

Soda Creek Condominiums

Budget Meeting

February 9, 2022



Introductions

2021 Board of Directors:

- Nathan Nosari
- Janice Engel
- Ashley Nettles

HOA Management:

by Basic Property Management

- Gary Nicholds
- Eric Nicholds
- Patti Vande Zande (accounting)

Agenda

1. Budget Meeting Process
2. Financial Trial – 2021 Year End
3. FY 22 Budget Presentation as Owner Education
4. Adjournment

Budget Meeting Process

- No quorum is necessary.
- Requires 51% no votes of the whole community to reject the budget.
- If there is motion, then a roll call vote, by unit, will be taken.
- This does not require a secret ballot.

YE21 Trial Financial Position

Net Operating Income of **\$824** earned.

- Budgeted NOI was **(\$623)**.
- Operating Revenue exceeded Budget by \$877.
- Operating Expenses were below Budget by \$649.

Net Reserve Income of **\$57,729**

- Assessed \$50,400; \$6,840 in Closing Contributions

2020 Financials were audited, which will be presented in the AGM.

Monthly Assessments (Dues)

Applying laundry income to lower increase

Monthly Assessment increases **3.95%** for 2022

- From \$380 per month to \$395 per month.

Monthly Assessment allocations:

- Operating allocation:
 - \$280 per month – 1.82% increase – 70.89% allocation
- Reserve allocation:
 - \$115 per month – 9.52% increase – 29.11% allocation

Board Approved 2022 Operating Budget

			Jan - Dec 19	Jan - Dec 20	Jan - Dec 21 YE Trial	2021 Approved Budget	2022 Board Approved Budget
Ordinary Income/Expense							
	Income						
	Association Dues		103,200.00	106,560.00	132,909.61	132,000.00	134,400.00
	Pet Registration Fees		0.00	844.65	180.00	0.00	
	Laundry Revenue		1,413.75	2,259.05	0.00	1,650.00	1,650.00
	Fines				100.00		
	Late Fees		116.57	45.00	1,243.17	0.00	0.00
	Third Vehicle Fees				225.00	150.00	
	Operating Interest		85.03	27.68	19.02	0.00	0.00
	Total Income		104,815.35	109,736.38	134,676.80	133,800.00	136,050.00
Gross Profit			104,815.35	109,736.38	134,676.80	133,800.00	136,050.00
	Expense						
	*Administration						
	Audit Expense				0.00	3,500.00	0.00
	Accounting		(60.00)	2,661.28	17,544.00	1,000.00	3,000.00
	Insurance		10,705.70	13,285.50	10,156.00	12,200.10	14,192.00
	Management Fee		8,280.00	13,071.30	25,840.00	23,820.00	25,011.00
	Non-Recoverable Pet Expense				562.60	175.00	175.00
	Miscellaneous		35.00	0.00	0.00	50.00	75.00
	Office Expense		1,836.41	2,933.25	1,717.65	1,000.00	1,000.00
	Total *Administration		20,797.11	31,951.33	55,820.25	41,745.10	43,453.00
	*Previous Year Overage/(Deficit)						
	*Repair & Maintenance						
	Roof Snow Removal		330.00	0.00	825.00	1,323.36	1,500.00
	General Supplies		86.66	1,474.51	253.19	636.32	450.00
	Landscape/Grounds Maintenance		562.22	317.39	1,391.91	1,300.00	1,300.00
	Snow Removal				4,807.50	8,000.00	9,000.00
	General Building Maintenance		27,472.86	29,755.27	17,887.50	26,058.00	26,500.00
	Total *Repair & Maintenance		28,451.74	31,547.17	25,165.10	37,317.68	38,750.00
	*Utilities						
	Gas & Electric		17,778.48	15,292.31	18,954.51	17,120.00	19,000.00
	Sewer		17,424.00	17,424.00	17,424.00	17,950.00	19,405.41
	Trash Removal		4,065.80	3,432.26	5,680.99	4,972.50	6,500.00
	Water		10,810.78	11,511.37	10,737.89	11,100.00	12,000.00
	Total *Utilities		57,649.06	54,443.81	52,797.39	51,142.50	56,905.41
	Total Expense		106,897.91	117,942.31	133,782.74	130,205.28	139,108.41
Net Ordinary Income			(2,082.56)	(8,205.93)	894.06	3,594.72	(3,058.41)

Board Approved 2022 Capital Budget

Other Income/Expense					
Other Income					
Reserve Dues	67,200.00	68,640.00	50,400.00	50,400.00	55,200.00
COVID-19 Assessment Relief		(11,440.00)			
Special Assessment			0.00	0.00	
Special Assessment Window Project loan		259,587.29	0.00	0.00	
Reserve Interest	662.37	476.08	489.36	0.00	0.00
Closing Deposit	2,130.00	2,190.00	6,840.00	0.00	0.00
Total Other Income	69,992.37	319,453.37	57,729.36	50,400.00	55,200.00
Other Expense					
Reserve Expense					
Annual Improvement	0.00	0.00	0.00	0.00	0.00
Asphalt Sealing/Striping	0.00	0.00	0.00	0.00	0.00
Asphalt	0.00	12,700.00	0.00	0.00	14,605.00
Boiler Replacement	0.00	78,707.00	583.00	0.00	0.00
Breezeway Ceiling				15,000.00	16,500.00
Declaration Changes	8,297.00	19,762.40	0.00	0.00	0.00
Heat Exchange	0.00	7,061.00	0.00	0.00	0.00
Decks/Fences	0.00	0.00	0.00	0.00	0.00
Landscaping	0.00	0.00	0.00	0.00	0.00
LOC Loan Fees/Interest		103.46	256.64	0.00	0.00
Legal Fees		2,696.36	0.00	0.00	0.00
Reserve Study		525.00	0.00	0.00	0.00
Siding Staining/Repair		59,394.00	0.00	0.00	0.00
Building Painting	0.00	0.00	0.00	0.00	0.00
Windows		328,619.96	0.00	0.00	0.00
Trash Door			9,000.00	8,500.00	0.00
Contingency	0.00	1,800.00	0.00	5,000.00	5,000.00
Trsf Rsv Activity to Fund	0.00	0.00	0.00	0.00	0.00
Total Reserve Expense	8,297.00	511,369.18	9,839.64	28,500.00	36,105.00
Total Other Expense	8,297.00	511,369.18	9,839.64	28,500.00	36,105.00
Net Other Income	61,695.37	(191,915.81)	47,889.72	21,900.00	19,095.00

Reserve Fund Status

- 2021 Year End Balance of **\$411k.**
- 2022 Year End Balance of \$427k
- 2020 preformed a Reserve Study
 - At 65.68% funded – probably decreased with inflation
 - \$135 monthly reserve contribution per unit is the recommended funding level.
- FY22 \$115 monthly contribution
 - FY20 \$143 monthly contribution. Reallocate Assessment Percentage to cover at market management fees.

Anticipated Annual Assessments (Game Plan)

Year	Oper Dues per month	Reserve Dues per month	Total Dues per month	Total Per year	Total Oper per year	Total Rsv per year	% Ops Change	% Res Change	% Overall Change
2018	215.00	140.00	\$ 355.00	\$ 170,400.00	\$ 103,200.00	\$ 67,200.00	4.88%	3.70%	4.41%
2019	215.00	140.00	\$ 355.00	\$ 170,400.00	\$ 103,200.00	\$ 67,200.00	0.00%	0.00%	0.00%
2021	275.00	105.00	\$ 380.00	\$ 182,400.00	\$ 132,000.00	\$ 50,400.00	27.91%	-25.00%	7.04%
2022	280.00	115.00	\$ 395.00	\$ 189,600.00	\$ 134,400.00	\$ 55,200.00	1.82%	9.52%	3.95%
2023	285.00	120.00	\$ 405.00	\$ 194,400.00	\$ 136,800.00	\$ 57,600.00	1.79%	4.35%	2.53%
2024	290.00	125.00	\$ 415.00	\$ 199,200.00	\$ 139,200.00	\$ 60,000.00	1.75%	4.17%	2.47%
2025	295.00	130.00	\$ 425.00	\$ 204,000.00	\$ 141,600.00	\$ 62,400.00	1.72%	4.00%	2.41%

Financial Related Q & A

Adjournment