Charter Ridge Membership Financial Review September 30, 2024

Materials

- 2025 budget by financial statement area
- Allocation of dues in membership

Revenue Component Trend Analysis

	YTD 9/30/2022	YTD 9/30/2023		YTD 9/30/2024		Budget 2025	
Income							
Operating dues	102,574	107,100	4%	107,100	0%	113,642	6%
Reserve dues	19,428	21,384	10%	23,604	10%	24,946	6%
Interest Income	403	2,030	404%	1,540	-24%	750	-51%
Reimbursement		1,639		-	-100%	600	
Income	**122,405**	**132,153**	8%	**132,244**	0%	**139,938**	6%

- Revised previous assessment to revert back to 2023 allocation between operating and reserve, adjusted dues up to reflect 6% overall increase.
- Reduction in interest income based on lower cash balances and projected decrease in interest yields due to Federal reserve rate decrease projections, likely on the low end of the range.
- Reimbursement is based on fraction of snowplow subject to easement reimbursement, option to exclude in 2025.

Operating Expense Component Trend Analysis

Expenses	9/30/2022	9/30/2023		9/30/2024		2025 Budget	
Accounting	375	375	0%	875	133%	650	-26%
Alarm Monitoring	3,292	3,953	20%	4,052	3%	4,350	7%
Electic Entry	129	139	8%	148	7%	165	11%
Insurance	30,962	35,644	15%	40,772	14%	44,687	10%
Landscaping	7,653	4,884	-36%	5,825	19%	7,000	20%
Fire Mitigation	2,050	-	-100%	-		-	
Roof Repairs	10,080	3,574	-65%	22,098	518%	-	-100%
Maintainence Ext	3,291	2,888	-12%	9,537	230%	4,000	-58%
Maintainence Int	1,300	-	-100%	102		1,500	1372%
Management Fees	10,800	12,000	11%	13,200	10%	15,600	18%
Misc		360		-	-100%	-	
Legal and Professional	-	2,541		175	-93%	5,000	2757%
Office Expense	246	250	2%	416	66%	450	8%
Sewer	10,144	10,589	4%	10,971	4%	11,000	0%
Snow Plowing	6,600	6,270	-5%	5,940	-5%	6,600	11%
Snow Shoveling	3,450	3,673	6%	4,050	10%	4,300	6%
Extra Snow Removal	1,623	5,936	266%	2,628	-56%	5,200	98%
Storage Unit	-	-		287		287	0%
Tree mainatainance	2,600	3,275	26%	5,200	59%	3,650	-30%
Trash removal	3,405	1,755	-48%	2,381	36%	2,400	1%
Sprinkler	1,710	1,595	-7%	1,328	-17%	1,500	13%
Winow cleaning	1,778	1,578	-11%	1,658	5%	1,758	6%
Subtotal	**104,304**	**101,279**	**-3%**	**131,643**	**30%**	**120,097**	**-9%**

- Note that certain 2022 line items no longer recurring removed from presentation for presentation purposes only
- Line items should be considered between for recurring and non-recurring, future preference is to move material non-recurring to the reserve budget and plan for annually
- Recurring expenses with higher % increases include 34% increase in snow removal activities, landscaping at 20% (some of this may be non-recurring), management fees at 18%, and insurance at 10%
- Larger non-recurring includes portion of landscaping up 20%, legal and professional increase on potential, one time legal and component reviews,
- Largest decrease is related to roof repairs moved to reserve expenditure as considered major maintenance, we should consider moving this in 2024 as well to better baseline recurring expenses

Reserve Expense Trend Analysis

Reserve Expenses	YTD 9/30/2022	YTD 9/30/2023	%	YTD 9/30/2024	%	Budget 2025	%
Install handrail						4,800	
Roof Maintanence						15,000	
Painting	8,000			12,350			
Rock Wall	4,798						
Driveway		32,760					
Tree Removal				8,500			
Subtotal	**12,798**	**32,760**	156%	**20,850**	-36%	**19,800**	-5%

- Trend in reserve expenditure varies based on need and consideration of previous component analysis
- 2025 reflects known expenditures for the required handrail, $10,000 in additional roof preventive maintenance, and $5K of unidentified roof repairs
- Note that traditionally these expenditures occur in late summer or early fall and ability to execute during winter is limited
- Consider moving other non-recurring to enhance baseline budget process

Summary four-year trending

	YTD 9/30/2022	YTD 9/30/2023	%	YTD 9/30/2024	%	Budget 2025	%
Total Revenue	**122,405**	**132,153**	8%	**132,244**	0%	**139,938**	6%
Operating Expense	**104,304**	**101,279**	-3%	**131,643**	30%	**120,097**	-9%
Reserve Expenses	**12,798**	**32,760**	156%	**20,850**	-36%	**19,800**	-5%
Total Expenses	**117,102**	**134,039**	14%	**152,493**	14%	**139,897**	-8%
Net-Operating	(1,730)	5,821		(24,543)		(6,455)	
Net-Reserve	7,033	(7,707)		4,294		6,496	
Total	5,303	(1,886)		(20,249)		41	

- 2024 total revenue show as flat , however, was an increase in reserve dues , however, shows as flat due to 2023 easement reimbursement related to driveway paving. See revenue detail for figures.
- 2025 budget now showing 6% increase after member feedback,
- As noted in budget to actual slide, 30% increase in spend driving by various factors, however, led by project activities.
- 2025 cost more comparable to 2023 where we still show an approximate 18% increase in cost. Again, year over year difference attributable to fire mitigation and roof repairs

Allocation of Dues

Allocation Summary

2024 Fiscal Year Dues Allocation														
Unit Number	**10**	**20**	**22**	**30**	**32**	**40**	**42**	**50**	**52**	**60**	**62**	**Total**		
Allocation %	14.95%	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%	8.47%	8.47%	8.47%	8.47%	100%	Annually	Monthly
Total by unit	$ 1,448	$ 946	$ 946	$ 946	$ 946	$ 946	$ 946	$ 942	$ 942	$ 942	$ 942		$ 130,704	$ 10,892
Reserve allocation	$ 294	$ 168	$ 168	$ 168	$ 168	$ 168	$ 168	$ 167	$ 167	$ 167	$ 167		$ 23,604	$ 1,967
Reserve %	20.3%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%		18%	18%
Operating allocation	$ 1,154	$ 778	$ 778	$ 778	$ 778	$ 778	$ 778	$ 775	$ 775	$ 775	$ 775		$ 107,098	$ 8,925
Operating allocation %	79.69%	82.26%	82.26%	82.26%	82.26%	82.26%	82.26%	82.31%	82.31%	82.31%	82.31%		82%	82%

2025 fiscal year ended 9/30/25														
Unit Number	10	20	22	30	32	40	42	50	52	60	62	Total		
Allocation %	14.95%	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%	8.47%	8.47%	8.47%	8.47%	100%	Annually	Monthly
Total by unit	$ 1,535	$ 1,003	$ 1,003	$ 1,003	$ 1,003	$ 1,003	$ 1,003	$ 999	$ 999	$ 999	$ 999		$ 138,588	$ 11,549
Reserve allocation	276	181	181	181	181	181	181	180	180	180	180		$ 24,946	$ 2,079
Reserve %	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%		18%	18%
Operating allocation	$ 1,259	$ 822	$ 822	$ 822	$ 822	$ 822	$ 822	$ 819	$ 819	$ 819	$ 819		$ 113,642	$ 9,470
Operating allocation %	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%		82%	82%

- Assessment increase will be effective as of October 1, 2024