

LAKWOOD FOREST FUND, INC.  
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## **2023 BUDGET REVIEW PACKET FOR MEMBERSHIP**

Monday, September 12, 2022  
Open Session commences via ZOOM @ 7:00 PM  
Meeting ID: 490 416 5823 Passcode: 8Pk2mk  
Residents may attend open session via video conference.

On Monday, September 12th, the Fund Trustees will conduct a 2023 budget review in open session which will be presented by the HOA treasurer, Scott Johnson. The 2023 budget includes an increase in assessments of \$ 35.00 which is needed to maintain the current services provided by the association in addition to making the annual reserve contribution of \$ 124,400.00 as outlined in the reserve study which considers needed repairs/replacements of common area elements. With this being said, the Fund Board intends to set the 2023 annual maintenance assessment rate at \$ 690.00.

Once the budget is officially approved at the October meeting, a statement will be mailed to every resident before end of November showing the new assessment rate and will also include the \$ 10.00 voluntary civic association fee. To avoid being charged a late fee of \$ 69.00, the 2023 assessment will need to be paid no later than January 31<sup>st</sup>, 2023.

### Assessment history for Lakewood Forest

2022- \$ 655  
2021- \$ 630  
2020- \$ 630  
2019- \$ 630  
2018- \$ 590  
2017- \$ 572  
2016- \$ 520  
2015- \$ 520  
2014- \$ 520  
2013- \$ 514  
2012- \$ 514  
2011- \$ 514  
2010- \$ 514

### Included in this packet, please find the following documentation:

2023 Budget Draft  
Reserves and Community Projects Overview for 2022 & 2023  
showing activity thru 07-26-2022

Q&A session will be held during budget review meeting as per ZOOM guidelines which are posted on HOA website; questions may be submitted in advance to [gm@lakewoodforestfund.com](mailto:gm@lakewoodforestfund.com)

## Lakewood Forest - 2023 Draft Budget Worksheet

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Account Name	2022 Annual Budget	YTD Actual as of 7/19/2022	2023 Proposed Budget	2023 itemization per household	Comments
<b>Income</b>					
<b>INCOME:</b>					
ASM billing to owners (2617)	1,714,135.00	1,668,413.47	1,805,730.00	690.00	\$ 35.00 increase; from \$655 to \$690
Late Fee Income	20,000.00	20,922.30	20,000.00	7.64	Based on YTD figures; expect #'s to be lower in 2022 as resale and collections considerably high in 2022
Legal Fees Reimbursement	35,000.00	98,885.22	78,000.00	29.81	Averaged 2020 & 2021 YE actuals/ 43K & 115K
Owner NSF Fees	0.00	40.00	0.00	0.00	Non-budgeted line item
Compliance Reimbursement	0.00	9,610.00	0.00	0.00	Difficult to recover-recommend leaving at zero; recouped thru short sales in 2022 which is unusual
ACC Review Fee	0.00	75.00	0.00	0.00	Non-budgeted line item
Resale Fees	80,000.00	60,265.00	80,000.00	30.57	Remain conservative due to recession
Certified Mail Reimbursement	0.00	65.00	0.00	0.00	Non-budgeted line item
Investment/Interest Income	6,000.00	2,205.97	4,500.00	1.72	Estimate based on YTD figures
Insurance Claim/ Reimbursement	0.00	3,998.00	0.00	0.00	Non-budgeted line item
Reimbursement from LFCA	1,800.00	1,800.00	1,800.00	0.69	Fixed rate
Bad Debt Write-Off	0.00	-11,635.75	0.00	0.00	Non-budgeted line item
Uncollectible Assessments	-10,000.00	0.00	-10,000.00	-3.82	
<b>Total INCOME:</b>	<b>1,846,935.00</b>	<b>1,854,644.21</b>	<b>1,980,030.00</b>	<b>756.60</b>	
<b>Total Operating Income</b>	<b>1,846,935.00</b>	<b>1,854,644.21</b>	<b>1,980,030.00</b>	<b>756.60</b>	

**Expense****GENERAL & ADMINISTRATIVE:**

Accounting/Bookkeeping	12,200.00	10,995.00	11,620.00	4.44	Fixed cost; 10,995 audit + 625 tax return
Insurance	39,200.00	35,009.00	36,759.00	14.05	YTD actual plus 5% (1 claim in 2022 as of YTD)
Legal Fees - Corporate	15,000.00	4,173.97	10,000.00	3.82	Reduced based on YTD figures
Legal-P Marshall Dispute	0.00	2,450.00	0.00	0.00	Anticipated to be resolved in 2022
Legal Fees - COL & DRV	153,000.00	81,609.46	153,000.00	58.46	
Compliance Expense	5,000.00	75.00	5,000.00	1.91	Average cost for 1 clean up per year
Misc. Admin Expense	6,000.00	1,503.29	4,500.00	1.72	Reduced based on YTD figures
<b>Total GENERAL &amp; ADMINISTRATIVE:</b>	<b>230,400.00</b>	<b>135,815.72</b>	<b>220,879.00</b>	<b>84.40</b>	

Lakewood Forest - 2023 Draft Budget Worksheet

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Account Name	2022 Annual Budget	YTD Actual as of 7/19/2022	2023 Proposed Budget	2023 itemization per household	Comments
<b>OTHER ADMINISTRATIVE EXPENSES:</b>					
Bank Charges	100.00	10.00	75.00	0.03	
Property Taxes - Common Area	20,651.50	0.00	23,950.00	9.15	calculated per HCAD value for 2022; includes (2) lots still in dispute which HOA must pay taxes for
Other Administrative Expenses	1,000.00	875.88	1,500.00	0.57	additional milege cost for part-time inspector
<b>Total OTHER ADMINISTRATIVE EXPENSES:</b>	<b>21,751.50</b>	<b>885.88</b>	<b>25,525.00</b>	<b>9.75</b>	
<b>PAYROLL:</b>					
Payroll Expense / Contract Work	142,584.81	71,618.08	166,076.07	63.46	Payroll, Taxes, Benefits Reimbursement, Contract Work
<b>Total PAYROLL EXPENSE / CONTRACT WORK</b>	<b>142,584.81</b>	<b>71,618.08</b>	<b>166,076.07</b>	<b>63.46</b>	
<b>OFFICE AND BUILDING EXPENSE:</b>					
Maintenance - Building	2,500.00	2,824.24	2,500.00	0.96	baseline for routine maintenance
Electricity - Building	3,150.00	1,341.83	3,250.00	1.24	avg. monthly cost \$ 270.00
Phone/Internet - Building	7,400.00	4,294.41	7,750.00	2.96	internet, VOIP, cellphone reimbursement-increased due to inspector
<b>Total OFFICE AND BUILDING EXPENSE:</b>	<b>13,050.00</b>	<b>8,460.48</b>	<b>13,500.00</b>	<b>5.16</b>	
<b>IT, EQUIPMENT, CLERICAL COSTS:</b>					
Office Equipment	2,200.00	1,953.53	2,200.00	0.84	based on 2021 actuals and YTD #'s
Office Supplies	1,200.00	884.81	1,500.00	0.57	history based; increased due to inflation
Printing Expense	2,500.00	120.23	2,800.00	1.07	history based; ye mailing approximately \$ 2,600.00
Postage & Delivery Expense	5,500.00	6,655.50	8,300.00	3.17	annual billing mailer @ 3,700.00; postage increase & drv letter volume increase
Miscellaneous Office Expense	3,000.00	1,086.27	3,000.00	1.15	history based
IT Consulting & Software	27,000.00	13,842.29	28,500.00	10.89	history based
<b>Total IT, EQUIPMENT, CLERICAL COSTS:</b>	<b>41,400.00</b>	<b>24,542.63</b>	<b>46,300.00</b>	<b>17.69</b>	

Lakewood Forest - 2023 Draft Budget Worksheet

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Account Name	2022 Annual Budget	YTD Actual as of 7/19/2022	2023 Proposed Budget	2023 itemization per household	Comments
<b>GROUNDS MAINTENANCE:</b>					
Landscape Contract	103,861.00	58,810.45	99,366.00	37.97	8,280.50 x 12 = 99,366.00
Landscape Extras	14,000.00	16,790.00	16,500.00	6.30	7-9K allotted for force mows; ended 2021 @ 16,338.00
Seasonal Color & Mulching	12,000.00	525.00	12,000.00	4.59	annual mulching cost is 7,500 + 3 color changes
Irrigation	12,000.00	6,590.00	8,500.00	3.25	based on 2021 actuals and YTD #'s; ended 2021 @ 7906.00
Patio Lake Maintenance	2,000.00	0.00	0.00	0.00	reduce to 0.00 for 2023; no activity in 2021 or YTD 2022-can fund from misc. ground maintenance
Lake Management Contract	2,200.00	1,150.06	2,421.96	0.93	3% auto renewal; from 195.95 to 201.83
Misc. Ground Maintenance	10,000.00	8,207.00	12,000.00	4.59	based on 2021 actuals & expected YE 2022; ended 2021 @ 16,198.87
Pest Control & Mosquito Fog	12,000.00	6,623.67	11,840.04	4.52	64 sprays @ 181.65 & 4 office visits @ 53.61
<b>Total GROUNDS MAINTENANCE:</b>	<b>168,061.00</b>	<b>98,696.18</b>	<b>162,628.00</b>	<b>62.14</b>	
<b>COMMUNITY EVENTS:</b>					
Community Events & Outreach	13,000.00	11,934.79	11,000.00	4.20	Board set pricing at 11K
<b>Total COMMUNITY EVENTS:</b>	<b>13,000.00</b>	<b>11,934.79</b>	<b>11,000.00</b>	<b>4.20</b>	
<b>UTILITIES:</b>					
Electricity - Street Lights & Common Areas	115,700.08	56,146.97	112,500.00	42.99	Average monthly cost; \$ 9360.76
Water - Common/Irrigation	25,000.00	9,867.18	20,000.00	7.64	Average monthly cost plus 5%; refer to 8920 tab
Trash & Recycling	535,233.60	267,616.80	673,358.40	257.30	RRR: 56,113.20 per month x 12
<b>Total UTILITIES:</b>	<b>675,933.68</b>	<b>333,630.95</b>	<b>805,858.40</b>	<b>307.93</b>	
<b>COMMUNITY PROJECTS:</b>					
Community Projects Contribution	0.00	104.04	0.00	0.00	
<b>Total COMMUNITY PROJECTS:</b>	<b>0.00</b>	<b>104.04</b>	<b>0.00</b>	<b>0.00</b>	
<b>SECURITY EXPENSE:</b>					
Security / Constable Patrol	410,680.60	233,719.00	393,001.89	150.17	32,345.83 for Jan thru Sept; 33,963.13 Oct thru Dec (5%)
Security - Misc. Expense	1,500.00	1,351.05	750.00	0.29	For (1) Constable luncheon; in 2022 purchased items for remodel (not applicable in 2023)
<b>Total SECURITY EXPENSE:</b>	<b>412,180.60</b>	<b>235,070.05</b>	<b>393,751.89</b>	<b>150.46</b>	

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Account Name	2022 Annual Budget	YTD Actual as of 7/19/2022	2023 Proposed Budget	2023 itemization per household	Comments
<b>DEPRECIATION:</b>					
Depreciation	480.00	480.00	480.00	0.18	Per depreciation schedule
<b>Total DEPRECIATION:</b>	<b>480.00</b>	<b>480.00</b>	<b>480.00</b>	<b>0.18</b>	
<b>RESERVES:</b>					
Reserve Contribution	122,000.00	127,863.00	124,400.00	47.54	2023 Contribution per reserve study
<b>Total RESERVES:</b>	<b>122,000.00</b>	<b>127,863.00</b>	<b>124,400.00</b>	<b>47.54</b>	
<b>Total Operating Expense</b>	<b>1,840,841.59</b>	<b>1,049,101.80</b>	<b>1,970,398.36</b>	<b>752.92</b>	
Total Operating Income	1,846,935.00	1,854,644.21	1,980,030.00	756.60	
Total Operating Expense	1,840,841.59	1,049,101.80	1,970,398.36	752.92	
<b>NOI - Net Operating Income</b>	<b>6,093.41</b>	<b>805,542.41</b>	<b>9,631.64</b>	<b>3.68</b>	

**RESERVE OVERVIEW FOR 2022 & 2023**  
**as of 07-26-2022**

			<b>586,498.06</b>	<b>Starting Balance as of 01/01/2022</b>
<b>2022 Funding</b>				
01/05/2022		JE	122,000.00	2022 Annual Reserve Contribution
01/31/2022		JE	143.82	Monthly Interest
02/28/2022		JE	249.52	Monthly Interest
03/01/2022		JE	252.37	Interest on Allegiance CD
03/31/2022		JE	306.67	Monthly Interest
04/30/2022		JE	296.80	Monthly Interest
05/31/2022		JE	286.77	Monthly Interest
06/30/2022		JE	329.05	Monthly Interest
07/06/2022		JE	<u>3,998.00</u>	Insurance reim/pmt NEP & Louetta Rd. m-wall
			<b>127,863.00</b>	<b>Total funding for 2022 thru 07-26-2022</b>
<b>2022 Expenses</b>				
04/12/2022	Donna Grabowski	Che	<u>-850.00</u>	Demo & remove damaged monument
07/13/2022	SAB Painting, LLC	eCh	<u>-1,950.00</u>	Paint brick wall by 12218HED (downpayment)
			<b>-2,800.00</b>	<b>Total expenses for 2022 thru 07-26-2022</b>
			<b>711,561.06</b>	<b>Current balance as of 07-26-2022</b>
2022 approved expense / not yet paid			(4,550.00)	Paint brick wall by 12218HED
2022 approved expense / not yet paid			(3,648.00)	Monument rebuild @ NEP & LR
2022 expense per reserve study (need to bid out) / anticipated cost			<u>(7,500.00)</u>	Paint exterior of Fund Office
			<b>695,863.06</b>	<b>Expected balance at 12-31-2022</b>
			<u>124,400.00</u>	<b>Funding for 2023</b>
			<b>820,263.06</b>	<b>Expected balance mid-January 2023</b>
2023 anticipated expense			(400,000.00)	Malcomson Road Wall Replacement
2023 expense per reserve study			(5,826.00)	Landscape Replacements
2023 expense per reserve study			<u>(5,722.00)</u>	HVAC Equipment
			<b>408,715.06</b>	<b>Anticipated balance ye 2023</b>

**COMMUNITY PROJECT OVERVIEW FOR 2022 & 2023**  
**as of 07-26-2022**

**168,862.20 Starting Balance as of 01/01/2022**

**2022 Funding**

01/31/2022	JE	19.51	Monthly Interest
02/28/2022	JE	17.19	Monthly Interest
03/31/2022	JE	19.03	Monthly Interest
04/30/2022	JE	18.13	Monthly Interest
05/31/2022	JE	14.54	Monthly Interest
06/30/2022	JE	<u>15.64</u>	Monthly Interest
		104.04	

**104.04 Total funding for 2022 thru 07-26-2022**

**2022 Expenses**

01/10/2022	ENCORE LANDSCAPE MGMT, INC.	eCheck	-19,500.00	WO#105-Irrigation install on (4) islands NEP
02/15/2022	ENCORE LANDSCAPE MGMT, INC.	eCheck	-2,950.00	Inv#3869/Fund from COM PRO
03/25/2022	SAB Painting, LLC	eCheck	-2,985.00	WO#168-1; paint Constable Office
04/21/2022	SAB Painting, LLC	eCheck	-7,565.00	WO#168-1; paint Constable Office
04/23/2022	Superior Fencing LTD	Bill Pay Che	-21,750.00	WO#151-Fence replacement at LVP
			<u>-54,750.00</u>	(54,750.00) <b>Total expenses for 2022 thru 07-26-2022</b>

**114,216.24 Current balance as of 07-26-2022**

2022 approved expense / not yet paid	(44,050.00)	Grant & Cypresswood monument rebuild
2022 remaining funds (special tree fund)	<u>(7,050.00)</u>	Expected expenditure/ C. Jone

**63,116.24 Expected balance at 12-31-2022**

to be determined /will be taken from NOI Funding for 2023

2023 allocation (special tree fund) (10,000.00)

Considerations-Future Projects (not voted on)

	Anticipated Cost
1. Install irrigation on medians located on Grant Rd / Lakewood Forest Drive to Cypresswood Drive	50,000.00
2. Beautification to include tip bed installations on medians located on Grant Rd / LWF Drive to CYD Drive	25,000.00
3. Tree trimming on all common areas	30,000.00
4. Irrigation installation on two medians on Spring Cypress Road	<u>20,000.00</u>
	125,000.00