COTTONWOOD PALO VERDE BOARD OF DIRECTORS MEETING ANNUAL MEETING

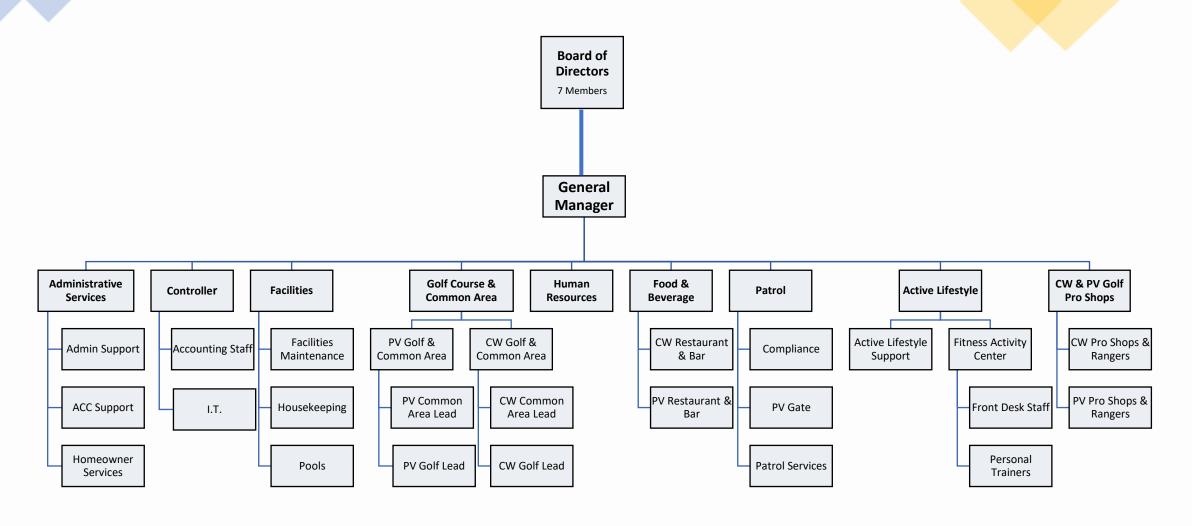
March 26, 2025

COTTONWOOD PALO VERDE AT SUN LAKES ANNUAL MEETING OF THE MEMBERS 4:00 P.M. San Tan Ballroom MARCH 26, 2025 AGENDA

- 1. Call To Order
- 2. General Manager's Report on the Association
- 3. 2024 Audited Financials
- 4. President's Message
- 5. Capital Plans for 2025
- 6. 2024 Directors Comments
- 7. Thank You to Outgoing Board Members
- 8. Introduction of New Board Members
- 9. Introduction of New Board Officers
- 10. 2025 Directors Comments
- 11. Homeowner Comments
- 12. Adjourn Meeting

General Manager's Report

SUN LAKES HOMEOWNERS ASSOCIATION #2 Organization Chart 3/1/25



Golf Course Projects

- Installation of 2000+ irrigation heads and satellite controllers for PV Golf Course Project.
- Replacement of driving range net
- Replacement of 4 Utility Carts for maintenance





















Facilities Projects

Replaced 40 chairs at PV Pro Shop Patio

Replaced multiple HVAC Units

Replaced all pool salt cells

Replaced multiple pieces of F&B equipment



Facilities Maintenance

Daily Tasks

1,152 Work Orders Completed in 2024 Over 32,000 Toilets Cleaned Vacuumed Pools More Than 260 Times Setup over 500 meetings/parties/events Painted 28,000 linear feet = 5.3 miles

Daily Usage + 22%

Over 76,000 checked in during 2024!

Group Fitness Clients + 19%

Group Fitness Attendance +23%

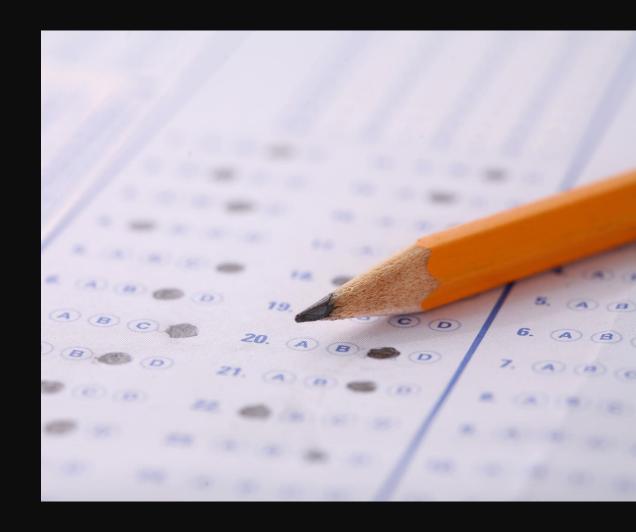




CURRENT VOTE ON TWO SEPARATE ITEMS

 Keep our current parking regulations for RV's, boats, trailers and similar large items – YES/NO

 Special Assessment - \$635 Per Lot to help fund the Cottonwood Pool Project – YES/NO



Pool Concept Version 4.0





Funding Plan – Cottonwood Pool

	COTTONINGOD DOOL DDO IFOT		
	COTTONWOOD POOL PROJECT		
	FINANCING PLAN		
Estim	ated Project Cost		<u>2/18/2025</u>
1	Demolition of the existing structure and		\$3,904,619
	Construction of entirely new pool		
2	Sales Tax @ .063%		\$ 245,991
3	Architect Design Fees		\$ 298,846
		Sub Total	\$4,449,456
4	Contingency @ 20%		\$ 889,891
5	New Pool Furniture		\$ 200,000
6	Project Management		\$ 200,000
		Total Project Cost	\$5,739,347
Fund	ing Sources		Proposed
1	Homeowner Assessment \$635 X 3,809 homes		\$2,418,715
2	Dedicate 100% of 2025 Home Sale Capital		
2	Dedicate 100% of 2025 Home Sale Capital Contribution Fee \$5,000 X 225 Sales		\$1,125,000
3			\$1,125,000
_	Contribution Fee \$5,000 X 225 Sales		\$1,125,000 \$ 217,500
3	Contribution Fee \$5,000 X 225 Sales 2024 Home Sale Capital Contribution Fee already		
3	Contribution Fee \$5,000 X 225 Sales 2024 Home Sale Capital Contribution Fee already dedicated to the project \$1,500 X 125 sales		\$ 217,500
3	Contribution Fee \$5,000 X 225 Sales 2024 Home Sale Capital Contribution Fee already dedicated to the project \$1,500 X 125 sales Funds from Capital Reserve Fund	Total Funding	\$ 217,500 \$1,300,000

2024 Audited Financials

Revenues \$261,351 lower than budget \$858,404 HIGHER than the previous year

Expenses \$414,985 lower than budget \$128,916 LOWER than the previous year

Net Income = \$154,402

SUN LAKES HOMEOWNERS ASSOCIATION #2 INCOME AND EXPENSE SUMMARY

December 31, 2024 (Audited)

HOA DUES
RECREATION
FOOD & BEVERAGE
GOLF
MISCELLANEOUS (CARRY FORWARD FUND,
TRANSFER FEES, INTEREST, ETC)

TOTAL REVENUES

cu	RRENT MONTH	YEAR TO DATE	YEAR TO DATE	VARIANCE	YEAR TO DATE	
ACTUAL		ACTUAL	BUDGET	\$\$\$	PRIOR YEAR	
\$	471,070	\$ 5,665,586	\$ 5,656,921	\$ 8,665	\$ 4,949,475	
	38,055	299,059	301,865	(2,806)	294,909	
	448,383	4,682,277	5,037,136	(354,859)	4,738,352	
	358,460	3,541,874	3,429,300	112,574	3,167,558	
	12,795	191,075	216,000	(24,925)	371,073	
				-		
\$	1,328,763	\$ 14,379,871	\$ 14,641,222	\$ (261,351)	\$ 13,521,367	

YTD Var to Budget

%%%

0.2%

-0.9%

-7.0% 3.3%

-11.5%

-1.8%

YTD Var to PY

%%%

14.5%

1.4%

-1.2%

11.8%

-48.5%

6.3%

SUN LAKES HOMEOWNERS ASSOCIATION #2 INCOME AND EXPENSE SUMMARY

December 31, 2024 (Audited)

	CUF	CURRENT MONTH		YEAR TO DATE		YEAR TO DATE		VARIANCE		YEAR TO DATE	YTD Var to Budget	YTD Var to PY
	ACTUAL		ACTUAL		BUDGET		\$\$\$		PRIOR YEAR		%%%	%%%
EXPENSES:												
ADMINISTRATION (1)	\$	300,547	\$	2,314,175	\$	2,132,052	\$	(182,123)	\$	2,260,215	-8.5%	-2.4%
RECREATION		37,541		303,364		331,790		28,426		333,435	8.6%	9.0%
PATROL		40,300		438,410		438,882		472		435,791	0.1%	-0.6%
LANDSCAPING		90,748		1,123,163		1,215,643		92,480		1,116,138	7.6%	-0.6%
CUSTODIAL		61,070		710,210		747,523		37,313		738,467	5.0%	3.8%
FACILITIES		57,360		668,600		718,909		50,309		668,411	7.0%	0.0%
POOLS		34,525		375,629		382,352		6,723		387,725	1.8%	3.1%
FOOD & BEVERAGE		450,057		4,899,104		5,113,046		213,942		4,973,803	4.2%	1.5%
GOLF PROSHOPS & MAINTENANCE		270,033		3,392,814		3,560,257		167,443		3,440,400	4.7%	1.4%
TOTAL EXPENSES	\$	1,342,181	\$	14,225,469	\$	14,640,454	\$	414,985	\$	14,354,385	2.8%	0.9%
NET INCOME	\$	(13,418)	\$	154,402	\$	768	\$	153,634	\$	(833,018)	20004.4%	-118.5%
PALO VERDE GATE (2)										_		
Revenues	\$	20,349	\$	260,995	\$	263,174		(2,179)	\$	249,634	-0.8%	•
Expenses		21,077		256,816		263,942		7,126		258,778	2.7%	-0.8%
NET INCOME		(728)		4,179		(768)		4,947		(9,144)	-2.3%	145.7%
DEPRECIATION EXPENSE (3)	\$	1,128,121	\$	1,908,121	\$	1,954,887	\$	46,766	\$	842,789	2.4%	
CONSOLIDATED NET INCOME	\$	(1,142,267)		(1,749,540)		(1,954,887)		205,347		(1,684,951)	10.5%	-3.8%
	<u> </u>											

SUN LAKES HOMEOWNERS ASSOCIATION #2

Special Funds

December 31, 2024 (Audited)

Fund Balance January 1, 2024
Additions from Dues, Fees, etc
Cell Tower Income
Interest Earned
Expenditures for:
Golf Courses & Equipment
HOA-Several Items

Fund Balance December 31, 2024

Capital		Capital	Palo Verde			
Reserve	Improvement			Gate		
Fund (1)	Fund (2)			Fund (3)		
\$ 5,962,076	\$	672,170	\$	3,482		
1,526,843		150,000				
247,962		-				
258,636		21,976				
(507,023)		-				
(239,784)		(147,872)				
\$ 7,248,710	\$	696,274	\$	3,482		

Capital		Capital		
Reserve	Reserve			
Fund	Fund			
Home Sales		Home Sales		
217		145		
\$ 3,500	\$	1,500		
759,500		217,500		
YTD		APRIL 1ST		

Notes:

- (1) Funds set aside to replace worn out equipment, building parts, etc.
- (2) Funds set aside to improve and/or add to existing facilities.
- (3) Funds set aside to replace worn out parts and improve the PV gate (funding from PV residents only).

Number of homes sold in December 2024 was 16. December 2024 YTD totaled 217 resulting in revenue of \$998,000 YTD 2024 (\$4,599 Ave)

Number of homes sold in December 2023 was 17. December 2023 YTD totaled 224 resulting in revenue of \$582,250 YTD (\$2,599 Ave)