**SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.**
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025

Myers Brettholtz & COMPANY, PA
CPAs and Consultants

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THE EXCEPTION TO THE RULE mbcopa@mbcopa.com

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors
of Sanibel Moorings Condominium Association, Inc.

We have audited the accompanying financial statements of Sanibel Moorings Condominium Association, Inc., which comprise the balance sheet as of September 30, 2025, and the related statements of revenue, expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sanibel Moorings Condominium Association, Inc. as of September 30, 2025, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sanibel Moorings Condominium Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sanibel Moorings Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
of Sanibel Moorings Condominium Association, Inc.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sanibel Moorings Condominium Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sanibel Moorings Condominium Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Emphasis of Matter**

As further described in Note 9, Sanibel Moorings Condominium Association, Inc. elected to waive the statutory replacement funding requirement for the year ended September 30, 2025 and funded at an amount more than the statutory requirement.

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To the Board of Directors
of Sanibel Moorings Condominium Association, Inc.

**Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenue and expenses - budget to actual, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of Sanibel Moorings Condominium Association, Inc.'s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Myers, Brettholtz & Company, PA

MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
August 17, 2026

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
SEPTEMBER 30, 2025

| | Operating Fund | Replacement Fund | Hurricane | Total |
|---|---|---|---|---|
| Assets | | | | |
| Cash | $ 2,156,713 | $ - | $ - | $ 2,156,713 |
| Assessments receivable | 268,047 | - | - | 268,047 |
| Prepaid expenses | 205,667 | - | - | 205,667 |
| Inventory | 49,833 | - | - | 49,833 |
| Property and equipment, net | 360,089 | - | - | 360,089 |
| Deposits | 1,115 | - | - | 1,115 |
| Due from (to) funds | (1,540,537) | 2,260,249 | (719,712) | - |
| Total assets | $ 1,500,927 | $ 2,260,249 | $ (719,712) | $ 3,041,464 |
| Liabilities and Fund Balance | | | | |
| Liabilities | | | | |
| Accounts payable and accrued expenses | $ 177,671 | $ - | $ - | $ 177,671 |
| Bank overdraft | - | 4 | - | 4 |
| Advance deposits | 1,007,319 | - | - | 1,007,319 |
| Deferred tax liability | 16,546 | - | - | 16,546 |
| Note payable | - | - | 5,943,277 | 5,943,277 |
| Contract liability | - | 1,720,064 | - | 1,720,064 |
| Total liabilities | 1,201,536 | 1,720,068 | 5,943,277 | 8,864,881 |
| Fund balance | 299,391 | 540,181 | (6,662,989) | (5,823,417) |
| Total liabilities and fund balance | $ 1,500,927 | $ 2,260,249 | $ (719,712) | $ 3,041,464 |

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Operating Fund | Replacement Fund | Hurricane | Total |
|---|---|---|---|---|
| Revenue | | | | |
| Member assessments | $ 1,671,903 | $ 136,774 | $ - | $ 1,808,677 |
| Special assessment | - | - | 1,244,400 | 1,244,400 |
| Interest | - | 26 | - | 26 |
| Rental | 1,523,204 | - | - | 1,523,204 |
| Other | 80,896 | - | - | 80,896 |
| Total revenue | 3,276,003 | 136,800 | 1,244,400 | 4,657,203 |
| Expenses | | | | |
| Administrative | 1,201,340 | - | - | 1,201,340 |
| Maintenance | 796,511 | - | - | 796,511 |
| Insurance and taxes | 780,497 | - | - | 780,497 |
| Retail sales | 12,448 | - | - | 12,448 |
| Housekeeping | 371,317 | - | - | 371,317 |
| Maintenance services | 172,727 | - | - | 172,727 |
| Hurricane | - | - | 2,019,566 | 2,019,566 |
| Replacement | - | 136,800 | - | 136,800 |
| Total expenses | 3,334,840 | 136,800 | 2,019,566 | 5,491,206 |
| Excess (deficiency) of revenue over expenses | (58,837) | - | (775,166) | (834,003) |
| Fund balance, beginning of year *(Hurricane fund restated)* | 358,228 | 540,181 | (5,887,823) | (4,989,414) |
| Fund balance, end of year | $ 299,391 | $ 540,181 | $ (6,662,989) | $ (5,823,417) |

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Operating Fund *(Reclassified)* | Replacement Fund | Hurricane | Total |
|---|---|---|---|---|
| Cash Flows From Operating Activities | | | | |
| Excess (deficiency) of revenue over expenses | $ (58,837) | $ - | $ (775,166) | $ (834,003) |
| Adjustments to reconcile to net cash flows from operating activities: | | | | |
| Depreciation | 79,538 | - | - | 79,538 |
| Changes in: | | | | |
| Assessments receivable | 132,083 | - | - | 132,083 |
| Prepaid expenses | 28,833 | - | - | 28,833 |
| Inventory | 15,581 | - | - | 15,581 |
| Due from (to) funds | 5,329,520 | (161,409) | (5,168,111) | - |
| Accounts payable and accrued expenses | (3,705,008) | (38,621) | - | (3,743,629) |
| Bank overdraft | - | 4 | - | 4 |
| Advance deposits | (142,994) | - | - | (142,994) |
| Contract liability | - | 200,026 | - | 200,026 |
| Net cash flows from operating activities | 1,678,716 | - | (5,943,277) | (4,264,561) |
| Cash Flows From Investing Activities | | | | |
| Purchases of property and equipment | (31,212) | - | - | (31,212) |
| Cash Flows From Financing Activities | | | | |
| Proceeds from note payable | - | - | 7,000,000 | 7,000,000 |
| Principal payments on note payable | - | - | (1,056,723) | (1,056,723) |
| Net cash flows from financing activities | - | - | 5,943,277 | 5,943,277 |
| Net increase | 1,647,504 | - | - | 1,647,504 |
| Cash | | | | |
| Beginning of year | 509,209 | - | - | 509,209 |
| End of year | $ 2,156,713 | $ - | $ - | $ 2,156,713 |
| Supplemental Information | | | | |
| Income taxes paid | $ 38,621 | $ - | $ - | $ 38,621 |
| Interest paid | $ - | $ - | $ 276,916 | $ 276,916 |

Read Independent Auditors' Report.
The accompanying notes are an integral part of the financial statements.

**NOTE 1 - ORGANIZATION AND PURPOSE**

Sanibel Moorings Condominium Association, Inc. (the "Association") was incorporated on November 3, 1971, under the laws of Florida as a corporation not-for-profit, to operate and manage Sanibel Moorings Condominium (the "Condominium"), which consists of 122 units, located in Sanibel, Florida. The owners of the units are the only members. The Association provides for the operation and maintenance of the condominium and also administers a rental program. The Association obtains tenants, collects rents, and pays expenses on behalf of owners who are members of the rental program.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Association's governing documents provide guidelines for governing its financial activities. To ensure observance of limitations on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Hurricane fund - This fund is used to account for the activity related to Hurricane Ian.

Member Assessments and Allowance for Credit Losses

Association members are subject to assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. Any excess assessments at year-end are retained by the Association for use in the succeeding year. For the year ended September 30, 2025, there was no provision for credit losses.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. The Association exercises its right to impose late charges on any member whose assessments are not paid when due and foreclose upon any owner whose interest is not otherwise subject to a mortgage and who becomes delinquent in payment of their assessments due to the Association. The balances of assessments receivable as of the beginning and end of the fiscal year are $400,130 and $268,047, respectively. All assessments receivable are presented in the operating fund.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring outstanding assessment balances by management, member payment history of outstanding assessments balances and susceptibility to factors outside the Association's control. As of September 30, 2025, management determined that no allowance for credit losses is necessary.

Late fees are recognized when collected.

Inventory

Inventory is stated at lower of cost or net realizable value. Cost is determined by the first-in, first-out method, as further described in Note 4.

Property and Equipment

The Association follows prevalent industry practice, as contained in ASC Subtopic 972-360, "Real Estate - Common Interest Realty Associations - Property, Plant and Equipment" in accounting for the common property of the Association, which it is responsible to preserve and maintain. Property is capitalized only if the Association has title or other evidence of ownership of the property, and either the Association can dispose of the property or the property is used by the Association to generate significant cash flow from members on the basis of usage or from nonmembers.

Property associated with the units is not capitalized. Property not directly associated with the units consists of a swimming pool, laundry facility building, exercise room, gardens, landscaping, parking lot and other common areas. These items are not capitalized as they do not meet the capitalization criteria, since ownership of the commonly owned assets is vested in the members, those assets are not titled in the Association's name and disposition of those assets by the Board is restricted. Additions and improvements to common property are accounted for as major repair and replacement expenditures in the replacement fund.

Acquisitions of certain personal property assets to which the Association holds title, in excess of $500 are recorded at cost and are being depreciated over their estimated useful lives, using the straight-line method, as further described in Note 5.

Contract Liability

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the replacement fund assessments. During the year ended September 30, 2025, the Association assessed and received $336,800 in the replacement fund. The balances of contract liability as of the beginning and end of the fiscal year are $1,520,038 and $1,720,064, respectively.

Income Taxes

The Association elected to be subject to federal and state income taxes as a regular corporation and file Form 1120, for the year ended September 30, 2025. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income at regular and state corporate rates. Nonmember activity losses may be used to offset member activity profits in current and future periods. Member activity losses are referred to as deferred expense carry-forwards and cannot be used to offset nonmember activity profits. As a result, it is the Association's policy not to disclose the deferred tax asset and related valuation allowances associated with the carryforwards.

Management has analyzed its various federal and state filing positions and believes that the Association's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Association's federal and state income tax returns remain subject to examination by the Internal Revenue Service and the State of Florida, respectively, for three years from the date of filing.

There was no income tax expense for the year ended September 30, 2025.

Fair Value Measurements

The Association measures certain assets at fair value in accordance with current accounting standards on fair value measurements. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). The Association has determined that there were no material differences between the cost and carrying values of its financial assets and liabilities as of September 30, 2025.

Reclassifications

For purposes of the statement of cash flows, certain amounts in the September 30, 2024 financial statements have been reclassified to conform to the September 30, 2025 presentation. These reclassifications had no effect on total fund balance.

## NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash. The Association maintains cash balances at various financial institutions. Accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to $250,000. As of September 30, 2025, the uninsured balance was $1,761,936, based on the bank statement balances, less the FDIC insurance.

**NOTE 4 - INVENTORY**

Inventory consisted of the following as of September 30, 2025:

| | |
|---|---|
| Housewares | $ 30,940 |
| Merchandise | 866 |
| Maintenance | 18,027 |
| | $ 49,833 |

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of September 30, 2025:

| | Estimated Useful Life (Years) | |
|---|---|---|
| Land | N/A | $ 115,004 |
| Furniture and equipment | 5-15 | 779,189 |
| Vehicles | 5 | 49,067 |
| Tennis court | 10 | 22,229 |
| Buildings | 25 | 158,090 |
| Less: accumulated depreciation | | (763,490) |
| | | $ 360,089 |

Depreciation expense for the year ended September 30, 2025 was $79,538, and is included in administrative expenses.

**NOTE 6 - ADVANCE DEPOSITS**

Advanced deposits consisted of refundable reservation deposits for rentals occurring after September 30, 2025.

**NOTE 7 - NOTE PAYABLE**

The Association has a promissory note with a financial institution for $7,000,000 that matures on August 2, 2032. Interest accrues at a rate of 8.25%. Under the terms of the agreement, the Association makes monthly payments of $95,393. The loan is collateralized by assessments and lien rights. As of September 30, 2025, the unpaid principal balance was $5,943,277. Interest expense related to the note was $276,916 for the year ended September 30, 2025, included in hurricane expenses.

Future maturities of the note payable are as follows:

| Years ending September 30, | |
|---|---|
| 2026 | $ 1,144,711 |
| 2027 | 1,144,711 |
| 2028 | 1,144,711 |
| 2029 | 1,144,710 |
| 2030 | 1,144,710 |
| Thereafter | 1,995,066 |
| | 7,718,619 |
| Less: interest | (1,775,342) |
| | $ 5,943,277 |

**NOTE 8 - LINE OF CREDIT**

The Association has a line of credit with a financial institution with a maximum available balance of $300,000 that matures on September 23, 2026. The interest rate is variable and can change based on changes in an independent index. As of September 30, 2025, there was no balance due on the line of credit.

**NOTE 9 - FUTURE MAJOR REPARS AND REPLACEMENTS**

The Association’s governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate $1,720,064 and $540,181, are presented on the accompanying balance sheet as a contract liability and fund balance, respectively, as of September 30, 2025. These funds are held in separate accounts and are generally not available for operating purposes.

During the year ended September 30, 2025, the Association funded for future major repairs and replacements over the estimated useful life of the components, based on management’s estimate of current replacement costs. As provided by Florida Statutes, the replacement funding requirement for the year ended September 30, 2025, was waived by a majority of all voting interests at a duly called meeting and was funded at an amount more than the statutory requirement. As provided by Florida Statutes, the replacement funding requirement for the year ended September 30, 2025 was $171,305.

The Association’s policy is to allocate the replacement fund’s other additions to the component with the most expenditures for the year with the exception of the insurance component.

The following is the replacement fund activity, by component:

| Components | Balance Beginning of Year | Assessments and Other Additions | Expended | Balance End of Year |
|---|---|---|---|---|
| Building painting | $ (330) | $ - | $ - | $ (330) |
| Roof | 291,042 | 136,826 | 136,800 | 291,068 |
| Steel beams | 352,993 | - | - | 352,993 |
| Porch | 263,529 | - | - | 263,529 |
| Plumbing | 12,312 | - | - | 12,312 |
| Insurance | 1,140,673 | 200,000 | - | 1,340,673 |
| | $ 2,060,219 | $ 336,826 | $ 136,800 | $ 2,260,245 |

The Association's 2025/2026 budget includes future major repairs and replacement funding of $200,000, as shown in the unaudited supplementary information. The components' actual replacement costs, useful life, and investment income may vary from the estimated amounts, and the variation may be material. Therefore, the Association's replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

**NOTE 10 - SPECIAL ASSESSMENT**

Special assessment revenue is recognized when funds are expended for their designated purpose. Unexpended amounts are recorded as deferred revenue until they are either expended for the purpose of the original assessment, returned to the members, or used for another purpose as determined and approved by the Board.

During the year ended September 30, 2024, the Board approved a special assessment of $9,992,659 to fund the repayment of the note payable, described in Note 7. The special assessment is due over 98 months in equal payments of $850 starting September 30, 2024. During the year ended September 30, 2025, the Association billed and recognized $1,244,400 of special assessment revenue.

**NOTE 11 - RESTATEMENT**

The hurricane fund balance as of October 1, 2024, was restated by $5,887,823 due to an understatement of hurricane expenses in the prior year. There is no tax effect related to the restatement.

**NOTE 12 - COMMITMENTS**

The Association contracts with vendors for various services to maintain the common property related to certain administration and building operations and maintenance expenses. These contracts are approved, as necessary, by the Board and have varying expiration dates and renewal terms.

**NOTE 13 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 17, 2026, the date the financial statements were available to be issued.

# SUPPLEMENTARY INFORMATION

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
SEPTEMBER 30, 2025
*(Unaudited)*

A study was performed by the Board during 2008, to estimate the remaining useful life and the current replacement costs of the components of common property. The study has been updated by management throughout the years to no longer include some components that were determined to be operating and to adjust the replacement costs and life according to ongoing spending. Estimated current replacement costs do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following table is based on the study and presents significant information about the components of common property. Amounts are based on normal operation and without the effect of potential catastrophic occurrences.

| Components | Estimated Remaining Useful Life (Years) | Estimated Current Replacement Costs | 2025/2026 Budgeted Funding |
|---|---|---|---|
| Building painting | 8 | $ 226,500 | $ - |
| Roof | 3-17 | 889,500 | - |
| Steel beams | 36-37 | 623,264 | - |
| Porch | 0-10 | 31,000 | - |
| Plumbing | 36 | 288,000 | - |
| Insurance | N/A | - | 200,000 |
| | | $ 2,058,264 | $ 200,000 |

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES -
BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Budget<br>*(Unaudited)* | Actual | Variance |
|---|---|---|---|
| Revenue | | | |
| Member assessments | $ 1,671,903 | $ 1,671,903 | $ - |
| Rental | 1,980,916 | 1,523,204 | (457,712) |
| Other | - | 80,896 | 80,896 |
| Total operating fund revenue | 3,652,819 | 3,276,003 | (376,816) |
| Expenses | | | |
| Administrative | | | |
| Salary and wages | 502,782 | 426,683 | 76,099 |
| Employee retirement | 8,001 | 7,968 | 33 |
| Employee benefits | 115,946 | 89,742 | 26,204 |
| Payroll taxes | 85,373 | 75,246 | 10,127 |
| Office supplies | 9,000 | 10,632 | (1,632) |
| Computer supplies | 3,600 | 3,744 | (144) |
| Postage | 2,400 | 977 | 1,423 |
| Printing | 1,200 | - | 1,200 |
| Maintenance agreements | 60,000 | 56,668 | 3,332 |
| Advertising | 106,000 | 55,708 | 50,292 |
| Dues and subscriptions | 3,300 | 4,966 | (1,666) |
| Staff | 24,000 | 10,978 | 13,022 |
| Staff training | 2,400 | 5,000 | (2,600) |
| Equipment rental | 13,200 | 5,817 | 7,383 |
| Vehicle | 9,000 | 4,733 | 4,267 |
| Answering service | 9,000 | 7,979 | 1,021 |
| Telephone usage | - | 77 | (77) |
| Telephone equipment and repairs | - | 34,242 | (34,242) |
| Accounting services | 20,100 | 15,925 | 4,175 |
| Investment bank fees | 2,400 | 3,764 | (1,364) |
| Legal | 6,000 | 5,556 | 444 |
| Guest service | 54,000 | 122,498 | (68,498) |
| Penalty | - | 747 | (747) |
| Depreciation | 68,340 | 79,538 | (11,198) |
| Interest | - | 804 | (804) |
| Travel | 29,600 | 36,341 | (6,741) |
| Annual meeting | 5,000 | 6,993 | (1,993) |
| Credit card fees | 150,878 | 127,526 | 23,352 |
| Division fees | 488 | 488 | - |
| Total administrative | 1,292,008 | 1,201,340 | 90,668 |

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES -
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Budget (Unaudited) | Actual | Variance |
|---|---|---|---|
| Maintenance | | | |
| Water | 56,000 | 35,118 | 20,882 |
| Sewer | 102,000 | 107,765 | (5,765) |
| Liquid gas | 14,820 | 1,064 | 13,756 |
| Electricity | 32,000 | 23,574 | 8,426 |
| Maintenance materials | 12,000 | 479 | 11,521 |
| Operations manager | 83,122 | 83,122 | - |
| Maintenance labor | 152,728 | 170,271 | (17,543) |
| Supplies and chemicals | 10,920 | 6,036 | 4,884 |
| Grounds material | 36,000 | 1,396 | 34,604 |
| Small tools | 2,100 | 1,827 | 273 |
| GRM - apartments | 31,440 | 38,061 | (6,621) |
| GRM - common buildings | 24,000 | 21,964 | 2,036 |
| GRM - external | - | 3,900 | (3,900) |
| Roof repairs | 8,730 | 30,840 | (22,110) |
| Lighting | 1,200 | - | 1,200 |
| Parking lot repair | 9,936 | - | 9,936 |
| Grounds labor | 136,561 | 128,675 | 7,886 |
| Lawn maintenance | 36,000 | - | 36,000 |
| Shrub and flower | 26,280 | - | 26,280 |
| Preserve trimming | 8,000 | 6,000 | 2,000 |
| Tree trimming | 10,000 | 17,600 | (7,600) |
| Mulch | - | 30,193 | (30,193) |
| Weed and feed | 9,000 | - | 9,000 |
| Plant replacement | 9,996 | 2,789 | 7,207 |
| Pest control | 13,587 | 15,465 | (1,878) |
| Trash removal | 58,581 | 55,601 | 2,980 |
| Pool repairs | 3,960 | 3,003 | 957 |
| Sprinkler maintenance | 9,996 | 10,393 | (397) |
| Signs | 1,200 | 629 | 571 |
| Grounds holiday decorations | - | 746 | (746) |
| Total maintenance | 900,157 | 796,511 | 103,646 |
| | | | |
| Insurance and taxes | | | |
| Taxes | - | 50 | (50) |
| Insurance | 801,025 | 780,447 | 20,578 |
| Total insurance and taxes | 801,025 | 780,497 | 20,528 |
| | | | |
| Retail sales | | | |
| Cost of merchandise | 840 | 1,320 | (480) |
| Pool towel rental | 1,000 | 5,409 | (4,409) |
| Beach walk | 2,500 | 3,675 | (1,175) |
| Concessions | 540 | 2,044 | (1,504) |
| Total retail sales | 4,880 | 12,448 | (7,568) |

SANIBEL MOORINGS CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES -
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Budget *(Unaudited)* | Actual | Variance |
|---|---|---|---|
| Housekeeping | | | |
| Contract maid service | 242,438 | 105,275 | 137,163 |
| Contract deep cleaning | 17,010 | 11,141 | 5,869 |
| Laundry wages | 167,671 | 158,657 | 9,014 |
| Equipment maintenance | 1,200 | 571 | 629 |
| Laundry supplies | 22,658 | 8,406 | 14,252 |
| Replace sheets | 12,000 | 25,020 | (13,020) |
| Replace towels | 4,000 | 27,359 | (23,359) |
| Cleaning supplies | 1,800 | 2,547 | (747) |
| Soap and tissue | 47,820 | 32,341 | 15,479 |
| Total housekeeping | 516,597 | 371,317 | 145,280 |
| Maintenance services | | | |
| Maintenance labor | 24,296 | 8,636 | 15,660 |
| Maintenance materials | 27,501 | 11,777 | 15,724 |
| Housekeeping materials | 15,054 | 152,314 | (137,260) |
| Total maintenance services | 66,851 | 172,727 | (105,876) |
| Total operating fund expenses | 3,581,518 | 3,334,840 | 246,678 |
| Excess of revenue over expenses | $ 71,301 | $ (58,837) | $ (130,138) |