CSA Board Meeting Treasurer's Report November 17, 2026

Sea Pines
COMMUNITY SERVICES ASSOCIATES

Discussion Agenda

- **Review and Discussion**
  - Overview of September 30, 2026 Financial Statements*
  - Approval of 2027 Residential Assessment Amounts*
  - Approval of SPCSA Budget for Calendar Year 2027*
  - Update on Critical Infrastructure Collections and Spending

- Note*- action needed

Balance Sheet As Of September 30, 2026

- Maintained strong cash and investments position
- Consistent collections from Property Owners and Commercial Entities
- No external debt outstanding, $5 million line of credit available
- Maintained capital reserves as mandated by Board policies
  - Capital replacement, assessment being performed by management and Finance Committee on updates to policy
  - Emergency Fund

Year to Date Income Statement 9/30/2026

Note that tickmark legend is on the full set of statements in the Board Package.

SEA PINES - COMMUNITY SERVICES ASSOCIATES, INC.
INCOME STATEMENT - Current Year versus Budget and Prior Year Actual
UNAUDITED
For the Year-to-Date September 30, 2026 and 2025

	Year-to-Date Actual September 30, 2026	Year-to-Date Budget September 30, 2026	Variance Budget	
OPERATING REVENUES				
Residential Assessments	$ 9,096,942	$ 9,122,927	$ (25,985)	$
Commercial Critical Infrastructure Assessments	539,119	545,212	(6,093)	
Other Property Owner Assessments				
Sea Pines Resort	517,835	547,529	(29,694)	
Other Commercial Assessments	78,182	54,804	23,378	
Gate Entry and Permit Fees				
Gate Pass	3,621,988	3,565,165	56,823	
Short Term Rental	1,117,654	1,061,638	56,016	
Annual Permit	1,387,312	1,258,885	128,427	
Grande Ocean	393,530	393,426	104	
Sea Pines Country Club	5,192	5,192	-	
Other Gate Pass	7,137	23,987	(16,850)	
Rental Registration Program Revenue	1,244,300	1,260,000	(15,700)	
Other Operating Revenue	439,649	224,097	215,552	
Total Operating Revenue	18,448,840	18,062,862	385,978	
Cost of Goods Sold				
Cost of Decals Sold	36,435	22,150	5,735	
OPERATING EXPENDITURES				
Maintenance Department				
Salaries and Benefits	1,712,759	1,718,456	5,697	
Operations	2,499,902	2,215,860	(284,042)	B
Project and Capital Management	233,117	165,617	(67,500)	A
Community Standards	241,526	177,764	(63,762)	F
Facilities				
Administration Building	216,274	103,614	(112,660)	C
Community Center	124,334	106,601	(17,733)	
Gate Houses	8,826	20,250	11,424	
Maintenance Buildings	20,528	28,472	7,944	
Tower Beach	54,509	59,812	5,303	
Safety and Security				
Salaries and Benefits	2,944,487	3,105,368	160,881	G
Operations	476,768	532,850	56,082	
Trolley Operations				
Salaries and Benefits	261,149	224,054	(37,095)	
Operations	74,263	119,329	45,066	
General Administration				
Salaries and Benefits	1,659,588	1,724,202	64,614	G
Administration	196,156	274,350	78,194	
Bad Debt Expense	205,320	205,227	(93)	
Insurance	745,693	801,250	55,557	D
Legal Fees	281,337	93,750	(187,587)	K
Community Connections	16,639	-	(16,639)	
Communications	115,350	96,065	(19,285)	
Human Resources	51,253	75,000	23,747	
Information Technology	244,546	272,475	27,929	
Other Programs and Services	5,096	19,140	14,044	
Total Operating Expenditures & Cost of Goods Sold	12,405,835	12,361,656	(244,179)	
Income from Operations before Depreciation and Major Repairs and Replacements	6,043,005	5,901,206	141,799	
Depreciation	714,421	714,421	-	
Major Repairs and Replacements	4,069,636	4,343,536	273,900	E
Income from Operations	1,258,948	843,249	415,699	

Review of 9 Months ended Interim Financial Statements for the Period ended September 30, 2026

- Interim financial statements are included in the Board Package
  - Major fluctuations are explained in the tickmarks on the statements
- Discussions held at the Finance Committee meeting on November 10, 2026
- Executive committee recommends approval by the Board



Review and Approval of 2027 Residential Assessment Amounts

- Change in CPI from September 2025 to September 2026 is 3.74%

		Proposed 2027	
2026 Improved Lot	2,065	2,142	$734 is the Critical Infrastructure portion
2026 Unimproved Lot	1,233	1,279	$440 is the Critical Infrastructure portion

Note-Need Board approval on 2027 amounts.

Finance committee recommended approval to Executive Committee and Executive Committee recommends approval by the Board

Major Assumptions in 2027 Budgets

Revenues-

- 3.74 % increase in Residential assessments
- Daily Visitor Gate fees $10 for entire year
- Consistent short term rental registration volume and gate/visitor traffic

Expenses-

- 2.4% increase in salaries and 2.0% merit pool set aside
- Health care increases- 8% for both employee and employer portions
- Liability and other insurance- increase of 7.5 %
- Investments in personnel- safety and security category
- Landscaping enhancements in maintenance

SEA PINES - COMMUNITY SERVICES ASSOCIATES, INC.

INCOME STATEMENT - Draft Annual Budget
For the Year Ended December 31, 2027

	Annual Draft Budget December 31, 2027	Annual Forecast December 31, 2026
OPERATING REVENUES		
Residential Assessments	$ 12,622,962	$ 12,137,919
Infrastructure Improvements Assessment	559,458	539,119
Other Property Owner Assessments		
Sea Pines Resort	553,362	517,835
Other Commercial Assessments	46,983	78,182
Gate Entry and Permit Fees		
Daily Gate Pass	4,545,027	4,531,461
Short Term Rental	1,323,269	1,285,638
Annual Permit	1,406,271	1,402,876
Grand Ocean	408,248	393,530
Sea Pines Country Club	6,922	6,922
Other Gate Pass	12,772	23,127
Rental Registration Fees	1,247,300	1,244,300
Other Operating Revenue	401,815	535,357
Total Operating Revenue	23,134,389	22,696,266

2027 Operating and MRR Budget

2027 Operating and MRR Budget, continued

see next slide for MRR details

Cost of Decals Sold	21,519	17,270
OPERATING EXPENDITURES		
Maintenance Department		
Salaries and Benefits	2,209,325	2,140,398
Operations	2,954,480	2,719,480
Project and Contract Management	256,821	284,286
Community Standards	339,678	286,252
Safety and Security		
Salaries and Benefits	4,103,196	3,806,494
Operations	624,300	613,848
Trolley Operations		
Salaries and Benefits	350,364	332,215
Operations	167,450	109,731
General Administration		
Salaries and Benefits	2,287,232	2,225,627
Administration	1,698,325	1,905,163
Communications	148,900	161,705
Community Connections	25,500	-
Human Resources	125,000	98,125
Information Technology	363,300	335,024
Other Programs and Services	25,520	11,476
Facilities	400,000	526,818
Total Operating Expenditures	16,100,910	15,573,932
Income from Operations before Depreciation and Major Repairs and Replacements	7,033,479	7,122,334
Depreciation	967,979	897,679
Major Repairs and Replacements	6,783,116	7,638,528
Income from Operations	(717,616)	(1,413,873)
OTHER INCOME (EXPENSE)		
Non-Operating Income	35,000	59,274
Gain on Disposal of Fixed Assets	-	57,986
Contribution to Sea Pines Forest Preserve	(195,962)	(181,576)
Storm Preparation and Recovery	-	(16,418)
Investment Income	795,336	637,106

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Major Repairs and Replacements 2027, explained

Vote needed on 2027 operating and MRR budgets

Sea Pines CSA		
Infrastructure Plan		
2027 projects and costs expected		
Funded Through Critical Infrastructure		
Lighthouse Rd reconstruction	$	552,446
Greenwood Drive - Plantation to Fraser Circle	$	3,948,418
Beachwalk drainage	$	185,000
	$	4,685,864
Funded Through Operations		
Leisure Trail and Bridge Resurfacing	$	857,252
Primary Roads Mills and Overlay only	$	1,040,000
Safety and Additional Enhancements	$	50,000
Beach Access and Enhancements	$	150,000
	$	2,097,252
Total MRR for 2027	$	6,783,116

Comments on Planned Projects thru 2030

- Management is working on the extension of the MRR plan until 2030
- Some priorities have had to shift to align with other external projects planned (Sea Pines Resort planned project and Lighthouse Rd Leisure Trails) and due to bridge inspection results that accelerated some repairs/replacements
- We are making significant headway on the original project listing announced with the Referendum

- Costs not yet estimated or funded relate to the Greenwood Gate enhancements- such as vertical enhancements (bldg), technology related solutions and area toward Sea Pines Circle

Sea Pines CSA Form 990, 2025

- Informational tax return is required annually by IRS
- Form has been prepared by the external firm of Elliott Davis and reviewed by CEO, CFO and Treasurer and has been available for the Exec Committee and Board's review in the package of material
- No significant changes from prior years
- Tax Return was filed already as Board meeting was after the regulatory deadline; seeking ratification of approval to file

Questions from the Board?