

**2019 Budget Packet**

**Per Lot – Assessment**

	2015	2016	2017	2018	2019
Operations	310	310	310	395	395
General Reserves	145	145	145	145	145
Future Reserves	15	15	15	15	15
Water Base Rate	185	185	185	185	185
<b>Total</b>	655	655	655	740	740

**Water Usage Calculated & Billed Quarterly**

TIER	FROM	PER # CUBIC FEET (CF)	COST
1	0-2500	100	\$2.30
2	2501-3500	100	\$3.45
3	3501 and up	100	\$4.55

**Operations and Water System Budget**

	Actual 2015	Actual 2016	Actual 2017	Amended 2018	Proposed 2019
Operations Income	536,267	544,102	538,791	623,225	614,400
Operations Expenses	500,716	534,859	545,253	623,225	614,400
Operations Income-Expenses	35,551	9,243	(6,462)	-	-
Water System Income	173,365	192,790	246,210	189,191	209,158
Water Operations Expenses	156,605	116,775	185,034	189,191	209,158
Water Income-Expenses	16,760	76,015	61,176	-	-

**Reserve Projects**

<b>Water Reserve Projects</b>		<b>General Reserve Projects</b>	
<b>2017</b>		<b>2017</b>	
Well #5 Project	60,268	Pool Roof and Siding	40,673
Water Plan	12,217	<b>Total</b>	<b>40,673</b>
<b>Total</b>	<b>72,485</b>	<b>2018</b>	
<b>2018</b>		Meadow Road	7,000
Well Pump/Motor #1 Replace	11,300	Bridge – Rampart	20,000
Water Service Meters – Replace Ph. 7	8,000	Beach Bulkheads – Otter	20,000
Water Meter Setters – Replace Ph. 7	16,000	Beach Bulkheads – Reichel	20,000
Well #5 Project	689,700	Restroom – Loop	22,500
Public Utility Water – Pay Tax	12,000	Trails – Maintain/Repair	6,000
<b>Total</b>	<b>737,000</b>	Pool – Fence Replacement	22,500
<b>2019</b>		Security Cameras	5,500
Sanitary Survey	6,050	Playground Fill	20,000
Source Flow Meters	7,650	Playground Borders	12,000
Water Service Meters – Replace Ph. 8	7,400	Kubota Mowing Deck Implement	3,207
Water Meter Setters – Replace Ph. 8	24,450	Security – Gate Operators/Sally Arm	120,000
Water Trailer – Purchase	6,050	Office Computer Upgrade	7,500
Water Truck – Replace	10,000	John Deere Mower	3,400
Public Utility Water – Pay Tax	12,000	Dock – Otter (fishing)	29,000
<b>Total</b>	<b>73,600</b>	<b>Total</b>	<b>318,607</b>
		<b>2019</b>	
		Beach Bulkheads – Longmire	20,000
<b>Impact Projects</b>		Dock – Blue Lk Fishing (1 of 4)	25,500
2017 – None		Dock – Blue Lk Fishing (2 of 4)	25,500
<b>2018</b>		Dock – Horseshoe (a – right)	23,900
Meadow Road	30,000	Tennis – Longmire (replace)	50,000
Road Patching	20,000	Tennis – Longmire (seal)	8,000
<b>Total</b>	<b>50,000</b>	Mailboxes – Replace Front Gate	16,500
<b>2019</b>		Mailboxes – Replace Longmire	22,500
Road Patching	20,000	Pool Bldg Interior Remodel	6,200
<b>Total</b>	<b>20,000</b>	Maint Equip – Sander (old)	49,600
		Maint Equip – Plow (old)	7,400
<b>Future Reserves Projects</b>		Maint Equip – Street Sweeper	22,500
<b>2017</b>	2,428	Maint Equip – Vac Truck	47,500
Kayak Dry Dock	<b>2,428</b>	Maint Equip – Truck 1999 Ford F450	30,600
<b>Total</b>		Office Bldg – Carpet, Paint	6,200
2018 – None		<b>Total</b>	<b>361,900</b>
2019 - None			

<b>Reserves - Cash Balances</b>					
	Actual 2015	Actual 2016	Actual 2017	Proposed 2018	Proposed 2019
<b>Water Reserves</b>					
Water Reserve Income Received	289,939	269,152	253,947	250,675	250,675
Water Reserve Previous Balance	163,814	334,717	512,127	687,054	200,729
Water Projects	(119,036)	(91,741)	(79,020)	(737,000)	(73,600)
<b>Total Water Reserve</b>	<b>334,717</b>	<b>512,128</b>	<b>687,054</b>	<b>200,729</b>	<b>377,804</b>
Water Reserve CD's	309	378	378	378	378
<b>Total</b>	<b>335,026</b>	<b>512,506</b>	<b>687,432</b>	<b>201,107</b>	<b>378,182</b>
<b>General Reserves</b>					
General Reserve Income Received	463,672	211,552	199,825	196,475	196,475
General Reserve Previous Balance	230,421	486,268	630,863	785,821	633,689
General Reserve Projects	(207,825)	(66,957)	(44,867)	(318,607)	(361,900)
<b>Total General Reserves</b>	<b>486,268</b>	<b>630,863</b>	<b>785,821</b>	<b>663,689</b>	<b>468,264</b>
General Reserve CD's	1,139,514	1,156,438	1,156,438	1,156,438	1,156,438
<b>Total</b>	<b>1,625,783</b>	<b>1,787,301</b>	<b>1,942,259</b>	<b>1,820,127</b>	<b>1,624,702</b>
<b>Future Reserves</b>					
Future Reserve Income Received	23,937	21,230	20,707	20,325	20,325
Future Reserve Previous Balance	70,150	71,196	92,426	110,705	131,030
Future Reserve Projects	(22,891)	-	(2,428)	-	-
<b>Total Future Reserves</b>	<b>71,196</b>	<b>92,426</b>	<b>110,705</b>	<b>131,030</b>	<b>151,355</b>
Future Reserve CD's	42,002	42,880	42,880	42,880	42,880
<b>Total</b>	<b>113,198</b>	<b>135,306</b>	<b>153,585</b>	<b>173,910</b>	<b>194,235</b>
<b>Impact Fees</b>					
Roads Previous Balance	39,853	37,379	37,430	41,290	21,290
Income	8,310	51	3,860	-	-
Projects	(10,784)	-	-	(50,000)	(20,000)
Roads CD's	89,348	89,348	89,348	89,348	59,348
<b>Total Roads</b>	<b>126,727</b>	<b>126,778</b>	<b>130,638</b>	<b>80,638</b>	<b>60,638</b>
Fire Protection Previous Balance	32,378	35,631	35,651	57,161	37,161
Income	3,252	20	1,510	-	-
Projects	-	-	-	-	-
Fire Protection CD's	58,885	58,885	58,885	38,885	58,885
<b>Total Fire Protection</b>	<b>94,515</b>	<b>94,536</b>	<b>96,046</b>	<b>96,046</b>	<b>96,046</b>
Parks Previous Balance	877	1,359	1,362	1,586	1,586
Income	482	3	224	-	-
Projects	-	-	-	-	-
<b>Total Parks</b>	<b>1,359</b>	<b>1,362</b>	<b>1,586</b>	<b>1,586</b>	<b>1,586</b>

## Assessment and Reserve Funding Disclosure Summary Clearwood Community Association General Reserves

For Fiscal Year Beginning: 1/1/2019

# of units: 1355

a)

<u>Budgeted Amounts:</u>	Total	Per Unit	
Reserve Contributions	\$196,475	\$145	per: Year
Operating Assessments	\$533,225	\$393.52	

<u>Recommended Amount:</u>	Total	Per Unit	
Reserve Contributions	\$366,000	\$270.11	per: Year
Funding Plan Objective	Full Funding		

b) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: None.

c) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?  
No

d) If the answer to c) is no, what additional assessments or other contributions to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment will be due	Average Amount of onetime Special Assessment per unit
2039	\$2,583

e)

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance (based on Formula in RCW 64.34.020	\$3,892,111
Projected Reserve Fund Balance:	\$1,914,779
Percent Funded:	49.2%
Reserve Deficit on a mathematical avg-per-unit basis:	\$1,459.29

f/g)

See attached 30-year Summary Tables, showing the projected Reserve Funding Plan, Reserve Balance, and Percent Funded for the current budgeted and the fully Reserve Funding Plans.

Prepared by: Association Reserves (Susan Oord, RS) Date: 4/19/2018

**Table 1: 30-Year Current Funding Summary: 5-Year Example**

Fiscal Year Start: 01/01/19

Interest: 1.0% Inflation: 3.0%

**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2019	\$1,914,779	\$3,892,111	49.2%	Med	\$196,475	\$0	\$16,031	\$834,550
2020	\$1,292,735	\$3,483,340	37.1%	Med	\$205,022	\$0	\$11,860	\$429,253
2021	\$1,080,364	\$3,489,942	31.0%	Med	\$213,940	\$0	\$10,887	\$207,300
2022	\$1,097,891	\$3,736,003	29.4%	High	\$223,467	\$0	\$11,753	\$79,223
2023	\$1,253,668	\$4,132,848	30.3%	Med	\$232,958	\$0	\$11,863	\$378,509

**Table 5: 30-Year Reserve 100% Funding Summary 5-year example.**

Fiscal Year Start: 01/01/19

Interest: 1.0% Inflation: 3.0%

**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2019	\$1,914,779	\$3,892,111	49.2%	Med	\$366,000	\$0	\$16,882	\$834,550
2020	\$1,463,111	\$3,483,340	42.0%	Med	\$381,921	\$0	\$14,461	\$429,253
2021	\$1,430,240	\$3,489,942	41.0%	Med	\$398,535	\$0	\$15,329	\$207,300
2022	\$1,636,804	\$3,736,003	43.8%	Med	\$415,871	\$0	\$18,134	\$79,223
2023	\$1,991,586	\$4,132,848	48.2%	Med	\$433,961	\$0	\$20,286	\$378,509

## Assessment and Reserve Funding Disclosure Summary Clearwood Community Association Water Reserves

For Fiscal Year Beginning 1/1/2019

# of units: 1355

a)

<u>Budgeted Amounts:</u>	Total	Per Unit	
Reserve Contributions	\$250,675	\$185	per: Year
Operating Assessments	\$209,908	\$154.91	

Recommended Amount:	Total	Per Unit	
Reserve Contributions	\$450,000	\$332.10	per: Year
Funding Plan Objective	Full Funding		

b) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: None.

c) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?  
No

d) If the answer to c) is no, what additional assessments or other contributions to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment will be due	Average Amount of onetime Special Assessment per unit
2019	\$369

e)

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance (based on formula defined in RCW 64.34.020)	\$6,553,892
Projected Reserve Fund Balance:	\$340,560
Percent Funded:	5.2%
Reserve Deficit on a mathematical avg-per-unit basis:	\$4,585.48

f/g) See attached 30-yr Summary Tables, showing the projected Reserve Funding Plan, Reserve Balance, and Percent Funded for the current budgeted and the fully funded Reserve Funding Plans.

Prepared by: Association Reserves (Susan Oord, RS) Date: 4/19/2018

**Table 1: 30-Year Current Funding Summary 5-Year Example**

Fiscal Year Start: 01/01/19

Interest: 1.0% Inflation: 3.0%

**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2019	\$340,560	\$6,553,892	5.2%	High	\$250,675	\$0	\$1,198	\$693,200
2020	(\$100,767)	\$6,302,456	0.0%	High	\$288,276	\$0	\$0	\$541,832
2021	(\$354,322)	\$6,207,363	0.0%	High	\$331,518	\$0	\$0	\$46,520
2022	(\$69,325)	\$6,627,807	0.0%	High	\$381,245	\$0	\$944	\$54,636
2023	\$258,228	\$7,060,968	3.7%	High	\$438,432	\$0	\$1,744	\$607,662

**Table 2: 30-Year Reserve 100% Funding Summary 5-Year example**

7223-4 water

Fiscal Year Start: 01/01/19

Interest: 1.0% Inflation: 3.0%

**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2019	\$340,560	\$6,553,892	5.2%	High	\$450,000	\$0	\$2,200	\$693,200
2020	\$99,559	\$6,302,456	1.6%	High	\$517,500	\$0	\$878	\$541,832
2021	\$76,106	\$6,207,363	1.2%	High	\$595,125	\$0	\$3,520	\$46,520
2022	\$628,231	\$6,627,807	9.5%	High	\$684,394	\$0	\$9,474	\$54,636
2023	\$1,267,462	\$7,060,968	18.0%	High	\$787,053	\$0	\$13,634	\$607,662