



THE LODGE AT SUNCADIA MASTER CONDOMINIUM ASSOCIATION – 2024 BUDGET DISCUSSION

LMCA's assessments are increasing to \$325K, a 15% increase from 2023.

Below is the detail of the monthly assessment, by type:

	Monthly Assessment		
	Operating	Reserves	Total
Residential Unit	107,999	13,771	121,770
Services Unit	29,091	3,709	32,800
Parking Unit	44,727	5,703	50,430

The increase in assessments is related to increased operating expenses of \$185K as compared to 2023 budget as well as an increase in operating cash.

Operating expenses (excludes Reserves & Contingency) are increasing \$28K from 2023 forecast and \$185K from the 2023 budget. The major changes as compared to 2023 forecast are as follows:

- General expenses are increasing \$84K. This is primarily related to \$76K of additional property insurance due to industry-wide premium increases and \$6K increase in B&O taxes due to higher assessments.
- Repairs and maintenance expenses are decreasing \$93K. 2023 included significant pipe repairs that are not anticipated to occur in the same magnitude in 2024.
- Utilities are increasing \$35K. This is primarily a function of general anticipated increases in cost for utilities.

Reserve contributions are decreasing \$206K from 2023 forecast. This is due to additional contributions in 2023 from operating reserves that are not repeated in 2024.

- 2024 expenses are from the reserve study and listed by item within the budget packet

The Association at year-end 2024 has about 1.4 months of operating expense in operating cash and adequate reserve cash to cover anticipated expenses for 2024.

The Lodge at Suncadia Master Condominium Association
2024 Budget
Operating Fund

	2023 Budget	YTD 6/30/2023	July - Dec Forecast	2023 Forecast	2024 Budget	Incr (decr) from 2023 Forecast	% Variance to 2023 Forecast
INCOME							
Assessment - Residential Unit	1,268,279	634,139	634,139	1,268,279	1,461,240	192,961	15%
Assessment - Services Unit	341,624	170,812	170,812	341,624	393,600	51,976	15%
Assessment - Parking Unit	525,251	262,626	262,626	525,251	605,160	79,909	15%
Insurance Proceeds	-	79,098	-	79,098	-	(79,098)	-100%
Subtotal Income	<u>2,135,154</u>	<u>1,146,675</u>	<u>1,067,577</u>	<u>2,214,251</u>	<u>2,460,000</u>	<u>245,749</u>	
EXPENSES							
Admin & Contract Services							
Management & Accounting	115,772	57,886	57,886	115,772	120,000	4,228	4%
SMC Contract Mgt. Fee	15,800	-	-	-	-	-	0%
Professional Services	11,000	16,948	4,267	21,215	20,000	(1,215)	-6%
Legal Services	500	-	120	120	125	5	4%
	<u>143,072</u>	<u>74,834</u>	<u>62,273</u>	<u>137,107</u>	<u>140,125</u>	<u>3,018</u>	<u>2%</u>
General Expenses							
Insurance Premiums	339,240	172,557	186,623	359,180	435,500	76,320	21%
Bank Charges	2,400	68	268	336	500	164	49%
Supplies - Operating	2,000	888	0	888	-	(888)	-100%
Licenses & Permits	100	-	60	60	1,260	1,200	2000%
Tax - B&O	37,365	18,688	18,688	37,375	43,750	6,375	17%
Other General Exp	500	-	-	-	500	500	0%
	<u>381,605</u>	<u>192,200</u>	<u>205,638</u>	<u>397,839</u>	<u>481,510</u>	<u>83,671</u>	<u>21%</u>
Maintenance & Repair							
Custodial Services	26,837	13,028	13,028	26,055	26,837	782	3%
Window Cleaning	9,476	7,387	-	7,387	7,600	213	3%
Telephone Maintenance	1,000	-	-	-	-	-	0%
Elevator Maintenance	35,000	40,150	0	40,151	28,250	(11,901)	-30%
Fire System Maintenance	15,000	427	4,820	5,247	5,500	253	5%
Boiler Maintenance	7,500	5,857	2,823	8,680	6,818	(1,862)	-21%
Chiller Maintenance	2,000	2,743	2,356	5,099	6,060	961	19%
Generator Maintenance	3,500	8,111	1,890	10,000	5,000	(5,000)	-50%
General R & M Contract	164,397	79,958	79,958	159,915	164,685	4,769	3%
General Repairs & Maintenance	75,000	33,602	43,353	76,955	89,800	12,845	17%
R & M Insured	-	81,226	6,650	87,875	-	(87,875)	-100%
Grounds/ Landscape Maintenance	32,000	6,815	20,946	27,761	20,000	(7,761)	-28%
Street Sweeping	-	-	-	-	-	-	0%
Snow Removal	11,330	6,795	6,795	13,591	14,500	909	7%
Sign Maintenance	1,000	-	-	-	500	500	0%
	<u>384,040</u>	<u>286,098</u>	<u>182,618</u>	<u>468,716</u>	<u>375,550</u>	<u>(93,167)</u>	<u>-20%</u>
Utilities							
Electricity	396,000	156,971	248,028	405,000	420,000	15,000	4%
Natural Gas	186,000	99,121	99,121	198,241	204,000	5,759	3%
Water	103,448	51,017	82,983	134,000	139,500	5,500	4%
Sewer	105,000	55,123	82,877	138,000	144,000	6,000	4%
Waste Removal & Recycling	35,000	14,939	18,560	33,500	36,000	2,500	7%
Telephone Service	22,682	450	840	1,290	1,300	10	1%
Internet Service	30,240	12,525	17,525	30,050	30,240	190	1%
	<u>878,370</u>	<u>390,146</u>	<u>549,934</u>	<u>940,081</u>	<u>975,040</u>	<u>34,959</u>	<u>4%</u>
Contingency & Reserve							
Contingency	-	-	-	-	-	-	0%
Transfer to reserves	270,000	270,000	-	270,000	-	(270,000)	-100%
Reserve Contribution	214,000	107,000	107,000	214,000	278,200	64,200	30%
	<u>484,000</u>	<u>377,000</u>	<u>107,000</u>	<u>484,000</u>	<u>278,200</u>	<u>(205,800)</u>	<u>-43%</u>
Total Expenses	<u>2,271,087</u>	<u>1,320,278</u>	<u>1,107,465</u>	<u>2,427,743</u>	<u>2,250,424</u>	<u>(177,319)</u>	<u>-7%</u>
Excess (Shortfall) of Revenues compared to Expenses	<u>(135,933)</u>	<u>(173,604)</u>	<u>(39,888)</u>	<u>(213,492)</u>	<u>209,576</u>	<u>423,067</u>	<u>-198%</u>
Earnings surplus				59,870	269,446		
Average expense per month				179,812	187,535		
Number of month's expenses in Fund				0.3	1.4		
				12/31/2023	12/31/2024		

* The Contract Administration fee will not be charged under the Management agreement in 2024 for recurring operating contracts such as snow removal and landscaping. In the event a non-recurring need comes up that requires additional resources, this fee may be charged. No non-recurring needs are identified in the 2024 budget.

**The Lodge at Suncadia Master Condominium Association
2024 Budget
Reserve**

	2023 Budget	2023 Forecast	2024 Budget	Incr (decr) from 2023 Forecast	% Variance to 2023 Forecast
INCOME					
Interest income	-	2,596	2,346	(250)	-10%
Reserve Contribution Income (1)	1,111,218	1,068,904	224,185	(844,719)	-79%
Subtotal Income	<u>1,111,218</u>	<u>1,071,500</u>	<u>226,531</u>	<u>(844,969)</u>	<u>-79%</u>
EXPENSES					
Maintenance & Repair					
Reserve Painting	825,000	832,794	-	(832,794)	-100%
Repair and Maintenance Reserve	281,119	238,706	55,583	(183,123)	-77%
Elevator Maintenance Reserve	-	-	67,685	67,685	0%
Fire System Maintenance Reserve	-	-	46,496	46,496	0%
Roof Maintenance Reserve	-	-	38,243	38,243	0%
Grounds/ Landscape Maintenance	5,099	-	5,100	5,100	0%
Heat Tape Maintenance Reserve	-	-	6,757	6,757	0%
Street Maintenance Reserve	-	-	6,667	6,667	0%
	<u>1,111,218</u>	<u>1,071,500</u>	<u>226,531</u>	<u>(844,969)</u>	<u>-79%</u>
Total Expenses	<u>1,111,218</u>	<u>1,071,500</u>	<u>226,531</u>	<u>(844,969)</u>	<u>-79%</u>
Excess (Shortfall) of Revenues compared to Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>

(1) Unspent Reserves

The accounting rules for revenue recognition for Reserve Fund changed in 2020. Under the new rules, the unspent reserve funds are shown on the balance sheet and just the funds needed to pay for the current year expenditures are transferred from the balance sheet to the Reserve income statement, and that income statement will show \$0 net income. Below is a summary of the projected balance of unspent Reserve funds that show on the balance sheet:

Projected 01/01/2024 balance of unspent reserve funds	\$ 68,000
Projected 2024 Reserve contributions	278,200
Projected 2024 Reserve expenditures funded from unspent reserve funds	<u>(224,185)</u>
Projected 12/31/2024 balance of unspent reserve funds	<u>\$ 122,015</u>

2024 Projected Expenditures per Reserve Study

Asphalt Surfaces- Seal Coating Lodge Approach	6,667
Domestic Cold Water- Flow Switch- Mechanical Room	1,014
Domestic Cold Water - backflow preventer certification	769
Elevators- Cab Refurbish P1	33,847
Elevators- Cab Refurbish P2	33,838
Energy Mgt. Systems- Computer Software- Mechanical Room	5,037
Energy Mgt. Systems- Telkonet- Mechanical Room	10,124
Fire Systems/Components- 75 hp Fire Pump/Motor	6,064
Fire Systems/Components- Air Compressor Fire System	12,225
Fire Systems/Components- Fire Systems- Fire Command Center	28,207
Landscape- Restoration- Annual Allowance- Beds	5,100
Misc Equipment- Fire Pit- 1000 Steps Side	4,030
Roofing- Rain Gutter R/R- Building Exterior	23,573
Roofing- Roof R/R Allowance- Building Exterior	14,670
Snowmelt system - Heat tape R/R	6,757
Windows/Doors- Door Hardware R/R- Building Exterior	12,592
Windows/Doors- Doors- Perimeter of Building	17,127
Windows/Doors- Window Replacement Ongoing R/R- Building Exterior	<u>4,890</u>
	<u>226,531</u>