenue over by $2k**
• Association dues	$1083	$1085	-$1	Special circumstance
• Other income	$17	$14	+$3	Transfer fees $15k /+$4
• **Op Expense Totals**	**$747**	**$744**	**+$3**	**Total Expenses over by $3k**
• Cleaning	$114	$113	+$1	Janitorial slightly over
• Common	$159	$158	+1	Gas +7,Elec-3,Fire +2, Wat -3
• Repair/Maint	$126	$114	+12	Maint +12,NO +2,Supply-2,
• Utilities	$2	$2	0	
• Grounds	$26	$26	0	
• Security	$76	$77	-$1	
• Insurance	$92	$89	+$3	Went up more than estimated
• Admin	$153	$166	-$13	Misc wasn’t used
• **Non-Op Exp: Tax**	**$9**	**$0**	**+$9**	**Est Tax $9k, refund $6k apply to ‘26**
• **Reserve:**				
• Reserve contribution	$354	$354	0	
• Reserve expenses	$216	$191	+$25	Garage Ramp and Boiler pump Over.
• Reserve Interest – fees	$41	$36	+$5	Better rates than budgeted

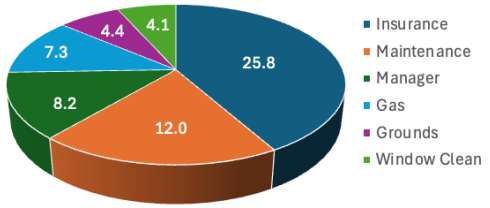
Note: All numbers are in thousands of dollars

2026 Budget Summary

Overall increase for 2026 is $86.6k (8% vs 2025)

- 29% ($25k) is increase of Reserve contribution
- 71% ($62k) is increase of Operating expenses

Top 6 expense increases total $62k





	Actual	Actual	Actual	2026 budget			notes
	2023	2024	2025	Budget	vs '25 bud	vs '25 bud %	
Association Dues	**942,024**	**1,025,808**	**1,083,494**	**1,171,061**	**86,568**	**8%**	Reserve increase is $25k, Other Expenses $61k
Total Income	**985,713**	**1,054,494**	**1,100,084**	**1,182,931**	**84,506**	**8%**	
Operating Expenses							
Total Cleaning Expense	**87,261**	**100,366**	**113,875**	**118,438**	**5,843**	**5%**	Window cleaning +$4k
Total Common Area	**166,237**	**153,799**	**159,434**	**165,445**	**7,819**	**5%**	Gas +$7k (11% per WE)
Total Repair/Maintenance	**113,470**	**102,406**	**125,711**	**125,652**	**12,066**	**11%**	Flat to 2025 actuals
Total Utilities(Intnet/phone)	**4,074**	**1,687**	**1,785**	**1,782**	**354**	**25%**	Flat to 2025 actuals
Total Exterior and Grounds	**25,705**	**24,915**	**25,662**	**29,116**	**2,882**	**11%**	Grounds +$4k
Total Security Expenses	**62,746**	**71,840**	**75,819**	**75,793**	**-1,493**	**-2%**	Flat to 2025 actuals
Total Insurance	**76,062**	**83,294**	**92,105**	**115,039**	**25,848**	**29%**	Valuation+ Rate increase; Start Jan
Total Administrative	**139,156**	**151,677**	**152,912**	**172,667**	**6,188**	**4%**	4% increase
Total Residential Expenses	**674,711**	**689,984**	**747,303**	**803,931**	**59,506**	**8%**	8% overall
Reserve Fund							
Reserve Fund Contribution	**433,743**	**356,589**	**354,000**	**379,000**	**25,000**	**7%**	Per Reserve Study 2026, add $25k (thru 2031)
Reserve Fund Expenses	**227,584**	**179,334**	**216,202**	**160,000**	**-31,000**	**-16%**	Projects as initally planned
Reserve Interest-fees	**26,530**	**43,382**	**41,302**	**44,850**	**8,750**	**24%**	3.5% net interest

Breakwater Reserve Summary



2025 Reserve Activity

• Starting balance	$ 1136
• Dues-Contributions	+ $354
• Extra-Contributions	+ $ 28
• Interest:	+ $ 41
• Expenses	- $ 216
• Ending Balance	$1343

2025 Expense Detail Total **$216**

• NW repairs/dog area	$ 14
• Balcony/Awning Lights	$106
• Garage Ramps	$ 47
• 5year sprinkler	$ 12
• Gym Equipment	$ 14
• Sidewalk	$ 2
• Boiler Pump	$ 21

2026 Planned Reserve Activity

- Contribution increase of $25 to $379.
- Reserve interest estimate: $45
- Reserve Expense plan of $180 (added $20 atop budget for water pumps)
  - Balcony crack remediation
  - Stone/Masonry cracks on each floor
  - Water pumps rebuild
  - Gym equipment-phase 2
  - Common Heat pumps-phase 1
- **Year End 2026 reserve balance estimate is $1587**

Numbers in $1000's