

Aspen Shores Budget 2020

Income

General	4000 Dues General (43 x \$260 per lot) = \$11,190	
	General Dues Total	\$11,190
Septic	4020 Dues Septic Set Aside	43x225 = 9675
	4040 Dues Keyhole, PUD, DF Insp, Repair, Tax	43x95 = 4085
	4030 Dues Tank Inspection	38x150 = 5700
	Septic Dues Total	\$19,460
Total Dues Income		\$30,650

Expenses

General		
Common Grounds Expenses:	5020 Irrigation Fees	265
	5040 Improvements	1850**
	5060 Maintenance and Repairs	3550
	5080 Supplies (Irrigation/fertilizer)	310
	5280 RV Storage Light Utilities	205
	Total Grounds Expenses	6180
Operations Expenses:	5220 Office Expenses	430
	5260 Insurance	2600
	5270 Licenses and Permits	10
	Total Operations Expense	3040
Professional Fees:	5320 Accounting Fees	1540
	5340 Legal/Professional Fees	430
	Total Professional Fees	1970
	TOTAL GENERAL EXPENSES	\$11,190
Septic		
Operation and Maintenance	5410 Inspection Drain field	1050
	5450 PUD, Alarm System, Phone Utilities	1170
	5430 Annual M & Repair	1595
	5420 Inspection Individual Homes	5700
	8010 Income tax expense	270
	Total Operations Expense	9785
	To Reserve Set Aside transfer to Reserve CD	9,675
	TOTAL SEPTIC EXPENSES plus set aside transfer	\$19,460

Total Annual Expenses to be assessed in Dues in 2020 **\$30,650**

****Actual estimated cost of RV Arbor Vitae Proposal exceeds the allowance for improvements in 2020 Estimate is \$3130.**

****The project is budgeted with \$1850 plus up to \$1280 from Account #*5127 General Savings.**

Dues: Vacant lot ---- \$260 + 225 + 95 = \$580 annual
Dues: Occupied lot --- \$260 + 225 + 95 + 150 = \$730 annual

Aspen Shores Budget 2020

SAVINGS ACCOUNTS

In 2018 the Board identified various sub-accounts that had accumulated but remained unspent over past years. A review of records allowed us to determine the original sources of income. The funds were identified as Septic or General and then deposited into appropriate SEPTIC Savings or GENERAL Savings accounts by Board approval and in consultation with the accountant. \$1000 was left in the checking account to carry over to 2019 in Checking 1000 and be a perpetual minimum balance left at end of each year.

Purpose:

- Account for Septic Funds separately as required by WM Contract
- Account for end of year funds in excess of annual budget needs
- Increase transparency about collected dues or other income unspent at year end
- Allow members to reprogram and approve use of the Savings Account funds by vote

Source of funds placed in SAVINGS ACCOUNTS

★ Line item 1060 Savings General Funds xxxx5127 –
Account Balance \$5, 843 as of 9/30/2019

\$3797.50 unspent general dues from 2018 from checking account 1000)

\$453.12 unspent general money from a CD not active since 2014

\$1590.16 accumulated general money from from a checking HOLDING account for funds in excess of normal dues (goes back to 2013, 2016 and includes lien settlement income from 2017, interest, late fees, reimbursements for filing fees)

★ Line item 1065 Savings Septic Funds xxxx4722 –
Account Balance \$4651.04 as of 9/30/2019

\$4650.71 accumulated unspent dues from checking sub-account 1010 Septic collected for annual Operation, Maintenance and Repair

Aspen Shores Budget 2020

1. Septic Savings Account

Septic funds will be held in Septic Savings in the event of unusually high costs for annual septic repairs. The septic committee and the Board will evaluate the best use for these funds in 2020 during the annual reserve study and present findings to members at a future general meeting. These funds serve as a buffer against an unpredicted special assessment for Septic expenses and allow us to maintain interest earnings on all Septic CD's.

2. General Savings Account

The Board affirmed on October 26, 2019 that General funds will be held in General Savings to allow members to easily see the status of unspent dues. Members will have opportunities at a general meeting to reprogram those funds during a budget approval process at general meetings. The Savings account will receive unspent general funds at the end of each year.

3. Disclosure regarding Septic Reserve Funds

Section 326 of WUCOIA applies to any association in order to “protect the public interest” and overrides any conflicting provisions in RCW 64.38. The following statement is required to accompany any proposed budget.

The 2019 Septic Reserve Study meets the requirements of WUCIOA and Section 326, and the 2020 budget meets the recommendations of our Study, except that the 2020 annual budget for OM&R is \$1595 instead of recommended \$2034.

Fully funded replacement value is \$423,938 (excluding transport lines in neighborhood streets and transport lines under Highway 28 and under Quincy Avenue.)

Current funding rate of \$9,675 for thirty years will add \$290,250 to \$99,502 in reserves resulting in \$389,782 in 30 years.

Full funding (including CPI) at the end of 30 years is \$600,820 (not including transport lines). To achieve that amount in thirty years, annual contribution would be \$388.62 per lot.

The study found that current rate of contribution per lot of \$225 results in partial funding of anticipated needed Reserve Funds.

If assumptions in the Study are correct, the Reserve is underfunded by approximately \$162 per year per lot.

Our 30 year replacement plan is partially funded.

The 2020 Reserve Study should include analysis of dues requirement to realistically fund our Reserves.