

## Timberline Ridge HOA WA State Assessment & Reserve Funding Disclosure

Date: October 4, 2021

Client: Timberline Ridge HOA

Number of Units: 200

For Fiscal Year Ending: December 31, 2022

Report Date: October 4, 2021

This Assessment & Disclosure Form has been created to comply with Washington State RCW 64.34.308, RCW 64.38.025, RCW 64.38.070 and the Washington Uniform Common Interest Act (WUCIOA). The information supplied to us from the Client has been incorporated into this form and has not been independently audited. The below questions have been taken directly from the WA State RCW.

1. The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based:		
Current allocation rate to the reserve account*	Recommended contribution rate from the reserve study	Funding plan upon which the recommended contribution rate is based
\$29,000	\$37,450 per year	Cash Flow / Threshold - Achieve 100% Funded in 30 Years

\*Current reserve account allocation rate has been supplied by the Client and is assumed to be correct.

2. If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each unit per month or year, and the purpose of the assessments:		
Date the Assessment is Due*	Average Amount Per Unit	Purpose of Assessment*
a. N/A	N/A	N/A
b.		
c.		

\*Special assessment information has been supplied by the Client and is assumed to be correct.

3. If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per unit per month or year:			
Approximate Date Assessment will be Due*	Special Assessment Amount*	# of Units	Average Amount Each Unit Per Year
N/A	\$ N/A	200	\$ N/A

\*Assumptions include annual increases to the Approved reserve allocation rate. Note that the above assessment(s) is a one-time cash assessment that will keep the reserve account above \$0 for the remaining years covered in the reserve study. This is only a "what if" type scenario and provided to comply with WA State Statutory requirements for disclosure.

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4. The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study:	
Estimated amount recommended (ideal Fully Funded Balance) in the reserve account at the end of the current fiscal year based on the Fully Funded Balance.	\$316,766
The projected reserve account cash balance at the end of the current fiscal year:	\$160,370
The current (FY Beginning) percent funded at the date of the latest reserve study:	51%

5. The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years. If the funding plan approved by the association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

	Recommended		Current**		Approved**		
	Ending Balance	Year End % Funded	Ending Balance	Year End % Funded	Allocation Rate	Ending Balance	Year End % Funded
2022	\$179,332	54%	\$170,823	51%	\$37,450	\$179,332	54%
2023	\$210,288	58%	\$192,955	53%	\$38,573	\$210,288	58%
2024	\$221,614	59%	\$195,132	52%	\$39,731	\$221,614	59%
2025	\$249,025	62%	\$213,060	53%	\$40,923	\$249,025	62%
2026	\$284,147	65%	\$238,353	55%	\$42,150	\$284,147	65%

\*\*Information Supplied by Client. Recommended based on the actual amount in the reserve account and working towards a 100% Funded Level. Any negative percent funded or negative account balance shown is for visual representation of deficiency only.

6. In compliance with the WUCIOA Section 326 the below questions and answers have been included in this disclosure.	
Does the Association have a reserve study that complies with Section 331 of the WUCIOA and RCW 64.38.070 of the Homeowners' Association Act?	Yes
Deviation of Approved Funding from the Recommended Funding Model in the Reserve Study (Annual Approved funding allocation rate subtracted from the Annual Recommended Funding allocation rate).	\$0
What is the current surplus or (deficit) on an <u>average</u> per unit basis when comparing the FY Starting Reserve Balance to the FY Starting Fully Funded Balance?	(-\$782)

**NOTE:** The financial representations set forth in this summary are based on the best estimates of the preparer at that time; the estimates are subject to change. Assumption have been made regarding the interest and inflation going forward and have been disclosed in the reserve study funding models. Reserve Account Cash Balances and Percent Funded cannot realistically be in a negative territory but it has been reported this way as a visual representation of the amount that the reserve account is projected to be in shortfall. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party. The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report. This Assessment & Disclosure Form has been created to comply with Washington State RCW 64.34.308, RCW 64.38.025, RCW 64.38.070 and the Washington Uniform Common Interest Act (WUCIOA).