SUNSHINE ESTATES PROPERTY OWNERS, INC.

Board of Directors Meeting Minutes

Monday, November 9, 2026 | Regular Board Meeting

Meeting location / format	**Retzlaff Hall; Google Meet access**
Directors present	Lisa Seiser, Gay Paxton, William Petersen, Tom Perrier, Pat Heinerikson, and Tracy Wagner
Director absent	Phillip Lay
Minutes submitted by	Gay Paxton, SEPO Board Secretary

1. Call to Order and 2. Roll Call

President Lisa Seiser called the regular meeting to order at 1:01 p.m. Six directors answered roll call, establishing a quorum. Phillip Lay was absent. One attendee joined via Google Meet.

3. Verification of Notice and Agenda Posting

The Secretary confirmed that the agenda had been posted in advance. The President noted that notice had been distributed at least a week earlier, including by email.

4. Agenda Amendments

ACTION: The Board approved adding an HOA governing-documents webinar and a potential golf course analysis under New Business. The motion carried.

5. Resident Comment Period

Doug Snyder addressed the Board about a general manager, drawing on his experience at Long Island Village. He discussed reducing directors' daily operational workload, recruiting a qualified manager, possible funding, and opportunities for informal resident discussions with directors. The President extended his speaking time. No other residents were signed up for this comment period.

6. Approval of Previous Meeting Minutes

ACTION: Tom Perrier moved to approve the October 19, 2026 Board meeting minutes. William Petersen seconded. The motion carried.

7. Board of Directors Reports

a. Golf Course — William Petersen

William Petersen reported aeration, sanding, daily rolling, and repair of greens following weed and unwanted-grass treatment. Course conditions were improving despite wet conditions.

b. Common Grounds Area 1 — Pat Heinerikson

Pat Heinerikson discussed pool-operator training for custodian Cassie, a possible November 18–19 online course, and improved logs of water readings, chemical applications, and supply use. He also proposed replacing the slippery entrance walkway surface with broom-finished concrete. No separate expenditure motion was recorded for these proposals.

c. Common Grounds Area 2 — Tom Perrier

See attached report

d. Common Grounds Area 3

No Area 3 report was provided in Phillip Lay's absence.

e. Treasurer — Tracy Wagner

See attached report

ACTION: Tom Perrier moved to approve the October 2026 financial reports. Pat Heinerikson seconded. The motion carried.

ACTION: Tom Perrier moved to accept the Treasurer's recommendation to fund the $72,952.40 Reclamite payment using $55,245.88 from Rio Bank and $17,706.52 from PNC Bank, leaving $15,000 in the Rio reserve contingency account. William Petersen seconded. The motion carried.

f. Secretary – Gay Paxton

There was no report provided

8. Architectural Committee Report

Terry Lacy reported that the committee meets every two weeks and reviewed nearly 100 requests in the previous year, approving about 98%. Residents were reminded to submit exterior-work requests. Lisa Seiser discussed consolidating existing ACC requirements and procedures into a manual for residents and committee members. Additional committee volunteers were requested.

9. Five-Year Planning Committee Report

Committee Chair Tony Tramel reviewed completed building and roadway projects and the committee's recommended 2027 capital program. Air-conditioner replacement remained a major planned expense. The Board considered the recommendations under Old Business.

10. Safety Committee Report

Lisa Seiser reported continued recruitment and preparation of a written scope for the Safety Committee. Initial work would address traffic, speeding, signage, and other community safety concerns.

11. Election Committee and Board Continuity

Jeanette Makowiec reported ten ElectionBuddy test elections involving approximately 40 residents. Testing would continue through December. Electronic notices would use email and available cell-phone contacts. Paper ballots would be available by request, and assisted kiosk voting was planned. Residents were asked to update their contact information with Valerie and participate in testing.

No volunteers had come forward for the Nominating Committee or the four Board positions expiring in February. The Board discussed further outreach, attorney guidance if vacancies remained, and transition materials and standard operating procedures to support incoming directors. The Board adopted no committee appointments or vacancy contingency actions.

12. Old Business

a. 2027 Operating Budget and Capital Expenditures (see approved 2027 budget vs. 2026 budget report – attachment to these minutes)

Tracy Wagner reviewed the proposed operating budget, including a $45 annual assessment increase, continuation of the 2% early-payment discount, annual storage-fee increases of approximately $30–$45 **per year** depending on lot size, and retention of the $25 golf cart improvement fee. Total projected income was approximately $520,000, with a projected accounting net income of just over $33,000.

The budget reflected 35-hour workweeks for four full-time employees effective January 1, no merit increases, and a budgeted employee bonus. Logged business-mile reimbursement would replace allowances for the bookkeeper and custodian. Insurance included an additional $20,000 allowance for amenity liability coverage. HOA dues would cover operating expenses, with approximately $73,000 budgeted for reserve additions from surplus dues, other revenues, and the required 3% reserve allocation.

The Board revised the proposed $136,000 capital program by removing the $5,000 dump-box golf cart, deferring the $8,000 street-name/regulatory-sign project for Safety Committee review, and reducing the aerator allowance from $15,000 to $10,000. Existing equipment could meet the proposed cart's purpose.

2027 capital item	Approved budget
Retzlaff Hall interior improvements	$30,000
Retzlaff Hall air conditioners	$50,000
Pavement repair and preservation	$10,000
Second well for golf course	$13,000
Greens mower reels	$5,000
Golf course aerator	$10,000
Total	$118,000

ACTION: William Petersen moved to approve up to $118,000 in 2027 capital expenditures as revised. Tom Perrier seconded. The motion carried. In the discussion immediately afterward, Board members stated that the approval also included the operating budget.

b. Reserve Funding and Long-Term Capital Needs (See 2026 use of cash funds graph Oct. report attached to these minutes)

The Treasurer presented an updated cash-availability chart reflecting actual roof and road costs, $2,000 spent on the second well, and deferred air-conditioner spending. Combined pavement repair and preservation costs were $121,554.91. Updated year-end operating results and reserve projections would be presented in January. The chart was informational and did not require a vote.

c. Proposed February Ballot Measures (See attached Treasuer's report for more details)

The Board reviewed proposals to change annual assessment-increase authority, establish a new-purchaser capital contribution, and levy a one-time capital/reserve assessment. Possible assessment amounts of $600–$1,200 and installment arrangements remained under discussion. (Additionally, see attached Treasurer's Report). Attorney review and more definite language were expected before further consideration in December. No final amounts or ballot wording were approved at this meeting.

d. Insurance Coverage and Risk Management

A proposal for liability coverage of community amenities had been received. The Board was reviewing it and completing building and contents values. A property and amenity inspection was expected after coverage was placed. Resolving coverage gaps remained a priority; no separate policy-purchase motion was recorded.

e. Retzlaff Hall Private Event Policy

Tracy Wagner presented a resident-sponsored private-event policy for Retzlaff Hall. Discussion created a proposed nonrefundable fee of $200 and added authority to deny future rental requests if the policy is abused. This applies to a resident renting Retzlaff Hall for an event that includes non-resident attendees. SEPO activities would take priority, use would be limited to the hall, and the sponsoring resident would sign the agreement. Conditions addressed supplies, cleanup, smoking, and resetting lights, fans, and thermostats.

> **ACTION:** Gay Paxton moved to approve the policy with the $200 nonrefundable fee and the right to refuse future requests for policy violations. Pat Heinerikson seconded. The motion carried unanimously.

f. Palm Tree Insurance Proceeds

Use of palm-tree insurance proceeds remained deferred. Tom Perrier reported that a representative had visited the golf course, with follow-up soil sampling and turf identification. Recommendations were requested for mowing, fertilizer, weed control, irrigation, and potential blending of second-well water. Results were pending.

g. Water and Irrigation

See attached report

h. Policies and Procedures

The detailed policy and employee-manual review was deferred until after New Business. The Board first discussed limiting golf-course use to golfing because of safety, liability, and enforcement concerns.

i. Golf Course Use

> **ACTION:** Tom Perrier moved to revise the policies and procedures to restrict the golf course to golfing, excluding walking and other non-golf recreational use. William Petersen seconded. The motion carried. Detailed wording was addressed in the later policy review.

The golf survey item was skipped without action.

13. New Business

a. Monthly and Quarterly Assessment Payments (See attached Treasurer's report for more detail)

Tracy Wagner asked monthly payers to provide twelve checks dated for the first of each month by January 2, or arrange bank-issued payments for the first. Quarterly payers could use the same approach for January 1, April 1, July 1, and October 1. The Board investigated ACH payments through QuickBooks, including possible fees. No new late-charge or collection-policy motion was recorded.

b. General Manager and Potential Special Assessment

The Board discussed hiring a general manager to oversee daily operations and employees and report to the Board. Discussion addressed volunteer workload, changing employee supervisors, candidate qualifications, compensation, benefits, and development of operating procedures. A special assessment potentially funding two years was considered; the amount, position details, and longer-term funding remained unresolved.

> **ACTION:** Tracy Wagner moved to pursue a general manager proposal for the February 2027 ballot, with wording to be developed and legal assistance as needed. Gay Paxton seconded. The motion carried. Lisa Seiser would prepare language for attorney review. The action did not hire a manager or establish an assessment amount.

c. Governing Documents Webinar

Tracy Wagner reported purchasing a $69 HOA Leader webinar on modifying governing documents. The Board intended to schedule a group viewing and discussion. No date or additional expenditure was approved during the recorded discussion.

d. Golf Course Assessment

Lisa Seiser proposed engaging Richard Flores, an experienced golf course professional, to observe operations, work with the golf director and employees, assess staffing and equipment, and recommend improvements and possible savings. She reported that Joe had recently become golf course lead.

> **ACTION:** William Petersen moved to pursue a golf course assessment by Richard Flores, working with the golf director and staff. Tom Perrier seconded. The motion carried. No fee or spending limit was established.

14. Resident Suggestions

The Board discussed a resident request for a computer-scam awareness presentation by Guillermo. A Women's Club representative agreed to discuss possible coordination with club leadership. The date and arrangements remained to be determined.

12h. Continued Review of Policies and Procedures

Following a short recess, the Board resumed its detailed review. Tracy Wagner recorded wording changes for incorporation into the documents. The discussion included the following revisions:

Common-area access: clarify storage-area access for owners, their guests, SEPO employees, and contractors; limit maintenance-area access to employees and designated individuals; expand the list of amenities; and require anyone under 16 in a common area to be accompanied by a resident.

Events and reservations: distinguish SEPO-scheduled events from private events; require the hall-use form for private events open to non-residents; remove the consecutive-reservation restriction; and retain pool/hot-tub reservations only for Board-approved SEPO events. Remove court reservations for private parties while allowing reservations for the intended sport through the office.

Other facility provisions: revise hall wording to match the new private-event policy; adjust pavilion/gazebo references; identify fitness rooms and the multipurpose/weight room; and require a monitor to be present when the woodshop is used. The pool supervision wording discussed referred to guests aged 16 or younger.

Water and construction: tie recycled-water use to current SEPO water restrictions rather than fixed hours, retain the shutoff provision for noncompliance, and change the referenced $10 construction-related charge from "fine" to "fee."

Golf course: specify dawn-to-dusk hours of play, state that the course is for playing golf only, retain the prohibition on using it as a street-to-street shortcut, and add skateboards and rollerblades to prohibited equipment. Revise the improvement-fee language to focus on benefiting course upkeep and maintenance rather than requiring all improvements to be physically within course boundaries.

Club finances: Lisa Seiser would investigate questions about club nonprofit status, accounts, and organizational options. No determination was made about any club's tax status or authorization to create a new entity.

Employee Manual Review

The Board discussed changing payroll language from checks to direct deposit; revising the normal hourly maintenance workweek to 35 hours, Monday through Saturday, without fixed daily start and end times; and describing the custodian's schedule as four hours daily beginning at 6:30 a.m., Monday through Friday. Employees would use the office time clock.

Mileage provisions would provide quarterly reimbursement to the bookkeeper and custodian for logged business miles at the applicable IRS rate, with continued proof of automobile insurance. Bookkeeper duties would include processing Thursday payroll for direct deposit, entering vacation and personal days in QuickBooks, maintaining the master resident list, and communicating changes to the website administrator.

The Board discussed removing the golf-course scheduling paragraph from the vacation section and addressing lead on-call responsibilities in job duties. William Petersen would supply revised golf-course job descriptions, with detailed checklists addressed separately in operating procedures. Duplicated start-time and resident-work provisions would be removed from individual job descriptions where appropriate.

Groundskeeper duties would specify maintenance of pool and hot-tub equipment. Groundskeeper and golf-course duties would address care of SEPO-supplied equipment before and after use and support for other community areas. Custodian chemical-knowledge language was retained; further pool training and documentation were discussed. No changes were made to the drug/alcohol policy or waiver.

Board members agreed on individual edits but no separate final motion or vote adopting the complete revised policies and procedures or employee manual. The board will review and vote on the changes at an upcoming meeting.

15. Executive Session

No executive session was convened during the recorded November 9 meeting.

16. Adjournment

ACTION: Tom Perrier moved to adjourn. Tracy Wagner seconded. Following the vote, the President declared the meeting adjourned at 5:31 p.m.

Respectfully submitted,
Gay Paxton
SEPO Board Secretary

Approved by the Board on: _____

Mtg. Report 11.9.26

Jessica with MetroNet and Victor with CyberNation came in and reviewed what we were getting and what we would need for the Internet and phone service. Victor will be making the connections to our existing networks and phone, utilizing equipment we have currently.
A tech with T-Fiber came in and I showed him where the phone connections and modem/router were located, and where we want the fiber to be placed, to get into the office. He said that he expected to start the install this week and would call me when he had the date.
Last week Spectrum had a contractor, BTS, come into repair/replace cable. They had a drill rig setup in the ditch north of Iowa Ave, starting to install conduit. I had a conversation last spring with Claire Garcia Construction Manager for Harlingen area, and she said at that time that they would give me a 2 day notice when they were coming in to do more then a house connection. This hadn't happened so I asked the contractor to leave. Spoke with a dispatcher for Spectrum and he was going to reach out to Claire. Claire called on Thursday, she apologized for not contacting me and said it was new dispatchers that weren't aware of the arrangement with Sunshine. She said going forward she was going to assign 1 dispatcher and 1 contractor to service Sunshines repairs/hook ups.

Texas Ave.

Lalo will be removing 2 bush's in the gazebo garden and leaving a trailer near there for the Gardening Clubs clean up on the 13th.

Irrigation and Drainage

Tito with Core & Main, and Alfredo with International Machine Shop came and took measurements for the back flow valve install. Tito has ordered parts, they were supposed to be here last Friday. Our guys will remove the pipe and bring it to Alfredo when he has parts and they're assembled. Shouldn't be without water for more than a day.
Had to fix seals on the large pump again, and repair another leak in the pick up pipe to the canal.
Spoke with Mike at Lewis Electric, got information on pump and motor warranty and previous quote. Pump has a 2 yr warranty, motor has 1 yr. Cost has gone up since June.

Streets

Working with Tony Trammel on ***Do Not Enter/One Way*** signage for the frontage road from Texas Ave. to Grace.

Thomas Perrier Area 2

Well Update 11.9.26

On Friday 10.29, Will with Nutriand Ag a local fertilizer/Ag company, came and met with Jerry Wetherbee and me. We walked the course and discussed what he would be able to do. We told him we were interested in a plan for care of the course which would include mowing, fertilizer/weed control, and aeration schedules. And any other suggestions for course maintenance which could include using a mix of water from the second well.
He had a tech come out the following week and he took several samples of soil from the course and pictures of the turf on the greens, tee box's and fairways. Will told us he would have someone within their company try and identify what we have.
Waiting for the results and proposal.

Thomas Perrier
Area 2

Financial update for Oct 2026

I want to highlight some items from the preliminary reports that I think are noteworthy, in addition to any footnotes I made in the financial reports:

1) Valerie & I continue to monitor resident accounts to ensure timely payments of HOA fees. We have four residents who were delinquent with Oct HOA fees.
2) Here are the current interest rates on our cash investments: the Money Market account at PNC remains at 2.96%; the Reserve Contingency Money Market account at RIO remains at 3.32%; the Golf Course Money Market account at RIO remains at .51%.
3) Memorial lockbox in library was checked and there were no memorial donations in October.
4) I need to correct a footnote on the profit & loss statement regarding storage fees. It currently states that we have 2 open lots. In October, one lot was rented out so now we only have one open lot available.
5) The Reclamite road restoration project was completed in October. As shown on the balance sheet, the final cost was $72,952.40. I'm happy to report that we saved $6,019 on the project because we don't owe sales tax on this project as originally reported. I want to thank Tony Tramel for relentlessly researching the sales tax issue. Our CPA also researched and agreed that we do not owe sales tax. The payment of this project will be made in November.
6) The Women's Club voted to fund the remaining balance of the bathroom remodel project in Retzlaff Hall. We received their donation of $1,676.25 in October. This bathroom remodel project was completely funded by donations. A huge thank you goes out to the Women's Club, the McFee's who donated proceeds from the St. Patrick's Day party and an anonymous donor for making this project financially come to fruition. And a huge thank you to Pat & Lalo for getting the work done and making it look modern, practical and nice.
7) I reviewed the October financial transactions, and they all looked good. I sent the preliminary financial reports to Beth on 11/06/2026 and she sent them out to the community on 11/06/2026. October financial reports were also sent to our CPA on 11/06/2026 for review.

If there are no questions from the board, I am asking for an official motion to approve the October 2026 financial reports.

Future Financial Matters for SEPO

1) We will be paying for the Reclamite road project this month in the amount of $72,952.40. Our balance in the Reserve Contingency bank account at RIO, which is designated specifically for the upkeep and repairs of streets, is $70,245.88. There are obviously not enough funds in this account to pay for this project. Plus, we need to keep a minimum balance of $10,000 in this account to maintain the money market status which earns a higher interest rate than a regular savings account. We have our money market account at PNC bank to withdraw funds from as well. This account is earning a slightly lower interest rate than RIO bank. We, as a board, need to decide which accounts to withdraw from and how much from each account. My recommendation is to withdraw $55,245.88 from RIO bank leaving a balance of $15,000 in that account and withdraw $17,706.52 from PNC bank. I think we should keep more than $10,000 in the RIO account because it is earning a higher interest rate than the PNC account. I am opening this up to the board for discussion. At the end of our discussion, we need to make a motion.
2) **Old Business 12a:** Tracy reviewed the 2027 budget. The board approved comparative budget report (2027 vs 2026) will be included in the board minutes. The board met our goal of using only HOA dues to cover budgeted operating expenses for 2027, leaving a budgeted amount of $11,615.57 of HOA dues going to our reserves to fund capital expenditures. In summary, we are adding about $11,600 from HOA fees that are not needed for our day-to-day operations and we are adding about $47,000 from our other budgeted sources of revenue and we are adding 3% of our gross HOA fees in the amount of about $14,300 to the reserve contingency fund as dictated by our fiscal policies and procedures. Add those numbers up and you come up with about $73,000 in total we are **budgeting** to add to our cash reserves for future capital expenditures. It's a good start but we still have a long way to go. The board discussed the 2027 capital improvements recommended by the 5-year planning committee and decided to

accept/revise their recommendations. The comparative budget report (2027 vs 2026) will reflect what the board approved for capital expenditures.

3) **Old Business 12b:** Tracy updated the 2026 use of cash funds graph to reflect the actual cost of the reclamite road project, remove $50,000 for RH AC units that are being deferred to 2027 and remove $13,000 for well #2 that is being deferred to 2027 or beyond. This leaves us with a projected amount of about $173,000 for future capital improvement projects. The updated graph will be included as part of my financial report.
4) **Old Business 12c (2):** Tracy looked at the by-laws for Alamo Country Club, which is a 55+ retirement community pretty similar to ours, and they have a special assessment fee imposed at the time of title transfer. They do have inheritance and multi-property exemptions to this special assessment fee. This special assessment fee goes to their capital improvement fund for which use of funds is subject to approval by a simple majority of their members present and voting at a special meeting or an annual meeting of the members. The amount of this special assessment fee is the same as their annual HOA assessment, which is currently $2,760. I asked their office manager if this special assessment fee affects or hinders home sales in their community and the answer was no. The average turn around time for a home sale in their community is 1-2 months. The number of homes sold in their community so far in 2026 is about 38, with 41 homes being sold in 2025. This method of funding our future capital improvements is a no-brainer in my humble opinion. All current homeowners have contributed to the upkeep and beautification of our community over the years, which only helps to increase our home values and keep this community thriving not only now but into the future. New homeowners coming in are experiencing that advantage right away and have not had to contribute any money towards the improvements we have made over the years. This special assessment fee gives new homeowners skin in the game, so to speak, as soon as title transfer occurs.
5) **Old Business 12d:** Last week we received a proposal for liability coverage on all the amenities offered in our community. We are in the process of reviewing this proposal and completing a statement of values for all our buildings and contents. Our request to have a complete property and amenity inspection by an insurance representative to assist in confirming limits, exclusions, deductibles, and premiums will be done after the liability coverage is in place.
6) **Old Business 12e:** Tracy read the Common Area Use Policy for Private Events at Retzlaff Hall that she created. After discussion, Tracy asked for an official motion to approve this new policy and that it be added to the Policies and Procedures item #6a on page 2 of 12.
7) **Old Business 12h:** Tracy reviewed our Policies and Procedures & Employee Manual and went over the list of potential changes/updates.
8) **New Business 13a:** Every month I report to you that Valerie & I monitor HOA payments to make sure everyone stays current. We have roughly 60 owners who pay monthly or quarterly. This is time-consuming for both of us. I can think of better productive uses of our time. According to our covenants which you all received and signed that you received, in section 4.6 on page 5, it states in part, …"The due dates shall be the first (1st) day of each month". For our monthly payers, this is what we are proposing to make your life and ours easier. If you pay by check, write out 12 separate checks dated the 1st of each month and give these 12 checks to Valerie by Jan 2nd. Valerie will deposit your monthly check in the appropriate month and not any sooner. We have several residents who are doing this now and we have had no issues. If you have your bank issue us a monthly check, you need to set those payments up for the 1st of each month. For our few quarterly payers, the same concepts can be applied. If you pay by check, write out 4 separate checks for Jan 1st, Apr 1st, July 1st and Oct 1st and give these 4 checks to Valerie by Jan 2nd. Valerie will deposit your quarterly check in the appropriate month and not any sooner. If you have your bank issue us a quarterly check, you need to set those payments up for Jan 1st, Apr 1st, July 1st and Oct 1st. Valerie and I are investigating accepting monthly payments via ACH through the QuickBooks accounting software that we use. As soon as we get everything in place and there are no issues, we will present that option to the community. Keep in mind that with this option, there may be a monthly fee. I am giving you advance notice so you can make appropriate financial preparations. We appreciate your cooperation in making this collection process less time-consuming for all of us.

SEPO
Profit or (Loss) Statement
Comparative Budgets

11/9/2026

	2027 Budget	2026 Budget	Variance $	Variance %	Treasurer comments
Ordinary Income/Expense					
Income					
Maintenance Fees	477,403.46	463,498.50	13,904.96	3.00%	Reflects $45 annual increase to HOA fees; 3% gets transferred to reserve contingency fund ($14,322.10)
Less: Maintenance Fee Discounts	(7,161.05)	(6,952.48)	(208.57)	3.00%	Reflects 75% of residents taking advantage of 2% discount
Net Maintenance Fees	470,242.41	456,546.02	13,696.39	3.00%	
Storage Fees	34,510.00	29,950.00	4,560.00	15.23%	Reflects average 15.23% rate increase per lot/$30-$45 increase for the **year**
Golf Course Improvement Fees	3,200.00	3,250.00	(50.00)	-1.54%	These fees get transferred to golf course improvement fund & cannot be used for operating exp
Resale Certificates	5,000.00	5,000.00	-	0.00%	Not all home sales collect this fee
Green Fees	900.00	1,000.00	(100.00)	-10.00%	Majority of this income comes from GNGT
Interest Income	6,000.00	6,000.00	-	0.00%	Cash reserves are down due to capital expenditure spending & interest rates are lower
Office Services	400.00	400.00	-	0.00%	
Miscellaneous Income	300.00	300.00	-	0.00%	
Total Income	520,552.41	502,446.02	18,106.39	3.60%	
Expenses					
Common Grounds 1 - Dir. Heinerikson					
Pool Chemicals	8,500.00	8,500.00	-	0.00%	
Retzlaff Hall	2,500.00	5,635.00	(3,135.00)	-55.63%	
Cleaning Supplies	1,800.00	2,100.00	(300.00)	-14.29%	
R&M - Area 1	3,000.00	3,000.00	-	0.00%	
Office & Lounge	1,000.00	3,000.00	(2,000.00)	-66.67%	
Pavillion	1,000.00	1,000.00	-	0.00%	
Sun Burst	2,000.00	4,500.00	(2,500.00)	-55.56%	
Pool R&M	3,000.00	3,000.00	-	0.00%	
Total Common Grounds 1	22,800.00	30,735.00	(7,935.00)	-25.82%	
Common Grounds 2 - Dir. Perrier					
Texas Avenue	6,000.00	8,500.00	(2,500.00)	-29.41%	
Texas Avenue Gate	1,000.00	1,000.00	-	0.00%	
Irrigation & Drainage Ditches	1,000.00	1,000.00	-	0.00%	
Streets & Grounds	1,000.00	1,500.00	(500.00)	-33.33%	
R&M - Area 2	2,000.00	1,500.00	500.00	33.33%	
Total Common Grounds 2	11,000.00	13,500.00	(2,500.00)	-18.52%	
Common Grounds 3 - Dir. Lay					
Storage & Shop Area	6,000.00	8,000.00	(2,000.00)	-25.00%	
Shuffle Board	500.00	500.00	-	0.00%	
R&M - Area 3	1,000.00	1,000.00	-	0.00%	
Tennis Court	500.00	500.00	-	0.00%	
Total Common Grounds 3	8,000.00	10,000.00	(2,000.00)	-20.00%	

SEPO
Profit or (Loss) Statement
Comparative Budgets

11/9/2026

	2027 Budget	2026 Budget	Variance $	Variance %	
Golf Course - Dir. Petersen					
Golf Course Maintenance	9,000.00	9,000.00	-	0.00%	
Tools-Greens Maintenance	1,500.00	2,000.00	(500.00)	-25.00%	
Golf Course Supplies	14,000.00	10,000.00	4,000.00	40.00%	
Golf Course Equip Maintenance	7,000.00	6,000.00	1,000.00	16.67%	
Maintenance Area Supplies	1,125.00	1,000.00	125.00	12.50%	
Golf Cart Equipment Maintenance	500.00	2,000.00	(1,500.00)	-75.00%	
Fuel	6,000.00	6,000.00	-	0.00%	
Total Golf Course	39,125.00	36,000.00	3,125.00	8.68%	
General Operations Expense					
Payroll	169,160.00	208,480.00	(39,320.00)	-18.86%	Reflects no merit based pay increases; reflects 35 hrs/week for full time employees; reflects an annual bonus
Contract Labor	800.00	1,250.00	(450.00)	-36.00%	Minimal help needed for golf course area
Depreciation	43,165.00	40,034.00	3,131.00	7.82%	With CPA help, my best educated calculation
Electric	44,000.00	40,500.00	3,500.00	8.64%	Usage is up in some accounts, especially the pump house (using Resaca water)
Payroll Tax	13,294.74	16,271.22	(2,976.48)	-18.29%	Lower payroll means lower payroll taxes as well
Gas	22,000.00	21,000.00	1,000.00	4.76%	Assumes small increase in usage rate
Office Expense	12,065.00	9,360.00	2,705.00	28.90%	Main expenses causing increase: accounting software monthly fee & new laptop for board secretary
Water	12,000.00	12,300.00	(300.00)	-2.44%	Assumes little to no resaca water usage and full use of hydrant water
Legal & Professional	4,000.00	4,000.00	-	0.00%	The community & board needs to retain an attorney for legal advise/any unknown legal issues that may arise
Telephone	3,400.00	3,120.00	280.00	8.97%	Covers 2 phone lines (Office/Pool area) & phone service in woodshop
Mileage	760.00	1,440.00	(680.00)	-47.22%	Office Mgr/Custodian positions based on actual mileage; Guys use company truck
Accounting	3,400.00	3,400.00	-	0.00%	CPA fees for quarterly payroll reports/annual sales tax return/annual income tax return
Bank Fees	200.00	120.00	80.00	66.67%	Anticipating more wire transfers due to cash investments being in banks other than WF
Insurance	61,300.00	38,400.00	22,900.00	59.64%	Most policies remain consistent with 7% increases; added liability coverage for golf course/amenities
Property Taxes	17,000.00	17,000.00	-	0.00%	Assumes little to no increase; 2026 taxes $16,246.21 (2025 was $15,980.96)
Total General Operations Expense	406,544.74	416,675.22	(10,130.48)	-2.43%	
	-	-			
Total Expenses	487,469.74	506,910.22	(19,440.48)	-3.84%	
Net Operating Income or (Loss)	33,082.67	(4,464.20)	37,546.87		

Capital Expenditures for 2027 (as presented from the 5 year planning committee)

Retzlaff Hall Building Upgrades	30,000	
Air Conditioners-Retzlaff Hall (2)	50,000	
Pavement Repair & Preservation	10,000	
Street names/regulatory signage project	-	Board discussion determined not urgent need & deferred this to safety committee for 2028 inclusion
2nd Well for golf course	13,000	
Greens reels for existing mower	5,000	
Aerator	10,000	Board discussion found that we can reduce proposed amount from $15,000 to $10,000
Gas Golf Cart w/dump box	-	Board discussion found that this item was no longer needed; our Gator (existing asset) meets the needs
	118,000	

This operating budget and capital expenditures were approved at the regular board meeting on 11/09/2026.

2026 USE OF CASH FUNDS (UPDATED OCT 2026)

2026 Undesignated Cash Funds (Wells Fargo & PNC accounts)	826,122.48	87.64%	
2026 Designated Cash Funds (RIO Bank Reserve Contingency)	116,538.79	12.36%	
	942,661.27	100.00%	
2026 operating expenses (approved budget)	(466,876.22)	49.53%	see other graph for breakdown of where money is spent
2026 capital: roofs/gutters/downspouts for RH/library/office	(179,173.64)	19.01%	actual amount spent on this capital project
2026 capital: 2 AC units for RH	0.00	0.00%	$50,000 project approved for 2026; moving this project to 2027
2026 capital: well #2	(2,000.00)	0.21%	spent $2,000 so far; rest of project is being moved to 2027 or beyond
2026 capital: pavement repair & preservation	(121,554.91)	12.89%	spent $48,602.51 on road repairs; spent $72,952.40 for Reclamite project
Money left for future cash reserves & future capital needs	(173,056.50)	18.36%	
	(942,661.27)	100.00%	

