

# **BUDGET WORKSHOP**

**November 3, 2023**

**Winding Cypress FY24  
Budget Introduction**

# FY2024 HOA and SP Budget

<b>FY23</b>	<b>FY23</b>		<b>FY24</b>	<b>FY24</b>	<b>Per Cent</b>
<b>Annualized</b>	<b>Actual/Unit</b>	<b>Top 16 Expense Items FY2024</b>	<b>Budget</b>	<b>Cost/Unit</b>	<b>Change</b>
<b>Per Unit</b>					
\$ 1,571,088	\$ 2,051	Landscape Contract	\$ 1,607,820	\$ 2,099	2.34%
\$ 421,042	\$ 550	On-Site Wages-Payroll Expense	\$ 459,224	\$ 600	9.07%
\$ 183,800	\$ 240	Contingency	\$ 400,000	\$ 522	117.63%
\$ 285,241	\$ 372	Net Shady Palm Loss Coverage	\$ 342,333	\$ 447	20.02%
\$ 174,648	\$ 228	Reserves	\$ 229,800	\$ 300	31.58%
\$ 298,663	\$ 390	Vehicular Access Control	\$ 227,400	\$ 297	-23.86%
\$ 162,481	\$ 212	Electricity	\$ 188,640	\$ 246	16.10%
\$ 121,313	\$ 158	Insurance - Property	\$ 126,460	\$ 165	4.24%
\$ 97,542	\$ 127	Management Fees	\$ 99,480	\$ 130	1.99%
\$ 46,632	\$ 61	Landscape Removal/Replace	\$ 90,000	\$ 117	93.00%
\$ 63,835	\$ 83	Irrigation Repair & Maintenance	\$ 66,000	\$ 86	3.39%
\$ 65,000	\$ 85	Street Cleaning	\$ 65,000	\$ 85	0.00%
\$ 47,608	\$ 62	Water/Sewer	\$ 64,388	\$ 84	35.25%
\$ 28,466	\$ 37	Traffic Control & Safety	\$ 61,560	\$ 80	116.26%
\$ 34,875	\$ 46	Entry Fountains	\$ 55,800	\$ 73	60.00%
\$ 14,951	\$ 20	Recreational Court Supp/Maint	\$ 55,389	\$ 72	270.47%
		<b>Total Top 16</b>	<b>\$ 4,139,294</b>		
		<b>FY2024 Budget Total</b>	<b>\$ 4,510,046</b>		
		<b>Per Cent of Total</b>	<b>91.78%</b>		

**CASH**

# Cash Balances As of 10/31/23

• HOA	\$386,679
• Capital Accounts	\$138,888
• Total	\$525,567
• Estimated Spend	\$625,000
• Expected Shortfall	\$99,413

# **How Did We Get Here?**

## **Issues that Impacted the HOA Cash Position:**

- \$389K from 2021**
- \$255K from 2022 (Pulte Budget Oct 2021 for 2022)**
- \$110K from 2023 funding over Budget SP Losses**
- \$55K from 2023 (Florida Law Change ARC Security Deposits)**

# **How Do We Fix This?**

- **Auditors suggested we have 2 months of free cash at all times. Approximately \$750K to \$800K**
- **We will build to that level over a 2 to 3 year period.**
- **We will use the contingency account instead of a special assessment.**
- **When we achieve our goal, the contingency account funding will be reduced.**

# **THE SHADY PALM**

# **Shady Palm Profit and Loss Statement**

## **Revenue (Sales)**

**Cost of Sales: The purchase of food and drink to sell.**

**Gross Profit: The money available after subtracting the cost of sales from revenue and is used to pay the Operating Expenses.**

**Operating Expenses: The expenses necessary to run the restaurant including Salaries, Utilities, Maintenance, Supplies, Equipment Etc.**

### **Net Profit or Loss:**

- **If the Gross Profit is greater than the Operating Expenses, then you have a profit.**
- **If the Gross Profit is less than the Operating Expenses, then you have a loss.**

	2024 Budget	2023 Annualized	2023 Budget	2022 Actual	2021 Actual
Revenue	919,800.00	849,696.00	969,155.00	744,525.00	555,589.00
Cost of Sales	388,960.00	346,417.00	432,011.00	363,940.00	314,364.00
Funding for Operating Costs	530,840.00	503,279.00	537,144.00	380,585.00	241,225.00
<b>Operating Costs</b>					
Salaries - Restaurant	586,582.31	621,741.00	549,430.20	451,124.00	343,613.00
Maintenance - Restaurant	39,912.00	36,264.00	20,000.00	33,176.00	9,753.00
Supplies - Restaurant	37,800.00	36,797.00	24,650.00	24,064.00	20,040.00
CC Processing - Restaurant	24,000.00	20,319.00	19,500.00	19,429.00	14,610.00
Chemicals	13,200.00	7,581.00	7,700.00	6,080.00	5,622.00
Linen	6,000.00	5,540.00	6,671.84	4,783.00	6,921.00
Equipment	19,500.00	14,736.00	7,150.00	5,873.00	5,144.00
WC-Uniforms Laundry	500.00	-	500.00		
Contracts	2,136.00	2,197.00	5,013.84		
Seminar/Training	3,000.00	-	-		
Entertainment SP	-	159.37	119.53		
Silverware/Utensils	-	159.37	119.53		
WC - Advertising	-	-	-		
IT	10,710.00	13,330.00	10,474.33		
Promo	-	800.00	600.00		
		-	-		
<b>Total Operating Costs</b>	<b>760,740.31</b>	<b>774,316.75</b>	<b>666,329.27</b>	<b>555,695.00</b>	<b>416,196.00</b>
		-			
<b>Shady Palm Net Profit/(Loss)</b>	<b>(229,900.31)</b>	<b>(285,240.55)</b>	<b>(129,063.04)</b>	<b>(175,110.00)</b>	<b>(174,971.00)</b>
<b>Breakeven revenue per unit</b>	<b>\$ 1,720.83</b>	<b>\$ 1,737.95</b>	<b>\$ 1,569.22</b>	<b>\$ 1,467.05</b>	<b>\$ 1,361.62</b>
<b>Food and Beverage Minimum</b>	<b>\$ 400.00</b>	<b>\$ 660.00</b>	<b>\$ 660.00</b>	<b>\$ 600.00</b>	<b>\$ 360.00</b>
<b>Revenue per Unit</b>	<b>\$ 1,200.78</b>	<b>\$ 1,109.26</b>	<b>\$ 1,265.22</b>	<b>\$ 1,004.76</b>	<b>\$ 789.19</b>
<b>Loss Per Unit</b>	<b>\$ 300.13</b>	<b>\$ 372.38</b>	<b>\$ 168.49</b>	<b>\$ 236.32</b>	<b>\$ 248.54</b>

<b>Shady Palm Funding</b>	<b>Food &amp; Bev Min</b>	<b>Normal Sales</b>	<b>45% of Op Cost Paid by HOA</b>	<b>100% of Op Cost Paid by HOA</b>
<b>Revenue</b>	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Cost of Goods Sold</b>	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43
<b>Net to Fund Operating Costs Subsidy</b>	\$ 0.57	\$ 0.57	\$ 0.57	\$ 0.57
			\$ 0.37	\$ 0.82
			\$ 0.94	\$ 1.39
<b>Operating Costs</b>				
<b>Salaries</b>	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64
<b>Utilities</b>	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
<b>Maintenance</b>	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
<b>Supplies</b>	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
<b>CC Processing</b>	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
<b>Chemicals</b>	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
<b>Linen</b>	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
<b>Equipment</b>	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
<b>IT</b>	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
<b>TIPS</b>	\$ 0.22	\$ -	\$ -	\$ -
<b>Total Operating Costs</b>	\$ 1.04	\$ 0.82	\$ 0.82	\$ 0.82
<b>Net Profit/(Loss)</b>	\$ (0.47)	\$ (0.25)	\$ 0.12	\$ 0.57
<b>Due From Homeowner Due To Homeowner</b>	\$ 432,797.55	\$ 230,617.55	\$ 108,883.85	\$ 523,830.00
<b>Per unit</b>	\$ 565.01	\$ 301.07	\$ 142.15	\$ 683.85

		Funding Changes		
	Food & Bev Min	Normal Sales	45% of OP Cost Paid By HOA	100% OF OP Cost Paid By HOA
<b>Breakeven Revenue</b>	\$ 1,436,180.80	\$ 1,307,408.80	\$ 1,114,453.00	The Budget
<b>Breakeven Revenue per Unit</b>	\$ 1,874.91	\$ 1,706.80	\$ 1,454.90	\$ 1.00
<b>FY24 Budgeted Revenue</b>	\$ 919,800.00	\$ 919,800.00	\$ 919,800.00	\$ 919,800.00
<b>FY23 Annualized Revenue</b>	\$ 849,695.00	\$ 849,695.00	\$ 849,695.00	\$ 849,695.00
<b>Budgeted Revenue per Unit</b>		\$ 1,200.78	\$ 1,200.78	The Budget
<b>Budgeted Loss per Unit</b>		\$ (292.04)	No Loss... Profit	No Loss... Profit
<b>Cost to Homeowner for B/E</b>		\$ 506.02	\$ 443.00	\$ 985.00
<b>Profits Returned as Credit</b>	ZERO	ZERO	\$ 143.67	\$ 683.35
<b>Net Cost to Homeowner</b>		\$ 506.02	\$ 299.33	\$ 301.65
<b>Risks:</b>	High	High	Medium	Low
	Dependent on Sales	Dependent on Sales	Some Sales Dependence	
	Dependent on Cost	Dependent on Cost	Some Cost Dependence	Cost Overrun
		Rev Capacity Issues	Rev Capacity Issues	
	Difficult to FCST Cash	Difficult to FCST Cash	Difficult to FCST Cash	Easier to FCST Cash

**FY2024**

**BUDGET MATRIX**

**2024 Budget**  
**Without Pball**

Home Group	-	<b><u>Estate Series</u></b>	<b><u>Classic Series</u></b>	<b><u>Villa Series</u></b>	<b><u>Total</u></b>			
No. of Homes		<i>208</i>	<i>406</i>	<i>152</i>	766			
Maintenance Total	\$	1,479	\$	1,314	\$	814	\$	964,692
Common Area Charge	\$	840	\$	840	\$	840	\$	643,128
Neighborhood Assessment	\$	2,316	\$	2,155	\$	1,653	\$	1,607,820
HOA Operating Costs	\$	3,189	\$	3,189	\$	3,189	\$	2,442,526
Shady Palm Operating Costs	\$	447	\$	447	\$	447	\$	342,333
Reserves	\$	300	\$	300	\$	300	\$	229,800
Total Annual	\$	6,252	\$	6,090	\$	5,588	\$	4,622,479
Total Quarterly Cost FY24	\$	1,563	\$	1,523	\$	1,397	\$	1,155,620
Total Quarterly Cost FY23	\$	1,292	\$	1,253	\$	1,132		
Net Annual Increase	\$	1,083	\$	1,077	\$	1,061		
<b>Annual Per Cent Increase</b>		<b>20.95%</b>		<b>21.49%</b>		<b>23.44%</b>		
Food And Beverage Min FY24	\$	400	\$	400	\$	400	\$	306,400
Food and Beverage Min FY23	\$	660	\$	660	\$	660	\$	505,560
<b>Annual Per Cent Decrease</b>		<b>-39.39%</b>		<b>-39.39%</b>		<b>-39.39%</b>		
Total Increase	\$	823	\$	817	\$	801		
<b>Total Per Cent Increase</b>		<b>14.12%</b>		<b>14.41%</b>		<b>15.44%</b>		

**2024 Budget**  
**With Pball**

<b>Home Group</b>	<b>-</b>			<b><u>Estate Series</u></b>	<b><u>Classic Series</u></b>	<b><u>Villa Series</u></b>	<b><u>Total</u></b>
<b>No. of Homes</b>		<b>208</b>		<b>406</b>		<b>152</b>	<b>766</b>
<b>Maintenance Total</b>	\$	1,479	\$	1,314	\$	814	\$ 964,692
<b>Common Area Charge</b>	\$	840	\$	840	\$	840	\$ 643,128
<b>Neighborhood Assessment</b>	\$	2,316	\$	2,155	\$	1,653	\$ 1,607,820
<b>HOA Operating Costs</b>	\$	3,189	\$	3,189	\$	3,189	\$ 2,442,526
<b>Shady Palm Operating Costs</b>	\$	447	\$	447	\$	447	\$ 342,333
<b>Reserves</b>	\$	300	\$	300	\$	300	\$ 229,800
<b>Total Annual</b>	\$	6,252	\$	6,090	\$	5,588	\$ 4,622,479
<b>Total Quarterly Cost FY24</b>	\$	1,563	\$	1,523	\$	1,397	\$ 1,155,620
<b>Total Quarterly Cost FY23</b>	\$	1,292	\$	1,253	\$	1,132	
<b>PickleBall Conversion</b>	\$	196	\$	196	\$	196	\$ 150,136
<b>Net Annual Increase</b>	\$	1,279	\$	1,273	\$	1,257	
<b>Annual Per Cent Increase</b>		<b>24.74%</b>		<b>25.40%</b>		<b>27.77%</b>	
<b>Food And Beverage Min FY24</b>	\$	400	\$	400	\$	400	\$ 306,400
<b>Food and Beverage Min FY23</b>	\$	660	\$	660	\$	660	\$ 505,560
<b>Annual Per Cent Decrease</b>		<b>-39.39%</b>		<b>-39.39%</b>		<b>-39.39%</b>	
<b>Total Increase</b>	\$	1,019	\$	1,013	\$	997	
<b>Total Per Cent Increase</b>		<b>17.48%</b>		<b>17.86%</b>		<b>19.22%</b>	

# **QUESTIONS?**

**FOLLOW UP BUDGET MEETINGS TO  
ANSWER QUESTIONS REGARDING THE  
FY2024 BUDGET:**

## **LIBRARY**

- **Monday November 6 from 1:30 to 3:00 PM**
- **Wednesday November 8 from 1:00 to 2:30 PM**

**THE END**