

## SMCA 2023 Budget

	Budget 2023
<b>INCOME</b>	
Annual Assessment Income	\$ 10,500.00
Interest Income Heritage Bank	\$ 5.00
Savings assessment (\$50/lot/qtr) <sup>1,2</sup>	\$ 7,000.00
<b>General Income Subtotal</b>	\$ 17,505.00
<b>Water Income</b>	
Service Fee (\$50/lot/qtr)	\$ 7,000.00
Usage Fee	\$ 7,100.00
<b>Water Income Subtotal</b>	\$ 14,100.00
<b>TOTAL INCOME</b>	\$ <b>31,605.00</b>
<b>EXPENSE</b>	
Bank Fees	\$ -
Insurance	\$ 3,604.00
Legal - General	\$ 1,500.00
Licenses & Permits SMCA	\$ 20.00
Office Expense SMCA Board/Admin	
Archiving (safe)	\$ -
Audit - annual	\$ 325.00
Office Supplies	\$ 100.00
PO Box Fee	\$ 80.00
Postage	\$ 12.00
Website (2 yr - off year)	
Picnic	\$ 150.00
<b>General Expense Subtotal</b>	\$ 5,791.00
<b>Road &amp; Drainage Maintenance</b>	\$ 1,500.00
<b>Water System</b>	
Utilities - PSE - Each pump location	
2230 Skycrest (3B)	
790 Snowberry (2A-Pumphouse)	\$ 1,815.00
Admin - Water Coordinator Supplies	\$ 150.00
<u>King Water Regular Services:</u>	
Monthly Svcs - King	\$ 5,319.00
Clean-Flush	\$ 2,600.00
Testing (1-5 tests done monthly)	\$ 1,484.00
<b>Equipment:</b>	
Pump & Install	\$ -
Generator Annual Maintenance	\$ 200.00
Hydrants (bi-annual mtce-even yrs)	\$ -
LP - for generator	\$ 441.00
Operator Permit Fee	\$ 271.00
Wellhouse Maintenance	\$ 150.00
Wellhouse Security - Camera	\$ 120.00
WIWSA Membership	\$ 62.00
<b>Water System Subtotal</b>	\$ <b>12,612.00</b>
Savings assessment transferred to Savings Account <sup>3</sup>	\$ 7,000.00
<b>TOTAL OPERATING EXPENSE &amp; RESERVES</b>	\$ <b>26,903.00</b>
<b>NET OPERATING INCOME/EXPENSE</b>	
	\$ <b>4,702.00</b>

*Proposed Savings Account - Balance at YE 2023* \$ 7,000.00

*Total All Bank Est YE 2023* \$ 44,133.31

**Bank Balance @ 12-31-22** \$ **33,447.31**

Approved 1-21-23 with change - move savings assessment from water income to general income.

## **SMCA 2023 Budget**

### Notes to Budget:

1 - Reserve Study: SMCA has performed a reserve study that meets the requirements of RCW 64.90.550

2 - Savings plan contribution is \$200 per lot per year, collected via inclusion in regular quarterly water billing. Funds to transfer quarterly into Savings Account.

3 - Under the study's Baseline Funded Model, SMCA's recommended initial annual savings contribution should be \$25,500. Our \$7,000 annual contribution reflects 27.451% of that recommended by the study.

The following are adjustments recommended to the study:

- Commencement date adjusted to 2023 with the first year of assessments creating beginning balance of reserves - timeline pushed out 2 years overall;

- Select components of Reserve Study deferred from the original timeline (eg underground piping) reflecting SMCA's view as lower priority and/or possibly covered from operating account;

- 5-yr paved road repair/crack sealing included in the study. With proven lifespan of current road, and in consideration of the addition of periodic repair (not done previously), the repaving deferred from 30 yr to 40 yr (2064), with appropriate adjustments for inflation.

Summary: The current level of assessment towards reserves will not meet longterm projections, due to extraordinary expense in 2031 and 2049, which cannot be covered under current assessment schedule or operating account. See attached schedule "Sky Meadows Level 1 Study 2023 Baseline Funded Model Projection, altered to reflect SMCA actual budgeted savings schedule".