

**Clearwood Community Association
Proposed 2021 Consolidated Budget**

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<u>2021 Consolidated Budget - Total Assessment Revenue</u>	
General Operations Assessment*	\$ 842,422
General Reserve Fund	33,875
Future Reserve Fund	20,325
Water Reserve Fund	292,382
Total 2021 Consolidated Budget- Total Assessment Revenue	<u>\$ 1,189,004</u>

*Operations is based on 92% Collections rate and a total of 1,355 lots. Any differences due to rounding.

No change in total assessments from 2020 to the Proposed 2021 Budget.

2021 Proposed Annual Assessment Summary		
*Based on 1,246 Dues Payors		
which is 92% Collections		
General Operations Assessment*	\$	676.10
General Reserves Assessment		25.00
Future Reserves Assessment		15.00
Water Reserves Assessment		215.78
Total Proposed 2021 Dues	\$	931.88
<i>Dollar change from 12/31/2020 Dues</i>	<i>\$</i>	<i>-</i>
<i>Percent Change from 12/31/2020 Dues</i>		<i>0.0%</i>

Water Usage Calculated and Billed Quarterly			
TIER	FROM	PER # CUBIC FEET (CF)	COST
1	0-2500	100	\$2.30
2	2501-3500	100	\$3.45
3	> 3500	100	\$4.55
Water Service Fee	Each Meter	Quarterly	\$35.00

No change in water rates or fees from 2020 to the Proposed 2021 Budget.

Historical Annual Per Lot Assessments								PROPOSED
	2014	2015	2016	2017	2018	2019	2020	2021
Operations	\$ 310.00	\$ 310.00	\$ 310.00	\$ 310.00	\$ 395.00	\$ 395.00	\$ 562.88	\$ 676.10
Ops Special Assmt	-	-	-	-	-	-	159.00	-
General Reserves	145.00	145.00	145.00	145.00	145.00	145.00	25.00	25.00
Future Reserves	15.00	15.00	15.00	15.00	15.00	15.00	-	15.00
Water Reserves	185.00	185.00	185.00	185.00	185.00	185.00	185.00	216
Total	\$ 655.00	\$ 655.00	\$ 655.00	\$ 655.00	\$ 740.00	\$ 740.00	\$ 931.88	\$ 931.88

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	General Operations		
	2020 Budget	7A + 5P 2020 Projected	Proposed 2021 Budget
<u>Income, Operations:</u>			
Dues, Operations	\$ 899,343	\$ 899,341	\$ 842,422
Operations contingency infusion	-	60,000	-
Allocated Income Water	-	-	(42,787)
Fees/ Liens/ Transfers/ Renters	82,750	43,248	82,750
Finance Charge Income	14,725	1,828	14,725
Other Income	13,020	29,934	16,600
Total Income, Operations	\$ 1,009,838	\$ 1,034,351	\$ 913,710
<u>Anticipated Expenditures, Operations:</u>			
Salaries & Wages, by Department			
Maintenance	\$ 223,298	\$ 203,838	\$ 244,900
Administration	97,838	144,920	189,948
Pool	50,277	7,452	73,824
Security/ Compliance	5,174	4,019	4,917
Subtotal Salaries & Wages	<u>376,587</u>	<u>360,229</u>	<u>513,589</u>
Administration			
Professional Management Contracts	85,425	93,603	61,550
Other Professional Services	36,220	52,620	51,980
Bank/ Late Fees	600	10,015	5,900
Contingency/ Misc.	3,200	3,200	3,200
Utilities	9,181	11,264	9,456
Supplies	6,400	8,384	6,600
Community Support	4,590	4,590	4,590
Business Taxes & Licenses	10,940	12,129	17,875
Business Insurance	36,551	31,014	34,895
Administration Expense	36,148	36,990	40,286
Collection Costs	38,295	-	38,295
Subtotal Administration	<u>267,550</u>	<u>263,809</u>	<u>274,627</u>
Maintenance			
Utilities	9,139	10,951	10,318
Supplies	18,925	14,297	25,925
Repairs & Maintenance	28,540	48,736	42,870
Hazard Tree & Snow Removal	20,000	11,058	36,000
Business Taxes & Licenses	1,873	1,873	1,929
Administration Expense	2,895	4,699	3,745
Subtotal Maintenance	<u>81,372</u>	<u>91,614</u>	<u>120,787</u>
Pool			
Other Professional Services	1,000		
Utilities	16,429	6,256	16,922
Supplies	8,800	3,465	16,300
Repairs & Maintenance	2,100	30,403	2,100

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	2020 Budget	7A + 5P 2020 Projected	Proposed 2021 Budget
Business Taxes & Licenses	460	400	460
Administration Expense	1,200	1,022	1,200
Subtotal Pool	<u>29,989</u>	<u>41,546</u>	<u>36,982</u>
Security/ Compliance			
Deputy Sheriff Stipend	8,000	1,028	-
Outside security contract	-	6,972	20,000
Security system	4,270	5,637	4,398
Utilities	6,078	3,480	6,261
Supplies	600	-	600
Repairs & Maintenance	1,200	2,480	1,200
Subtotal Security/ Compliance	<u>20,148</u>	<u>19,597</u>	<u>32,459</u>
Other/ Misc.			
Lakes & Docks	11,500	10,028	22,774
Community Support	8,300	7,894	8,800
Vandalism	3,500	3,500	3,500
Lease/ Rent	2,790	2,053	2,871
Subtotal Other/ Misc.	<u>26,090</u>	<u>23,475</u>	<u>37,948</u>
Total Operational Expenditures	<u>\$ 801,736</u>	<u>\$ 800,270</u>	<u>\$ 1,016,392</u>
Reserve Loan Repayment			
Loan	198,073	220,000	-
Interest	3,631	5,088	-
Total Reserve Loan Repayment	<u>201,704</u>	<u>225,088</u>	<u>-</u>
Fraud Investigation Expense	-	31,951	7,500
Allocated Expenses to Water System Operations	<u>(87,602)</u>	<u>(119,818)</u>	<u>(152,046)</u>
Total Expenses, Operations	<u>\$ 915,838</u>	<u>\$ 937,491</u>	<u>\$ 871,843</u>
Total Operations Net Income (Loss)	<u>\$ 94,000</u>	<u>\$ 96,860</u>	<u>\$ 41,867</u>

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Water System Operations

	2020 Budget	7A + 5P 2020 Projected	Proposed 2021 Budget
<u>Income, Operations:</u>			
Dues, Operations		\$ -	\$ -
Operations contingency infusion		-	-
Water Consumption Rate	169,675	169,675	169,675
Water Service Fee	176,421	176,421	176,551
Allocated Income Water		-	42,787
Fees/ Liens/ Transfers/ Renters		-	-
Finance Charge Income		-	-
Other Income		17	-
Total Income, Operations	\$ 346,096	\$ 346,113	\$ 389,013
<u>Anticipated Expenditures, Operations:</u>			
Salaries & Wages, by Department			
Maintenance	\$ 47,105	\$ 50,295	\$ 52,624
Administration	<i>allocated</i>	<i>allocated</i>	<i>allocated</i>
Pool	-	-	-
Security/ Compliance	-	-	-
Subtotal Salaries & Wages	<u>47,105</u>	<u>50,295</u>	<u>52,624</u>
Administration			
Professional Management Contracts	70,075	48,130	46,200
Other Professional Services	11,540	19,470	17,140
Bank/ Late Fees		<i>allocated</i>	<i>allocated</i>
Contingency/ Misc.		<i>allocated</i>	<i>allocated</i>
Utilities	11,322	<i>allocated</i>	<i>allocated</i>
Supplies	39,716	<i>allocated</i>	<i>allocated</i>
Community Support		<i>allocated</i>	<i>allocated</i>
Business Taxes & Licenses	23,632	25,246	23,632
Business Insurance	33,051	31,014	34,895
Administration Expense	6,464	4,449	7,048
Collection Costs		<i>allocated</i>	<i>allocated</i>
Subtotal Administration	<u>195,800</u>	<u>128,309</u>	<u>128,915</u>
Maintenance			
Utilities	-	10,783	11,712
Supplies	-	29,082	39,716
Repairs & Maintenance	13,190	13,507	4,000
Hazard Tree & Snow Removal	-	-	-
Business Taxes & Licenses	-	-	-
Administration Expense	-	-	-
Subtotal Maintenance	<u>13,190</u>	<u>53,372</u>	<u>55,428</u>
Total Operational Expenditures	<u>\$ 256,095</u>	<u>\$ 231,976</u>	<u>\$ 236,967</u>
Allocated Expenses to Water System Operations	<u>87,602</u>	<u>119,818</u>	<u>152,046</u>
Total Expenses, Operations	\$ 343,697	\$ 351,794	\$ 389,013
Total Operations Net Income (Loss)	\$ 2,399	\$ (5,681)	\$ -

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	RESERVES			
	7A + 5P 2020 Projected	Proposed 2021 Budget	Fully Funded+	Percent Funded ⁺
<u>General Reserves Fund</u>				
Forecasted Beginning Cash Balance ^{**}	2,091,255	2,291,970	3,194,928	71.7%
Dues Income	33,875	33,875		
Repayment of Reserve Loan & Interest	225,088			
Anticipated Investment Income	20,357	357		
Anticipated Expenditures	(78,605)	(599,000)		
Forecasted Ending Cash Balance	<u><u>2,291,970</u></u>	<u><u>1,727,202</u></u>	2,999,341	57.6%
<u>Water System Reserves</u>				
Forecasted Beginning Cash Balance ^{**}	943,535	477,512	6,636,617	7.2%
Dues Income	250,675	292,382		
Anticipated Investment Income	288	288		
Anticipated Expenditures	(716,986)	(186,430)		
Forecasted Ending Cash Balance	<u><u>477,512</u></u>	<u><u>583,752</u></u>	6,923,675	8.4%
<u>Future Reserves</u>				
Forecasted Beginning Cash Balance ^{**}	151,287	144,514		
Dues Income	-	20,325		
Anticipated Investment Income	227	227		
Anticipated Expenditures	(7,000)	-		
Forecasted Ending Cash Balance	<u><u>144,514</u></u>	<u><u>165,066</u></u>		
<u>Impact Fees</u>				
Forecasted Beginning Cash Balance ^{**}	69,732	92,966		
Impact Fee Income	38,027	-		
Anticipated Investment Income	207	207		
Anticipated Expenditures	(15,000)	-		
Forecasted Ending Cash Balance	<u><u>92,966</u></u>	<u><u>93,173</u></u>		

*2021 "No-Site-Visit" Reserve Study, 07/24/2020

**2020 Cash Balance is as of 07/31/2020

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Notes on Proposed 2021 Consolidated Budget

- Figures shown above are Pre-Audit and could change according to Audit findings.

Significant Increases/ Decreases/ Assumptions

- Assessment Income
 - No change to total Assessment income
 - No change to Water Rates or the Water Service Fee
 - Allocated Income
 - Some Assessment income in 2021 to be allocated to Water Operations so Water Operations can net to zero.
- Market Driven Increases
 - Utilities increase of 3%
 - Property Taxes increase of 3%
 - Fuel increase of 7%
 - Insurance (non-medical) increase of 15%
 - Employer provided medical insurance – Increase up to 15%
 - Employer payroll taxes – no change
- Allocated Expenses: The allocation between operations and water operations will be supported based on actual expenses and actual shared office admin expenses (such as postage, printing & copying, IT, telephone, power, etc.). These expenses are be split 50/50.
- COVID-19 Impacts
 - Extra costs – assumes COVID-19 environment in 2021
 - Pool includes extra \$25,226 in additional expenses to accommodate COVID-19 requirements with an open pool (\$17,726 labor and \$7,500 for supplies, PPE, disinfectant, etc.).
 - Maintenance – includes \$1,000 for additional cleaning supplies.
 - Extra costs NOT INCLUDED that may occur depending on COVID-19 in 2020
 - Finance Charge Income may be zero if impacted by COVID-19 in 2021 (\$14,775 impact)
 - HR Expense may be \$15,000 more than the 2021 Proposed Budget
 - If the impact of COVID-19 is less, we may need to hire an additional 5-month seasonal maintenance worker for janitorial work (public restrooms). Apx. \$15k.
- Staffing Levels
 - Maintenance staff includes five (5) full time employees.
 - Administration staff includes one (1) General Manager and two (2) office staff.
 - Pool staff includes additional body to comply with potential COVID-19 impacts
- Administration
 - Professional Management Services includes accounting, HR, and GM support.

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- Administration Expense includes additional cost in dues and subscriptions for Zoom (Board and Staff), additional software licenses for additional admin employee, Budget software.
- Liens - Income and costs to remove and/or place approximately 350 liens. The cost of Other Professional Services time to perform the work was *not* included in the 2020 Budget. Therefore, there was not enough staffing to perform the work and it has been delayed until 2021.

Estimated Income	27,750
Other Professional Services Time	(12,960)
Collection Costs, Cost of Liens	<u>(38,295)</u>
Net Lien Related Impact	\$(23,505)

- Maintenance includes an additional \$20,000 in Repairs & Maintenance for a backlog of equipment repair and outside mechanic time for vehicle repair. CCA does not employ a mechanic.
- Security includes \$20,000 for Security Guards instead of the Deputy Sheriff Stipend to provide better security, during high impact times (i.e. when needed), for the Association.
- Other/Misc. Department
 - Lakes includes apx. \$8,275 for the repair and/or replacement of the buoys, ropes, and lake pilings.
 - Lakes includes apx. \$3,000 for the mitigation of invasive species at Horseshoe Lake.
 - \$500 for CPC included in Community Support
- \$7,500 for Legal Fraud Investigation
- General - Administration Expenses category includes board expense, training expense, postage, lease/ rent of machines, printing & copying, dues & subscriptions, and computer support services.
- No Change from 2020 Budget to 2021 Budget:
 - Fishing Derby- \$3,000
 - Member events- \$5,000
 - Thurston County Sheriff's Security Patrol - \$8,000
 - GM Contingency for staff appreciation - \$3,000
 - Vandalism- \$3,500
 - Water Operations includes secondary support for Water System Management in Other Professional Services (same as 2020).

Reserve Budget Assumptions

1. Will be impacted by results of engineering studies being performed in 2020.
2. Consider an addition to the Admin Office building (new capital).
3. General & Water Reserves budget based on Reserve Study.
4. Weyerhaeuser Project.
5. Deficient infrastructure related to security, alarm, gate, and computer upgrades.
6. Dive test for reservoir.