

2027 Budget notes and Annual Assessment

The BOT's have completed the challenging work of developing the 2027 budget. Your BOT's have collectively spent more than 150 hours in meetings reviewing all departments' income and expense lines that encompass our \$5,609,395 annual income budget. Our managerial staff at all levels has worked alongside of the BOT's and spent an incredible amount of time and effort to make this challenging process successful. Thank you Brad, Christopher, Lawana, Chris, Dexter, Trista and Josh for your hard work and your diligence throughout this process. Appfolio, our accounting system, has made this process easier and allowed the individual managers to be directly involved with their budget for the upcoming year.

While we are aware that an increase of any amount may present a challenge we have worked hard to continue to provide the services that you have come to expect as well as planned for additions and improvements to our amenities. We are pleased to tell you that the 2027 assessment budget, will result in an approximate increase of 3.49% over the 2026 assessment. The 2027 annual assessment is a \$96 increase (\$8 per month) over last year per lot. While the budget process does not make an initial comparison to the Cost of Living Adjustment (COLA) it is interesting to note that the increase is slightly less than 3.6% Social Security COLA. The increase is exclusively in the maintenance assessment. The new annual assessment total is \$2,844 for an individual lot and \$3,429 for an individual lot in the Town Home section. The recreation assessment is \$1,068 (the same as 2026) and the balance of \$1776 is dedicated to maintenance. There are a number of golf course planned enhancements which are all being funded without an increase in the recreation assessment.

Our most valued asset is our team of employees and approximately 54% (\$2,535,200) of our operating budget goes to the nearly 60 team members on staff at Westwood Shores.

Funds have been allocated to the Club house renovation and improvements that will occur in phases. Phase one will be the remodeling of the restrooms. Other planned improvements that are a part of this budget include; a Tiki Hut that will serve food and beverages in the pool area, additional paved sidewalks and golf cart parking areas near the pickleball courts and pool, a new enclosed storage area for the golf course chemicals and some equipment, needed maintenance and golf course equipment, a complete renovation of hole #1 on the golf course, new lighting for the renovated Putt Putt Golf Course area, the in-land lake maintenance and preservation budget has been increased to \$75k (more than double the 2026 budget), \$60k set aside for the removal of county condemned homes in Coach Village, new and additional equipment for the 19th Hole Bar and Grill, Westwood Shore marketing is allocated \$30k, the early pay off and fully paid unsecured promissory notes is planned for December 2027 rendering Westwood Shores debt free entering 2028.

We have budgeted money for roads and drainage. We acknowledge that this is an exceedingly small amount going toward a huge need and major area of concern among property owners. The POA will not soon, if ever be in a position to fund the needed road and drainage improvements you want and deserve. That will require approximately \$15 to \$20 million. This amount will only be made available through bond funding and the POA cannot sell bonds. Designated government entities like the MUD can sell bonds when approved by vote of the property owners and approval of the governing oversight entity, TCEQ.

While the amount of cash on hand looks substantial it could be depleted in a very short time if a catastrophe occurred. The current liquid assets amount (reserve) is less than 4 months of our annual budgeted expenses and The BOT's believe that we should have a minimum of 6 months on hand.

WS POA BUDGET 2027
2027 BUDGET WORKSHOP
10/15/2026

2027 Annual Assessments/Lot – Maintenance: **\$1,776**; Recreation: **\$1068**

Total Annual Assessment: **\$2,844** (+\$96/year or +\$8/month). Townhome Maintenance: **\$585**

Non-Annual Payment fee: **\$120/year**. Paying the fees annually saves **\$120** Non Annual Payment Fee.

Maintenance Assesment

OPERATING INCOME	<u>\$ 2,859,755.00</u>	
OPERATING EXPENSES		
ACCESS CONTROL	\$ 346,177.81	
AUDIT, INSURANCE & TAXES	286,935.00	
ADMINISTRATION	772,758.81	
ADMINISTRATION-LEGAL	80,000.00	
MAINTENANCE	971,091.78	
2027 POA ROAD FUND	230,000.00	\$200,000 for roads and \$30,000 for pothole repair materials
POA Capital Requests	<u>176,000.00</u>	
 TOTAL MAINTENANCE OPERATING EXPENSE	 <u>\$2,862,963.40</u>	 (\$3,208.40)

Recreation Assesment

OPERATING INCOME	<u>2,749,640.00</u>	
OPERATING EXPENSES		
C/C PURCHASING FINANCING	16,815.00	
PRO SHOP/CLUBHOUSE/Pool	557,159.69	
GOLF COURSE	849,123.59	
19th Hole Bar & Grill	841,935.69	
CC Path Reserve	42,500.00	
G/C CAPITAL REQUESTS	437,000.00	
 TOTAL COUNTRY CLUB OPERATING EXPENSE	 <u>\$2,744,533.98</u>	 \$5,106.02
 ASSOCIATION OPERATING SURPLUS/(DEFICIT)	 <u>\$1,897.62</u>	 <u>\$1,897.62</u>
 TOTAL OPERATING INCOME	 \$5,609,395.00	
TOTAL OPERATING EXPENSES	<u>\$5,607,497.38</u>	