



## TRAILHEAD II CONDOMINIUM ASSOCIATION – 2024 BUDGET DISCUSSION

Trailhead II's assessments in total are increasing by \$40K over the 2023 initial budget, a 14% increase over that 2023 budget. Please refer to the budget for detail of 2024 assessments by unit type.

2024 will be the first full year operation of the building and much of the 2024 budget is estimates based on partial year activity for 2023. The 2024 budget may need to be revisited and adjusted mid-year depending on how actual expenses are compared to these estimates.

Below is a break-down of the allocation of Assessments by expense type:

<u>Expense type</u>	<u>% of Assessment</u>
Repairs & maintenance	33%
Utilities	26%
Reserves	8%
Management fees	7%
Insurance	7%
Operating cash	6%
Professional services	3%
Contingency & other	10%
<b>Total</b>	<b>100%</b>

The increase in Assessments for 2024 is due to the following:

- Utilities increased \$26k over the 2023 budget based on partial year results.
- Repairs and maintenance increased \$11k over the 2023 budget as contracts for custodial and maintenance and repair are in place.
- These increases were partially offset by decreases in General Expenses and Contingency.

The Association is also increasing its general operating cash balance during 2024. A healthy cash balance should be approximately 3x monthly expenses. By the end of 2024, the Association is taking the first step towards establishing an operating cash balance equal to 3x monthly expenses and it is anticipated the operating cash balance at the end of 2024 will represent .7 month's expense.

The initial reserve study is scheduled to happen in 2024. The current 2024 budget is using the 2023 budget estimate of \$25,000. Once the reserve study is completed, this reserve amount may need to be completed. Prior to the reserve study being performed, we cannot calculate any deficit or surplus in the reserve.

Trailhead II Condominium Association  
2024 Budget

	<u>2023</u>	<u>2024</u>			
	Annual Budget	Annual Budget	Change from 2023 Budget	Variance to 2023 Budget	Notes
<b>Monthly per square foot</b>	\$ 0.59	\$ 0.68		14.4%	
<b>Income</b>					
Assessment - Membership	275,319	315,000	39,681	14.4%	
	<u>275,319</u>	<u>315,000</u>	<u>39,681</u>	<u>14.4%</u>	
<b>EXPENSES</b>					
<b>Admin &amp; Contract Services</b>					
Management Fee	20,256	22,000	1,744	8.6%	
SMC Contract Mgt Fees	3,796	0	(3,796)	-100.0%	\$0 for 2024
Professional Services	4,500	7,178	2,678	59.5%	\$250 FrontSteps, Audit \$2K, Reserve Study \$3K, Tax Return \$1.5K
Professional Svcs - Website	850	0	(850)	-100.0%	
Legal Services	500	2,500	2,000	400.0%	Collection Expense
	<u>29,902</u>	<u>31,678</u>	<u>1,776</u>	<u>5.9%</u>	
<b>General Expenses</b>					
Insurance Premiums	25,000	19,975	(5,025)	-20.1%	\$17K Policy 2023, estimated 30% Increase 2024
Bank Fees	0	240	240	0.0%	Bank Scanner \$20/mo
Lease Expense	40,000	40,000	0	0.0%	\$3,333 per month
Supplies - Operating	200	200	0	0.0%	
Licenses & Permits	10	60	50	500.0%	Annual Report
Other General Expense	500	500	0	0.0%	
	<u>65,710</u>	<u>60,975</u>	<u>(4,735)</u>	<u>-7.2%</u>	
<b>Maintenance &amp; Repair</b>					
Custodial Services Contract-Operations	23,113	30,000	6,887	29.8%	\$2.5K/mo Contract
Custodial Services-Operations	2,300	2,369	69	3.0%	
Window Cleaning-Operations	2,000	2,060	60	3.0%	
Elevator Maintenance-Operations	10,000	4,800	(5,200)	-52.0%	\$400/mo for 5 years
Fire System Maintenance-Operations	3,000	3,090	90	3.0%	
Repairs & Maintenance Contract-Operations	15,000	29,400	14,400	96.0%	\$2,450 for 35/hrs per mo. Contract 1 year
General Repairs & Maintenance	10,000	10,624	624	6.2%	\$52/mo Security
Grounds/ Landscape Maintenance	14,000	7,600	(6,400)	-45.7%	\$1,019.38 per mo including tax. 7 mo contract
Snow Removal	7,500	7,000	(500)	-6.7%	Platinum Hotubs (T&M contract)
Sign Maintenance	0	500	500	0	
	<u>86,913</u>	<u>97,443</u>	<u>10,530</u>	<u>12.1%</u>	
<b>Utilities</b>					
09010-000 Electricity-Operations	12,000	17,760	5,760	48.0%	
09020-000 Natural Gas-Operations	12,000	26,640	14,640	122.0%	\$3.7K/mo
09030-000 Water & Sewer	24,500	22,800	(1,700)	-6.9%	\$1.9K/mo
09040-000 Waste Removal & Recycling	4,500	9,600	5,100	113.3%	\$800/mo
09110-000 Telephone service - Operating	0	2,412	2,412		\$201/mo Atlas
	<u>53,000</u>	<u>76,800</u>	<u>26,212</u>	<u>44.9%</u>	
<b>Contingency &amp; Reserve</b>					
Contingency	10,000	5,000	(5,000)	-50.0%	
Reserve Contribution	25,000	25,000	0	0.0%	*Will change based on 2024 on-site Reserve Study
	<u>35,000</u>	<u>30,000</u>	<u>(5,000)</u>	<u>-14.3%</u>	
<b>TOTAL EXPENSES</b>	<u>270,525</u>	<u>296,896</u>	<u>26,371</u>	<u>9.7%</u>	
<b>Current Year Net Income/(loss)</b>	<u><b>4,794</b></u>	<u><b>18,104</b></u>	<u><b>13,310</b></u>	<u><b>277.6%</b></u>	
Surplus Earnings		18,104		0.0%	
Expense per month		24,741		0.0%	
Months in Reserves		0.7			

**Trailhead II Condominium Association**  
**2024 Budget**  
**Assessment by Unit**

<b>Unit #</b>	<b>Sq Footage</b>	<b>Ratio</b>	<b>Common Operating Expense</b>	<b>Reserve Contribution</b>	<b>Monthly Common Operating Expense and Reserve Assessment</b>	
TH2108	1,386.1	3.586%	\$ 866.62	\$ 74.71	\$	941.33
TH2109	1,387.0	3.588%	\$ 867.10	\$ 74.75	\$	941.85
TH2110	1,219.5	3.155%	\$ 762.46	\$ 65.73	\$	828.19
TH2111	1,223.6	3.166%	\$ 765.12	\$ 65.96	\$	831.08
TH2112	1,227.9	3.177%	\$ 767.78	\$ 66.19	\$	833.96
TH2113	1,230.8	3.184%	\$ 769.47	\$ 66.33	\$	835.80
TH2114	1,229.2	3.180%	\$ 768.50	\$ 66.25	\$	834.75
TH2115	727.8	1.883%	\$ 455.06	\$ 39.23	\$	494.29
TH2119	1,388.0	3.591%	\$ 867.83	\$ 74.81	\$	942.64
TH2120	1,386.6	3.588%	\$ 867.10	\$ 74.75	\$	941.85
TH2207	717.5	1.856%	\$ 448.53	\$ 38.67	\$	487.20
TH2208	1,385.5	3.585%	\$ 866.38	\$ 74.69	\$	941.06
TH2209	1,386.6	3.587%	\$ 866.86	\$ 74.73	\$	941.59
TH2210	1,219.3	3.155%	\$ 762.46	\$ 65.73	\$	828.19
TH2211	1,223.6	3.166%	\$ 765.12	\$ 65.96	\$	831.08
TH2212	1,227.9	3.177%	\$ 767.78	\$ 66.19	\$	833.96
TH2213	1,230.8	3.184%	\$ 769.47	\$ 66.33	\$	835.80
TH2214	1,229.2	3.180%	\$ 768.50	\$ 66.25	\$	834.75
TH2215	727.8	1.883%	\$ 455.06	\$ 39.23	\$	494.29
TH2219	1,388.1	3.591%	\$ 867.83	\$ 74.81	\$	942.64
TH2220	1,386.6	3.588%	\$ 867.10	\$ 74.75	\$	941.85
TH2307	717.5	1.856%	\$ 448.53	\$ 38.67	\$	487.20
TH2308	1,385.5	3.585%	\$ 866.38	\$ 74.69	\$	941.06
TH2309	1,386.6	3.587%	\$ 866.86	\$ 74.73	\$	941.59
TH2310	1,219.4	3.155%	\$ 762.46	\$ 65.73	\$	828.19
TH2311	1,223.6	3.166%	\$ 765.12	\$ 65.96	\$	831.08
TH2312	1,227.9	3.177%	\$ 767.78	\$ 66.19	\$	833.96
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TH2315	727.8	1.883%	\$ 455.06	\$ 39.23	\$	494.29
TH2319	1,388.1	3.591%	\$ 867.83	\$ 74.81	\$	942.64
TH2320	1,386.6	3.588%	\$ 867.10	\$ 74.75	\$	941.85

<b>38,652.4</b>	<b>100%</b>	<b>26,250.00</b>
		<b>315,000.00</b>

The Monthly Common Operating Expense and Reserve Assessment is due and payable as of the 1st day of each month.