

WINDING  
CYPRESS  
HOA



2023 PROPOSED BUDGET  
PRESENTATION  
OCTOBER 2022

# WINDING CYPRESS HOA 2023 PROPOSED BUDGET

## SECTIONS:

- HOA ASSESSMENT
- HOA BUDGET & SHADY PALM BUDGETS
- RESERVE (REPLACEMENTS & REPAIRS)  
BUDGET

## WINDING CYPRESS - 2023 HOA ASSESSMENT

### 2023 Budget

Home Group	<u>Estate Series</u>	<u>Classic Series</u>	<u>Villa Series</u>	<u>Average</u>	<u>Total</u>
No. of Homes	208	406	152		766
Maintenance Total	\$ 1,416	\$ 1,260	\$ 774	\$ 1,206	\$ 923,447
Common Area Charge	\$ 813	\$ 813	\$ 813	\$ 813	\$ 622,537
Neighborhood Assessment	\$ 2,229	\$ 2,072	\$ 1,586	\$ 2,018	\$ 1,545,984
HOA Operating Costs	\$ 2,548	\$ 2,548	\$ 2,548	\$ 2,548	\$ 1,951,687
Shady Palm (net loss)	\$ 164	\$ 164	\$ 164	\$ 164	\$ 125,841
Reserves	\$ 228	\$ 228	\$ 228	\$ 228	\$ 175,000
<b>Total Annual</b>	<b>\$ 5,169</b>	<b>\$ 5,013</b>	<b>\$ 4,527</b>	<b>\$ 4,959</b>	<b>\$ 3,798,512</b>
<b>Total Quarterly Cost</b>	<b>\$ 1,292</b>	<b>\$ 1,253</b>	<b>\$ 1,132</b>	<b>\$ 1,240</b>	<b>\$ 949,628</b>

### 2022 Budget

Home Group	<u>Estate Series</u>	<u>Classic Series</u>	<u>Villa Series</u>	<u>Average</u>	<u>Total</u>
No. of Homes	208	406	152		766
Maintenance Total	\$ 1,576	\$ 1,444	\$ 1,021	\$ 1,396	\$ 1,068,969
Common Area Charge	\$ 745	\$ 745	\$ 745	\$ 745	\$ 570,747
Neighborhood Assessment	\$ 2,321	\$ 2,189	\$ 1,766	\$ 2,141	\$ 1,639,716
HOA Operating Costs	\$ 2,021	\$ 2,021	\$ 2,021	\$ 2,021	\$ 1,548,117
Shady Palm (Included above)	\$ 94	\$ 94	\$ 94	\$ 94	\$ 72,127
Reserves (Included above)	\$ 120	\$ 120	\$ 120	\$ 120	\$ 91,920
<b>Total Annual Cost</b>	<b>\$ 4,556</b>	<b>\$ 4,424</b>	<b>\$ 4,001</b>	<b>\$ 4,376</b>	<b>\$ 3,351,880</b>
<b>Total Quarterly Cost</b>	<b>\$ 1,139</b>	<b>\$ 1,106</b>	<b>\$ 1,000</b>	<b>\$ 1,094</b>	<b>\$ 837,970</b>

### Change 2023 vs. 2022

Total Annual Increase	\$ 613	\$ 589	\$ 526	\$ 583	\$ 446,557
Total Quarterly Increase	\$ 153	\$ 147	\$ 132	\$ 146	\$ 111,639
Percent of Increase	13.5%	13.3%	13.2%	13.3%	13.3%

**WINDING CYPRESS HOME OWNERS ASSOCIATION  
2023 HOA And SHADY PALM BUDGET**

Account Name	2023 Budget Total	2022 Budget Total	2023 Budget Variance to 2022 Budget +/-	2022 Forecast (Annualized)	2023 Budget to 2022 Forecast +/- (-)	2023 Annual Budget Per Home	2023 Quarterly Budget Per Home	2022 Quarterly Budget Per Home
<b>HOA</b>								
<b>REVENUES</b>								
Maintenance Assessment	\$ 3,638,455	\$ 3,260,042	\$ 378,413	\$ 3,137,006	\$ 501,449	\$ 4,750	\$ 1,187	\$ 1,064
Reserve Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner Late Fees & Interest	\$ -	\$ 2,500	\$ (2,500)	\$ 4,854	\$ (4,854)	\$ -	\$ -	\$ 1
Clubhouse Rental Income	\$ -	\$ 1,000	\$ (1,000)	\$ 1,500	\$ (1,500)	\$ -	\$ -	\$ 0
Key Fobs	\$ -	\$ 1,000	\$ (1,000)	\$ 3,165	\$ (3,165)	\$ -	\$ -	\$ 0
Owner Miscellaneous Income	\$ -	\$ 300	\$ (300)	\$ 2,481	\$ (2,481)	\$ -	\$ -	\$ 0
Activity Events	\$ 50,000	\$ 95,543	\$ (45,543)	\$ 61,777	\$ (11,777)	\$ 65	\$ 16	\$ 31
Application Fees	\$ 18,250	\$ 3,000	\$ 15,250	\$ 7,613	\$ 10,638	\$ 24	\$ 6	\$ 1
Legal Fees Charged to Owners	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Event Labor Income (SP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Activity Events (SP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -	\$ (172)	\$ 172	\$ -	\$ -	\$ -
Violation Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Developer Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restaurant (Net)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>HOA Income</b>	<b>\$ 3,706,705</b>	<b>\$ 3,363,385</b>	<b>\$ 343,320</b>	<b>\$ 3,218,223</b>	<b>\$ 488,482</b>	<b>\$ 4,839</b>	<b>\$ 1,210</b>	<b>\$ 1,098</b>
<b>EXPENSES</b>								
<b>UTILITY EXPENSES</b>								
Electricity	\$ 187,553	\$ 143,067	\$ 44,486	\$ 166,918	\$ 20,635	\$ 245	\$ 61	\$ 47
Gatehouse Utilities/Expenses	\$ 1,578	\$ 5,900	\$ (4,322)	\$ 1,503	\$ 75	\$ 2	\$ 1	\$ 2
Water/Sewer	\$ 31,268	\$ 30,000	\$ 1,268	\$ 29,779	\$ 1,489	\$ 41	\$ 10	\$ 10
Refuse/Recycling	\$ 9,525	\$ 8,119	\$ 1,406	\$ 9,071	\$ 454	\$ 12	\$ 3	\$ 3
Telephone	\$ 16,652	\$ 9,840	\$ 6,812	\$ 15,730	\$ 922	\$ 22	\$ 5	\$ 3
Cable	\$ 4,170	\$ 5,640	\$ (1,470)	\$ 2,476	\$ 1,694	\$ 5	\$ 1	\$ 2
<b>Total Utilities Expense</b>	<b>\$ 250,746</b>	<b>\$ 202,566</b>	<b>\$ 48,180</b>	<b>\$ 225,477</b>	<b>\$ 25,269</b>	<b>\$ 327</b>	<b>\$ 82</b>	<b>\$ 66</b>
<b>BUILDING EXPENSES</b>								
Building Maintenance	\$ 32,280	\$ 10,000	\$ 22,280	\$ 30,738	\$ 1,542	\$ 42	\$ 11	\$ 3
Vehicular Access Control	\$ 227,301	\$ 186,640	\$ 40,661	\$ 208,494	\$ 18,807	\$ 297	\$ 74	\$ 61
Bldg. Supplies/ Tools / Equipment	\$ -	\$ 21,348	\$ (21,348)	\$ 63	\$ (63)	\$ -	\$ -	\$ 7
Gatehouse Maintenance/Repair	\$ 20,028	\$ 11,460	\$ 8,568	\$ 20,326	\$ (298)	\$ 26	\$ 7	\$ 4
Entry Fountains	\$ 20,225	\$ 19,500	\$ 725	\$ 18,000	\$ 2,225	\$ 26	\$ 7	\$ 6
Front Entry Maintenance	\$ -	\$ 2,500	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ 1
<b>Total Building Expenses</b>	<b>\$ 299,834</b>	<b>\$ 251,448</b>	<b>\$ 48,386</b>	<b>\$ 277,621</b>	<b>\$ 22,213</b>	<b>\$ 391</b>	<b>\$ 98</b>	<b>\$ 82</b>

**WINDING CYPRESS HOME OWNERS ASSOCIATION  
2023 HOA And SHADY PALM BUDGET**

Account Name	2023 Budget Total	2022 Budget Total	2023 Budget Variance to 2022 Budget +/-	2022 Forecast (Annualized)	2023 Budget to 2022 Forecast +/- (-)	2023 Annual Budget Per Home	2023 Quarterly Budget Per Home	2022 Quarterly Budget Per Home
<b>TOWN CENTER EXPENSES</b>								
Janitorial Contract	\$ 1,000	\$ 2,830	\$ (1,830)	\$ 1,335	\$ (335)	\$ 1	\$ 0	\$ 1
Pest Control - Interior	\$ 8,100	\$ 3,852	\$ 4,248	\$ 6,065	\$ 2,035	\$ 11	\$ 3	\$ 1
Fire Alarm System	\$ 1,740	\$ 2,000	\$ (260)	\$ 2,477	\$ (737)	\$ 2	\$ 1	\$ 1
Janitorial Supplies	\$ 13,038	\$ 10,000	\$ 3,038	\$ 12,806	\$ 232	\$ 17	\$ 4	\$ 3
Holiday Decorations	\$ 8,400	\$ 10,000	\$ (1,600)	\$ 6,000	\$ 2,400	\$ 11	\$ 3	\$ 3
Electricity Maintenance & Repair	\$ 3,720	\$ 5,000	\$ (1,280)	\$ 3,565	\$ 155	\$ 5	\$ 1	\$ 2
Fitness Equipment Repair	\$ 2,100	\$ 1,500	\$ 600	\$ 1,640	\$ 460	\$ 3	\$ 1	\$ 0
Fitness Maintenance & Supplies	\$ 6,840	\$ 5,350	\$ 1,490	\$ 884	\$ 5,956	\$ 9	\$ 2	\$ 2
Pool Supplies	\$ 10,080	\$ 14,500	\$ (4,420)	\$ 16,100	\$ (6,020)	\$ 13	\$ 3	\$ 5
Pool Maintenance	\$ 30,000	\$ 27,600	\$ 2,400	\$ 27,600	\$ 2,400	\$ 39	\$ 10	\$ 9
Activity Events	\$ 30,000	\$ 95,543	\$ (65,543)	\$ 33,029	\$ (3,029)	\$ 39	\$ 10	\$ 31
Amenities Monitoring	\$ 21,840	\$ 20,100	\$ 1,740	\$ 19,092	\$ 2,748	\$ 29	\$ 7	\$ 7
Recreational Court Supp/Maintenance	\$ 3,600	\$ 3,000	\$ 600	\$ 3,421	\$ 179	\$ 5	\$ 1	\$ 1
Natural Gas	\$ 35,220	\$ 23,000	\$ 12,220	\$ 32,012	\$ 3,208	\$ 46	\$ 11	\$ 8
<b>Total Town Center Expenses</b>	<b>\$ 175,678</b>	<b>\$ 224,275</b>	<b>\$ (48,597)</b>	<b>\$ 166,025</b>	<b>\$ 9,653</b>	<b>\$ 229</b>	<b>\$ 57</b>	<b>\$ 73</b>
<b>GROUNDS EXPENSES</b>								
Landscape - Contract	\$ 1,602,480	\$ 702,932	\$ 899,548	\$ 808,313	\$ 794,167	\$ 2,092	\$ 523	\$ 229
Grounds Maintenance Contract	\$ 15,120	\$ 25,000	\$ (9,880)	\$ 14,733	\$ 387	\$ 20	\$ 5	\$ 8
Landscape Removal / Replace	\$ 22,500	\$ 20,000	\$ 2,500	\$ 21,425	\$ 1,076	\$ 29	\$ 7	\$ 7
Lake/Waterway Maintenance	\$ 49,980	\$ 45,636	\$ 4,344	\$ 50,194	\$ (214)	\$ 65	\$ 16	\$ 15
Mulch Common Areas	\$ -	\$ 41,109	\$ (41,109)	\$ -	\$ -	\$ -	\$ -	\$ 13
Irrigation Maintenance & Repair	\$ 66,000	\$ 42,000	\$ 24,000	\$ 59,764	\$ 6,236	\$ 86	\$ 22	\$ 14
Tree Trimming	\$ 50,000	\$ 35,500	\$ 14,500	\$ 450	\$ 49,550	\$ 65	\$ 16	\$ 12
Tree Trimming - Neighborhood	\$ -	\$ 110,764	\$ (110,764)	\$ 16,430	\$ (16,430)	\$ -	\$ -	\$ 36
Annual Flowers	\$ -	\$ 15,000	\$ (15,000)	\$ 8,349	\$ (8,349)	\$ -	\$ -	\$ 5
Irrigation Pump Station	\$ 17,640	\$ 16,455	\$ 1,185	\$ 20,198	\$ (2,558)	\$ 23	\$ 6	\$ 5
Preserves & Wetlands Maintenance.	\$ 22,117	\$ 20,000	\$ 2,117	\$ 19,155	\$ 2,962	\$ 29	\$ 7	\$ 7
Community Garden	\$ -	\$ 2,000	\$ (2,000)	\$ 266	\$ (266)	\$ -	\$ -	\$ 1
Landscape Neighborhood	\$ -	\$ 768,322	\$ (768,322)	\$ 647,243	\$ (647,243)	\$ -	\$ -	\$ 251
Irrigation Neighborhood	\$ -	\$ 83,060	\$ (83,060)	\$ 100,954	\$ (100,954)	\$ -	\$ -	\$ 27
Mulch Contract	\$ -	\$ 106,827	\$ (106,827)	\$ -	\$ -	\$ -	\$ -	\$ 35
<b>Total Grounds Expense</b>	<b>\$ 1,845,837</b>	<b>\$ 2,034,605</b>	<b>\$ (188,768)</b>	<b>\$ 1,767,474</b>	<b>\$ 78,363</b>	<b>\$ 2,410</b>	<b>\$ 602</b>	<b>\$ 664</b>

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Account Name	2023 Budget Total	2022 Budget Total	2023 Budget Variance to 2022 Budget +/-	2022 Forecast (Annualized)	2023 Budget to 2022 Forecast +/- (-)	2023 Annual Budget Per Home	2023 Quarterly Budget Per Home	2022 Quarterly Budget Per Home
<b>ADMINISTRATION EXPENSES</b>								
Management Fees	\$ 97,524	\$ 86,037	\$ 11,487	\$ 92,011	\$ 5,513	\$ 127	\$ 32	\$ 28
On-Site Wages-Payroll Expense	\$ 423,737	\$ 371,750	\$ 51,987	\$ 381,397	\$ 42,340	\$ 553	\$ 138	\$ 121
Office Expense	\$ 34,380	\$ 11,260	\$ 23,120	\$ 32,961	\$ 1,419	\$ 45	\$ 11	\$ 4
Legal Expense	\$ 36,000	\$ 10,000	\$ 26,000	\$ 22,435	\$ 13,565	\$ 47	\$ 12	\$ 3
CERT Program	\$ 1,020	\$ -	\$ 1,020	\$ 1,334	\$ (314)	\$ 1	\$ 0	\$ -
Application Fees	\$ 9,120	\$ 3,000	\$ 6,120	\$ 6,173	\$ 2,948	\$ 12	\$ 3	\$ 1
Leased Equipment/Contract	\$ 7,320	\$ 7,500	\$ (180)	\$ 6,963	\$ 357	\$ 10	\$ 2	\$ 2
Newsletters	\$ -	\$ 1,988	\$ (1,988)	\$ -	\$ -	\$ -	\$ -	\$ 1
Professional Fees	\$ -	\$ -	\$ -	\$ 21,750	\$ (21,750)	\$ -	\$ -	\$ -
Employee Screening	\$ 420	\$ 618	\$ (198)	\$ 539	\$ (119)	\$ 1	\$ 0	\$ 0
Corporate Annual Fees	\$ 72	\$ 62	\$ 10	\$ 92	\$ (20)	\$ 0	\$ 0	\$ 0
Audit/Tax Return	\$ 12,000	\$ 12,250	\$ (250)	\$ 19,950	\$ (7,950)	\$ 16	\$ 4	\$ 4
Licenses / Permits / Fees	\$ 1,680	\$ 938	\$ 742	\$ 2,202	\$ (522)	\$ 2	\$ 1	\$ 0
Insurance	\$ 118,947	\$ 70,000	\$ 48,947	\$ 97,506	\$ 21,441	\$ 155	\$ 39	\$ 23
Contingency	\$ 180,000	\$ 2,500	\$ 177,500	\$ 1,087	\$ 178,913	\$ 235	\$ 59	\$ 1
Uniforms	\$ -	\$ 1,500	\$ (1,500)	\$ -	\$ -	\$ -	\$ -	\$ 0
Committee Expenses	\$ 3,355	\$ -	\$ 3,355	\$ -	\$ 3,355	\$ 4	\$ 1	\$ -
<b>Total Administration Expenses</b>	<b>\$ 925,576</b>	<b>\$ 579,403</b>	<b>\$ 346,173</b>	<b>\$ 686,400</b>	<b>\$ 239,176</b>	<b>\$ 1,208</b>	<b>\$ 302</b>	<b>\$ 189</b>
			\$ -					
<b>HOA Total Expenses</b>	<b>\$ 3,497,671</b>	<b>\$ 3,292,297</b>	<b>\$ 205,374</b>	<b>\$ 3,122,997</b>	<b>\$ 374,674</b>	<b>\$ 4,566</b>	<b>\$ 1,142</b>	<b>\$ 1,075</b>
<b>HOA Net Income (Loss)</b>	<b>\$ 209,034</b>	<b>\$ 71,088</b>	<b>\$ 137,946</b>	<b>\$ 95,226</b>	<b>\$ 113,808</b>	<b>\$ 273</b>	<b>\$ 68</b>	<b>\$ 23</b>

**WINDING CYPRESS HOME OWNERS ASSOCIATION  
2023 HOA And SHADY PALM BUDGET**

Account Name	2023 Budget Total	2022 Budget Total	2023 Budget Variance to 2022 Budget +/-	2022 Forecast (Annualized)	2023 Budget to 2022 Forecast +/- (-)	2023 Annual Budget Per Home	2023 Quarterly Budget Per Home	2022 Quarterly Budget Per Home
<b>SHADY PALM REVENUE</b>								
Food Sales	\$ 609,428	\$ 500,304	\$ 109,124	\$ 441,348	\$ 168,080	\$ 796	\$ 199	\$ 163
Liquor Sales	\$ 165,362	\$ 132,310	\$ 33,052	\$ 119,961	\$ 45,401	\$ 216	\$ 54	\$ 43
Beer Sales	\$ 81,752	\$ 69,376	\$ 12,376	\$ 60,008	\$ 21,744	\$ 107	\$ 27	\$ 23
Non-Alcoholic Beverages	\$ 23,226	\$ -	\$ 23,226	\$ 16,586	\$ 6,640	\$ 30	\$ 8	\$ -
Wine Club	\$ -	\$ 10,000	\$ (10,000)	\$ 272	\$ (272)	\$ -	\$ -	\$ 3
Wine Sales	\$ 49,237	\$ 40,092	\$ 9,145	\$ 35,576	\$ 13,661	\$ 64	\$ 16	\$ 13
Discount Employee Meals	\$ -	\$ (9,000)	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ (3)
Activity Events	\$ 40,150	\$ -	\$ 40,150	\$ 38,106	\$ 2,044	\$ 52	\$ 13	\$ -
Event Labor Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 969,155</b>	<b>\$ 743,082</b>	<b>\$ 226,073</b>	<b>\$ 711,857</b>	<b>\$ 257,298</b>	<b>\$ 1,265</b>	<b>\$ 316</b>	<b>\$ 243</b>
<b>COST OF REVENUES</b>								
Food Purchases	\$ 337,781	\$ 240,146	\$ 97,635	\$ 295,651	\$ 42,130	\$ 441	\$ 110	\$ 78
Liquor Purchases	\$ 34,727	\$ 30,431	\$ 4,296	\$ 28,985	\$ 5,742	\$ 45	\$ 11	\$ 10
Beer Purchases	\$ 32,701	\$ 19,425	\$ 13,276	\$ 23,586	\$ 9,115	\$ 43	\$ 11	\$ 6
Wine Purchases	\$ 22,157	\$ 20,046	\$ 2,111	\$ 18,179	\$ 3,978	\$ 29	\$ 7	\$ 7
Non-Alcoholic Beverages	\$ 4,645	\$ -	\$ 4,645	\$ 4,073	\$ 572	\$ 6	\$ 2	\$ -
Wine Club	\$ -	\$ 10,000	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ 3
<b>Total COGS</b>	<b>\$ 432,011</b>	<b>\$ 320,048</b>	<b>\$ 111,963</b>	<b>\$ 370,473</b>	<b>\$ 61,538</b>	<b>\$ 564</b>	<b>\$ 141</b>	<b>\$ 104</b>
<b>GROSS PROFIT</b>	<b>\$ 537,144</b>	<b>\$ 423,034</b>	<b>\$ 114,110</b>	<b>\$ 341,384</b>	<b>\$ 195,760</b>	<b>\$ 701</b>	<b>\$ 175</b>	<b>\$ 138</b>
<b>GROSS PROFIT %</b>	<b>55%</b>	<b>57%</b>						

**WINDING CYPRESS HOME OWNERS ASSOCIATION  
2023 HOA And SHADY PALM BUDGET**

Account Name	2023 Budget Total	2022 Budget Total	2023 Budget Variance to 2022 Budget +/-	2022 Forecast (Annualized)	2023 Budget to 2022 Forecast +/- (-)	2023 Annual Budget Per Home	2023 Quarterly Budget Per Home	2022 Quarterly Budget Per Home
<b>ADMINISTRATIVE EXPENSES</b>								
Employee Screening	\$ -	\$ 480	\$ (480)	\$ -	\$ -	\$ -	\$ -	\$ 0
Advertising	\$ -	\$ 100	\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ 0
Laundry	\$ -	\$ 460	\$ (460)	\$ -	\$ -	\$ -	\$ -	\$ 0
Uniforms	\$ 500	\$ 1,500	\$ (1,000)	\$ 1,800	\$ (1,300)	\$ 1	\$ 0	\$ 0
Contracts	\$ 1,792	\$ 5,014	\$ (3,222)	\$ 1,693	\$ 99	\$ 2	\$ 1	\$ 2
Seminar/Training	\$ 500	\$ 4,200	\$ (3,700)	\$ 500	\$ -	\$ 1	\$ 0	\$ 1
Silverware/Utensils	\$ -	\$ 1,000	\$ (1,000)	\$ -	\$ -	\$ -	\$ -	\$ 0
IT	\$ 11,138	\$ 2,137	\$ 9,001	\$ 5,707	\$ 5,431	\$ 15	\$ 4	\$ 1
Promo	\$ -	\$ 1,800	\$ (1,800)	\$ -	\$ -	\$ -	\$ -	\$ 1
Salaries	\$ 549,430	\$ 405,000	\$ 144,430	\$ 435,259	\$ 114,171	\$ 717	\$ 179	\$ 132
Utilities	\$ 14,400	\$ 12,000	\$ 2,400	\$ 11,785	\$ 2,615	\$ 19	\$ 5	\$ 4
Maintenance	\$ 20,000	\$ 12,000	\$ 8,000	\$ 23,425	\$ (3,425)	\$ 26	\$ 7	\$ 4
Supplies	\$ 24,650	\$ 20,400	\$ 4,250	\$ 20,385	\$ 4,265	\$ 32	\$ 8	\$ 7
CC Processing	\$ 19,500	\$ 15,201	\$ 4,299	\$ 17,339	\$ 2,161	\$ 25	\$ 6	\$ 5
Chemicals	\$ 7,700	\$ 6,600	\$ 1,100	\$ 6,061	\$ 1,639	\$ 10	\$ 3	\$ 2
Linen	\$ 6,225	\$ 6,929	\$ (704)	\$ 5,637	\$ 588	\$ 8	\$ 2	\$ 2
Equipment	\$ 7,150	\$ 800	\$ 6,350	\$ 828	\$ 6,322	\$ 9	\$ 2	\$ 0
<b>TOTAL EXPENSES</b>	<b>\$ 662,985</b>	<b>\$ 495,621</b>	<b>\$ 167,364</b>	<b>\$ 530,420</b>	<b>\$ 132,564</b>	<b>\$ 866</b>	<b>\$ 216</b>	<b>\$ 162</b>
Shady Palm Total Expenses	\$ 1,094,996	\$ 815,669	\$ 279,327	\$ 900,894	\$ 194,102	\$ 1,429	\$ 357	\$ 266
Shady Palm Income / Loss	\$ (125,841)	\$ (72,587)	\$ (53,254)	\$ (189,036)	\$ 63,195	\$ (164)	\$ (41)	\$ (24)
<b>RESERVE EXPENSE</b>								
Reserve Revenue	\$ 175,000	\$ 91,920	\$ 83,080	\$ 91,920	\$ 91,920	\$ 228	\$ 57	\$ 30
Reserve Expense	\$ (175,000)	\$ (91,920)	\$ (83,080)	\$ (91,920)	\$ (91,920)	\$ (228)	\$ (57)	\$ (30)
Reserve Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total RESERVE EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 83,193</b>	<b>\$ (1,499)</b>	<b>\$ 84,692</b>	<b>\$ (93,810)</b>	<b>\$ 177,003</b>	<b>\$ 109</b>	<b>\$ 27</b>	<b>\$ (0)</b>



# RESERVE BUDGET ANALYSIS - 2023

## SELECTION OF KIPCON RESERVE STUDY FOR 2023 BUDGET

The 2021 a Reserve Schedule was provided by the Board controlled by Pulte as shown in the annual audit. The schedule indicated a required reserve of \$995,000 and is provide in a following slide. In November 2021, Pulte provided a Reserve Study from KIPCON, an engineering firm as required in the Turn-over. The study provided and in-depth review of the association assets and several funding plans for the community were provided. The KIPCON review indicated reserves of \$2,483,000 were required a difference of \$1,488,000. The Reserve Study is a major part of the community's operating budget and is important to plan for future replacements. The firm recommend using a Full Funding Reserve Plan which insure funds are available for asset replacements when required. We believe their recommendation is the best approach and recommend its use for the 2023 Reserve Budget. The following slides provide details of the Reserve Plan:

- 2022 Budget Reserve Schedule (for reference)
- KIPCON Summary of Replacement Reserves needed
- Example – Details schedule for the Amenities group \$290,631
- Reserve Funding Cash Flow for 2022 - 2050

## KIPCON RECOMMENDED FULL FUNDING RESERVE BUDGET DETAILS:

- No. Homes 766 at full build out
- Estimated Reserve Bal Y/E 2022 \$210,000
- Fund Forecast 28 years
- Total Estimated Reserve Contributions Years 2021-50 \$4,985,000
- Total Estimated Expenditures 2022-50 \$4,050,000
- Total Estimated Reserve Fund year 2050 \$1,064,000
- Annual Contributions \$175,000
- 2023 "Proposed" Annual Budget \$228.00 (\$19.00 mo.)

## 2022 BUDGET - SCHEDULE OF RESERVES

<u>766 homes</u>		<u>\$120.00 per unit per year</u>		
Description	Beginning Life	Useful Life	Remaining Life	Replacement Cost
Amenity Roof	2016	30	25	\$ 270,000
Amenity Painting	2016	7	2	\$ 30,000
Community Paving	2016	25	20	\$ 295,000
Entry Fountains	2016	15	10	\$ 100,000
Pool Equipment - Replacement	2016	7	2	\$ 10,000
Pool Refinish	2016	12	7	\$ 50,000
Gatehouse Roofs	2016	30	25	\$ 12,500
Gatehouse painting	2016	7	2	\$ 7,500
Gates, Operators & TES	2016	2	2	\$ 10,000
Amenity Furnishings	2016	10	5	\$ 50,000
Irrigation Pumps	2016	7	2	\$ 20,000
Tennis/Pickleball Courts	2016	7	2	\$ 50,000
Bocce Courts	2016	5	1	\$ 10,000
Shade Structure	2016	15	10	\$ 30,000
Fitness Equipment	2016	8	3	\$ 50,000
			Total	<u>\$ 995,000</u>

### 2022 Reserve Details

- 2022 Homes at year-end 704
- Current Annual Funding per Home \$120
- Current Reserve August 2022 balance \$174,967
- Forecasted Reserve Balance at Year End \$210,000
- Current Expenditures to date \$10,920
- Review of the Reserve Budget are required annually and studies are suggested every 3-5 years.
- Future Budgets can be adjusted annually accordingly to reconciliation with new studies.

# KIPCON ANALYSIS RESERVE STUDY (NOV.2021)

Physical Analysis						
Component Schedule: Summary of Replacement Reserve Needs						
Effective Date: October 1, 2021						
CATEGORY	RESERVE REQUIREMENT PRESENT DOLLARS	BEGINNING BALANCE	BALANCE REQUIRING FUNDING	ANNUAL RESERVE FUNDING REQUIRED	FULL FUNDING BALANCE	PRCENT FUNDED
Sitework totals	\$1,212,296	\$46,181	\$1,166,115	\$62,962	\$260,310	
Waterproofing totals	\$318,190	\$13.33	\$304.86	\$21,447	\$75.14	
Amenities totals	\$290,631	\$26,617	\$264,014	\$57,460	\$150,034	
Electrical totals	\$216,459	\$11,355	\$205,104	\$15,705	\$64,005	
Mechanical totals	\$59,251	\$3,365	\$55,886	\$6,477	\$18,969	
Safety Equipment totals	\$52,387	\$2,788	\$49,598	\$3,543	\$15,716	
Interior of Amenities totals	\$334,277	\$11,413	\$322,864	\$18,317	\$64,330	
<b>GRAND TOTALS</b>	<b>\$2,483,490</b>	<b>\$115,048</b>	<b>\$2,368,442</b>	<b>\$185,910</b>	<b>\$648,500</b>	<b>17.74%</b>

# KIPCON ANALYSIS RESERVE STUDY DETAILS FOR AMENITIES FROM SUMMARY

## Reserve Study



Winding Cypress  
Project No. 14260-01  
October 27, 2021

### Amenities

Component	Quantity	Unit Cost	Reserve Requirement Present Dollars	Beginning Balance	Estimated Useful Life	Estimated Remaining Useful Life	Annual Reserve Funding Required	Full Funding Balance	Notes
Tennis and Pickle ball Courts-Resurfacing	9 EA	\$3,347.40	\$30,127	\$2,672	8	4	\$6,864	\$15,063	29
Tennis and Pickle ball Courts-Nets and Posts	9 EA	\$1,470.00	\$13,230	\$1,760	8	2	\$5,735	\$9,923	30
Bocce Courts	4 EA	\$3,477.60	\$13,910	\$1,851	8	2	\$6,030	\$10,433	31
Shade Structures for Amenities	1 LS	\$31,290.00	\$31,290	\$2,220	15	9	\$3,230	\$12,516	32
Pool-Resurfacing	5,500 SF	\$7.93	\$43,615	\$3,095	15	9	\$4,502	\$17,446	33
Spa-Resurfacing	360 SF	\$7.93	\$2,855	\$203	15	9	\$295	\$1,142	34
Beach Area	1 LS	\$2,940.00	\$2,940	\$0	5	5	\$588	\$0	35
Pool Furnishings	1 LS	\$42,000.00	\$42,000	\$4,471	10	4	\$9,382	\$25,200	36
Fitness Room-Equipment	1 LS	\$88,200.00	\$88,200	\$9,388	10	4	\$19,703	\$52,920	37
Mail Kiosks	1 LS	\$22,464.00	\$22,464	\$956	25	19	\$1,132	\$5,391	38
<b>TOTALS</b>			<b>\$290,631</b>	<b>\$26,617</b>			<b>\$57,460</b>	<b>\$150,034</b>	

# RESERVE FUNDING CASH FLOW

Year Beginning	Annual Expenditure	Required Annual Contribution	Reserve Fund Balance
Begin Balance 2021			\$ 129,000
2022	\$ 10,920	\$ 91,920	\$ 210,000
2023	\$ -	\$ 174,750	\$ 384,750
2024	\$ 239,234	\$ 174,750	\$ 320,266
2025	\$ 40,916	\$ 174,750	\$ 454,100
2026	\$ -	\$ 174,750	\$ 628,850
2027	\$ -	\$ 174,750	\$ 803,600
2028	\$ 18,912	\$ 174,750	\$ 959,438
2029	\$ 98,983	\$ 174,750	\$ 1,035,205
2030	\$ 91,060	\$ 174,750	\$ 1,118,895
2031	\$ -	\$ 174,750	\$ 1,293,645
2032	\$ 33,611	\$ 174,750	\$ 1,434,784
2033	\$ -	\$ 174,750	\$ 1,609,534
2034	\$ 770,322	\$ 174,750	\$ 1,013,962
2035	\$ 254,047	\$ 174,750	\$ 934,665
2036	\$ -	\$ 174,750	\$ 1,109,415
Carry forward	\$ 1,558,005	\$ 2,538,420	\$ 1,109,415

Year Beginning	Annual Expenditure	Required Annual Contribution	Reserve Fund Balance *
Carry forward	\$ 1,558,005	\$ 2,538,420	\$ 1,109,415
2037	\$ -	\$ 174,750	\$ 1,284,165
2038	\$ 53,033	\$ 174,750	\$ 1,405,882
2039	\$ 296,577	\$ 174,750	\$ 1,284,055
2040	\$ 153,251	\$ 174,750	\$ 1,305,554
2041	\$ -	\$ 174,750	\$ 1,480,304
2042	\$ -	\$ 174,750	\$ 1,655,054
2043	\$ 100,905	\$ 174,750	\$ 1,728,899
2044	\$ 985,819	\$ 174,750	\$ 917,830
2045	\$ 393,387	\$ 174,750	\$ 699,193
2046	\$ 34,805	\$ 174,750	\$ 839,138
2047	\$ -	\$ 174,750	\$ 1,013,888
2048	\$ 80,950	\$ 174,750	\$ 1,107,688
2049	\$ 340,364	\$ 174,750	\$ 942,074
2050	\$ 52,472	\$ 174,750	\$ 1,064,352
<b>TOTAL</b>	<b>\$ 4,049,568</b>	<b>\$ 4,984,920</b>	<b>\$ 1,064,352</b>

\* Excludes interest income