2027 Budget

Palmas del Mar Homeowners Association, Inc.

Approved by the Board of Directors (10/15/26)

2027 Budget at a Glance

0%

Increase in the assessment fee

Individual assessments remain flat vs. prior year

$5.89M

Total revenues

$+5.0% vs. 2026

$5.12M

Operating expenses

+2.6% vs. prior year

$0.77M

Reserve for major projects & emergencies

+24% vs. 2026

Revenues exceed expenses by $768,600. All of it is reserved for major projects, so the budget closes at $0.

Guiding Principles for the 2027 Budget

No increase in the assessment fee	Individual assessments stay at $4.82M, in line with 2026.
2.5% discount for prepaid fees	$45,000 budgeted for early-payment discounts; which represents no change vs. prior year.
Conservative revenues, realistic expenses projection	Revenues +5.0% and expenses +2.6% vs. the 2026 budget.
Focus on security and maintenance	Security $1.62M, general maintenance $0.6MM and ground maintenance $0.5M.
More activities for our community	+80% allocation vs. 2026 budget; aiming to have at least two activities per quarter.

Priorities we are Funding in 2027

PHA-ARB

$185,662

Operating expenses of the Architectural Review Board.

PHA Pterocarpus Forest

$70,000

Maintenance of the forest, same level as 2026.

Major Repairs

$768,600

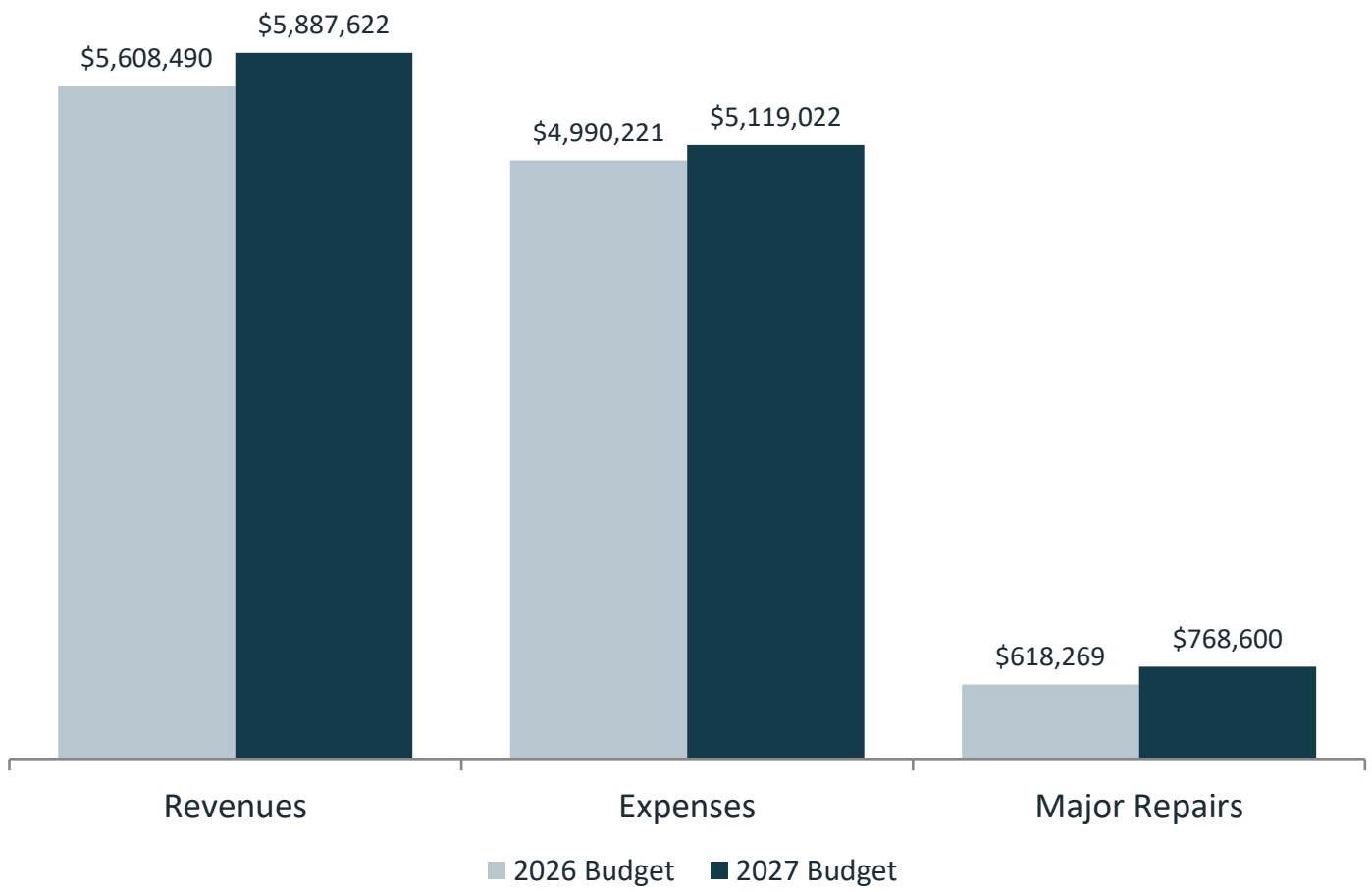
Reserve for major projects and repairs.

Security

$67,275

Increase in headcount of security officers during the weekend and new access control system.

Healthy Spending Levels Support Major Repairs



Revenues

+$279,132

+5.0% vs 2026

Expenses

+$128,801

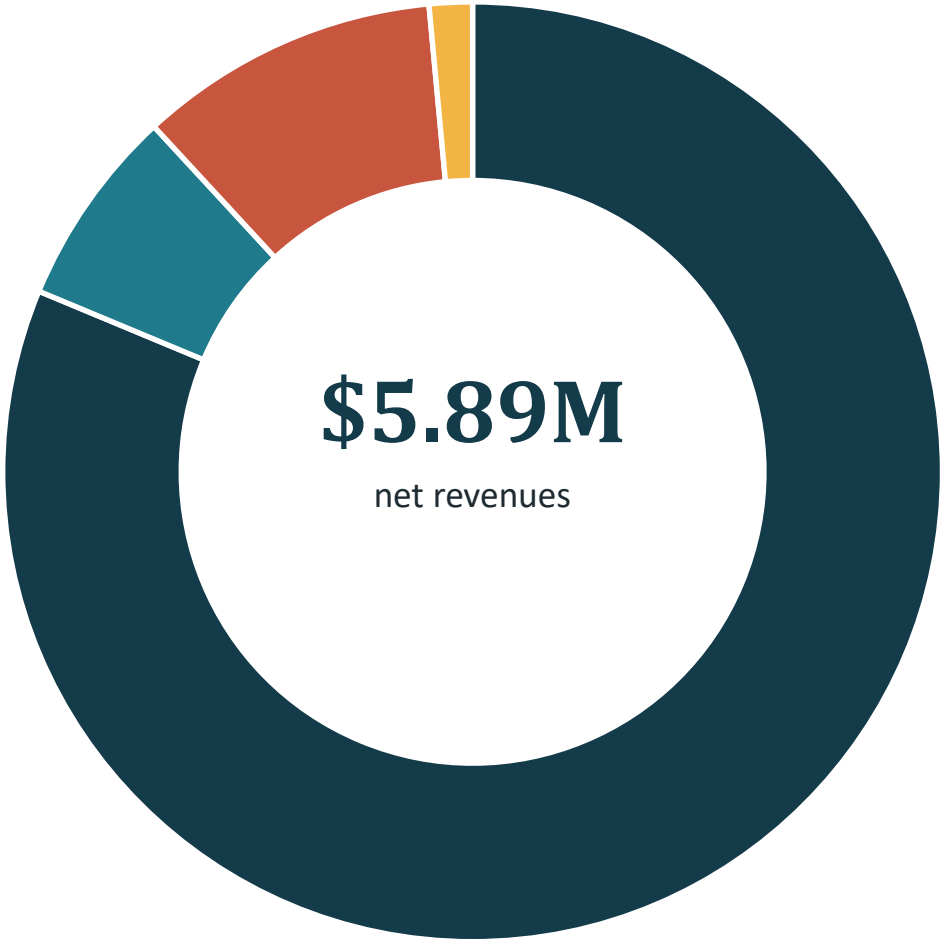
+2.6% vs 2026

Major Repairs

+$150,331

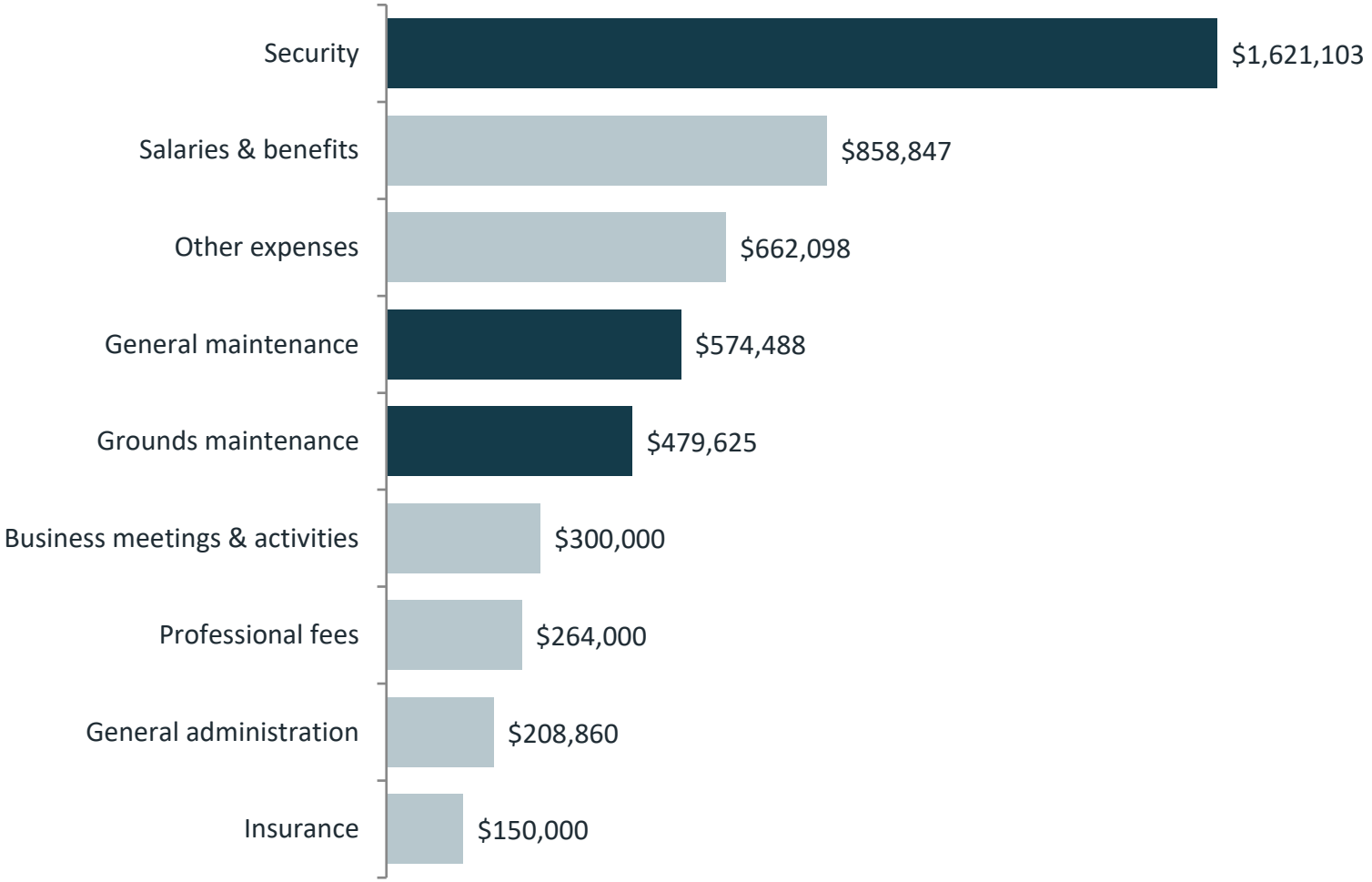
+24.3% vs 2026

Where the Money Comes From



Individual assessments	**$4,821,960**	81.9%
Other major accounts (Hotel, Club Cala, PAC & others) assessments	**$407,000**	6.9%
Other income Golf carts, reimbursement of PHA-ARB expenses, and legal collections fees, among others	**$615,662**	10.5%
Bank interest & late charges	**$88,000**	1.5%
Less: Early-payment discount	**($45,000)**	-0.8%
Net revenues	**$5,887,622**	

Budgeted Expenses for 2027



Dark bars: security, grounds and general maintenance. Total operating expenses: $5,119,021.

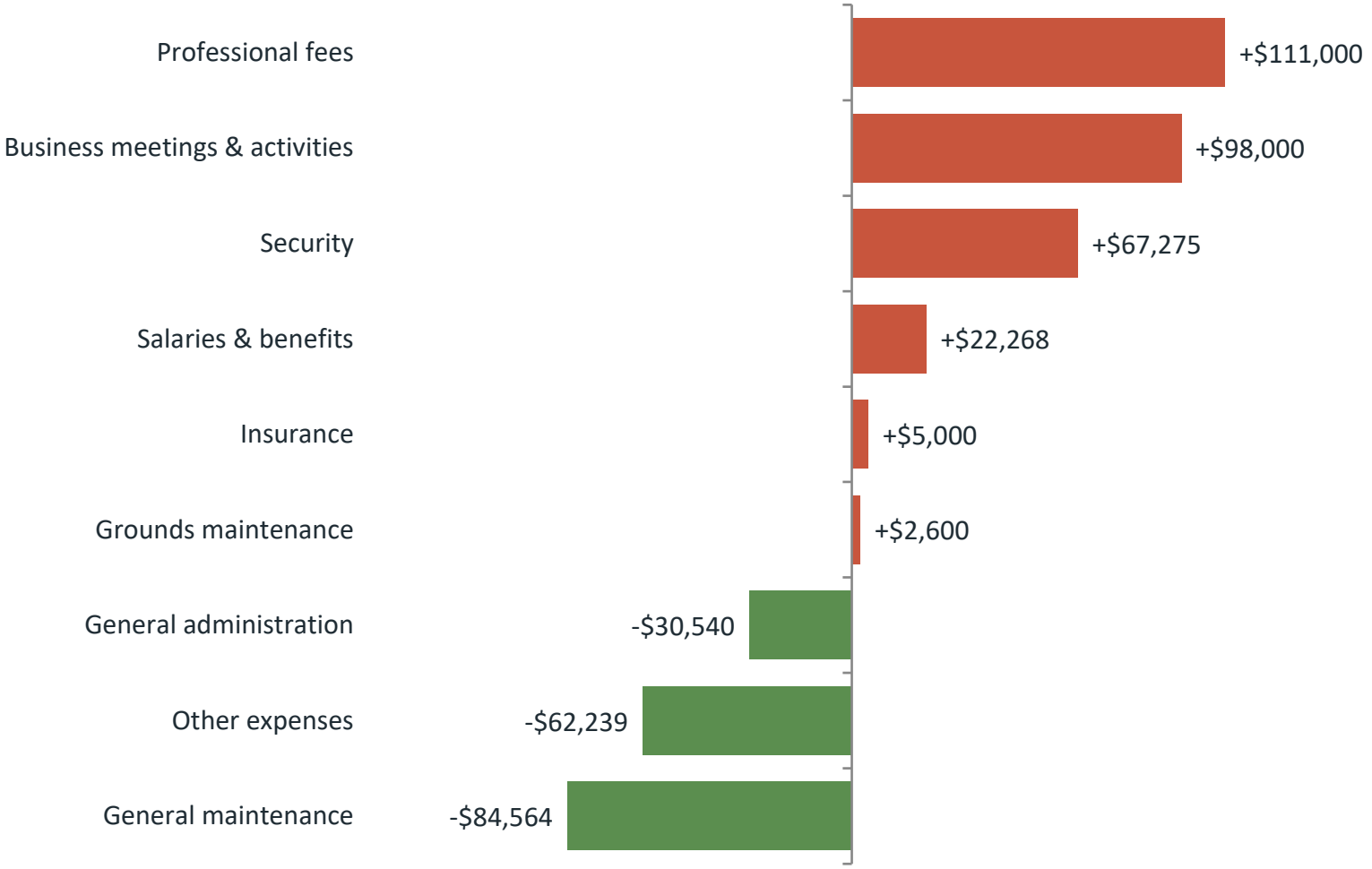
52%

of operating expenses fund security, grounds and general maintenance.

32%

goes to security alone: $1.62M.

How Expenses Change versus 2026



Net change in expenses

+$128,800

+2.6% vs the 2026 budget

What is Behind the Biggest Changes

What goes up

Professional fees

+$111,000

New: event coordinator, legal retainer and professional fees. Also, higher legal collection fees.

Business meetings & activities

+$98,000

Increase in number of communities activities to at least two per quarter.

Security

+$67,275

Additional headcount of security officers during the weekend and new access control system.

What comes down

General maintenance

–$84,564

Sargassum cleaning and animal stray, partially offset by general maintenance.

Other expenses

–$62,239

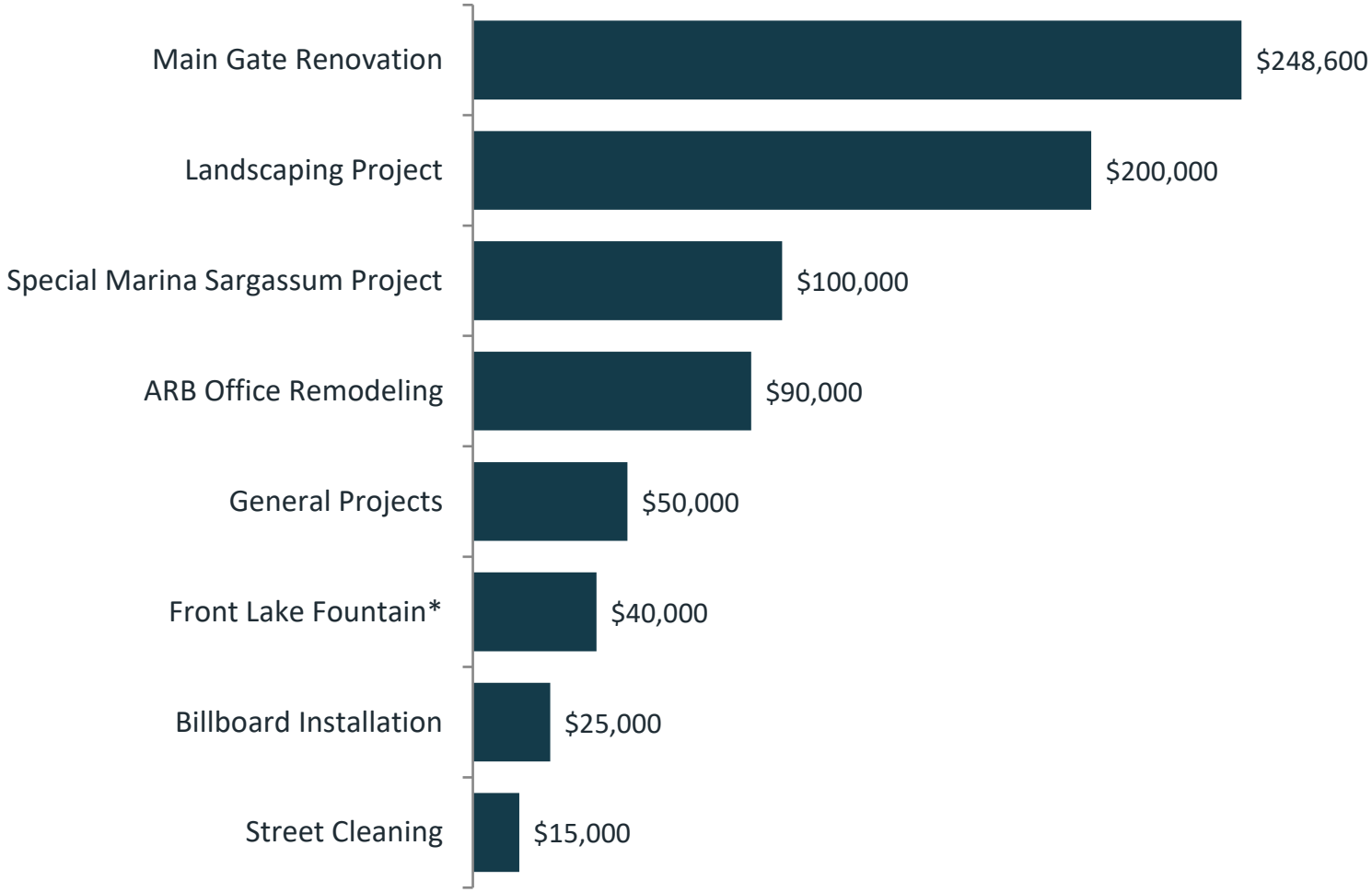
Lower PHA-ARB additional contribution; partially offset by higher youth & community activities.

General administration

–$30,540

Lower PHA maintenance, office expenses and utilities.

2027 Major Repair Projects



$768,600

Eight projects, fully funded by the 2027 major repairs reserve.

$0

net excess of revenues over expenses after major repairs and disaster funds.

*Represents the PHA representative portion of this project. Total costs will be divided among 5 legal entities.

What this Means for Homeowners

No assessment increase

The assessment fee stays the same in 2027.

Prepay and save 2.5%

Homeowners who prepay their assessment receive a 2.5% discount.

A stronger investment in key projects

$768,600 set aside for major projects.

Appendix

Detailed Budget Tables for Reference

Appendix: Revenues

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
Assessment Income						
4120	Road Assessment	$ 15,799	$ 6,000	$ 155,752	$ 10,000	$ 4,000
4140	Assessment Income-Individual	4,823,925	4,822,740	4,797,625	4,821,960	(780)
4141	Assessment Income-PDMPI	28,600	28,600	28,600	28,600	–
4142	Assessment Income-Hotel	122,200	122,200	122,200	122,200	–
4144	Assessment Income-Club Cala	141,700	141,700	141,700	141,700	–
4143	Assessment Income-PAC	84,500	–	–	84,500	84,500
4161	Proj. under dev/ Other year assess	48,932	30,000	17,849	20,000	(10,000)
4162	Insurance Claim	17,287	–	23,716	–	–
Other Income						
4210	Change of Owners	10,000	6,250	9,650	10,000	3,750
4215	Misc. & Other Income	54,025	50,000	50,452	50,000	–
4225	Golf Carts Income	268,196	280,000	263,954	265,000	(15,000)
4230	Access Control Id's /Sticker	63,991	50,000	54,015	25,000	(25,000)
4240	Lot Cleaning Income	–	2,000	2,000	–	(2,000)
4241	Inspection Violation Income	5,083	–	4,670	–	–
4245	ARB Intercompany	–	–	155,000	185,662	185,662
4250	Legal Fees reimbursement	62,270	45,000	80,015	80,000	35,000
Bank and Late Charges income						
4310	Bank Interest	33,462	24,000	52,998	40,000	16,000
4340	Late Charges and Penalties-Individual	107,997	45,000	69,844	48,000	3,000
	Total Revenues	**5,887,967**	**5,653,490**	**6,030,039**	**5,932,622**	**279,132**
4165	Less Discount on Assessments	(48,101)	(45,000)	(45,000)	(45,000)	–
	Total Revenues Available	**$5,839,866**	**$5,608,490**	**$5,985,039**	**$5,887,622**	**$279,132**

Change = 2027 Budget minus 2026 Budget. Amounts in US dollars; parentheses are negative amounts. Totals may differ by $1 from the summary because of rounding.

Appendix: Security and Grounds Maintenance

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
Security						
5010	Security Services	$1,432,562	$1,526,828	$1,450,670	$1,576,703	$ 49,875
5011	Security Services guardhouse	25,874	27,000	25,874	26,400	(600)
5012	Fiber Optic Internet	–	–	5,476	6,000	6,000
5013	Access Control System	–	–	–	12,000	12,000
	Subtotal	**1,458,436**	**1,553,828**	**1,482,020**	**1,621,103**	**67,275**
Grounds Maintenance						
5310	Landscaping Contract + Extra areas	382,238	442,025	442,025	442,025	–
5315	Mosquito Control Contract	19,200	25,000	22,550	27,600	2,600
5342	Landscaping Extra Contract	7,400	10,000	5,000	10,000	–
	Subtotal	**$ 408,838**	**$ 477,025**	**$ 469,575**	**$ 479,625**	**$ 2,600**

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Appendix: General Maintenance and Insurance

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
General Maintenance						
5316	Animal Stray	$ 40,000	$ 48,000	$ 2,000	$ 10,000	$ (38,000)
5505	General PHA Maintenance Service	101,648	85,000	71,338	134,661	49,661
5510	Beach Cleaning Contract	85,930	85,930	85,930	85,930	–
5511	Sargassum Cleaning	229,255	250,000	1,000	100,000	(150,000)
5512	Beach Rake & Tractor	28,957	29,200	29,137	29,137	(63)
5513	A/C Maintenance Contract	–	–	7,200	7,200	7,200
5620	Road Repair and Maintenance	8,355	15,000	35,270	38,200	23,200
5627	Lot Cleaning	1,650	2,000	–	–	(2,000)
5630	Signs	3,860	10,000	10,000	10,000	–
5710	Electrical Illumination Maintenance	55,140	54,388	53,094	66,500	12,112
5711	Solar Illumination Maintenance	24,592	24,114	20,700	25,400	1,286
5716	Access Control Equipment Maintenance	20,892	21,420	33,314	30,000	8,580
5717	HCP Beach Compliance Contract	13,083	22,000	19,567	22,000	–
5718	Children and Park Maintenance	17,074	6,000	10,882	10,460	4,460
5720	Fountain Maintenance	2,088	6,000	1,566	5,000	(1,000)
	Subtotal	**632,524**	**659,052**	**380,998**	**574,488**	**(84,564)**
Insurance						
5810	Insurance Premium	132,939	145,000	124,693	150,000	5,000
	Subtotal	**$132,939**	**$145,000**	**$124,693**	**$150,000**	**$ 5,000**

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Appendix: Professional Fees and Salaries

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
Professional Fees						
5905	Professional Fees	$ 21,887	$ –	$ 55,000	$ 25,000	$ 25,000
5906	Legal Service	94,645	50,000	62,905	50,000	–
5907	Legal Service-Collection	61,768	50,000	183,419	80,000	30,000
5908	Consulting Services	9,199	30,000	30,000	30,000	–
5909	Audit/Taxes	21,393	23,000	21,000	25,000	2,000
5910	Community Event Coordinator	–	–	–	30,000	30,000
5911	Technical Management Inspector	79,990	–	–	–	–
5912	Legal Retainer	–	–	16,000	24,000	24,000
	Subtotal	**288,883**	**153,000**	**368,323**	**264,000**	**111,000**
Salaries and Benefits						
5930	ARB Salaries/Fringe Benefits	–	–	(68,667)	185,662	185,662
5931	Salaries	544,075	636,045	522,053	496,928	(139,117)
5932-5936	Taxes	39,709	55,089	47,366	42,451	(12,638)
5945	Human Resources	22,750	21,600	20,760	24,000	2,400
5946	Payroll ADP Services	5,280	7,000	6,276	7,000	–
5947	Health Insurance	4,132	5,000	4,728	5,000	–
5937	Other Compensation	30,000	42,000	30,000	39,000	(3,000)
5939	Admi Helper	48,125	40,000	31,905	35,000	(5,000)
5948	Fondo del Seguro	10,521	29,845	11,617	23,807	(6,038)
	Subtotal	**$704,591**	**$836,579**	**$606,038**	**$858,847**	**$ 22,268**

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Appendix: Activities

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
Business Meeting & Activities						
6010	Board & Committee	$ 6,652	$ 6,000	$ 6,000	$ 6,000	$ –
6011	Community Relations	16,783	32,000	18,135	25,000	(7,000)
6012	Homeowners Week	73,808	60,000	98,380	100,000	40,000
6013	Christmas Activities / Decoration	102,974	45,000	100,000	110,000	65,000
6014	PHA Magazine	40,678	41,000	41,500	41,000	–
6015	Web Page & Social Media	18,480	18,000	18,000	18,000	–
	Subtotal	**$259,375**	**$202,000**	**$282,015**	**$300,000**	**$ 98,000**

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Appendix: Activities and administration

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
General Administration						
(A) Utilities						
6021	Electricity	$ 37,938	$ 42,000	$ 27,267	$ 42,000	$ –
6022	Water	11,049	15,000	12,293	15,000	–
6023	Telephone/Internet/Cable	20,068	22,000	17,561	18,000	(4,000)
6024	Cellular	3,517	5,000	2,899	5,000	–
	Subtotal	**72,571**	**84,000**	**60,020**	**80,000**	**(4,000)**
(B) Office Expenses						
6042	Office Supplies	21,106	15,000	15,236	15,000	–
6043	Car Sticker, ID'S & AVI Card	27,377	25,000	25,000	20,000	(5,000)
6044	Postage	8,484	8,000	10,087	10,000	2,000
6045	Printing / Photocopier	20,385	21,000	20,265	17,460	(3,540)
6046	Information System Maintenance	5,175	7,400	6,135	7,400	–
6047	PHA Employee Training & Activities	5,305	9,000	3,000	7,000	(2,000)
	Subtotal	**87,832**	**85,400**	**79,723**	**76,860**	**(8,540)**
(C) PHA Maintenance						
6061	Vehicle Maintenance	10,058	20,000	9,838	12,000	(8,000)
6062	Building Maintenance	85,891	50,000	40,330	40,000	(10,000)
	Subtotal	**95,949**	**70,000**	**50,168**	**52,000**	**(18,000)**
	Total General Administration	**$256,352**	**$239,400**	**$189,911**	**$208,860**	**$ (30,540)**

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Appendix: Administration, other, totals

Acct	Line item	2025 Audited	2026 Budget	2026 Revised Est.	2027 Budget	Change vs 2026
Others						
6071	Youth & Community Activities	$ 11,827	$ 12,000	$ 12,000	$ 86,000	$ 74,000
6072	Depreciation Expense	161,244	163,200	154,978	165,000	1,800
6073	ARB Contribution	–	148,000	–	10,000	(138,000)
6074	Forest/Green Area Maintenance	20,745	70,000	70,000	70,000	–
6075	Provision for uncollectible accounts	151,197	241,137	241,137	241,098	(39)
6076	Bank Service Charges	100,157	90,000	104,046	90,000	–
	Subtotal	**445,169**	**724,337**	**582,162**	**662,098**	**(62,239)**
	Total Operating Expense	**4,587,107**	**4,990,221**	**4,485,734**	**5,119,021**	**128,800**
	Excess of Revenue over Expenses	**$1,252,759**	**$ 618,269**	**$1,499,305**	**$ 768,600**	**$ 150,331**

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