

CHEROKEE GARDEN CONDOMINIUM HOMES, INC.
BUDGET
2023-2024 FISCAL YEAR

	Budget 2022-2023	Budget 2023-2024	DIFFERENCE
<u>TOTAL ASSESSED MAINTENANCE FEE SUMMARY</u>			
GROSS OPERATING MAINTENANCE FEES	\$2,216,976	\$2,298,936	\$81,960
ELECTRONIC FUNDS TRANSFER OR PREPAYMENT DISCOUNTS	(\$135,660)	(\$135,660)	\$0
NET OPERATING MAINTENANCE FEES (1)----	\$2,081,316	\$2,163,276	\$81,960
TOTAL CAPITAL EXPENDITURE RESERVE FUND FEES	\$304,980	\$373,380	\$68,400
TOTAL ELEVATOR RESERVE FUND FEES	\$43,416	\$43,416	\$0
TOTAL OPERATING & CAPITAL FEES, NET OF DISCOUNTS	\$2,429,712	\$2,580,072	\$150,360
<u>OPERATING BUDGET</u>			
	Budget 2022-2023	Budget 2023-2024	DIFFERENCE
REVENUES			
OPERATING MAINTENANCE FEES	\$2,216,976	\$2,298,936	\$81,960
ELECTRONIC FUNDS TRANSFER OR PREPAYMENT DISCOUNTS	(\$135,660)	(\$135,660)	\$0
NET OPERATING MAINTENANCE FEES (1)----	\$2,081,316	\$2,163,276	\$81,960
OTHER INCOME	\$98,253	\$102,130	\$3,877
TOTAL REVENUES	\$2,179,569	\$2,265,406	\$85,837
EXPENSES			
BUILDING COSTS:			
UTILITIES	\$637,697	\$646,695	\$8,998
BUILDING MAINTENANCE/REPAIRS/SUPPLIES	\$224,672	\$239,823	\$15,151
INSURANCE EXPENSE	\$329,448	\$376,728	\$47,280
TOTAL BUILDING EXPENSES	\$1,191,817	\$1,263,246	\$71,429
MAINTENANCE COSTS			
PAYROLL, PAYROLL TAXES, EMPLOYEE BENEFITS	\$733,091	\$728,870	(\$4,221)
GROUPS MAINTENANCE/REPAIRS/SUPPLIES	\$133,260	\$149,939	\$16,679
TOTAL MAINTENANCE EXPENSES	\$866,351	\$878,809	\$12,458
ADMINISTRATIVE COSTS			
MAINTENANCE OFFICE EXPENSES	\$38,649	\$38,611	(\$38)
ADMINISTRATIVE AND OFFICE EXPENSES	\$80,418	\$82,234	\$1,816
TAXES	\$2,334	\$2,506	\$172
TOTAL ADMINISTRATIVE EXPENSES	\$121,401	\$123,351	\$1,950
TOTAL EXPENSES	\$2,179,569	\$2,265,406	\$85,837
NET OPERATING CASH FLOW	\$0	\$0	\$0
CARRYOVER OF PRIOR YEARS SURPLUS	\$0	\$0	(\$0)
TOTAL CASH FLOW	\$0	\$0	\$0
<u>CAPITAL EXPENDITURE RESERVE FUND SUMMARY</u>			
	Budget 2022-2023	Budget 2023-2024	DIFFERENCE
ADDITIONS TO FUND THIS YEAR:			
CAPITAL IMPROVEMENT FUND FEES	\$304,980	\$373,380	\$68,400
INTEREST EARNED ON INVESTED FUNDS	\$0	\$0	\$0
REDUCTIONS IN FUND FOR EXPENDITURES	(\$442,718)	(\$283,418)	\$159,300
NET CASH FLOW	(\$137,738)	\$89,962	\$227,700
<u>ELEVATOR RESERVE FUND SUMMARY</u>			
	Budget 2022-2023	Budget 2023-2024	DIFFERENCE
ADDITIONS TO FUND THIS YEAR:			
ELEVATOR RESERVE FUND FEES	\$43,416	\$43,416	\$0
INTEREST EARNED ON INVESTED FUNDS	\$739	\$1,417	\$678
REDUCTIONS IN FUND FOR EXPENDITURES	\$0	\$0	\$0
NET CASH FLOW	\$44,155	\$44,833	\$678

CHEROKEE GARDEN CONDOMINIUM HOMES, INC.
BUDGET RESERVE ANALYSIS
2023-2024 FISCAL YEAR

BUDGETED REVENUE SUMMARY

Gross operating Maintenance Fees	\$2,298,936	
Electronic Payment or Prepayment Discounts	<u>(\$135,660)</u>	
NET OPERATING MAINTENANCE FEES	\$2,163,276	
OTHER INCOME	<u>\$102,130</u>	
TOTAL OPERATING INCOME	\$2,265,406	84.42%
Total Capital Expenditure Reserve Fund Fees	\$373,380	
Total Elevator Capital Reserve Fund Fees	\$43,416	
Interest Earned on Invested Funds	<u>\$1,417</u>	
TOTAL RESERVE REVENUE	\$418,213	15.58%
TOTAL OPERATING & CAPITAL FEES ASSESSED, NET OF DISCOUNTS	<u>\$2,683,619</u>	<u>100.00%</u>

BUDGETED EXPENDITURE SUMMARY

Budgeted Operating Expenditures	\$2,265,406	88.88%
Budgeted Capital Reserve Fund Expenditures	\$283,418	
Budgeted Elevator Capital Reserve Fund Expenditures	<u>\$0</u>	<u>11.12%</u>
BUDGETED OPERATING & CAPITAL RESERVE FUND EXPENDITURES	<u>\$2,548,824</u>	<u>100.00%</u>

CHEROKEE GARDEN CONDOMINIUM HOMES, INC.
BUDGET
2023-2024 FISCAL YEAR

MAINTENANCE FEES ARE BROKEN DOWN INTO THREE CATEGORIES: (1) OPERATING FUND, (2) CAPITAL IMPROVEMENT FUND, (3) ELEVATOR RESERVE FUND. THE FOLLOWING IS A BRIEF OUTLINE OF THE MAJOR CATEGORIES IN NEXT YEAR'S OPERATING BUDGET:

OPERATING FUND

OPERATING REVENUES:

OPERATING MAINTENANCE FEE COLLECTIONS

THIS REPRESENTS GROSS FEES COLLECTED TO COVER OPERATING EXPENSES IN THE UPCOMING JULY 1 - JUNE 30 BUDGET YEAR.

ELECTRONIC FUNDS TRANSFER OR PREPAYMENT DISCOUNTS

THE DISCOUNT GIVEN TO RESIDENTS WHO PAY THEIR MAINTENANCE FEES BY ELECTRONIC TRANSFER IS \$20 PER MONTH. IT IS ALSO GIVEN FOR THOSE WHO PREPAY THE ENTIRE YEAR'S MAINTENANCE FEES BY JULY 31 OF EACH YEAR. NO DISCOUNT WILL BE ALLOWED FOR PAYMENTS MADE BY ANY OTHER METHOD.

OTHER INCOME

- OTHER INCOME CONSISTS OF :
- (1) GROSS CONTRACT INCOME FOR SERVICES PROVIDED OUTSIDE THE ASSOCIATION, SOLELY FOR THE TOWNHOUSE CONDO ASSOCIATION AT THIS TIME. THIS AGREEMENT HAS BEEN IN PLACE SINCE THE EARLY 1980'S.
 - (2) INTEREST INCOME ON INVESTED FUNDS, CURRENTLY IN CD'S AND A MONEY MARKET FUND.
 - (3) NET INCOME FROM WORK ORDER SERVICES PROVIDED FOR RESIDENTS.
 - (4) GROSS RENTAL INCOME FROM PARKING STALLS THAT ARE NOT CURRENTLY NEEDED FOR OUR EQUIPMENT.

OPERATING EXPENSES

BUILDING COSTS

UTILITIES

INCLUDES COST OF WATER & SEWER, WATER SOFTENER SALT, HEAT & ELECTRICITY. EACH OF BUILDINGS 1-38 HAVE COMMON BOILERS. THE M.G. & E. COSTS FOR THOSE BUILDINGS HAVE BEEN ASSESSED TO BUILDINGS 1-38. BUILDINGS 39, 40, & 41 ARE ASSESSED COMMON AREA M.G. & E. COSTS FOR EACH OF THEIR BUILDINGS.

BUILDING MAINTENANCE

INCLUDES COSTS OF MATERIALS, SUPPLIES AND OUTSIDE SERVICES NECESSARY TO MAINTAIN THE BUILDINGS, AND REPAIR ITEMS NOT CAPITALIZED OR PAID BY SPECIAL ASSESSMENT.

INSURANCE EXPENSE

THIS REPRESENTS THE COST OF PREMIUMS FOR INSURING THE BUILDINGS AND LIABILITY COVERAGES OTHER THAN WORKER'S COMPENSATION AND UMBRELLA LIABILITY COVERAGE.

MAINTENANCE COSTS

**PAYROLL, PAYROLL TAXES,
EMPLOYEE BENEFITS**

INCLUDES WAGES & SALARIES PAID TO OUR EMPLOYMENT STAFF, RELATED PAYROLL TAXES, WORKER'S COMPENSATION INSURANCE, CONTRIBUTIONS TO AN EMPLOYEE SIMPLE IRA PLAN, AND, GROUP HEALTH AND DENTAL INSURANCE PREMIUMS. THE EMPLOYEES PAY 25% OF THE COST OF THEIR HEALTH AND DENTAL PREMIUMS. A STAFF OF 10 FULL TIME, 2 PART TIME AND 4 LIMITED TERM (SUMMER) EMPLOYEES MAINTAIN THE ASSOCIATION'S PROPERTY. OUR ASSOCIATION CONSISTS OF 570 CONDO UNITS IN 41 BUILDINGS TOTALING ALMOST 900,000 SQUARE FEET, PLUS NEARLY 500,000 SQUARE FEET OF COMMON AREA GARAGE AND HALLWAY SPACE TO BE MAINTAINED. ADDITIONALLY THERE IS NEARLY 60 ACRES OF GROUNDS AND ROADWAYS, 2 SWIMMING POOLS AND NUMEROUS PONDS TO MAINTAIN.

GROUNDS MAINTENANCE

COSTS INCLUDE , BUT ARE NOT LIMITED TO, CONTRACT COSTS, MATERIALS AND SUPPLIES NEEDED TO MAINTAIN THE LAWNS, GROUNDS, PONDS, POOLS, SIDEWALKS AND ROADWAYS. ALSO INCLUDED ARE REPAIR, MAINTENANCE AND OPERATING COSTS FOR TRUCKS AND MAINTENANCE EQUIPMENT.

ADMINISTRATIVE COSTS

MAINT. OFFICE EXPENSES

COSTS INCLUDED ARE RENTAL OF THE MAINTENANCE OFFICE, SHOP, STORAGE AND WAREHOUSE SPACE LOCATED AT THE VERY END OF SHERMAN AVENUE. UTILITIES, RELATED SUPPLIES, TELEPHONE & COMMUNICATION COSTS ARE ALSO INCLUDED.

**ADMINISTRATIVE AND OFFICE
EXPENSES**

COSTS INCLUDE THE ASSOCIATION'S UMBRELLA LIABILITY INSURANCE PREMIUMS, COSTS TO MAINTAIN THE POWWOW ROOM OFFICE (UTILITIES, REPAIRS, OFFICE EQUIPMENT & SUPPLIES), ANY LEGAL FEES, COSTS FOR A FINANCIAL AUDIT, OR REVIEW, BY AN INDEPENDENT ACCOUNTING FIRM AND ANY RESERVES FOR BAD DEBTS. IT INCLUDES THE COMPENSATION COSTS OF OUR PART TIME OFFICE STAFF AND ACCOUNTANT, PLUS COSTS TO ADMINISTER EMPLOYEE BENEFIT PROGRAMS.

TAXES

REAL ESTATE TAXES ARE ASSESSED ON ASSOCIATION OWNED PARKING STALLS AND STORAGE AREAS. INCOME TAXES ARE ACCRUED, AND PAID, ON INCOME THAT MAY BE TAXABLE FOR THE BUDGET YEAR.

CAPITAL IMPROVEMENT FUND

\$373,380 WILL BE COLLECTED FOR THE CAPITAL IMPROVEMENT FUND IN THE UPCOMING BUDGET YEAR. OF THIS, \$283,418 IS SPECIFIED FOR MAJOR MAINTENANCE PROJECTS AND THE ACQUISITION OF CAPITAL EQUIPMENT. ANY DEFICIT WOULD BE COVERED BY FUNDS CARRIED OVER FROM PRIOR YEARS. REMAINING FUNDS, IF ANY, ARE DESIGNATED AS CAPITAL CONTRIBUTIONS TO THE IMPROVEMENT FUND RESERVE BALANCE AND WILL BE CARRIED OVER TO SUBSEQUENT YEARS, AS PROVIDED BY THE GUIDELINES ESTABLISHED BY IRC SEC. 118 AND REVENUE RULINGS 75-370 AND 75-371. SUCH AMOUNTS SHALL BE DEPOSITED INTO SEPARATE ACCOUNT(S). THESE ARE GENERALLY USED TO PRESERVE AND ENHANCE THE VALUE OF THE OWNERS' PROPERTY.

ELEVATOR RESERVE FUND

BEGINNING JULY 1, 2011 A RESERVE FUND WAS STARTED FOR FUTURE REPLACEMENTS, AND POTENTIAL OPERATING SHORTFALLS. ALL FEES COLLECTED IN EXCESS OF EXPENDITURES, EACH YEAR, ARE DESIGNATED AS CAPITAL CONTRIBUTIONS TO THE FUND'S RESERVES AND ARE CARRIED OVER TO SUBSEQUENT YEARS. ALSO PROVIDED BY THE GUIDELINES ESTABLISHED BY IRS SEC. 118 AND REVENUE RULINGS 75-370 AND 75-371.