



Sunrise Master Association

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DATE: October 21, 2022
TO: Sunrise Master Association Homeowners
FROM: Sunrise Master Association Board of Directors
RE: Notice of 2023 Budget Ratification Meeting

2023 Budget Ratification Meeting

Tuesday – November 15, 2022 – 6:00 PM

Zoom Meeting <https://bit.ly/SMABUDGET23>

The 2023 Budget has been finalized and approved by the Sunrise Board of Directors as recommended by the 2023 Sunrise Budget Committee (an advisory committee comprised of Homeowners). The next step in the budget process is the ratification of the budget by the members of the Sunrise Master Association. All Owners are invited to this meeting. Please join us for the meeting and bring any questions you may have.

The meeting will be held by Zoom and the meeting log in is <https://bit.ly/SMABUDGET23>. If you need to call in, please contact the office for the call-in number.

MEETING AGENDA for November 15, 2022

- Call Meeting to Order
- Presentation of the 2023 Budget
- Homeowner Budget Related Questions & Comments
- 2023 Budget Ratification Vote
- 2022 Tax Resolution Vote – Revenue Ruling 70-604

The Association typically files an 1120-H tax return. However, certain circumstances may require the Association to file an 1120 tax return. If a 1120 tax return is filed, it is necessary for the Association membership to approve the 70-604 tax election. The Revenue Ruling 70-604 is a tax ruling that allows the Association to avoid taxation on any excess member income (as defined in the Internal Revenue Code) that may inadvertently arise. The ruling states that the members of the Association must meet to make the election. The ruling allows two options only; (1) refund the excess member income to the members or (2) apply the excess to the following year's assessments.

The Board of Directors has determined that it is impractical to attempt to refund possible excess member income because of the administrative issues involved and the fact that the excess member income may be needed as working capital to pay for continuing Association operating expenses. Therefore, the Board of Directors requests that you approve an election under Revenue Ruling 70-604 to apply any excess member income to the following year's assessments.

- Adjournment

2023 Sunrise Master Association Assessment Information

Sunrise Master Association (SMA) Annual Assessment and Due Date – All SMA Assessments are billed on an annual payment schedule. The 2023 SMA Assessment is set at **\$750.00** per unit for Class A (Single Family Unit Owners) and **\$375** per unit for Class B (multi-family apartment owners). The SMA Assessment is due in full on **January 1, 2023**. Assessment payments received after January 10, 2023, are considered late and are subject to late fees, interest, and administration fees per the SMA due process policy. Owners who are facing hardship must contact the SMA's management at (360) 872- 8137 or smaadmin@comcast.net before January 10 to request approval of a payment arrangement from the Board of Directors.

*You will receive your 2023 annual assessment courtesy statement for \$750.00 after the ratification meeting. **You do not need a statement to pay and not receiving a statement does not relieve an owner of the obligation to pay.***

Specific Assessments – Homeowners in Emerald Pointe, Emerald Pointe West, and Cambria pay an additional "Specific Assessment" to cover maintenance costs unique to those developments. Specific Assessments are due in full on April 1, 2023 and are considered delinquent if not received by April 10, 2023.

2023 Specific Assessments:

- Cambria \$250.00
- Emerald Pointe \$227.00
- Emerald Pointe West \$120.00

Sub-Association Properties – Owners of Units in The Ridge, Emerald Pointe, Emerald Pointe West, and Sierra Crest are members of sub-associations and should contact their Sub-Association management company for information about sub-association assessments and due dates in addition to their Sunrise Master Assessment.

Assessment Payment Options

1. **Pay Online by e-check or credit/debit card (via HOA Community Solutions website)**
 - Go to www.hoacommunitysolutions.com and click on Pay Online and you will be routed to the Alliance Association Bank secure portal.
 - Scroll down to "Make a One-time Payment" on the right-hand side of the page.
 - Select your method of payment and follow the instructions.
 - You will need the following information to make an online payment:
 - Management Company ID: 6835
 - Association ID: SRMA
 - Account number: Located at the top of your statement.
 - Contact smaadmin@comcast.net / 360-872-8137 if you need assistance.
2. **Pay by personal check or bill pay (via your personal banking institution):**
 - Include the Association ID code of SRMA and your five-digit account number on the memo line so your payment is properly posted to your account.
 - If you have multiple properties, please issue separate payment for each property.
 - a. **Preferred Method** – Mail a check or send bill-payment to the secure processing center
Sunrise Master Association Processing Center
PO Box 97974
Las Vegas, Nevada 89193-7974
 - b. **Mail your check or money order payable to the SMA office.** Cash is not accepted. The office address is:
Sunrise Master Association
15807 134th Ave E
Puyallup, WA 98374
 - c. **Drop off a check in the mail slot in the door at the SMA office at the address above.**

**Owners who are currently enrolled in ACH will have their payment automatically adjusted to \$62.50 per month and do not need to do anything.*



**SUNRISE MASTER ASSOCIATION
2023 BUDGET SUMMARY**

The 2023 Sunrise Master Association (SMA) Budget Committee (the Committee) homeowner members, Brenda Pearson, Cliff Snyder, and Roger Elmore met several times in September and October. The Committee thoroughly reviewed the projected expenses for 2023, as well as the historic expenses, vendor contract pricing, and 2023 revenue sources. The Committee recommendations were presented to the Board of Directors and the 2023 Sunrise Master Association Budget was adopted on October 18, 2022.

High inflation in the areas that greatly impact the Association, namely fuel, labor, and construction materials, along with the addition of common areas in our new developments and maintenance of our new park, means that the Association is experiencing increases in almost all expense categories. At the same time, home resales and new construction are slowing, which will decrease the Association's revenues from Conveyance Contributions and new Assessments.

After removing contingencies and carefully projecting expenses, the Total Expenses as budgeted are increasing from \$2,214,196 in 2022 to \$2,310,590 in 2023, which is an overall increase of \$96,194. One hundred twenty-five (125) Units were added in 2022, bringing the January 1, 2023, Class A equivalent Unit count to 2,701. This reduces the per Unit/per month costs by 35 cents. However, income from Conveyance Contributions is projected to decrease from \$309,520 in 2022 to \$114,000 in 2023 due to the softening housing market. To balance the budget, the Annual Assessment would need to increase from \$710 to \$825 per Class A Unit and \$412.50 per Class B Unit, an increase of 15.4%

The Committee is aware that Sunrise homeowners are also dealing with rising costs due to inflation, and desires to keep the Assessment as low as possible while also acknowledging the reality of an increase in expenses. The Sunrise Master Association intends to navigate this balance by using some of the retained earnings that have accumulated over the last three years, in large part from Conveyance Contributions and marginally raising assessments from \$710 to \$750 per Class A Unit and \$375 per Class B Unit, a 5.6% increase. This increase is well below the area inflation rates. This will however leave a deficit of \$202,580 to be covered by retained earnings. Using retained earnings to balance the budget is a temporary solution and the SMA Owners should expect incremental increases over the next two years to achieve a balanced budget as the market and our economy correct themselves.

Following is a review of notable changes in income and expenses.

INCOME

- **Operating Assessments** – Increasing from \$1,836,929 in 2022 to \$1,862,968.75 in 2023
 - 2,500 Class A (single family) units as of January 1, 2023, at \$750 per unit – \$1,647,000
 - 402 Class B (apartment units) as of January 1, 2023, at \$375 per unit - \$150,750
 - 92 Class A (single family) units to be added in 2023 - \$51,750
 - 42 Class B (apartment units) to be added during 2023- \$13,468.75

Operating assessments are increasing by 5.6% from \$710 to \$750 annually in 2023 for Class A Unit Owners and from \$335 to \$375 per Unit for Class B Unit Owners. This is a monthly increase from \$59.17 to \$62.50 for Class A Unit Owners and \$29.58 to \$31.25 for Class B Unit Owners.

- **Conveyance Assessments** – Decreasing from \$309,520 in 2022 to \$114,000 in 2023
 - Projecting 40 conveyances of current owner homes at \$750 per unit - \$30,000
 - 112 conveyances of newly built single-family homes at \$750 per unit - \$84,000
 Conveyance Assessment income is not income that should be depended upon and is intended to be used for Capital Improvements. When development is complete, income from Conveyance Assessments will be derived solely from resales.
- **Community Center Rental** – Includes the park picnic shelter and the clubhouse rentals. Increase to \$6,500 from \$4,650 due to the picnic shelter rentals.
- **Special Events Income** – Increase from zero in 2022 (due to uncertainty around Covid restrictions) to \$1,800 in 2023 for National Night Out vendor booth donations.
- **Easement Fee** – Charged to Emerald at Sunrise HOA for an easement over SMA common area. Increase by CPI to \$1,250.00.
- **Admin Fee EP** – Charged to Emerald Pointe owners and paid for through their Specific Assessment for management of special assessment and gates.
- **Investment Interest Income** – Increase to \$4,000 based on 2022 Actuals.
- **Gate Fob Income** – Reimbursements for gate fobs purchased by Emerald Pointe owners. Reduce to \$800 because new builds are completed.
- **Delinquency Related Income** – Income related to delinquencies are Late Charges, Lien Recording Fees, Lien Release Fees, Notice of Intent to Lien Charge, Interest on Past Due, Administrative Notice Fee, and Certified Mail Fee. The goal of the Association is to have zero income due to delinquencies. However, it is an unfortunate reality that there will be delinquencies in a large Association. Increase the 2023 combined budget items for all Delinquency Related income to \$47,800 in 2023 from \$20,200 in 2022, based on the average of the actual cash received from these line items over the last four years.
- **Legal Expense**– Legal Fee Expense income is based on legal fees that are charged to homeowner accounts for collections or compliance related legal fees. Increase to \$40,000 in 2023 from \$15,000 in 2022 based on an average of the actual cash received in this line item over the last three years.
- **Fines/Compliance Income** –The Association’s goal is to have no income generated by fines. However, the reality is that there will be some fines in a large Association. Increase to \$7,400 in 2023 from \$1,500 in 2022 based on an average of actual cash received over the last four years less outliers from daily fines levied for rental restriction violations.

EXPENSES

BAD DEBT/DOUBTFUL ACCOUNTS

The accounting is done on accrual basis. This means that income is entered when it is billed, not when it is collected. To prevent overspending, the Bad Debt/Doubtful Accounts line-item accounts for Assessments that the Sunrise Master Association is unlikely to collect during the year. The National default rate is approximately 3%, which would be the equivalent of 75 owners in the SMA defaulting. The SMA consistently experiences less default on Assessments than the National default rate. This line item is decreasing from \$56,800 in 2022 to \$30,000 in 2023, based on 40 owners who may not pay their assessments in 2023.

ADMINISTRATIVE

- **Security** – Increase from \$148,002 in 2022 to \$204,958 in 2023 to add private security to compliment the off-duty Sheriff Deputy Patrols. Specific attention will be committed to our parks.
- **Legal Fees** – Decrease from 75,000 in 2022 to \$55,000 in 2023 based on actuals over the last three years.
- **Management** – Increase from \$377,683 in 2022 to \$420,704 in 2023 for the addition of staff needed to service the rapid growth in Sunrise.

- **Fees and Licenses** – Increase from \$670 in 2022 to \$1,500 in 2023 for the addition of the Splash Pad permit.

LANDSCAPE/GROUNDS MAINTENANCE

- **Splash Pad Supplies** – Increase from \$3,470 in 2022 to \$5,000 in 2023 based on calculations of consumables use.
- **Tree Maintenance** – increase to \$25,000 in 2023 from \$15,000 in 2022 due to additional wetland areas adjacent to homes in new communities and the management of dead/dangerous trees from common areas throughout the Association.
- **Landscape Maintenance Contract** – Increase from \$633,530 in 2022 to \$675,000 in 2023 due to pricing increases in labor, fuel, and chemicals affecting the vendor contract pricing. The Association is considering a new contract and this budget is set midway between the low and high bid.
- **Irrigation Repairs/Upgrades** – Increase from \$44,650 in 2022 to \$50,000 in 2023 based on actuals seen in 2022 and based on inflation rates that have increased component costs by 20% to 100%.

RESERVE CONTRIBUTION

Reserves funds are set aside for the major repairs and replacements of the commonly owned components. The Sunrise Master Association has a Reserve Study for 2023 that meets the requirements of RCW 64.90.550. The SMA is following the Reserve Study Specialist's recommendation to contribute \$306,000 to the Reserves Fund, with a trajectory of reaching the 100% Fully Funded level by 2032. A copy of the 2023 Reserve Study is available for review and download on the Sunrise Master Association website at www.sunrisemasterassociation.com.

REPAIRS/MAINTENANCE

- **Pond Maintenance** – Decrease from \$13,540 in 2022 to \$12,336 in 2023 because no fountains are going in for routine factory maintenance in 2023. This amount also includes a 3% increase in contract pricing over 2022.
- **Severe Weather** – Increase to \$3,000 in 2023 from \$2,000 in 2022 due to demand of services and increase to CPI.
- **HVAC Maintenance Contract** – Increase from \$1,500 in 2022 to \$3,000 in 2023 due to an aging system at the Clubhouse.
- **Maintenance Supplies** – This line items primarily covers dog waste bags and trash bags. Increase to \$4,000 in 2023 from \$3,500 in 2022 based on actual spending in this line item in 2022.

TAXES

- **Taxes Real Estate** – Increase from \$4,200 in 2022 to \$4,500 in 2023 based on property tax increases.

UTILITIES

- **Water** – Increase from \$222,210 in 2022 to \$228,876 based on TPU's requested rate increase of 3-4%.
- **Electricity** – Increase from \$84,860 in 2022 to \$95,128 in 2023 based on the addition of streetlights and irrigation meters in our new communities and the new park and PSE's requested rate increase of 12.1%.
- **Telephone** – Increase from \$3,700 in 2022 to \$5,400 in 2023 because of the addition of cellular hot spots for the cameras and for the splash pad monitoring at the park. This line item also covers internet and the telephone system for the main office.
- **Sewers** – Increase from \$1,000 in 2022 to \$1,356 based on the actual bills.

SUNRISE MASTER ASSOCIATION 2023 SPECIFIC ASSESSMENTS

CAMBRIA 2023 SPECIFIC ASSESSMENT

Cambria at Sunrise is a development within the Sunrise Master Association with private roads, sidewalks, and related elements that are specific to the development. The SMA maintains these elements on behalf of the Cambria community and the costs to maintain them are passed back to the Unit Owners as a Specific Assessment. In 2022, a Reserve Savings Account was started to begin saving toward major repairs.

The 2023 Total Expenses are projected to be \$23,250 including Reserve Account funding. The Specific Assessment is set at \$250 per Unit Owner due on April 1, 2023, for a Total Income of \$23,250.

EXPENSES

- **Severe Weather** – Increase to \$475 in 2023 from zero in 2022 for snow/ice removal.
- **Reserve Contribution** – Increase to \$22,275 in 2023 from \$18,600 in 2022. This contribution is below recommended funding levels. The Reserve Study recommends a Special Assessment of \$16,000 plus a contribution of \$28,800 due to the age and deterioration of the components.

A copy of the 2023 Reserve Study is available for review and download on the Sunrise Master Association website at www.sunrisemasterassociation.com.

EMERALD POINTE 2023 SPECIFIC ASSESSMENT

The Emerald Pointe at Sunrise owners have private streets, gates, and other related elements specific to the development. The Sunrise Master Association maintains these elements on behalf of the Emerald Pointe community and the costs to maintain them are passed back to the Unit Owners as a Specific Assessment. In 2022, a Reserve Account was set up to save toward major repairs and maintenance.

The 2023 Total Expenses are predicted to be \$115,671 including Reserves Account funding and routine maintenance expenses. The per Unit Owner Specific Assessment is set at \$227 per owner due on April 1, 2023, for a Total Income of \$105,782.

EXPENSES

- **Bad Debt/Doubtful Accounts** – This line item creates a cushion to offset income that may not be received in 2023. There are currently 23 owners who have not paid the 2022 Specific Assessment. This line item was increased from \$5,200 in 2022 to \$5,221 in 2023.
- **Gate Repairs** – This line item includes preventative maintenance and repairs and is increased from \$4,800 in 2022 to \$10,000 in 2023.
- **Gate Telephone** – Increase from \$1,860 in 2022 to \$2,000 in 2023 based on current bills.
- **Gate Code Admin** – Increase from \$350 in 2022 to \$425 in 2023 due to the gate program cloud service provider's increase.
- **Reserve Contribution** – Increase transfer to Reserves to \$92,400 from \$65,880 based on the Reserve Specialist's Recommendation.
- **Severe Weather** – This is for ice and snow removal. Increase to \$2,300 in 2023 from \$1,660 in 2022.

A copy of the 2023 Reserve Study is available for review and download on the Sunrise Master Association website at www.sunrisemasterassociation.com.

EMERALD POINTE WEST 2023 SPECIFIC ASSESSMENT

Emerald Pointe West at Sunrise (EPW) is a new development within the Sunrise Master Association. The development has private streets and other related elements specific to the development. The SMA maintains these elements on behalf of the Emerald Pointe West community and the costs to maintain them are passed back to the EPW owners as a Specific Assessment. A 2023 Reserve Study was completed to establish savings for major repairs and replacements.

The 2023 Total Expenses are predicted to be \$8,640, including Reserves funding. The Specific Assessment is set at \$120 per Unit Owner, due on April 1, 2023, for a Total Income of \$8,640

EXPENSES

- **Reserve Study** - \$790 for the 2024 study per agreement with Association Reserves.
- **Reimbursement to SMA** – The SMA paid for the 2023 reserve study..
- **Severe Weather** – \$760 for snow and ice removal.
- **Reserve Contribution** - \$6,300 for the first year of funding, per the Reserve Study Specialist's recommendation.

A copy of the 2023 Reserve Study is available for review and download on the Sunrise Master Association website at www.sunrisemasterassociation.com.

Sunrise Master Association
2023 Budget



Projected Unit Count on January 1, 2023: Class A (Single Family) 2,500; Class B (Apartments) 402. Equivalent of 2,701 Class A Units

2022 Unit Count 2,576 Class A equivalent

		2022 Budget	<i>Per Unit/Mo</i>	2023 Budget	<i>Per Unit/Mo</i>	
	Operating Fund					
	INCOME					
1	Assessment Income	1,836,829.00	<i>59.17</i>	1,862,968.75	<i>62.50</i>	2,500 Class A Units @ \$750 each; 402 Class B @\$375 per unit. Due January 1, 2023. 98 Class A and 42 Class B to be added. Increase of \$40/20 per Class A/B.
2	Conveyance Contributions	309,520.00		114,000.00		152 projected new home sales and resales @ \$750 ea.
3	Savannah Special Benefits	5,000.00		4,555.00		Savannah Ridge Special Assessment for Tree Trimming Expenses.
4	Community Center Rental	4,650.00		6,500.00		Clubhouse & Picnic Shelter Rentals.
5	Developer Contribution	15,000.00		15,000.00		Sunrise Development Corporation Voluntary Contribution.
6	Special Events Income	-		1,800.00		NNO Vendor Booths.
7	Easement Fee	1,110.00		1,250.00		Emerald at Sunrise Easement over SMA Common Area.
8	Admin Fee - EP	2,307.00		2,306.00		Admin of EP funds. 466 owners at \$4.95 per owner.
8	Investment/Interest Income	1,500.00		4,000.00		
9	Gate Fob Income	1,500.00		800.00		Reimbursement for gate remotes for Emerald Pointe owners. New homes are now complete.
11	Late Charges	4,500.00		25,000.00		Adjusted to reflect average of actuals over last four years.
12	Lien Recording Fees	2,500.00		2,500.00		
13	Lien Release Fee	2,000.00		2,400.00		
14	Notice of Intent to Lien Charge	2,600.00		3,400.00		Adjusted to reflect average of actuals over last four years.
15	Interest on Past Due	3,000.00		6,000.00		Adjusted to reflect average of actuals over last four years.
16	Administrative Notice Fee	5,000.00		6,900.00		Adjusted to reflect average of actuals over last four years.
17	Certified Mail Fee	600.00		800.00		Adjusted to reflect average of actuals over last four years.

Sunrise Master Association
2023 Budget



		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
	Operating Fund					
18	Legal Expense Reimbursed	15,000.00		40,000.00		Adjusted to reflect average of actuals over last four years.
19	Fines/Compliance	1,500.00		7,400.00		Adjusted to reflect average of actuals over last four years.
20	NSF/Bank Fees	280.00		430.00		Based on 2022 actuals.
22	TOTAL OPERATING Income	2,214,396.00		2,108,009.75		
	EXPENSES					
	Bad Debt/Doubtful Accounts					
23	Bad Debt/Doubtful Accounts	56,800.00	1.84	30,000.00	0.93	Creates a cushion to offset assessment income that may not be received in 2023. Based on 40 owners.
24	TOTAL Bad Debt/Doubtful	56,800.00	1.84	30,000.00	0.93	
	Administrative					
25	Bank Fees	280.00	0.01	300.00	0.01	Offset by Bank Fees charged to owner accounts.
26	Strongroom	750.00	0.02	850.00	0.03	Third party account payable system. Based on 2022 actuals.
27	Security	148,002.00	4.79	204,958.00	6.32	Off duty Sheriff Deputy patrols throughout SMA and private security for SMA parks.
28	Accounting Services	3,500.00	0.11	3,700.00	0.11	Annual audit fee increase.
29	Insurance Expense	25,085.00	0.81	25,859.00	0.80	Expect up to 10% increase over 2022 Policy Premium.
30	Lien Fees	8,160.00	0.26	8,160.00	0.25	Reimbursable expense (NOILC fees and Lien Fees)
31	Legal	75,000.00	2.43	55,000.00	1.70	Reimbursable fees offset by legal expense income. Includes general council.
32	Management Contract	377,683.00	12.22	420,704.00	12.98	Management company fee and salaries. Add office and park staffing.
33	Fees and Licenses	670.00	0.02	1,500.00	0.05	Add splash pad permit and increase for filing fees.
34	Reserve Study	1,750.00	0.06	1,750.00	0.05	Annual reserves study.
35	Office Expense	3,740.00	0.12	4,500.00	0.14	Increase for inflation and added staffing.

Sunrise Master Association
2023 Budget



		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
	Operating Fund					
36	Clubhouse and Office Cleaning	11,224.00	0.36	12,000.00	0.37	Clubhouse, office, park restrooms, carpet cleaning.
37	Office Equipment	6,000.00	0.19	7,000.00	0.22	Copier lease, furniture, computers, phones.
38	Postage	12,000.00	0.39	12,500.00	0.39	Postage rate increasing 3 cents per stamp.
39	Printing Costs	12,000.00	0.39	12,500.00	0.39	
40	Website	4,200.00	0.14	3,000.00	0.09	
41	Storage Unit	1,577.00	0.05	1,707.00	0.05	
42	Special Events	15,000.00	0.49	15,000.00	0.46	Offset \$1,600 by Special Events Income.
43	Clubhouse Supplies	1,400.00	0.05	1,541.00	0.05	
44	Gate Fob Expense	1,050.00	0.03	800.00	0.02	See gate fob income.
45	TOTAL Administrative	709,071.00	22.94	793,329.00	24.48	
	Landscaping/Grounds					
46	Splash Pad Maintenance	15,110.00	0.49	15,110.00	0.47	
47	Splash Pad Supplies	3,470.00	0.11	5,000.00	0.15	Chemicals and consumables (filtering products, etc.)
48	Landscape Non Contract	29,300.00	0.95	29,300.00	0.90	Add flower beds at new monuments. Add flower bed around park monument.
49	Landscape Contract	633,530.00	20.49	675,000.00	20.83	Negotiating with new landscape contractor. Increased areas to maintain.
50	Tree Maintenance	15,000.00	0.49	25,000.00	0.77	Removal of dangerous trees as determined by tree expert. Increased for added common areas.
51	Irrigation Repairs/Upgrades	44,650.00	1.44	50,000.00	1.54	Irrigation components increased from 20%-100%.
52	Irrigation of Medians	10,000.00	0.32	-	-	Assoc is installing irrigation system in medians.
53	TOTAL Landscaping/Grounds	751,060.00	24.30	799,410.00	24.66	

Sunrise Master Association
2023 Budget



		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
	Operating Fund					
	Non-Operating					
54	Reserve Contribution	300,000.00	9.70	306,000.00	9.44	25,500 per mo per Reserve Study recommendations.
55	TOTAL Non-Operating	300,000.00	9.70	306,000.00	9.44	
	Repairs and Maintenance					
56	General Repairs	2,500.00	0.08	2,500.00	0.08	
57	Unexpected Maintenance	3,000.00	0.10	3,000.00	0.09	
58	Severe Weather	2,000.00	0.06	3,000.00	0.09	Snow & Ice. Increase due to demand and CPI.
59	Savannah Special Benefits	5,000.00	0.16	4,555.00	0.14	See Savannah Special Benefits Income.
60	Signage	3,000.00	0.10	3,000.00	0.09	New Garage Sale signs & updated park signs.
61	Fences	2,000.00	0.06	2,000.00	0.06	Repairs for wood fences maintained by SMA.
62	Maintenance Supplies	3,500.00	0.11	4,000.00	0.12	Dog waste bags, trash bags, dog stations.
63	Fire Test	300.00	0.01	200.00	0.01	
64	Pond	13,540.00	0.44	12,336.00	0.38	3% increase in contract. No factory fountain maint needed.
65	Playground Maintenance	5,000.00	0.16	5,000.00	0.15	Multiple playgrounds - maintenance and safety updates.
66	Storm Drain Maintenance	3,500.00	0.11	3,500.00	0.11	
67	HVAC Maint Contract	1,500.00	0.05	3,000.00	0.09	Preventative maint & repairs of aging system.
68	TOTAL Repairs and Maint	44,840.00	1.45	46,091.00	1.42	
	Taxes					
69	Taxes Real Estate	4,200.00	0.14	4,500.00	0.14	Increases per PC Auditor valuations for park.
70	Taxes Federal	500.00	0.02	500.00	0.02	
71	TOTAL Taxes	4,700.00	0.15	5,000.00	0.15	

Sunrise Master Association
2023 Budget



		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
	Operating Fund					
	Utility					
72	Water	222,210.00	7.19	228,876.00	7.06	4% rate increase.
73	Electricity	84,860.00	2.75	95,128.00	2.93	12.1% rate increase.
74	Telephone	3,700.00	0.12	5,400.00	0.17	Internet, hotspots for cameras and splash pad, telephone.
75	Sewer	1,000.00	0.03	1,356.00	0.04	Sunrise Park and Clubhouse.
76	TOTAL Utility	311,770.00	10.09	330,760.00	10.20	
77	Contingencies (All)	36,155.00	1.17	-	-	Removed all contingency line items.
78	TOTAL EXPENSES	2,214,396.00	71.64	2,310,590.00	71.29	
79	<i>Net Revenue / Expense</i>	-		(202,580.25)	<i>(75.00)</i>	<i>Deficit to be covered by retained earnings.</i>

Sunrise Master Association
2023 Reserves Fund



2022 Reserves Expenditures	
	<u>Projected</u> <u>YE Inc/Exp</u>
INCOME	
Investment/Interest Income	1,311.31
Reserve Income (Transferred from Op)	300,000.00
TOTAL Income	301,311.31
EXPENSES	
Bark All Beds - Common Areas	59,076.00
Concrete Fence Replacement	160,465.31
Brick Repairs - Emerald Pointe	4,500.00
ER Detention Pond Fence/Gate	3,330.53
Chainlink Fence Repairs - Dog Park	4,123.29
Concrete Fence Repair	18,639.57
Mailbox Replacement	91,960.00
Playground Maintenance	6,142.81
Em Pte Park Sidewalk Repair	1,550.00
TOTAL Expenses	349,787.51

2023 Reserve Recommended Expenditures	
	<u>Recommended</u> <u>Inc/Exp</u>
INCOME	
Investment/Interest Income	1,500.00
Reserve Income (Transferred from Op)	306,000.00
TOTAL Income	307,500.00
EXPENSES	
Monument Replacements/Repairs	25,750.00
Concrete Fence Repairs	7,500.00
Tanglewood Basket Ball Court Repairs	1,750.00
Basket Ball Equipment Repairs	12,900.00
Building Exteriors Paint/Caulk	9,350.00
Office Equipment	2,000.00
EP Court - Repairs	3,400.00
Irrigation Pump Southpoint	1,700.00
Irrigation Pump Southwood	1,650.00
Asphalt Seal and Repair (new park)	10,100.00
TOTAL Expenses	76,100.00

The Sunrise Master Association has a Reserve Study for 2023 that meets the requirements of RCW 64.90.550.

Recommended Reserve Contribution:	\$ 306,000.00
Actual budgeted Reserve Contribution:	\$ 306,000.00
Shortfall between budget & recommendation:	\$ -
Reserve Study recommended Fully Funded balance:	\$ 1,045,550.00
Actual Reserve Account balance at time of study:	\$ 537,221.00
Deficiency in Reserves total:	\$ (508,329.00)
Deficiency in Reserves per Class A unit:	\$ (188.20)
Deficiency in Reserves per Class B unit:	\$ (94.10)

A copy of the Sunrise Master Association 2023 Reserve Study is available on the Sunrise Master Association Website at www.sunrisemasterassociation.com

Cambria at Sunrise

2023 Specific Assessment Budget



Cambria at Sunrise has private roads, sewers, and sidewalks specific to the owners therein. A Reserves Fund has been established for the repairs and maintenance of the private elements. Cambria also has expenses that do not qualify to be paid from Reserves. The Specific Assessment covers those expenses as well as Reserve funding.

		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
	Cambria Specific Assessment					
1	INCOME					
	Specific Assessment	-	-	23,250.00	20.83	93 Units @ \$250.00 per unit
2	Investment/Interest Income	-	-	-	-	
3	TOTAL Income	18,600.00	16.67	23,250.00	20.83	
	EXPENSES					
4	Reserve Study	500.00	0.45	500.00	0.45	
5	Storm Drain Maintenance	-	-		-	
6	Severe Weather	-	-	475.00	0.43	De-icing (if not needed will be added to Reserves)
7	Reserve Contribution	18,600.00	16.67	22,275.00	19.96	Does not meet recommended funding levels.
8	TOTAL Expenses	19,100.00	17.11	23,250.00	20.83	

Cambria at Sunrise has a Reserves Study for its private elements that meets the requirements of RCW 64.90.550.

The 2023 Reserves Study Funding does not meet the recommendations of the Reserve Study.

Recommended Reserve Contribution:	<u>\$ 28,800.00</u>
Recommended One Time Special Assessment:	<u>\$ 16,000.00</u>
Actual Budgeted Reserve Contribution:	<u>\$ 22,275.00</u>
Shortfall between budget & recommendation:	<u>\$ 22,525.00</u>
Reserve Study recommended Fully Funded balance:	<u>\$ 189,765.00</u>
Actual Reserve Account balance at time of study:	<u>\$ 26,592.00</u>
Deficiency in Reserves total:	<u>\$ (163,173.00)</u>
Deficiency in Reserves per unit (93 units):	<u>\$ (1,754.55)</u>

The annual deterioration of the components in Cambria is \$11,093. To fully fund Reserves, the specialist recommends a onetime special assessment. In addition to a higher contribution that is budgeted. To fully fund reserves, the total contribution per owner would be \$481.72.

A copy of the Cambria at Sunrise 2023 Reserve Study is available on the Sunrise Master Association website at www.sunrisemasterassociation.com

Emerald Pointe at Sunrise
2023 Operating Fund Budget



Emerald Pointe at Sunrise has private roads and other elements exclusive to the owners therein. A Reserves Fund has been established for the major repairs and maintenance of the private elements. Emerald Pointe also has routine expenses to maintain and operate the private elements, so Sunrise established an operating account for Emerald Pointe. The Specific Assessment will fund operating and reserves.

The Specific Assessment is based on 466 Unit Owners and will be \$227 per unit, due on April 1, 2023.

		2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
Operating Fund						
INCOME						
1	Specific Assessment	91,336.00	16.33	105,782.00	18.92	466 Units @ \$227
2	<u>TOTAL OPERATING INCOME</u>	91,336.00	16.33	105,782.00	18.92	
EXPENSES						
Administrative						
3	Bad Debt/ Doubtful Accounts	5,200.00	0.93	5,221.00	0.93	Creates a cushion to offset assessment income that may not be received in 2023. Based on 23 owners who may not pay.
4	Admin Expense - EP	2,307.00	0.41	2,307.00	0.41	Administration of the Emerald Pointe Funds. 466 owners at \$4.95 per owner.
5	Reserve Study	570.00	0.10	570.00	0.10	Annual reserves study.
6	<u>Total Administrative</u>	8,077.00	1.44	8,098.00	1.45	
Gate						
7	Gate Repairs	4,800.00	0.86	10,000.00	1.79	Bi-annual maintenance of 4 gates and monthly service calls for 3 hours of technician time.
8	Gate Telephone	1,860.00	0.33	2,000.00	0.36	Based on average monthly bill of \$166.67
9	Gate Code Admin	350.00	0.06	425.00	0.08	Amount for 2022 annual DoorKing subscription.
10	Gate Electricity	400.00	0.07	448.00	0.08	PSE Increase of 12.1%
11	<u>Total Gate</u>	7,410.00	1.33	12,873.00	2.30	
						<i>Continued on page 2 --></i>

Emerald Pointe at Sunrise
2023 Operating Fund Budget



	Non-Operating					
12	Reserve Contribution	65,880.00	11.78	92,400.00	16.52	Recommended fully funded contribution.
13	Total Non-Operating	65,880.00	11.78	92,400.00	16.52	
	Repairs & Maintenance					
	Miscellaneous	-	-	-	-	
14	Severe Weather	1,660.00	0.30	2,300.00	0.41	Increase due to demand and CPI.
	Signage	-	-	-	-	
14	Repairs & Maintenance Conting	2,000.00	0.36	-	-	
15	Total Repairs & Maintenance	3,660.00	0.65	2,300.00	0.41	
	TOTAL EXPENSES	85,027.00	15.21	115,671.00	20.69	
16	<i>Net Income/Expenses</i>	6,309.00	1.13	(9,889.00)		
17	Projected Operating Bal Year End			10,050.00		Carried over per Specific Assessment Policy and covers the deficit.

Emerald Pointe at Sunrise has a Reserves Study that meets the requirements of RCW 64.90.550.

Recommended Reserve Contribution:	<u>\$ 92,400.00</u>
Actual budgeted Reserve Contribution:	<u>\$ 92,484.00</u>
Shortfall between budget & recommendation:	<u>\$ -</u>
Reserve Study recommended Fully Funded balance:	<u>\$ 429,060.00</u>
Actual Reserve Account balance at time of study:	<u>\$ 77,232.00</u>
Deficiency in Reserves total:	<u>\$ (351,828.00)</u>
Deficiency in Reserves per unit (466 units):	<u>\$ (755.00)</u>

A copy of the 2023 Emerald Pointe at Sunrise Reserve Study is available on the Sunrise Master Association website at www.sunrisemasterassociation.com

Emerald Pointe West at Sunrise
2023 Budget



Emerald Pointe West at Sunrise has private roads and related elements exclusive to the owners therein. A Reserves Fund is being established for the major repairs and maintenance of the private elements. Certain expenses (de-icing) are not eligible to be paid from Reserves. Those expenses are budgeted into the Specific Assessment in addition to Reserve Funding.

The Specific Assessment is based on 72 Unit Owners and is estimated to be \$120.00 per owner, due on April 1, 2023.

	2022 Budget	Per Unit/Mo	2023 Budget	Per Unit/Mo	
INCOME					
Specific Assessment	-	-	8,640.00	10.00	\$120 @ 72 owners
TOTAL INCOME	-	-	8,640.00	10.00	
EXPENSES					
Reserve Study	-	-	790.00	0.91	
Reimbursement to SMA			790.00	0.91	SMA paid for the initial annual Reserve Study.
Severe Weather	-	-	760.00	0.88	Snow and ice
Reserve Contribution	-	-	6,300.00	7.29	\$525 per mo per reserve study recommendation
TOTAL EXPENSES	-	-	8,640.00	10.00	
<i>Net Income/Expenses</i>			-		

Emerald Pointe West at Sunrise has a reserves study of the private elements that meets the requirement of RCW 64.90.550.

Recommended Reserve Contribution:	<u>\$ 6,300.00</u>
Budgeted Reserve Contribution:	<u>\$ 6,300.00</u>
Shortfall between budget & recommendation:	<u>\$ -</u>
Reserve Study recommended Fully Funded balance:	<u>\$ 12,150.00</u>
Actual Reserve Account balance at time of study:	<u>\$ -</u>
Deficiently in Reserves Total	<u>\$ (12,150.00)</u>
Deficiency in Reserves per Unit (72 units):	<u>\$ (168.75)</u>

A copy of the 2023 Emerald Pointe West at Sunrise Reserve Study is available on the Sunrise Master Association website at www.sunrisemasterassociation.com