

Join Us for the  
2023 Annual  
General Meeting  
November 4<sup>th</sup>,  
2023 @ 09:00  
Zoom Video  
Conference

# BUDGET TOWN HALL

# CLEARWOOD'S MISSION

The Mission of the Board of Directors for the Clearwood Community Association is to preserve and enhance the property of our sub-division by maintaining the common areas, parks, lakes, beaches, roads and water system, and by upholding and enforcing our covenants, Bylaws, and Rules and Regulations.

We will serve the homeowners by taking a fair, objective and ethical approach in representing the Corporation.

We will maintain an enjoyable friendly and safe place to live.

We will provide ethical and fiscally responsible solutions to promote a sense of community, enhance our property values and plan for the future.

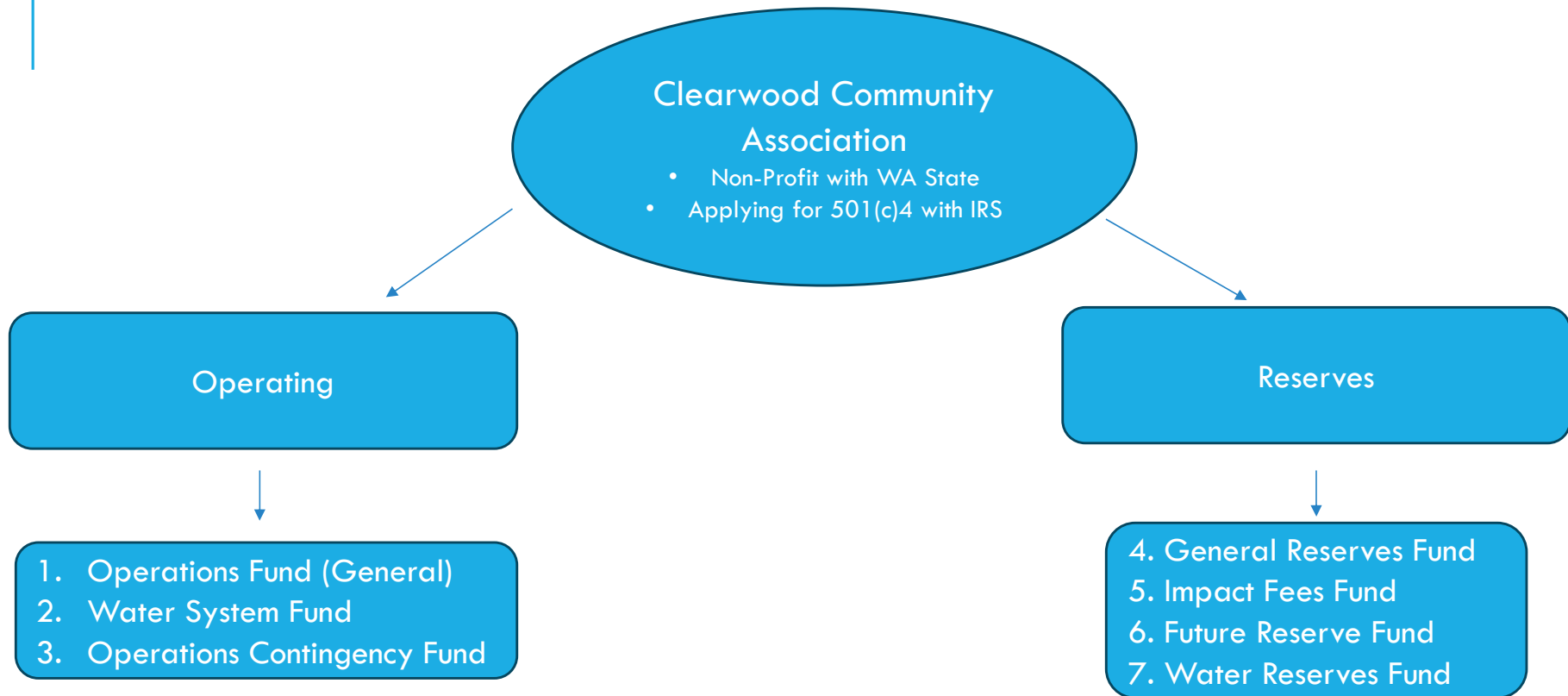


# HOA FINANCES 101

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125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			700

# TWO COMPANIES IN ONE



# FUND ACCOUNTING

CASH IS KING



Money In - We bill the members for amounts specified in the budget passed by our members at the Annual General Meeting.



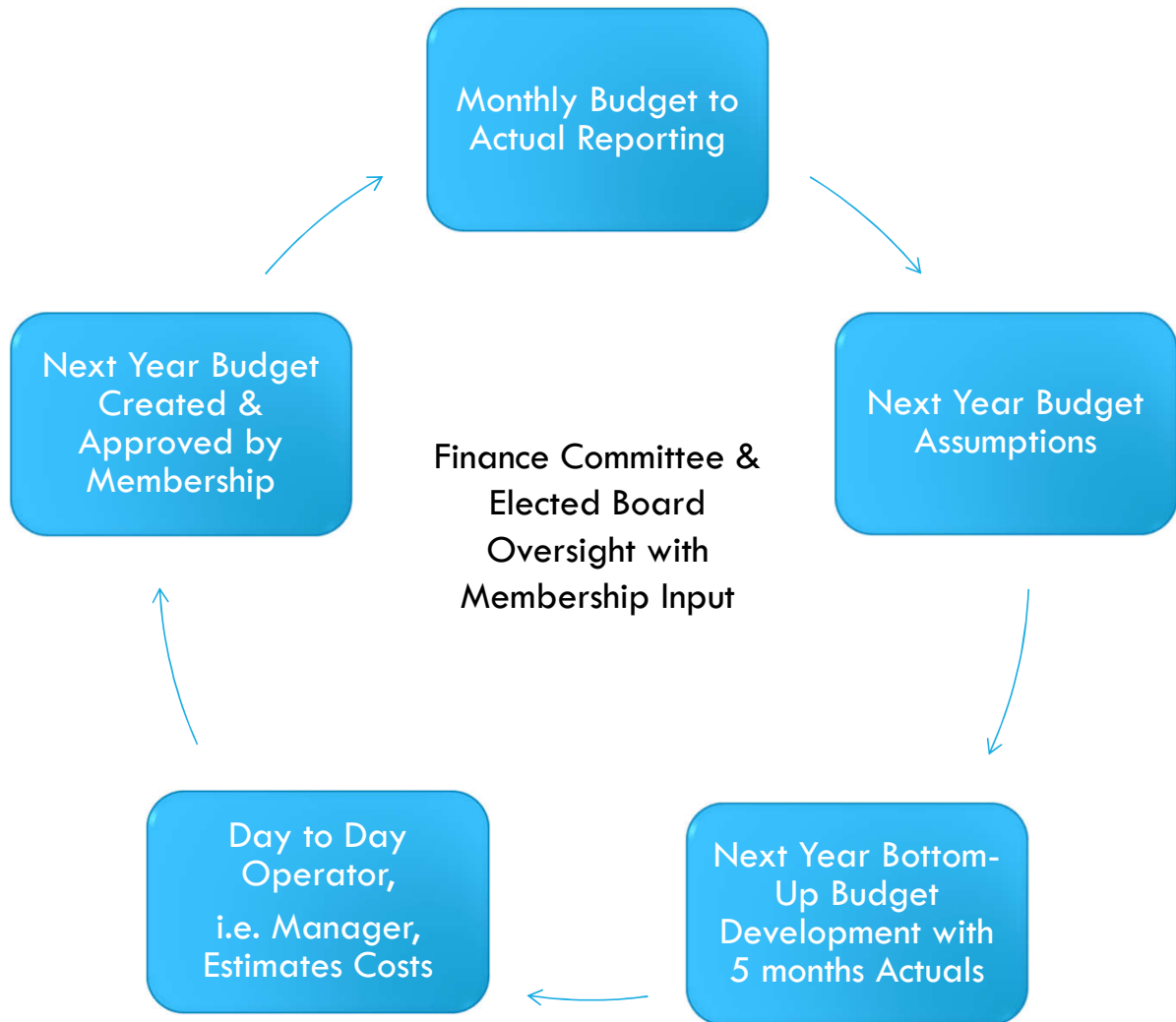
Money Out - Our Governing Documents, approved budget, and Reserve Study provide specific uses for our Reserve and Operating funds.



Monthly Transfers to Funds- The most critical operational process is making sure each and every dollar collected by us is put into the correct fund.



Fund accounting for HOA's tracks and reports financial activities separately for each Operations & Reserve funds to ensure transparency and compliance with IRS restrictions. Our annual 3<sup>rd</sup> party financial audit includes auditing fund balances.

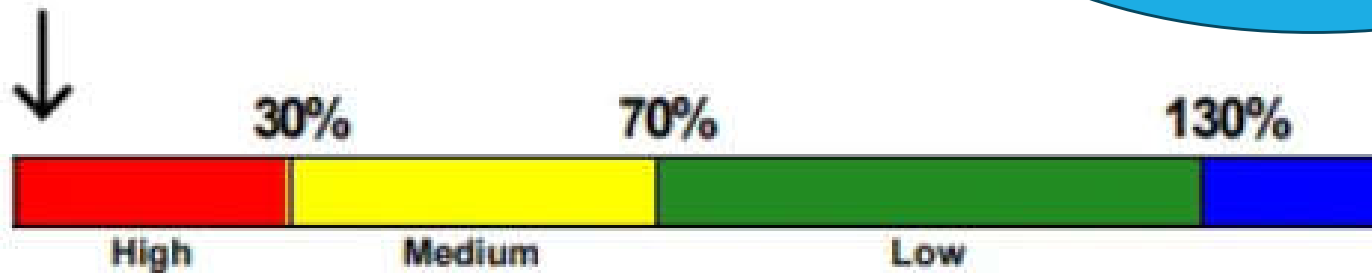


# ANNUAL TOP-DOWN BUDGETING CYCLE

# RESERVE STUDY FUNDING LEVELS

While the risk of Special Assessment (S.A.) is high CCA is NOT proposing a S.A. in 2024

General Reserves & Water Reserves



**Risk level of a Special Assessment based on 2024 Reserve Study funding levels**

CCA has x2 Reserve Study Reports- General Reserves & Water Reserves

The background is a dark, textured surface with a pattern of light gray geometric shapes, including rectangles and lines, and a field of small, semi-transparent dots of varying sizes. A thin, vertical blue line is positioned to the right of the main text.

# 2024 PROPOSED CONSOLIDATED BUDGET



# 2024 PROPOSED ANNUAL ASSESSMENT SUMMARY

2024 Consolidated Budget		
2024 Proposed Annual Assessment Summary		
*which is 92% Collections based on 1355 lots		
	Per Lot	Total Revenue
General Operations Assessment*	\$ 764.16	\$ 952,568
General Reserves Assessment	715.20	969,096
Future Reserves Assessment	16.32	22,114
Water Reserves Assessment	481.44	652,351
<b>Total Proposed 2023 Assessments</b>	<b>\$ 1,977.12</b>	<b>\$ 2,596,130</b>
	<i>Per Lot</i>	<i>Total Revenue</i>
<i>Dollar change from 2023 Assessments</i>	\$ 49.92	
<i>Percent Change from 2023 Assessments</i>	3%	

2024 Budget increases collections from the current budgeted amount of 90% collections to 92% collections.

# 2024 -NEW- WATER RATE SCHEDULE & TIERS

2024 Water Base Rate & Consumption (Invoiced Quarterly)		
Water Base Rate & Consumption	From Cubic Feet (CF)	2024 Cost per CF
Tier 1 - Base Rate (Quarterly)	0 - 1,800 cu.ft.	\$74.07
Tier 2	1,801 - 3,000 cu.ft.	\$3.75 / 100 cu.ft.
Tier 3	above 3,001 cu.ft.	\$5.00 / 100 cu.ft.
Water Service Fee	n/a	\$0.00 - included in "Tier 1-Base Rate"

1. Starting in 2024, the Quarterly Water Service Fee will be replaced with a Water Base Rate included in Tier 1, of \$74.07. Tier 1- Base Rate includes the Water Service Fee (aka. Base Rate) and Water Consumption up to 1,800 cu.ft..

2. The 2024 Proposed Budget includes an adjustment to the water consumption rate usage structure in alignment with 2023 Water Rate Study by NWWWS.

# TOTAL ESTIMATED CHANGE BY MEMBER ASSESSMENT & WATER

	Proposed 2024 Budget	Current 2023	Annual \$ Change	Annual % Change
Proposed Annual Assessments	\$ 1,977.12	\$ 1,927.20	\$ 49.92	3%
*Water Consumption & Base Rate				
Tier 1- Base Rate up to 1,800 cu.ft.	\$ 296.28	\$ 128.25	\$ 168.03	131%
Water Service Base Fee (no consumption)	\$ -	\$ 144.20	\$ (144.20)	-100%
<b>Total</b>	<b>\$ 2,273.40</b>	<b>\$ 2,199.65</b>	<b>\$ 73.75</b>	<b>3%</b>

\*Water Consumption estimate based on average Water Consumption of 1,394 cu.ft.

# BUDGET ASSUMPTIONS

## 2024 CONSOLIDATED BUDGET

### Operations Specific

- 2023 Water Rate Study by Northwest Water Systems
- HR Salary review for Maintenance staff
- Increase Collections by 2% to 92% collections
- Insurance – 12% estimated increase per agent
- Employee Medical Benefits- 10% estimated increase per agent

### All Other Assumptions

- 2023 Budget & projection through 07/31/2023
- Input from General Manager, Maintenance Lead, Pool Lead, Finance Committee, Board of Directors, Vendors, Tax Agencies, & the Membership
- COLA = 3.6%
- NON-COVID year
- All Legal Foreclosure actions funded from prior year operations collections & are NOT included in the 2024 Consolidated budget.

### Reserves Specific

- 2024 Reserve Study
- 2023 Strategic Planning identifying the Board's top 5 capital priorities
- **No** In-House Reserve Projects in 2024
  - In-house reserve projects- capital reserve work performed by employees of CCA.
  - Very successful in 2023, however, maintenance suffering due to ability to hire employees.

# 2024 PROPOSED OPERATIONS & WATER OPERATIONS BUDGET

	2024	2024	2023	2023	VARIANCE	VARIANCE
	General Operations	Water System Operations	General Operations	Water System Operations	General Operations	Water System Operations
<b>CCA Revenues</b>						
HOA Operations Dues/Assessments	\$ 952,568	\$ -	\$ 914,113	\$ -	\$ 38,455	\$ -
Water Consumption & Base Rate Income	-	416,942	-	174,765	-	242,177
Water Service Fee Income	-	-	-	181,714	-	(181,714)
Fines & Fees (Liens/ Renters/ Transfer)	81,973	-	62,750	-	19,223	-
Credit Card Income	17,200	-	17,000	-	200	-
Other Income	27,300	-	18,600	-	8,700	-
Allocated Water Income	-	-	(74,571)	74,571	74,571	(74,571)
<b>Total CCA Revenues</b>	<b>\$ 1,079,041</b>	<b>\$ 416,942</b>	<b>\$ 937,892</b>	<b>\$ 431,050</b>	<b>\$ 141,149</b>	<b>\$ (14,108)</b>
<b>CCA Expenditures</b>						
TOTAL Administration Expenses	\$ 38,446	\$ 7,344	\$ 40,126	\$ 8,610	\$ (1,680)	\$ (1,266)
TOTAL Other Professional Fees	47,455	-	46,862	-	593	-
TOTAL Deputy Sherrif Stipend	60,000	-	20,000	-	40,000	-
TOTAL Credit Card & Bank Fees	18,200	-	18,000	-	200	-
TOTAL Utilities Expense	56,051	14,868	48,273	29,912	7,778	(15,044)
TOTAL Business Insurance Expense	55,153	55,153	47,358	47,358	7,795	7,795
TOTAL Supplies	45,042	1,721	45,358	1,251	(316)	470
TOTAL Chemical Supplies	5,729	33,832	3,710	54,229	2,019	(20,397)
TOTAL Payroll Expense	695,498	59,531	593,724	53,665	101,774	5,866
TOTAL Repairs, Maintenance, & Grounds	134,709	10,406	132,242	8,328	2,467	2,078
TOTAL Community Support	9,480	-	9,480	-	-	-
TOTAL Business Taxes	6,702	6,445	12,907	24,293	(6,205)	(17,848)
TOTAL Regulatory Compliance	23,000	17,453	25,100	25,323	(2,100)	(7,870)
TOTAL CCRs & Mandates	61,125	32,640	52,422	30,411	8,703	2,229
TOTAL Allocated Expenses	(177,549)	177,549	(147,670)	147,670	(29,879)	29,879
<b>TOTAL CCA Expenditures</b>	<b>\$ 1,079,041</b>	<b>\$ 416,942</b>	<b>\$ 947,892</b>	<b>\$ 431,050</b>	<b>\$ 131,149</b>	<b>\$ (14,108)</b>
<b>Net CCA Operating Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ -</b>

## Employee Full Time Equivalent (FTE) Comparison

Employee Count Based on 2080 Hours in a Year

Department	2019 FTE	2020 FTE	2021 FTE	2022 FTE	2023 Budget	2024 Proposed Budget	2023 to 2024 Change
Administration							
Security/ Compliance	1.8	2.4	3.1	3.0	3.0	3.5	0.5
Maintenance/ Water System							
ACC	4.1	4.6	5.2	5.8	6.1	6.1	0.0
Pool	1.5	0.1	0.04	1.0	1.6	1.1	(0.5)
<b>SUB-TOTAL FTEs Operations</b>	<b>7.4</b>	<b>7.1</b>	<b>8.4</b>	<b>9.8</b>	<b>10.7</b>	<b>10.7</b>	-
<b>Total FTEs Reserves</b>			0.4	0.5	2.0	0.0	(2.0)
<b>GRAND TOTAL FTE'S</b>	<b>7.4</b>	<b>7.1</b>	<b>8.8</b>	<b>10.3</b>	<b>12.7</b>	<b>10.7</b>	(2.0)

### NOTES

1. Security/ Compliance performed by Admin staff instead of separate personelle starting in 2022.
2. ACC performed by staff starting in 2022, prior to that it was a volunteer position lacking continuity.
3. Pool was open in 2019 and closed in 2020 & 2021. Pool open 2022 forward.
4. No In-House Reserves Projects

# 2024 PROPOSED RESERVE BUDGET

	Proposed 2024 Budget	Fully Funded+	Percent Funded
<b>General Reserves &amp; Impact Fees Funds</b>			
Forecasted Beginning Cash Balance <sup>+</sup>	\$ 887,095	\$ 7,929,014 <sup>++</sup>	11%
Dues Income	969,096		
Impact Fee Income	12,000		
Capital Asset Sale	-		
Anticipated Investment Income	-		
Anticipated Expenditures	(1,452,292)		
Forecasted Ending Cash Balance	<b>\$ 415,899</b>	\$ 7,929,014 <sup>+</sup>	5%
<b>Water System Reserves Fund</b>			
Forecasted Beginning Cash Balance <sup>+</sup>	\$ 535,889	\$ 5,245,310 <sup>++</sup>	10%
Dues Income	652,351		
Anticipated Investment Income	-		
Anticipated Expenditures	(972,593)		
Forecasted Ending Cash Balance	<b>\$ 215,647</b>	\$ 5,027,539 <sup>+</sup>	4%
<b>Future Reserves Fund</b>			
Forecasted Beginning Cash Balance <sup>++</sup>	\$ 65,236	<i>not applicable, Futures is for new</i>	
Dues Income	22,114	<i>asset purchases &amp; reserve studies</i>	
Anticipated Investment Income	-	<i>only include current assets</i>	
Anticipated Expenditures	-		
Forecasted Ending Cash Balance	<b>\$ 87,350</b>		
<sup>+</sup> 2023 Level III "Financial Update with No Visual Site Visit" Reserve Study			
<sup>++</sup> 2022 Level II "Update with visual site inspection" Reserve Study			

# BOARD'S TOP 5 RESERVE PRIORITIES

## LISTED IN NO PARTICULAR ORDER

As ranked by the Board of Directors at the 06.21.2023 Strategic Planning II meeting.

Reserve Goal	Included in 2024 Proposed Budget	Notes
Roads & Water 10-Year Plan	Yes.	Stay the course.
Design & Scope - New Admin Office & Septic	No. In progress in 2023.	5-year goal of a new Admin Building. Design in progress.
New Admin Septic Construction	Yes.	2024 Proposed Consolidated Budget includes Septic Construction
Design & Construction of a Skate Park	No. Pending Information, Scope.	May be insurance restrictions. City of Yelm paid \$409,300 for an 8,300 square foot park, which is consistent with apex. \$45/ sq ft estimate. Using those two numbers, a tennis court sized park, which is 2,800 sq ft, would be \$100k - \$150k.
Rampart Design/ Construction & Hi Lo Sports Court Assessment	No. In progress in 2023.	In progress.



# 2024 PROPOSED RESERVES BUDGET DETAIL

Total 2024 Proposed Reserve  
Expenditures by Fund:

GENERAL: \$1,452,292  
WATER: \$ 972,593

FUND	Component	2024
WATER	Project 2B: Construction - Service Lines, Meter, Cu	\$ 790,115
GENERAL	Asphalt Roads Project 2B: Construction	\$ 1,185,172
WATER	Project 4A: Design - Service Lines, Meter and Road	\$ 62,600
GENERAL	Asphalt Roads Project 4A: Design	\$ 114,000
	<b>SUBTOTAL - ROADS/ WATER PLAN</b>	<b>\$ 2,151,887</b>
GENERAL	Maintenance Eqpt, Truck, Mazda, 2006	\$ 30,700
GENERAL	ADD: Owners Representative	\$ 52,000
GENERAL	ADD: Parking Lots: Pool/ Sunset	\$ 15,000
GENERAL	Pool, Cover, Winter Safety: Replace	\$ 20,500
GENERAL	Office, Septic System, Office	\$ 21,000
	<b>SUBTOTAL - OTHER GENERAL RESERVES</b>	<b>\$ 139,200</b>
WATER	Caustic Systems: Repair/Replace	\$ 28,200
WATER	Reservoir Cathodic Protection Tank #2	\$ 25,000
WATER	Sanitary Survey	\$ 7,280
WATER	Storage Reservoirs - Dive Inspection	\$ 8,500
WATER	NEW ADD: Generator, Backup at Reservoir Tanks	\$ 40,000
	<b>SUBTOTAL - OTHER WATER RESERVES</b>	<b>\$ 108,980</b>
	<b>EXPENSES</b>	<b>\$ 2,400,067</b>
GENERAL	Contingency- General Reserves (10%)	\$ 13,920
WATER	Contingency- Water Reserves (10%)	\$ 10,898
	<b>Total Expenses</b>	<b>\$ 2,424,885</b>

**Proposed 2024 Consolidated Budget can be found on  
our website: <http://www.clearwood-yelm.com/>**

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QUESTIONS? |

**ANNUAL GENERAL MEETING**

**NOVEMBER 4, 2023**

**09:00**

**ZOOM**