

## Proposed 2026 Highland Towers Inc, Budget

Dear Fellow Shareholders,

I am pleased to present the proposed budget for Highland Towers Inc. for the year 2026.

We have made a few updates with updated proposals and other information obtained in the last few weeks. The total operating budget in 2025 is \$710,240 and the proposed for 2026 is \$710,240.

The goal of our budget review was to control expenses and keep the total Quarterly payments for each owner the same in 2026 as they were in 2025.

Our largest variable expense, Insurance, was budgeted in 2025 for \$274,000 (where we then successfully negotiated a 2025 reduction to \$242,730). We have a 2026 proposed amount from our agent at \$236,050. Another reduction.

Key changes since the board meeting on November 10<sup>th</sup>:

- **5202 Pest Control (Building):** Increased from \$1,100 to \$3,425
- **5205 Landscaping Extras (Pest Control & Fertilizer):** Increased from \$1,800 to \$2,250
- The **budget decrease of \$16,816** is now allocated as an **“Operating Contingency”** line item. This amount ensures that the total budgets for 2025 and 2026, as well as shareholder invoices, remain the same. The Operating Contingency will be used for unexpected expenses, such as holiday lighting or reserve expenses.

If you have any questions or require further clarification, please send your inquiries to [highttreas@gmail.com](mailto:highttreas@gmail.com) before Friday, December 12th.

Sincerely,

John Skramko

Treasurer

HIGHLAND TOWERS BUDGET 2026			
	2025	2026	
m	Annual Budget	Annual Budget	Increase/ (Decrease)
4001 · Maintenance Income	\$ 710,240	\$ 710,240	\$ (0)
Expense	2025	2026	+/-
5000 · PROFESSIONAL EXPENSES			
5001 · Management Fees [Andres]	\$ 32,048	\$ -	\$ (32,048)
5002 · Accounting Fees	\$ 22,850	\$ 25,000	\$ 2,150
5003 · Professional Fees	\$ 250	\$ 1,250	\$ 1,000
5004 · Legal Fees	\$ 5,000	\$ 7,500	\$ 2,500
5005 · License/Permits/Fees	\$ 1,000	\$ 1,200	\$ 200
5007 · Office Supplies / Postage	\$ 2,750	\$ 4,000	\$ 1,250
5008 · Board Events	\$ 2,500	\$ 4,000	\$ 1,500
5008.1 House Committee	\$ 1,000	\$ 1,000	\$ -
5009 · Bank Fees	\$ 1,284	\$ 100	\$ (1,184)
5010 · Screening Expense	\$ 250		\$ (250)
5011 · Taxes-Other	\$ 100	\$ -	\$ -
Total 5000 · PROFESSIONAL EXPENSES	\$ 69,032	\$ 44,050	\$ (24,982)
5100 · INSURANCE			
5101 · Insurance Expense	\$ 274,000	\$ 236,050	\$ (37,950)
5102 · Insurance Workers Comp	\$ 1,000	\$ 1,500	\$ 500
Total 5100 · INSURANCE	\$ 275,000	\$ 237,550	\$ (37,450)
5200 · REPAIRS & MAINTENANCE			
5201 · Building Repairs	\$ 1,600	\$ 8,000	\$ 6,400
5202 · Pest Control - Building	\$ 1,800	\$ 3,425	\$ 1,625
5203 · Elevator Service	\$ 18,500	\$ 22,000	\$ 3,500
5204 · Lawn Maintenance	\$ 15,000	\$ 15,600	\$ 600
5205 · Landscaping Extras-Pest Control + fertilizing	\$ 2,000	\$ 2,250	\$ 250
5206 · Tree and Shrub Trimming	\$ 1,600	\$ 5,800	\$ 4,200
5207 · Irrigation	\$ 1,000	\$ -	\$ (1,000)
5208 · Beach/Deck Repairs&Maint	\$ 3,672	\$ 4,200	\$ 528
5209 · Pool Maintenance	\$ 7,500	\$ 10,250	\$ 2,750
5210 · Pool Repairs			\$ -
5211 · Janitorial / Maintenance	\$ 30,000	\$ 30,000	\$ -
5211.1 Janitorial G2	\$ 1,170		\$ (1,170)
5213 · Fire Alarm & Equipment	\$ 4,500		\$ (4,500)
5214 · Building Maint Supplies	\$ 12,500	\$ 15,500	\$ 3,000
5215 · Electrical Repairs	\$ 3,000		\$ -
5216 · Plumbing Repairs	\$ 3,500		\$ -
Total 5200 · REPAIRS & MAINTENANCE	\$ 107,342	\$ 117,025	\$ 9,683
5300 · UTILITIES			
5301 · Electricity - Building	\$ 11,000	\$ 9,500	\$ (1,500)
5301.1 Electricity G2			
5301.2 Irrigation	\$ 500	\$ 500	\$ -
5302 · Water	\$ 26,369	\$ 25,750	\$ (619)
5302.1 Water Irrigation	\$ 11,626	\$ 13,000	\$ 1,374
5303 · Telephone Expense	\$ 1,700	\$ 2,100	\$ 400
5304 · Gas	\$ 6,000	\$ 7,500	\$ 1,500
5305 · Cable / Internet	\$ 57,480	\$ 59,775	\$ 2,295
5306 · Trash	\$ 12,858	\$ 12,500	\$ (358)
5307 · Sewer	\$ 23,433	\$ 22,600	\$ (833)
Total 5300 · UTILITIES	\$ 150,965	\$ 153,225	\$ 2,260
PAYROLL			+/-
5401 · Gross Wages	\$ 96,680	\$ 130,375	\$ 33,695
5402 · FICA Expense Employer	\$ 5,994	\$ 8,083	\$ 2,089
5403 · Medicare Expense Employer	\$ 1,402	\$ 1,890	\$ 489
5404 · Unemployment Fed/State	\$ 100	\$ 125	\$ 25
5305 · Administrative Costs	\$ 500	\$ 500	\$ -
5407 Employee Phone Reimbursement	\$ 1,200	\$ 600	\$ (600)
Total 5400 · PAYROLL EXPENSES	\$ 107,901	\$ 141,574	\$ 33,673
2026 Operating Contingency	\$ -	\$ 16,816	\$ 16,816
TOTAL OPERATING EXPENSE	\$ 710,240	\$ 710,240	\$ (0)