

Clearwood Homeowners Association

Yelm, Washington

General Reserves Reserve Study

Level III: Update with no visual site Inspection

For Period Beginning: January 1, 2017

For Period Ending: December 31, 2017

Date Prepared: March 22, 2016

Prepared by Ben Budde

Clearwood Treasurer and Finance Committee Chairman

Association: Clearwood

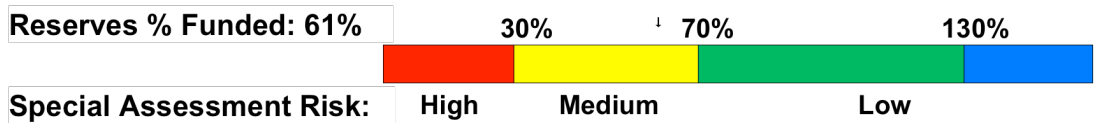
Location: Yelm, WA

Number of Units: 1355

Report Period: January 1, 2017 through December 31, 2017

Findings as of 1/1/2017

Projected Starting Reserve Balance:	\$1,800,058
Current Fully Funded Reserve Balance:	\$2,948,930
Average Reserve Deficit Per Unit:	\$848
100 % 2017 Annual "Full Funding" Contributions:	\$372,930
Baseline contributions(min to keep Reserves above \$0):	\$254,170
Most Recent Budgeted Reserve Contribution Rate:	\$196,475



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves.... 0.95%

Annual Inflation Rate..... 3.00%

The General Reserves is currently 61% Funded. There is a medium risk of needing a Special Assessment at some time in the future. In order to get to 100% funded in the 30 year period the assessment would need to increase \$130 per lot plus an 3% annual increase thereafter. In order to maintain a baseline funding in the 30 year period the assessment would need to increase \$43 per lot plus an 3% annual increase thereafter.

The next three pages contain the component list. Components due to be renovate in 2017 are mark with yellow. Components due to be renovate the four years following 2017 are mark in green. Following the component list is the Budget Disclosure statement for General Reserves included tables of projections for the next 30 years for the current budgeted plan and the fully funded plan.

This reserve study meets all requirements of RCW 64.38.070. This study was done by the Clearwood Treasurer and Finance Committee chairman without the assistance of a reserve study professional. **This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.**

#	Component	Useful Life (yrs)	Remaining Useful Life (yrs)	Current Cost Estimate
Community Property				
100	Spillways, Concrete-Repair/Replace	40	8	\$51,500
100	Spillways, Gates & Weirs - Replace	25	8	\$5,459
102	Bridge - Arch	10	8	\$12,103
103	Bridge - Blue Lake, Lower Spillway	10	8	\$6,386
104	Bridge - Blue Lake, Upper Spillway	10	8	\$6,386
105	Bridge - Bear Island	10	8	\$4,378
106	Bridge - Brookside	10	8	\$8,652
108	Bridge - Blue Lake, Inlet	10	8	\$4,378
109	Bridge - Longmire	10	8	\$19,055
111	Bridge - Rampart	10	1	\$11,845
112	Bridge - Reichel	10	8	\$5,253
114	Beach bulkheads Longmire	15	3	\$11,330
114	Beach bulkheads Otter	15	1	\$11,330
114	Beach bulkheads Reichel	15	0	\$25,000
114	Beach bulkheads Sunset	15	2	\$25,000
114	Beach bulkheads Windy	15	14	\$11,330
115	Cabana - Division 7	25	19	\$15,965
117	Cabana - Hi Lo	25	13	\$15,965
118	Cabana - Longmire	25	3	\$15,965
119	Cabana - Madrona	25	21	\$15,965
120	Cabana - Otter Beach	25	17	\$15,965
122	Cabana - Pool	25	15	\$15,965
123	Cabana - Reichel	25	24	\$23,690
124	Cabana - Sunset	25	11	\$15,965
125	Cabana - Vine Lane	25	3	\$15,965
126	Cabana - Windy	25	12	\$15,965
130	Dock - Blue Lk Fishing (1 of 4)	30	2	\$23,999
130	Dock - Blue Lk Fishing (2 of 4)	30	2	\$23,999
130	Dock - Blue Lk Fishing (3 of 4)	30	4	\$23,999
130	Dock - Blue Lk Fishing (4 of 4)	30	6	\$23,999
130	Dock - Clear Lake	30	28	\$21,630
131	Dock - Horseshoe (a - right)	30	1	\$22,506
132	Dock - Horseshoe (b - left)	30	17	\$20,600
133	Dock - Horseshoe (c - rear)	30	28	\$23,175
134	Dock - Longmire (fish, swim)	30	8	\$39,140
135	Dock - Madrona (fish, swim)	30	10	\$25,750
136	Dock - Otter (fishing)	30	0	\$21,630
137	Dock - Otter (swim)	30	12	\$8,807
139	Dock - Reichel (swim)	30	14	\$8,807
140	Dock - Sunset (fish, swim)	30	19	\$26,265
141	Dock - Windy (fish, swim)	30	23	\$36,565
145	Fence - Chain Link	3	1	\$10,300
146	Fence - Front and Back Gates	20	2	\$17,510
148	Fence - Office	20	16	\$5,665
150	Restroom - Well #4	20	8	\$7,725
151	Restroom - Blue Water	20	16	\$7,725
152	Restroom - Loop	20	0	\$24,205
153	Restroom - Rampart	20	10	\$7,725
154	Restroom - Hi-Lo	20	10	\$7,725
155	Restrooms - Longmire	20	14	\$15,450
156	Restroom - Madrona	20	14	\$7,725

#	Component	Useful Life (yrs)	Remaining Useful Life (yrs)	Current Cost Estimate
157	Restroom - Otter Beach	20	12	\$15,450
158	Restroom - Perimeter	20	10	\$7,725
160	Restroom - Sports Court	20	6	\$7,725
161	Restroom - Reichel	20	10	\$15,450
162	Restroom - Sunset	20	10	\$7,725
163	Restroom - Windy	20	8	\$7,725
164	Restroom - Woodside	20	10	\$7,725
170	Trails - Maintain/Repair	4	1	\$5,820
180	Reichel Beach Sprinkler System	N/A	1	\$8,395
185	Basketball Court - Longmire	40	15	\$8,240
185	Tennis - Longmire (replace)	40	3	\$23,175
185	Tennis - Longmire (seal)	10	3	\$7,571
186	Tennis & Bsktbl - Hi Lo (replace)	40	5	\$44,290
187	Tennis - Rampart (replace)	40	3	\$30,900
188	Ballfield 7 Field Upgrade	N/A	1	\$11,330
190	Mailboxes - Replace Big Fir	20	5	\$24,720
190	Mailboxes - Replace Blue Hills Loop	20	7	\$30,900
190	Mailboxes - Replace Blue Lake Court	20	9	\$39,140
190	Mailboxes - Replace Front Gate	20	1	\$16,480
190	Mailboxes - Replace Longmire	20	3	\$15,450
190	Mailboxes - Replace Windy Beach	30	28	\$31,930
Roads				
200	Road Project D-1: Resurface	30	1	\$242,050
201	Road Project D-2: Resurface	30	4	\$185,400
202	Road Project D-3: Resurface	30	7	\$185,400
203	Road Project D-4: Resurface	30	10	\$242,050
204	Road Project D-5a: Resurface	30	13	\$228,660
204	Road Project D-5b: Resurface	30	16	\$228,660
205	Road Project D-6: Resurface	30	19	\$272,950
206	Road Project D-7: Resurface	30	22	\$133,900
207	Road Project 8: Resurface	30	23	\$339,900
208	Road Project 9: Resurface	30	24	\$339,900
209	Road Project 10: Resurface	30	25	\$612,850
210	Road Project 11: Resurface	30	26	\$612,850
211	Roads replaced in 2002	30	16	\$242,050
212	Roads replaced in 2009	30	23	\$417,150
Playgrounds, Parks				
214	Playground Equip - Vine Lane	15	7	\$4,635
215	Playground Equip - Pool	15	1	\$23,175
216	Playground Equip - Perimeter	20	8	\$34,505
217	Playground Equip - Reichel Beach	10	2	\$16,480
218	Playground Equip - Hi Lo	20	12	\$22,145
Pool				
220	Pool - Bldg Interior Remodel	5	0	\$5,820
221	Pool - Bldg Siding	40	4	\$31,930
222	Pool- Shower Water Heaters	15	13	\$9,270
224	Pool - Deck Resurface	12	6	\$47,895
225	Pool - Deck Resurface (wood)	18	4	\$13,905
226	Pool - Fence Replacement	20	0	\$23,175
227	Pool - Bldg Roof (front)	20	10	\$6,953
228	Pool - Bldg Roof (rear)	20	5	\$6,953
#	Component	Useful Life	Remaining	Current Cost

		(yrs)	Useful Life (yrs)	Estimate
229	Pool - Heaters	15	13	\$7,725
230	Pool/Spa - Filters	20	19	\$6,953
231	Spa - Heater	20	18	\$2,575
232	Spa - Resurface	8	6	\$5,820
233	Pool - Bldg Exterior Paint/Seal	5	4	\$5,202
238	Pool - Winter Cover/Blanket	12	3	\$16,480
240	Pools - Replaster	20	18	\$31,930
241	Pool/Spa - Tile & Coping	40	17	\$19,055
242	Pool Plumbing - Repair	10	8	\$10,918
Security				
290	Security Cameras	8	1	\$5,150
290	Security Cameras	8	3	\$5,150
290	Security Cameras	8	5	\$5,150
291	Security - Card Readers	15	12	\$24,205
292	Security - Gate Operators	15	6	\$12,875
296	Security - Sally Arm System	12	11	\$5,665
297	Security - Spikes	15	9	\$6,953
Maintenance Building				
300	Maintenance Bldg - Ext Paint	10	4	\$6,077
302	Maintenance Bldg - Ovrhd Bay Doors	20	15	\$6,953
306	Maintenance Bldg - Roof	20	11	\$10,300
308	Maintenance Bldg - Shop Heaters	20	2	\$7,262
309	Maintenance Bldg Carport	50	46	\$92,700
Maintenance Equipment				
310	Backhoe Major Update	N/A	1	\$5,459
310	Maint Equip - Backhoe	20	1	\$69,525
311	Maint Equip - Boom Lift Genie Prtbl	20	5	\$16,480
316	Maint Equip - Bobcat Excavator	15	7	\$49,440
317	Maint Equip - John Deere Mower	12	1	\$7,571
320	Maint Equip - Kubota Tractor	20	2	\$23,175
321	Maint Equip - Fuel Tank & Pumps	40	17	\$26,265
322	Maint Equip - Kubota RTV (old)	12	11	\$18,540
323	Maint Equip - Kubota RTV (newer)	10	6	\$18,540
327	Maint Equip - Sander (old)	15	1	\$8,086
328	Maint Equip - Sander (newer)	15	8	\$8,086
329	Maint Equip - Plow (old)	15	1	\$6,953
330	Maint Equip - Plow (new)	15	8	\$6,953
332	Maint Equip - Street Sweeper	10	2	\$20,600
333	Maint Equip - Vac Truck	12	2	\$43,260
338	Maint Equip - Truck 2010 Ford F350	10	1	\$43,260
339	Maint Equip -Truck 1999 Ford F450	10	2	\$28,840
341	Maint Equip - Truck 2008 Ford F150	10	7	\$21,630
342	Maint Equip - Truck 2006 Mazda	10	9	\$24,720
343	Flatbed Trailer for Excavator	10	6	\$5,305
344	Paint Striper	10	8	\$6,489
Office				
360	Office Bldg - Carpet, Paint	12	1	\$5,820
361	Office Bldg - Roof	30	10	\$5,820
362	Office Bldg - Structure	30	10	\$40,685
364	Office - Deck	25	0	\$8,034
365	Office Computer Upgrade	5	4	\$13,905
146	Total Funded Components			

Assessment and Reserve Funding Disclosure Summary

Clearwood Community Association General Reserves

For Fiscal Year Beginning: 1/1/2017

of units: 1355

a)

Budgeted Amounts:	Total	Per Unit	
Reserve Contributions	\$196,475	\$145	per: Year
Operating Assessments	\$467,475	\$345	

Recommended Amount:	Total	Per Unit	
Reserve Contributions	\$372,930	\$275.23	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 Special one time Special Assessment per unit
2036	\$4100

e)

All computations/disclosures are based on the fiscal year start date of:	1/1/2017
Fully Funded Balance (based on Formula defined in RCW 64.34.020)	\$2,948,930
Projected Reserve Fund Balance:	\$1,800,058
Percent Funded:	61.1%
Reserve Deficit on a mathematical avg-per-unit basis:	\$848

From 2017 Reserve Study

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.

Table 1: 30-Year Current Funding Summary

Fiscal Year Start: 01/01/17

Interest:	1.0%	Inflation:	3.0%
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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
2017	\$1,800,058	\$2,948,467	61.1%	Med	\$196,475	\$0	\$17,598	\$107,864
2018	\$1,906,267	\$3,218,456	59.2%	Med	\$196,475	\$0	\$16,595	\$530,503
2019	\$1,588,834	\$3,056,646	52.0%	Med	\$196,475	\$0	\$14,932	\$244,139
2020	\$1,556,103	\$3,193,578	48.7%	Med	\$196,475	\$0	\$15,045	\$155,151
2021	\$1,612,471	\$3,435,177	46.9%	Med	\$196,475	\$0	\$14,762	\$327,205
2022	\$1,496,503	\$3,515,976	42.6%	Med	\$196,475	\$0	\$14,612	\$126,629
2023	\$1,580,960	\$3,815,235	41.4%	Med	\$196,475	\$0	\$15,326	\$145,863
2024	\$1,646,899	\$4,113,387	40.0%	Med	\$196,475	\$0	\$14,877	\$371,797
2025	\$1,486,454	\$4,197,790	35.4%	Med	\$196,475	\$0	\$13,639	\$310,471
2026	\$1,386,097	\$4,358,209	31.8%	Med	\$196,475	\$0	\$13,535	\$131,637
2027	\$1,464,470	\$4,718,269	31.0%	Med	\$196,475	\$0	\$12,401	\$526,078
2028	\$1,147,268	\$4,693,802	24.4%	High	\$196,475	\$0	\$11,153	\$153,269
2029	\$1,201,627	\$5,063,870	23.7%	High	\$196,475	\$0	\$11,365	\$217,416
2030	\$1,192,051	\$5,390,582	22.1%	High	\$196,475	\$0	\$10,182	\$446,214
2031	\$952,494	\$5,503,396	17.3%	High	\$196,475	\$0	\$9,177	\$177,842
2032	\$980,304	\$5,908,338	16.6%	High	\$196,475	\$0	\$9,708	\$122,233
2033	\$1,064,253	\$6,395,396	16.6%	High	\$196,475	\$0	\$6,745	\$911,132
2034	\$356,341	\$6,097,571	5.8%	High	\$196,475	\$0	\$3,237	\$230,547
2035	\$325,507	\$6,505,278	5.0%	High	\$196,475	\$0	\$2,600	\$302,567
2036	\$222,014	\$6,864,902	3.2%	High	\$196,475	\$0	\$0	\$668,803
2037	-\$250,314	\$6,872,376	0.0%	High	\$196,475	\$0	\$0	\$96,084
2038	-\$149,923	\$7,484,686	0.0%	High	\$196,475	\$0	\$0	\$336,564
2039	-\$290,011	\$7,882,824	0.0%	High	\$196,475	\$0	\$0	\$635,890
2040	-\$729,426	\$8,000,209	0.0%	High	\$196,475	\$0	\$0	\$1,689,150
2041	-\$2,222,101	\$7,052,333	0.0%	High	\$196,475	\$0	\$0	\$804,429
2042	-\$2,830,056	\$7,003,841	0.0%	High	\$196,475	\$0	\$0	\$1,485,568
2043	-\$4,119,149	\$6,269,376	0.0%	High	\$196,475	\$0	\$0	\$1,483,044
2044	-\$5,405,717	\$5,533,045	0.0%	High	\$196,475	\$0	\$0	\$218,497
2045	-\$5,427,739	\$6,095,200	0.0%	High	\$196,475	\$0	\$0	\$617,538
2046	-\$5,848,802	\$6,281,844	0.0%	High	\$196,475	\$0	\$0	\$248,066

Table 2: 30-Year Reserve 100% Funding Summary

Fiscal Year Start: 01/01/17

Interest:	1.0%	Inflation:	3.0%
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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
2017	\$1,800,058	\$2,948,467	61.1%	Med	\$372,930	\$0	\$18,440	\$107,864
2018	\$2,083,564	\$3,218,456	64.7%	Med	\$384,118	\$0	\$19,182	\$530,503
2019	\$1,956,361	\$3,056,646	64.0%	Med	\$395,641	\$0	\$19,389	\$244,139
2020	\$2,127,253	\$3,193,578	66.6%	Med	\$407,511	\$0	\$21,501	\$155,151
2021	\$2,401,113	\$3,435,177	69.9%	Med	\$419,736	\$0	\$23,352	\$327,205
2022	\$2,516,996	\$3,515,976	71.6%	Low	\$432,328	\$0	\$25,474	\$126,629
2023	\$2,848,169	\$3,815,235	74.7%	Low	\$445,298	\$0	\$28,604	\$145,863
2024	\$3,176,208	\$4,113,387	77.2%	Low	\$458,657	\$0	\$30,720	\$371,797
2025	\$3,293,788	\$4,197,790	78.5%	Low	\$472,417	\$0	\$32,200	\$310,471
2026	\$3,487,934	\$4,358,209	80.0%	Low	\$486,589	\$0	\$34,973	\$131,637
2027	\$3,877,860	\$4,718,269	82.2%	Low	\$501,187	\$0	\$36,882	\$526,078
2028	\$3,889,850	\$4,693,802	82.9%	Low	\$516,222	\$0	\$38,846	\$153,269
2029	\$4,291,649	\$5,063,870	84.8%	Low	\$531,709	\$0	\$42,448	\$217,416
2030	\$4,648,390	\$5,390,582	86.2%	Low	\$547,660	\$0	\$44,836	\$446,214
2031	\$4,794,673	\$5,503,396	87.1%	Low	\$564,090	\$0	\$47,591	\$177,842
2032	\$5,228,512	\$5,908,338	88.5%	Low	\$581,013	\$0	\$52,076	\$122,233
2033	\$5,739,368	\$6,395,396	89.7%	Low	\$598,443	\$0	\$53,270	\$911,132
2034	\$5,479,949	\$6,097,571	89.9%	Low	\$616,396	\$0	\$54,128	\$230,547
2035	\$5,919,926	\$6,505,278	91.0%	Low	\$634,888	\$0	\$58,070	\$302,567
2036	\$6,310,317	\$6,864,902	91.9%	Low	\$653,935	\$0	\$60,139	\$668,803
2037	\$6,355,588	\$6,872,376	92.5%	Low	\$673,553	\$0	\$63,397	\$96,084
2038	\$6,996,454	\$7,484,686	93.5%	Low	\$693,760	\$0	\$68,461	\$336,564
2039	\$7,422,110	\$7,882,824	94.2%	Low	\$714,572	\$0	\$71,193	\$635,890
2040	\$7,571,987	\$8,000,209	94.6%	Low	\$736,010	\$0	\$67,701	\$1,689,150
2041	\$6,686,547	\$7,052,333	94.8%	Low	\$758,090	\$0	\$63,578	\$804,429
2042	\$6,703,785	\$7,003,841	95.7%	Low	\$780,833	\$0	\$60,602	\$1,485,568
2043	\$6,059,652	\$6,269,376	96.7%	Low	\$800,353	\$0	\$54,561	\$1,483,044
2044	\$5,431,523	\$5,533,045	98.2%	Low	\$820,362	\$0	\$54,696	\$218,497
2045	\$6,088,084	\$6,095,200	99.9%	Low	\$840,871	\$0	\$59,155	\$617,538
2046	\$6,370,572	\$6,281,844	101.4%	Low	\$861,893	\$0	\$63,713	\$248,066