



# RESERVE DATA ANALYST

## **Timberline Ridge HOA**

Sammamish, WA

### **Level II Reserve Study Update (With Site-Visit)**

Fiscal Year: 2022

Report#: 16809

Version: Final

### **Reserve Data Analyst, Inc.**

[www.reservedataanalyst.com](http://www.reservedataanalyst.com)

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Report Date: October 4, 2021

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## Timberline Ridge HOA Introduction

Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained in our Reserve Study Guidebook available at the following link:



[www.reservedataanalyst.com/guidebook](http://www.reservedataanalyst.com/guidebook)

The recommendations for the allocation rates of the different funding models are only for the beginning year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that therefore the recommendations for the first fiscal year in the study are based on current cost and current useful life estimates levels as opposed to future cost and future useful life projections.

From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables such as what projects have been done, what projects has been deferred, changes to the allocation rate, changes to the starting balance, changes to the component list, actual inflation rate figure (versus projections), maintenance or lack of maintenance of components, etc. Annual updates to the study help to incorporate change to these variables as they occur so changes to the recommendations are less significant than if updates are done infrequently.

There are a couple of tips to consider that will help you both navigate this study and understand the different sections within the study:

- ❏ **Study Navigation** - To navigate this study more easily, we recommend printing out the Table of Contents page at the beginning of the study and the Component Index pages at the rear of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Index pages.

### **Within this reserve study you will find:**

- ❏ A list of common questions that a typical reader of our reserve study will have, as well as links to additional information on the topics: (*Reserve Study Knowledge Base*)
- ❏ A list of the site and building components that are reportedly the Client's responsibility along with their respective costs and quantity: (*The Component List*)
- ❏ A timeline of the estimated dates that we recommend funds be allocated to the repair/replacement project. (*Projected Expenditures Report*)
- ❏ Various funding models with different goals in mind. (*Summary and Projections for each Funding Model*)

## Timberline Ridge HOA Executive Summary

|                      |                      |
|----------------------|----------------------|
| Name                 | Timberline Ridge HOA |
| Location             | Sammamish, WA        |
| Contributing Members | 200                  |
| Base Year / Age      | June 1, 2000         |
| Fiscal Year Ends     | December 31, 2022    |

|                                |   |
|--------------------------------|---|
| Level of Service               | Level II Reserve Study Update (With Site-Visit) |
| Prepared for Fiscal Year       | 2022  |
| Last On-Site Inspection Date   | June 15, 2021                                   |
| Inflation Rate for Projections | 3.00%   |
| *Interest Rate for Projections | 1.00%   |
| *Tax Rate On Interest Earned   | 30.0%   |
| Funding Plan Method            | Pooled Cash Flow Method                         |

### Reserve Account Summary

|   |  |
|---|--|
| *Current Annual Reserve Allocation Rate           | \$29,000 per year  |
| *Estimated FY Start Balance                       | \$160,370  |
| *Approved Special Assessments                     | None approved for fiscal year 2022.  |
| *Approved Loans                                   | None approved for fiscal year 2022.  |
| Fiscal Year Beginning Fully Funded Balance        | \$316,766 (ideal amount in reserve account)  |
| Current Percent Funded                            | -----> <b>51%</b>  |
|   | <span style="background-color: #f08080; padding: 2px;">0-30% LOW</span> <span style="background-color: #ffff00; padding: 2px; margin-left: 10px;">30-70% FAIR</span> <span style="background-color: #90ee90; padding: 2px; margin-left: 10px;">70-100% GOOD</span> |
| Avg. (Deficit) or Surplus Per Contributing Member | (-\$782) per member  |

### 5-Year Summary - Annual Reserve Allocation Rates & Year End % Funded

|             | 100% Funding Model                         |      | Recommended Funding Model                               |     | Baseline Funding Model                               |     | **Current Funding Model                                  |     |             |
|-------------|--|------|---|-----|--|-----|--|-----|-------------|
| <b>2022</b> | \$191,431                                  | 100% | \$37,450  | 54% | \$29,361   | 51% | \$29,000   | 51% | <b>2022</b> |
| <b>2023</b> | \$36,875                                   | 100% | \$38,573  | 58% | \$30,242   | 53% | \$29,870   | 53% | <b>2023</b> |
| <b>2024</b> | \$37,982                                   | 100% | \$39,731  | 59% | \$31,150   | 52% | \$30,766   | 52% | <b>2024</b> |
| <b>2025</b> | \$39,121                                   | 100% | \$40,923  | 62% | \$32,084   | 53% | \$31,689   | 53% | <b>2025</b> |
| <b>2026</b> | \$40,295                                   | 100% | \$42,150  | 65% | \$33,047   | 55% | \$32,640   | 55% | <b>2026</b> |
|             | Account is at least 100% funded each year. |      | Achieve 100% funded within the timeframe of this study. |     | Reserve account above \$0 within timeframe of study. |     | Current allocation rate has been supplied by the Client. |     |             |

\* Data supplied by the Client, assumed to be correct and not independently verified.

\*\*Any negative percent funded shown is for visual representation of deficiency.

# Timberline Ridge HOA Reserve Study Knowledge Base

## What is a Reserve Study?

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the “Percent Funded” calculation.

The Reserve Analyst develops funding models that:

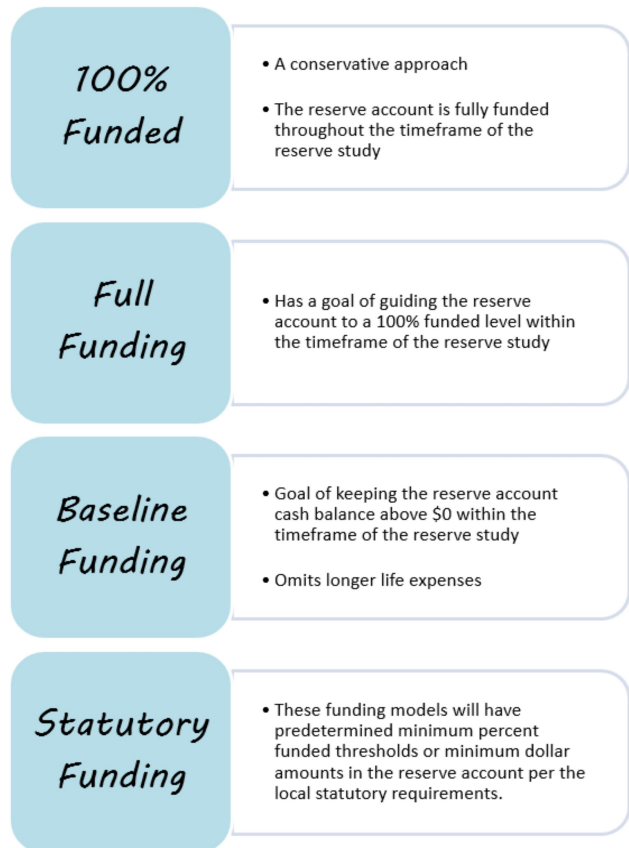
- Distribute the costs as fairly as possible over time
- Have stable budgets over time (i.e., limiting large fluctuations from one year to the next)
- Limit the risk for reliance on emergency financing or having to defer overdue projects

*A Reserve Study is an independent assessment of the reserve account and is not the Budget ....*

The reserve study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. The reserve study should reflect the replacement dates of the components utilizing average useful lives and average costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age. Should the Client decide to defer projects that appear to be overdue this is simply a budgeting decision that carries its own risk.

## How Much Should We Reserve?

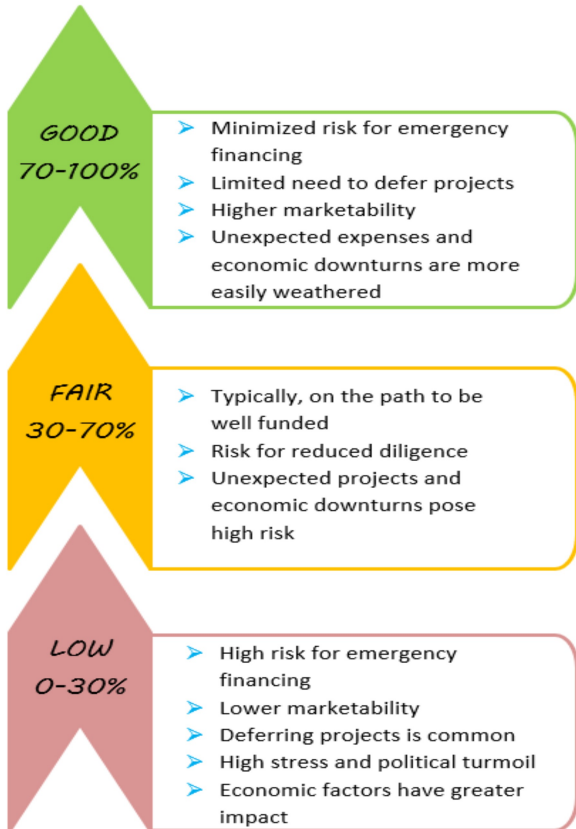
There is no right or wrong answer to the question of “How Much Should We Reserve?” as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them. In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



# Timberline Ridge HOA Reserve Study Knowledge Base

## About Percent Funded

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:

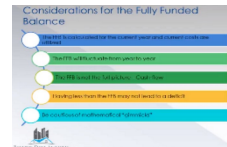


[www.reservedataanalyst.com/pf](http://www.reservedataanalyst.com/pf)

## About the Fully Funded Balance

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of “How much should be in a reserve account at a specific point in time?” When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:



[www.reservedataanalyst.com/ffb](http://www.reservedataanalyst.com/ffb)

## Calculating Inflation in the Reserve Study

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:



[www.reservedataanalyst.com/inf](http://www.reservedataanalyst.com/inf)

# Timberline Ridge HOA Reserve Study Knowledge Base

## Component Useful Life Estimates

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:



[www.reservedataanalyst.com/ul](http://www.reservedataanalyst.com/ul)

## Determining Component Project Costs

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- Client invoices, bids, estimates
- Our in-house database that is based on the collection of many Client invoices, bids, and estimates
- Cost manuals that, when used correctly, are very accurate for average cost figures

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you will find that there is a ...

... large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:



[www.reservedataanalyst.com/cost](http://www.reservedataanalyst.com/cost)

## National Reserve Study Standards

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:



[www.reservedataanalyst.com/CAI](http://www.reservedataanalyst.com/CAI)



[www.reservedataanalyst.com/APRA](http://www.reservedataanalyst.com/APRA)

# Timberline Ridge HOA

## Reserve Study Knowledge Base

### What Components to Include in the Study?

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- It's not already covered in the Operating Budget
- The component has a limited life expectancy
- The component has a reasonably defined remaining useful life
- As required by local statutes

### When to Complete Reserve Projects?

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is ***not*** a "to do list"; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects ...

... If something fails earlier than projected than replace it, if it lasts longer (as determined by your component specific Vendor) then take their advice as they are the professionals in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study. Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations. A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to collateral damage (e.g. not replacing a roof in a timely manner, which then leaks and causes siding damage).

### Ongoing Component Maintenance

While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual and ongoing Operating Budget (e.g. roof inspections & repairs, spot painting, sprinkler head replacement, door hardware replacement).

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSM means provides a free link to common building and site component items to inspect at various corresponding time frames.



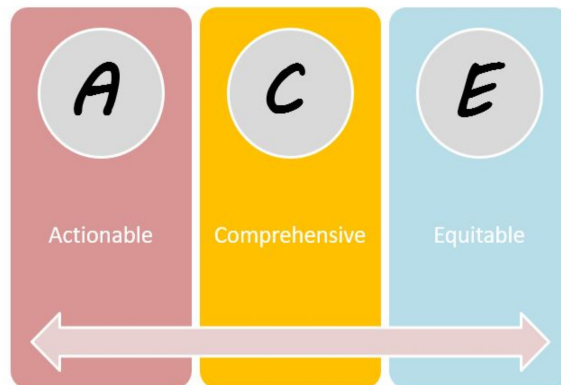
[www.reservedataanalyst.com/RMeans](http://www.reservedataanalyst.com/RMeans)



# Timberline Ridge HOA Reserve Study Knowledge Base

## You Have a Reserve Study Now What?... Goal Setting

Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just “deal with it later”. We have found those that are most successful with reserve budgeting goals typically follow some simple rules.



### 1. Actionable

Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents? What may seem very “Reasonable” to the Board may very well be illegal or against the governing documents.

### 2. Comprehensive

Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - What do we want to accomplish? Why is this goal important? Who is involved? When is this goal set to occur?

### 3. Equitable

Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it. This often means that transitioning to a more stable financial track will take years of smaller goals being obtained. Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.



*Beware setting reserve budgeting goals that someone else has the ultimate control over (e.g., future Boards). For example, “We’ll plan to start raising the reserve allocation rate in 3 years”. This simply puts the responsibility on someone else and is just another way to “deal with it later”. A future Board may have other ideas entirely or could be dealing with an economic downturn during which times raising the allocation rate is extremely difficult.*

Timberline Ridge HOA  
Site / Building Map



- Monument
- Flower Bed
- Blackwell Playground
- Tennis Court Playground
- Tennis Courts
- Circle Park
- Walking Paths & Trails

## **Timberline Ridge HOA Reserve Analyst Comments**

### **Reserve Study Update Comments - Inflation**

This region has seen high inflation over the preceding 12-month time period. Per the most recent construction cost data in this region the inflation rate has been 7.20% since the prior reserve study was performed. This inflation rate has been applied to the component project estimated costs in this reserve study update.

Note that a historical average 3% has been applied to projections (future estimated project costs) in the reserve study as even though there will be time periods of inflation that are well above and below this historical average inflation rate we would expect the long term average to fall back in line with the historical average in the United States based on data going back over 100 years. To learn more about how inflation is applied to the reserve study please visit [www.reserveataanalyst.com/inf](http://www.reserveataanalyst.com/inf)

### **Excluded Components**

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

### **Operating Account Expense**

The below components are reportedly paid from the Operating Account and have not been included in this reserve study.

1. Landscaping (plantings, shrubs, gravel, bark, refurbishment)
2. Tree Care (ongoing trimming, pruning)
3. Play Structure Safety Surface – Replenish
4. Trail Gravel Replenishment
5. Mailbox Structures – Paint
6. Park Signs – Paint/Refurbish/Replace

### **Not Client's Responsibility**

The below components are reportedly not the Client's responsibility per their interpretation of their governing documents. Note that the Reserve Analyst does not interpret governing documents and have excluded items based on the Client's request and their interpretation of their own governing documents. If there is ambiguity or questions as to what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney in the matter.

1. Utility Systems – Water, Sewer & Storm Sewer - Utility Company's Responsibility
2. Retention Ponds - City
3. Concrete Sidewalks - City

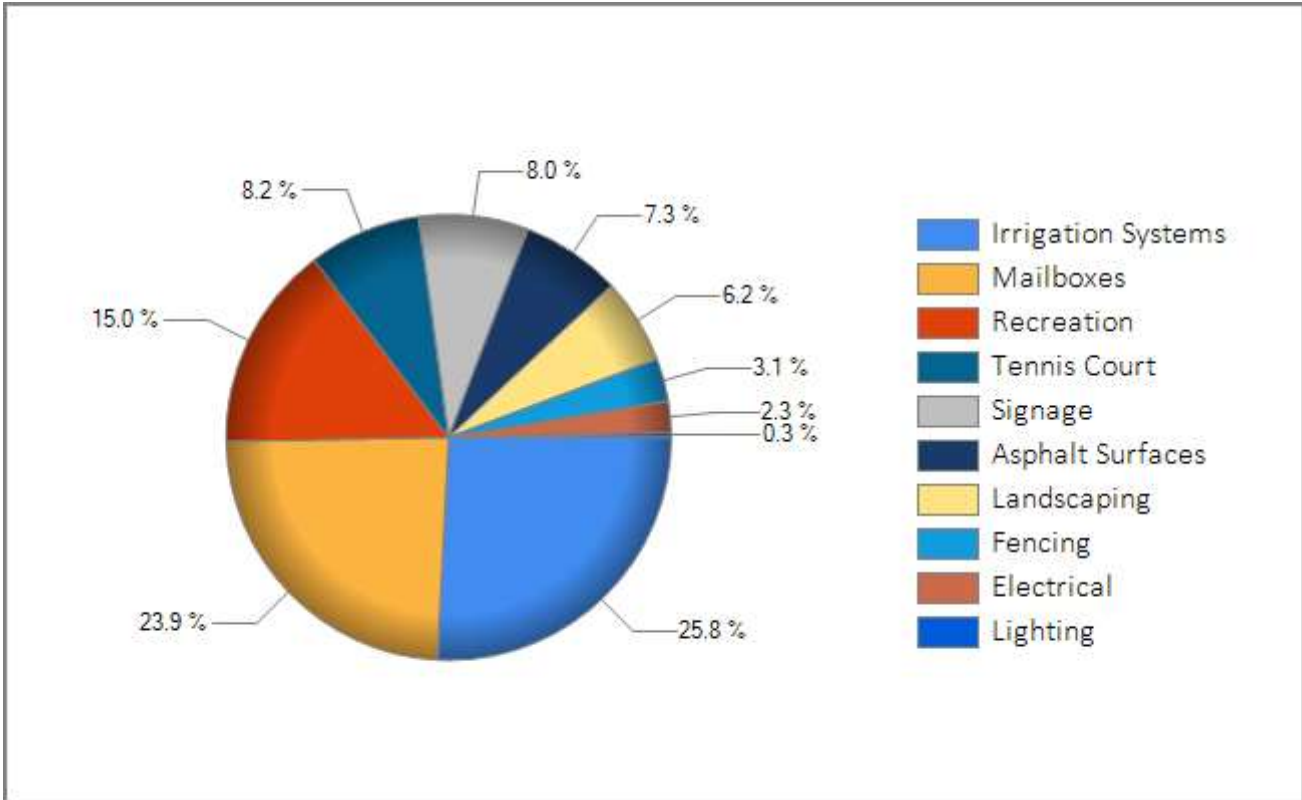
**Timberline Ridge HOA  
The Component List**

Report Date                    October 04, 2021  
 Beginning Fiscal Year        January 01, 2022  
 Account Number                16809

Version Number Final

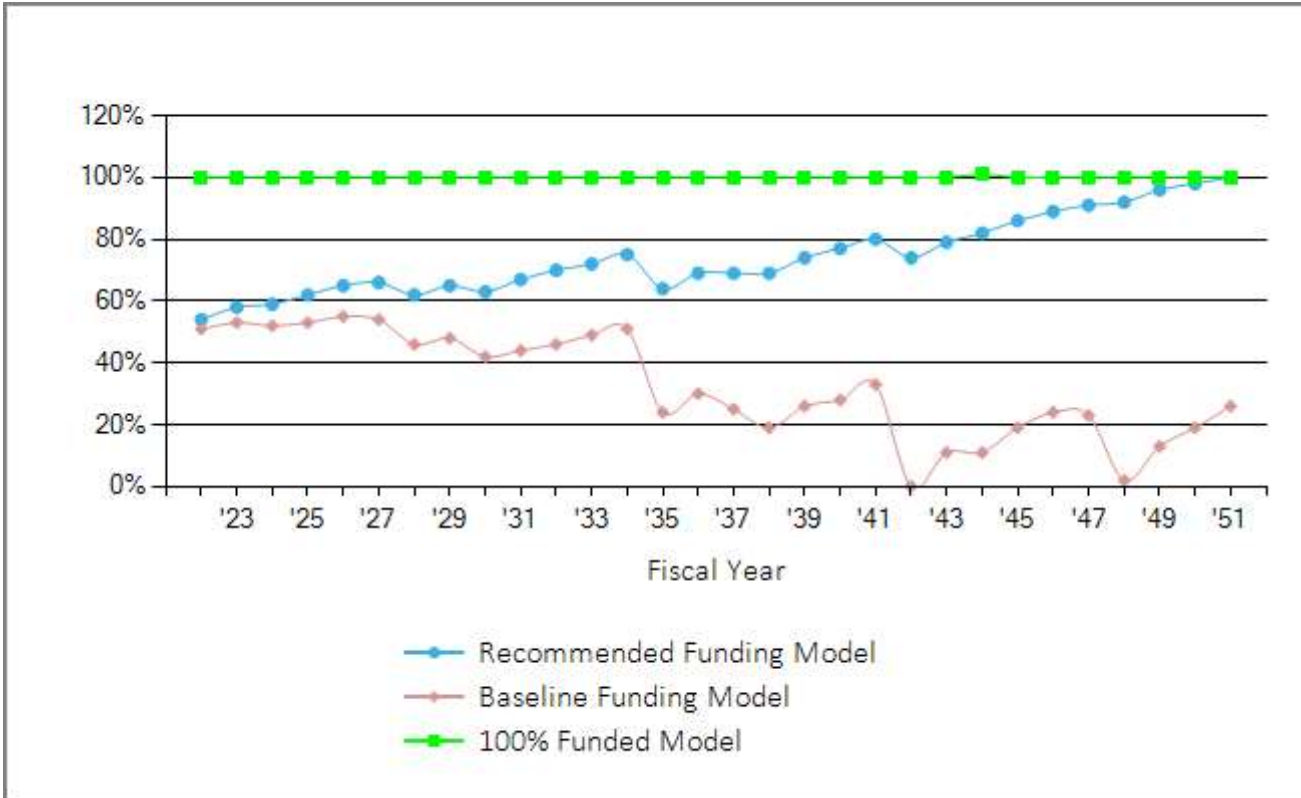
| Component Description                     | Approx. Date<br>In Service | Replacement<br>Year | Useful Life | Adjustment | Remaining Ul | Units      | Per Unit Cost<br>And Percent<br>Replacement | Current<br>Cost  |
|---|----------------------------|---------------------|-------------|------------|--------------|------------|---|------------------|
| Asphalt Pathways - Replace                | 2018                       | 2038                | 20          | 0          | 16           | 6,592 sf   | 5.75  | 37,904           |
| Backflow Device - Irrigation - Replace    | 2000                       | 2022                | 20          | 0          | 0            | 2 ea       | 1,308.77                                    | 2,618            |
| Basketball Hoops - Replace                | 2000                       | 2027                | 27          | 0          | 5            | 2 ea       | 2,736.53                                    | 5,473            |
| Benches - Replace                         | 2000                       | 2025                | 25          | 0          | 3            | 4 ea       | 1,011.33                                    | 4,045            |
| Bollards - Repair Contingency             | 2000                       | 2030                | 30          | 0          | 8            | 14 ea      | 594.90                                      | 8,329            |
| Electrical - Modernize                    | 2000                       | 2030                | 30          | 0          | 8            | 4 ea       | 2,974.49                                    | 11,898           |
| Fence (split rail 2000) - Replace         | 2000                       | 2022                | 20          | 0          | 0            | 190 lf     | 23.37                                       | 4,440            |
| Fence (split rail 2020) - Replace         | 2020                       | 2040                | 20          | 0          | 18           | 504 lf     | 23.37                                       | 11,778           |
| Irrigation Controllers - Replace          | 2016                       | 2031                | 15          | 0          | 9            | 2 ea       | 3,093.47                                    | 6,187            |
| Irrigation Distribution Systems - Replace | 2000                       | 2035                | 35          | 0          | 13           | 132,732 sf | 0.95  | 126,095          |
| Landscaping - Hazardous Tree Removal      | 2020                       | 2022                | 1           | 0          | 0            | 1 ls       | 8,000.00                                    | 8,000            |
| Lights at Monuments - Replace             | 2017                       | 2032                | 15          | 0          | 10           | 7 ea       | 237.96                                      | 1,666            |
| Mailbox Kiosk Roofs - Replace             | 2000                       | 2022                | 20          | 0          | 0            | 605 sf     | 7.73  | 4,677            |
| Mailbox Kiosk Structure - Replace         | 2000                       | 2042                | 40          | 2          | 20           | 24 ea      | 4,164.29                                    | 99,943           |
| Mailboxes - Replace                       | 2004                       | 2024                | 20          | 0          | 2            | 200 ea     | 101.13                                      | 20,226           |
| Metal Cooking Grill - Replace             | 2008                       | 2023                | 15          | 0          | 1            | 1 ea       | 815.01                                      | 815              |
| Monuments - Repair Contingency            | 2000                       | 2030                | 30          | 0          | 8            | 7 ea       | 4,164.29                                    | 29,150           |
| Pavers - Replace                          | 2000                       | 2035                | 35          | 0          | 13           | 1,290 sf   | 19.04                                       | 24,562           |
| Picnic Table - Replace                    | 2000                       | 2025                | 25          | 0          | 3            | 1 ea       | 1,903.68                                    | 1,904            |
| Playground Structures - Replace           | 2008                       | 2028                | 20          | 0          | 6            | 2 ea       | 35,693.94                                   | 71,388           |
| Tennis Court - Resurface                  | 2017                       | 2027                | 10          | 0          | 5            | 7,100 sf   | 2.84  | 20,164           |
| Tennis Court Fence - Replace              | 2000                       | 2037                | 40          | -3         | 15           | 320 lf     | 53.24                                       | 17,037           |
| Wood Park Sandblasted Signs - Replace     | 2000                       | 2030                | 30          | 0          | 8            | 2 ea       | 2,142.00                                    | 4,284            |
| <b>Total Asset Summary</b>                |                            |                     |             |            |              |            |   | <u>\$522,582</u> |

### Timberline Ridge HOA Current Cost by Category Chart



The above chart illustrates the current cost breakdown percentage of the Component Categories in this reserve study (highest percentage components listed at top). Special attention should be given to those component categories which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Cash Flow Projections and the Annual Expenditure Report for the projected timeline of expected expenditures.

## Timberline Ridge HOA Projected Percent Funded Chart



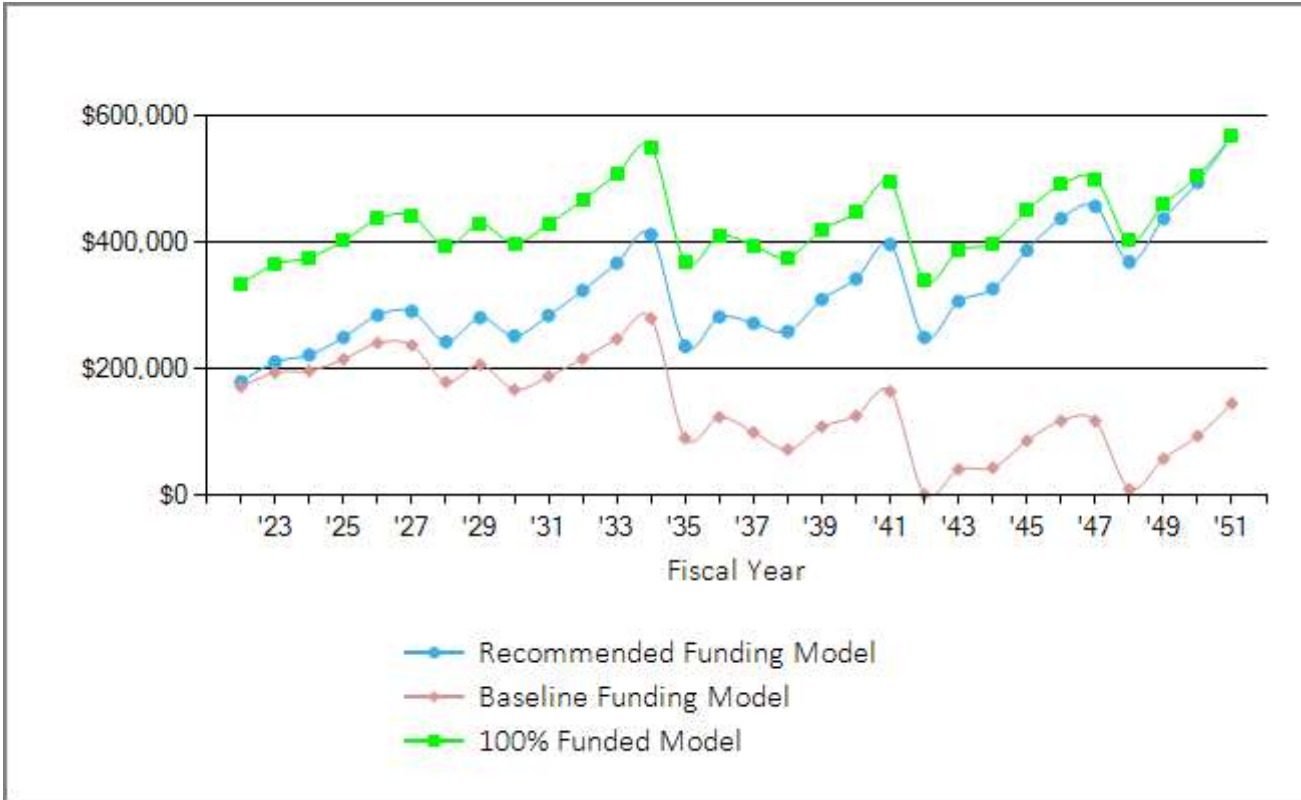
The above chart compares the funding models by the percentage funded levels over the 30-year timeframe of this reserve study, as calculated at the end of each fiscal year.

The Recommended Funding Model increase the Client's reserve account Percent Funded Level to 100% funding within the timeframe of this study. Once this 100% funded level is reached it is a good indicator that the Client is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due.

The Baseline Funding Model has only a goal of keeping the reserve account cash positive within the timeframe of the reserve study. This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The 100% Funded Model assumes the reserve account is an average of 100% Funded in each year of the reserve study. This model minimizes risk for reliance on emergency financing and places the reserve account onto a low risk path for budgeting.

## Timberline Ridge HOA Projected Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the 30 years covered in this reserve study. Projected reserve account balances will see large fluctuations from year to year due to projects occurring in any given year.

**Timberline Ridge HOA  
100% Funded - Summary**

|                       |                   |
|-----------------------|-------------------|
| Report Date           | October 4, 2021   |
| Account Number        | 16809             |
| Version               | Final             |
| Budget Year Beginning | January 1, 2022   |
| Budget Year Ending    | December 31, 2022 |
| <br>                  |                   |
| Total Units           | 200               |

| <b>Report Parameters</b>           |           |
|------------------------------------|-----------|
| Inflation                          | 3.00%     |
| Annual Contribution Increase       | 3.00%     |
| Interest Rate on Reserve Deposit   | 0.70%     |
| Tax Rate Included in Interest Rate |           |
| <br>                               |           |
| 2022 Beginning Balance             | \$160,370 |

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of this reserve study. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year has a much higher allocation rate than subsequent years as the reserve account is currently underfunded and requires a significant cash injection in the initial fiscal year to elevate the reserve account to a 100% Funded track.

The following page provides the 30-year projections for this funding model.

| <b>Full Funding Model 30 Year Summary of Calculations</b> |                   |
|---|-------------------|
| Required Annual Contribution                              | \$191,431.00      |
| <i>\$957.15 per unit annually</i>                         |                   |
| Average Net Annual Interest Earned                        | <u>\$2,324.47</u> |
| Total Annual Allocation to Reserves                       | \$193,755.46      |
| <i>\$968.78 per unit annually</i>                         |                   |



**Timberline Ridge HOA**  
**100% Funded - Projections**

Beginning Balance: \$160,370

| Year | Replacement Cost | Reserve Contribution | Net Interest Earned | Reserve Expenditures | Year End Account Balance | Year End Fully Fund Balance | Year End % Funded |
|------|------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------------|-------------------|
| 2022 | 522,582          | 191,431              | 2,324               | 19,734               | 334,391                  | 334,391                     | 100%              |
| 2023 | 538,259          | 36,875               | 2,535               | 9,079                | 364,722                  | 364,373                     | 100%              |
| 2024 | 554,407          | 37,982               | 2,609               | 29,945               | 375,368                  | 374,641                     | 100%              |
| 2025 | 571,039          | 39,121               | 2,795               | 15,242               | 402,041                  | 401,267                     | 100%              |
| 2026 | 588,171          | 40,295               | 3,033               | 9,004                | 436,365                  | 436,049                     | 100%              |
| 2027 | 605,816          | 41,503               | 3,072               | 38,995               | 441,946                  | 441,946                     | 100%              |
| 2028 | 623,990          | 42,126               | 2,725               | 94,793               | 392,004                  | 391,536                     | 100%              |
| 2029 | 642,710          | 43,390               | 2,979               | 9,839                | 428,534                  | 428,136                     | 100%              |
| 2030 | 661,991          | 44,692               | 2,766               | 78,110               | 397,882                  | 396,564                     | 100%              |
| 2031 | 681,851          | 46,033               | 2,978               | 18,511               | 428,382                  | 426,513                     | 100%              |
| 2032 | 702,306          | 47,414               | 3,240               | 12,990               | 466,045                  | 464,161                     | 100%              |
| 2033 | 723,376          | 48,836               | 3,527               | 11,074               | 507,334                  | 506,059                     | 100%              |
| 2034 | 745,077          | 50,301               | 3,824               | 11,406               | 550,053                  | 550,053                     | 100%              |
| 2035 | 767,429          | 49,061               | 2,563               | 232,993              | 368,684                  | 368,349                     | 100%              |
| 2036 | 790,452          | 50,533               | 2,850               | 12,101               | 409,966                  | 409,966                     | 100%              |
| 2037 | 814,166          | 51,851               | 2,740               | 70,421               | 394,136                  | 393,997                     | 100%              |
| 2038 | 838,591          | 53,407               | 2,608               | 74,970               | 375,180                  | 374,192                     | 100%              |
| 2039 | 863,748          | 55,009               | 2,919               | 13,223               | 419,885                  | 418,760                     | 100%              |
| 2040 | 889,661          | 56,659               | 3,100               | 33,672               | 445,972                  | 445,012                     | 100%              |
| 2041 | 916,351          | 58,359               | 3,432               | 14,028               | 493,735                  | 493,735                     | 100%              |
| 2042 | 943,841          | 58,789               | 2,355               | 216,151              | 338,728                  | 337,449                     | 100%              |
| 2043 | 972,156          | 60,553               | 2,691               | 14,882               | 387,089                  | 385,328                     | 100%              |
| 2044 | 1,001,321        | 62,369               | 2,768               | 54,084               | 398,142                  | 395,858                     | 101%              |
| 2045 | 1,031,361        | 64,240               | 3,126               | 15,789               | 449,719                  | 447,788                     | 100%              |
| 2046 | 1,062,301        | 66,167               | 3,409               | 28,839               | 490,457                  | 489,524                     | 100%              |
| 2047 | 1,094,170        | 68,152               | 3,473               | 62,457               | 499,625                  | 499,625                     | 100%              |
| 2048 | 1,126,996        | 70,197               | 2,790               | 171,207              | 401,406                  | 399,810                     | 100%              |
| 2049 | 1,160,805        | 72,303               | 3,192               | 17,770               | 459,130                  | 456,885                     | 100%              |
| 2050 | 1,195,630        | 74,472               | 3,512               | 31,914               | 505,199                  | 503,007                     | 100%              |
| 2051 | 1,231,499        | 76,706               | 3,941               | 18,853               | 566,994                  | 565,924                     | 100%              |

**Timberline Ridge HOA  
Recommended Funding - Summary**

|                       |                   |
|-----------------------|-------------------|
| Report Date           | October 4, 2021   |
| Account Number        | 16809             |
| Version               | Final             |
| Budget Year Beginning | January 1, 2022   |
| Budget Year Ending    | December 31, 2022 |
| <br>                  |                   |
| Total Units           | 200               |

| <b>Report Parameters</b>           |           |
|------------------------------------|-----------|
| Inflation                          | 3.00%     |
| Annual Contribution Increase       | 3.00%     |
| Interest Rate on Reserve Deposit   | 0.70%     |
| Tax Rate Included in Interest Rate |           |
| <br>                               |           |
| 2022 Beginning Balance             | \$160,370 |

We have developed a funding plan which will help steer the reserve account into a high funded range within the 30-year timeframe of this reserve study. This Recommended Funding Model requires the Client to allocate the recommended allocation amount into the reserve account with annual increases thereafter. In the following pages you will find the recommended allocation rates to the reserve account, annual projected expenditures and the percent funded of the reserve account if following this Recommended Funding Model.

**This Recommended Funding Plan Considers 4 Basic Principles:**

1. There are adequate reserves when needed.
2. The budget should remain stable but increasing to offset inflationary factors.
3. The costs are fairly distributed over time.
4. The funding plan must allow the Client to be fiscally responsible.

The following page provides the 30-year projections for this funding model.

| <b>Recommended Funding Model Summary of Calculations</b> |                   |
|--|-------------------|
| Required Annual Contribution                             | \$37,450.00       |
| <i>\$187.25 per unit annually</i>                        |                   |
| Average Net Annual Interest Earned                       | <u>\$1,246.60</u> |
| Total Annual Allocation to Reserves                      | \$38,696.60       |
| <i>\$193.48 per unit annually</i>                        |                   |

**Timberline Ridge HOA**  
**Recommended Funding - Projections**

Beginning Balance: \$160,370

| Year | Replacement Cost | Reserve Contribution | Net Interest Earned | Reserve Expenditures | Year End Account Balance | Year End Fully Fund Balance | Year End % Funded |
|------|------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------------|-------------------|
| 2022 | 522,582          | 37,450               | 1,247               | 19,734               | 179,332                  | 334,391                     | 54%               |
| 2023 | 538,259          | 38,573               | 1,462               | 9,079                | 210,288                  | 364,373                     | 58%               |
| 2024 | 554,407          | 39,731               | 1,541               | 29,945               | 221,614                  | 374,641                     | 59%               |
| 2025 | 571,039          | 40,923               | 1,731               | 15,242               | 249,025                  | 401,267                     | 62%               |
| 2026 | 588,171          | 42,150               | 1,975               | 9,004                | 284,147                  | 436,049                     | 65%               |
| 2027 | 605,816          | 43,415               | 2,020               | 38,995               | 290,587                  | 441,946                     | 66%               |
| 2028 | 623,990          | 44,717               | 1,684               | 94,793               | 242,195                  | 391,536                     | 62%               |
| 2029 | 642,710          | 46,059               | 1,949               | 9,839                | 280,363                  | 428,136                     | 65%               |
| 2030 | 661,991          | 47,441               | 1,748               | 78,110               | 251,442                  | 396,564                     | 63%               |
| 2031 | 681,851          | 48,864               | 1,973               | 18,511               | 283,768                  | 426,513                     | 67%               |
| 2032 | 702,306          | 50,330               | 2,248               | 12,990               | 323,355                  | 464,161                     | 70%               |
| 2033 | 723,376          | 51,840               | 2,549               | 11,074               | 366,670                  | 506,059                     | 72%               |
| 2034 | 745,077          | 53,395               | 2,861               | 11,406               | 411,519                  | 550,053                     | 75%               |
| 2035 | 767,429          | 54,997               | 1,635               | 232,993              | 235,157                  | 368,349                     | 64%               |
| 2036 | 790,452          | 56,646               | 1,958               | 12,101               | 281,661                  | 409,966                     | 69%               |
| 2037 | 814,166          | 58,346               | 1,887               | 70,421               | 271,472                  | 393,997                     | 69%               |
| 2038 | 838,591          | 60,096               | 1,796               | 74,970               | 258,394                  | 374,192                     | 69%               |
| 2039 | 863,748          | 61,899               | 2,149               | 13,223               | 309,220                  | 418,760                     | 74%               |
| 2040 | 889,661          | 63,756               | 2,375               | 33,672               | 341,680                  | 445,012                     | 77%               |
| 2041 | 916,351          | 65,669               | 2,753               | 14,028               | 396,074                  | 493,735                     | 80%               |
| 2042 | 943,841          | 67,639               | 1,733               | 216,151              | 249,295                  | 337,449                     | 74%               |
| 2043 | 972,156          | 69,668               | 2,129               | 14,882               | 306,209                  | 385,328                     | 79%               |
| 2044 | 1,001,321        | 71,758               | 2,267               | 54,084               | 326,150                  | 395,858                     | 82%               |
| 2045 | 1,031,361        | 73,911               | 2,690               | 15,789               | 386,963                  | 447,788                     | 86%               |
| 2046 | 1,062,301        | 76,128               | 3,040               | 28,839               | 437,291                  | 489,524                     | 89%               |
| 2047 | 1,094,170        | 78,412               | 3,173               | 62,457               | 456,419                  | 499,625                     | 91%               |
| 2048 | 1,126,996        | 80,764               | 2,562               | 171,207              | 368,538                  | 399,810                     | 92%               |
| 2049 | 1,160,805        | 83,187               | 3,038               | 17,770               | 436,993                  | 456,885                     | 96%               |
| 2050 | 1,195,630        | 85,683               | 3,435               | 31,914               | 494,197                  | 503,007                     | 98%               |
| 2051 | 1,231,499        | 88,253               | 3,945               | 18,853               | 567,543                  | 565,924                     | 100%              |

**Timberline Ridge HOA  
Baseline Funding - Summary**

|                       |                   |
|-----------------------|-------------------|
| Report Date           | October 4, 2021   |
| Account Number        | 16809             |
| Version               | Final             |
| Budget Year Beginning | January 1, 2022   |
| Budget Year Ending    | December 31, 2022 |
| <br>                  |                   |
| Total Units           | 200               |

| <b>Report Parameters</b>           |           |
|------------------------------------|-----------|
| Inflation                          | 3.00%     |
| Annual Contribution Increase       | 3.00%     |
| Interest Rate on Reserve Deposit   | 0.70%     |
| Tax Rate Included in Interest Rate |           |
| <br>                               |           |
| 2022 Beginning Balance             | \$160,370 |

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above \$0 within the 30-year timeframe of this reserve study and does not consider projected expenses that fall outside of the 30-year timeframe of the reserve study.

This funding model carries a higher risk for reliance on emergency financing specifically in years when large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of future reserve studies their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive.

The following page provides the 30-year projections for this funding model.

| <b>Baseline Threshold Funding Model Summary of Calculations</b> |                    |
|---|--------------------|
| Required Annual Contribution                                    | \$29,361.42        |
| <i>\$146.81 per unit annually</i>                               |                    |
| Average Net Annual Interest Earned                              | <u>\$1,189.98</u>  |
| Total Annual Allocation to Reserves                             | <u>\$30,551.39</u> |
| <i>\$152.76 per unit annually</i>                               |                    |

**Timberline Ridge HOA**  
**Baseline Funding - Projections**

Beginning Balance: \$160,370

| Year | Replacement Cost | Reserve Contribution | Net Interest Earned | Reserve Expenditures | Year End Account Balance | Year End Fully Fund Balance | Year End % Funded |
|------|------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------------|-------------------|
| 2022 | 522,582          | 29,361               | 1,190               | 19,734               | 171,187                  | 334,391                     | 51%               |
| 2023 | 538,259          | 30,242               | 1,346               | 9,079                | 193,696                  | 364,373                     | 53%               |
| 2024 | 554,407          | 31,150               | 1,364               | 29,945               | 196,265                  | 374,641                     | 52%               |
| 2025 | 571,039          | 32,084               | 1,492               | 15,242               | 214,598                  | 401,267                     | 53%               |
| 2026 | 588,171          | 33,047               | 1,670               | 9,004                | 240,311                  | 436,049                     | 55%               |
| 2027 | 605,816          | 34,038               | 1,647               | 38,995               | 237,002                  | 441,946                     | 54%               |
| 2028 | 623,990          | 35,059               | 1,241               | 94,793               | 178,509                  | 391,536                     | 46%               |
| 2029 | 642,710          | 36,111               | 1,433               | 9,839                | 206,214                  | 428,136                     | 48%               |
| 2030 | 661,991          | 37,194               | 1,157               | 78,110               | 166,456                  | 396,564                     | 42%               |
| 2031 | 681,851          | 38,310               | 1,304               | 18,511               | 187,559                  | 426,513                     | 44%               |
| 2032 | 702,306          | 39,459               | 1,498               | 12,990               | 215,526                  | 464,161                     | 46%               |
| 2033 | 723,376          | 40,643               | 1,716               | 11,074               | 246,811                  | 506,059                     | 49%               |
| 2034 | 745,077          | 41,862               | 1,941               | 11,406               | 279,208                  | 550,053                     | 51%               |
| 2035 | 767,429          | 43,118               | 625                 | 232,993              | 89,959                   | 368,349                     | 24%               |
| 2036 | 790,452          | 44,412               | 856                 | 12,101               | 123,125                  | 409,966                     | 30%               |
| 2037 | 814,166          | 45,744               | 689                 | 70,421               | 99,137                   | 393,997                     | 25%               |
| 2038 | 838,591          | 47,116               | 499                 | 74,970               | 71,783                   | 374,192                     | 19%               |
| 2039 | 863,748          | 48,530               | 750                 | 13,223               | 107,839                  | 418,760                     | 26%               |
| 2040 | 889,661          | 49,986               | 869                 | 33,672               | 125,023                  | 445,012                     | 28%               |
| 2041 | 916,351          | 51,485               | 1,137               | 14,028               | 163,617                  | 493,735                     | 33%               |
| 2042 | 943,841          | 53,030               | 3                   | 216,151              | 500                      | 337,449                     | 0%                |
| 2043 | 972,156          | 54,621               | 282                 | 14,882               | 40,520                   | 385,328                     | 11%               |
| 2044 | 1,001,321        | 56,260               | 299                 | 54,084               | 42,995                   | 395,858                     | 11%               |
| 2045 | 1,031,361        | 57,947               | 596                 | 15,789               | 85,749                   | 447,788                     | 19%               |
| 2046 | 1,062,301        | 59,686               | 816                 | 28,839               | 117,412                  | 489,524                     | 24%               |
| 2047 | 1,094,170        | 61,476               | 815                 | 62,457               | 117,247                  | 499,625                     | 23%               |
| 2048 | 1,126,996        | 63,321               | 66                  | 171,207              | 9,426                    | 399,810                     | 2%                |
| 2049 | 1,160,805        | 65,220               | 398                 | 17,770               | 57,274                   | 456,885                     | 13%               |
| 2050 | 1,195,630        | 67,177               | 648                 | 31,914               | 93,184                   | 503,007                     | 19%               |
| 2051 | 1,231,499        | 69,192               | 1,005               | 18,853               | 144,528                  | 565,924                     | 26%               |

**Timberline Ridge HOA  
Current Funding - Summary**

|                       |                   |
|-----------------------|-------------------|
| Report Date           | October 4, 2021   |
| Account Number        | 16809             |
| Version               | Final             |
| Budget Year Beginning | January 1, 2022   |
| Budget Year Ending    | December 31, 2022 |
| <br>                  |                   |
| Total Units           | 200               |

| <b>Report Parameters</b>           |           |
|------------------------------------|-----------|
| Inflation                          | 3.00%     |
| Annual Contribution Increase       | 3.00%     |
| Interest Rate on Reserve Deposit   | 0.70%     |
| Tax Rate Included in Interest Rate |           |
| <br>                               |           |
| 2022 Beginning Balance             | \$160,370 |

The Current Funding Model is based on the reserve allocation data supplied by the Client; it has not been independently verified and is assumed to be correct.

The following page provides the 30-year projections for this funding model. It is assumed the reserve allocation rate will have annual increases to offset inflationary factors.

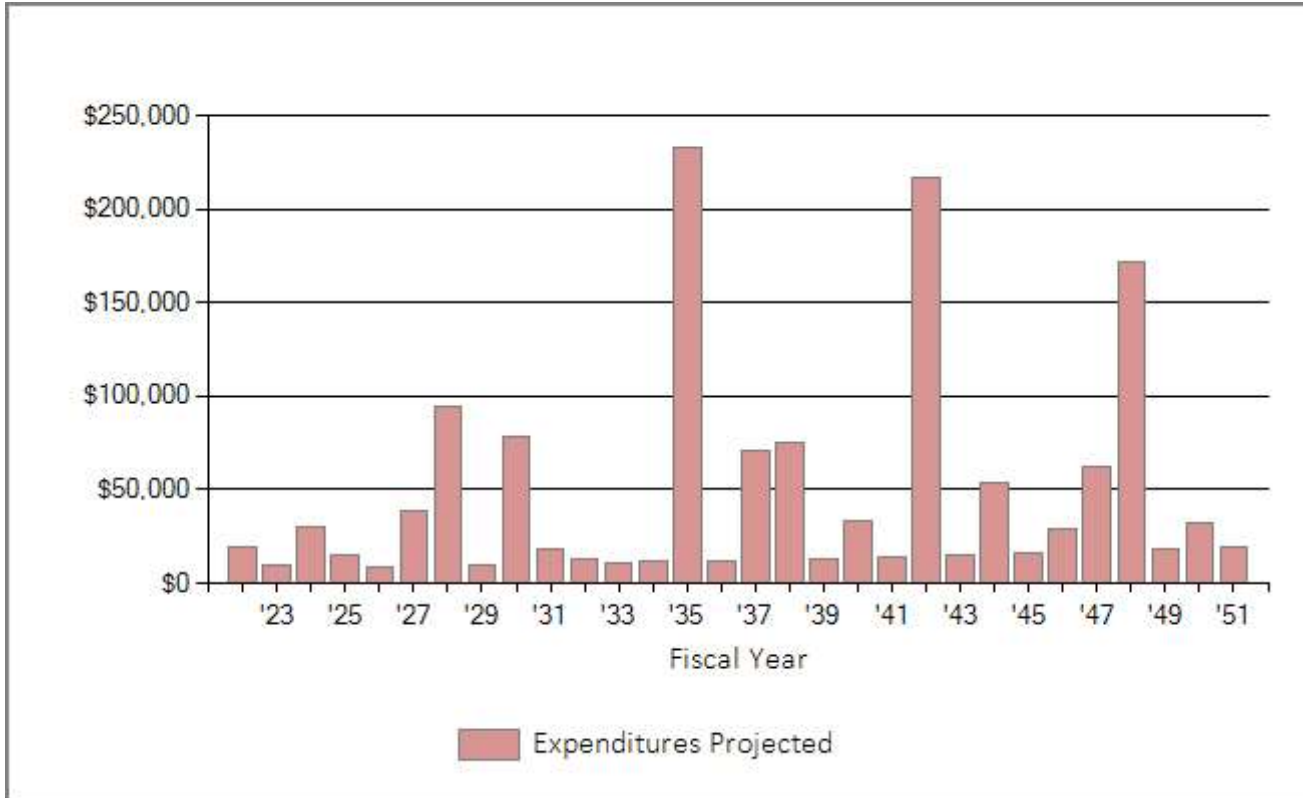
| <b>Current Assessment Funding Model Summary of Calculations</b> |                   |
|---|-------------------|
| Required Annual Contribution                                    | \$29,000.00       |
| <i>\$145.00 per unit annually</i>                               |                   |
| Average Net Annual Interest Earned                              | <u>\$1,187.45</u> |
| Total Annual Allocation to Reserves                             | \$30,187.45       |
| <i>\$150.94 per unit annually</i>                               |                   |

**Timberline Ridge HOA**  
**Current Funding - Projections**

Beginning Balance: \$160,370

| Year | Replacement Cost | Reserve Contribution | Net Interest Earned | Reserve Expenditures | Year End Account Balance | Year End Fully Fund Balance | Year End % Funded |
|------|------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------------|-------------------|
| 2022 | 522,582          | 29,000               | 1,187               | 19,734               | 170,823                  | 334,391                     | 51%               |
| 2023 | 538,259          | 29,870               | 1,341               | 9,079                | 192,955                  | 364,373                     | 53%               |
| 2024 | 554,407          | 30,766               | 1,356               | 29,945               | 195,132                  | 374,641                     | 52%               |
| 2025 | 571,039          | 31,689               | 1,481               | 15,242               | 213,060                  | 401,267                     | 53%               |
| 2026 | 588,171          | 32,640               | 1,657               | 9,004                | 238,353                  | 436,049                     | 55%               |
| 2027 | 605,816          | 33,619               | 1,631               | 38,995               | 234,608                  | 441,946                     | 53%               |
| 2028 | 623,990          | 34,628               | 1,221               | 94,793               | 175,663                  | 391,536                     | 45%               |
| 2029 | 642,710          | 35,666               | 1,410               | 9,839                | 202,901                  | 428,136                     | 47%               |
| 2030 | 661,991          | 36,736               | 1,131               | 78,110               | 162,658                  | 396,564                     | 41%               |
| 2031 | 681,851          | 37,838               | 1,274               | 18,511               | 183,260                  | 426,513                     | 43%               |
| 2032 | 702,306          | 38,974               | 1,465               | 12,990               | 210,708                  | 464,161                     | 45%               |
| 2033 | 723,376          | 40,143               | 1,678               | 11,074               | 241,455                  | 506,059                     | 48%               |
| 2034 | 745,077          | 41,347               | 1,900               | 11,406               | 273,296                  | 550,053                     | 50%               |
| 2035 | 767,429          | 42,587               | 580                 | 232,993              | 83,471                   | 368,349                     | 23%               |
| 2036 | 790,452          | 43,865               | 807                 | 12,101               | 116,042                  | 409,966                     | 28%               |
| 2037 | 814,166          | 45,181               | 636                 | 70,421               | 91,437                   | 393,997                     | 23%               |
| 2038 | 838,591          | 46,536               | 441                 | 74,970               | 63,444                   | 374,192                     | 17%               |
| 2039 | 863,748          | 47,933               | 687                 | 13,223               | 98,841                   | 418,760                     | 24%               |
| 2040 | 889,661          | 49,371               | 802                 | 33,672               | 115,342                  | 445,012                     | 26%               |
| 2041 | 916,351          | 50,852               | 1,065               | 14,028               | 153,231                  | 493,735                     | 31%               |
| 2042 | 943,841          | 52,377               |                     | 216,151              | -10,543                  | 337,449                     |                   |
| 2043 | 972,156          | 53,949               | 200                 | 14,882               | 28,723                   | 385,328                     | 7%                |
| 2044 | 1,001,321        | 55,567               | 211                 | 54,084               | 30,418                   | 395,858                     | 8%                |
| 2045 | 1,031,361        | 57,234               | 503                 | 15,789               | 72,366                   | 447,788                     | 16%               |
| 2046 | 1,062,301        | 58,951               | 717                 | 28,839               | 103,195                  | 489,524                     | 21%               |
| 2047 | 1,094,170        | 60,720               | 710                 | 62,457               | 102,168                  | 499,625                     | 20%               |
| 2048 | 1,126,996        | 62,541               |                     | 171,207              | -6,498                   | 399,810                     |                   |
| 2049 | 1,160,805        | 64,417               | 281                 | 17,770               | 40,430                   | 456,885                     | 9%                |
| 2050 | 1,195,630        | 66,350               | 524                 | 31,914               | 75,390                   | 503,007                     | 15%               |
| 2051 | 1,231,499        | 68,340               | 874                 | 18,853               | 125,752                  | 565,924                     | 22%               |

## Timberline Ridge HOA Projected Expenditures Chart



The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for as they are often overlooked or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.



**Timberline Ridge HOA  
Projected Expenditures Report**

| Description                                 | Expenditures    |
|---|-----------------|
| <b>Replacement Year 2022</b>                |                 |
| 1002 Backflow Device - Irrigation - Replace | 2,618           |
| 1008 Fence (split rail 2000) - Replace      | 4,440           |
| 1030 Landscaping - Hazardous Tree Removal   | 8,000           |
| 1015 Mailbox Kiosk Roofs - Replace          | 4,677           |
| <b>Total for 2022</b>                       | <b>\$19,734</b> |
| <b>Replacement Year 2023</b>                |                 |
| 1030 Landscaping - Hazardous Tree Removal   | 8,240           |
| 1018 Metal Cooking Grill - Replace          | 839             |
| <b>Total for 2023</b>                       | <b>\$9,079</b>  |
| <b>Replacement Year 2024</b>                |                 |
| 1030 Landscaping - Hazardous Tree Removal   | 8,487           |
| 1017 Mailboxes - Replace                    | 21,458          |
| <b>Total for 2024</b>                       | <b>\$29,945</b> |
| <b>Replacement Year 2025</b>                |                 |
| 1005 Benches - Replace                      | 4,420           |
| 1030 Landscaping - Hazardous Tree Removal   | 8,742           |
| 1021 Picnic Table - Replace                 | 2,080           |
| <b>Total for 2025</b>                       | <b>\$15,242</b> |
| <b>Replacement Year 2026</b>                |                 |
| 1030 Landscaping - Hazardous Tree Removal   | 9,004           |
| <b>Total for 2026</b>                       | <b>\$9,004</b>  |
| <b>Replacement Year 2027</b>                |                 |
| 1004 Basketball Hoops - Replace             | 6,345           |
| 1030 Landscaping - Hazardous Tree Removal   | 9,274           |
| 1025 Tennis Court - Resurface               | 23,376          |
| <b>Total for 2027</b>                       | <b>\$38,995</b> |
| <b>Replacement Year 2028</b>                |                 |
| 1030 Landscaping - Hazardous Tree Removal   | 9,552           |

**Timberline Ridge HOA  
Projected Expenditures Report**

| Description  | Expenditures           |
|--|------------------------|
| <b><i>Replacement Year 2028 continued...</i></b>   |                        |
| 1023     Playground Structures - Replace           | 85,241                 |
| <b>Total for 2028</b>                              | <b><u>\$94,793</u></b> |
| <br><b>Replacement Year 2029</b>                   |                        |
| 1030     Landscaping - Hazardous Tree Removal      | 9,839                  |
| <b>Total for 2029</b>                              | <b><u>\$9,839</u></b>  |
| <br><b>Replacement Year 2030</b>                   |                        |
| 1006     Bollards - Repair Contingency             | 10,550                 |
| 1007     Electrical - Modernize                    | 15,072                 |
| 1030     Landscaping - Hazardous Tree Removal      | 10,134                 |
| 1019     Monuments - Repair Contingency            | 36,926                 |
| 1029     Wood Park Sandblasted Signs - Replace     | 5,427                  |
| <b>Total for 2030</b>                              | <b><u>\$78,110</u></b> |
| <br><b>Replacement Year 2031</b>                   |                        |
| 1010     Irrigation Controllers - Replace          | 8,073                  |
| 1030     Landscaping - Hazardous Tree Removal      | 10,438                 |
| <b>Total for 2031</b>                              | <b><u>\$18,511</u></b> |
| <br><b>Replacement Year 2032</b>                   |                        |
| 1030     Landscaping - Hazardous Tree Removal      | 10,751                 |
| 1014     Lights at Monuments - Replace             | 2,239                  |
| <b>Total for 2032</b>                              | <b><u>\$12,990</u></b> |
| <br><b>Replacement Year 2033</b>                   |                        |
| 1030     Landscaping - Hazardous Tree Removal      | 11,074                 |
| <b>Total for 2033</b>                              | <b><u>\$11,074</u></b> |
| <br><b>Replacement Year 2034</b>                   |                        |
| 1030     Landscaping - Hazardous Tree Removal      | 11,406                 |
| <b>Total for 2034</b>                              | <b><u>\$11,406</u></b> |
| <br><b>Replacement Year 2035</b>                   |                        |
| 1011     Irrigation Distribution Systems - Replace | 185,175                |

**Timberline Ridge HOA  
Projected Expenditures Report**

| Description                                      | Expenditures     |
|--|------------------|
| <b><i>Replacement Year 2035 continued...</i></b> |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 11,748           |
| 1020 Pavers - Replace                            | 36,070           |
| <b>Total for 2035</b>                            | <b>\$232,993</b> |
| <br>   |                  |
| <b>Replacement Year 2036</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 12,101           |
| <b>Total for 2036</b>                            | <b>\$12,101</b>  |
| <br>   |                  |
| <b>Replacement Year 2037</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 12,464           |
| 1025 Tennis Court - Resurface                    | 31,415           |
| 1026 Tennis Court Fence - Replace                | 26,543           |
| <b>Total for 2037</b>                            | <b>\$70,421</b>  |
| <br>   |                  |
| <b>Replacement Year 2038</b>                     |                  |
| 1001 Asphalt Pathways - Replace                  | 60,825           |
| 1030 Landscaping - Hazardous Tree Removal        | 12,838           |
| 1018 Metal Cooking Grill - Replace               | 1,308            |
| <b>Total for 2038</b>                            | <b>\$74,970</b>  |
| <br>   |                  |
| <b>Replacement Year 2039</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 13,223           |
| <b>Total for 2039</b>                            | <b>\$13,223</b>  |
| <br>   |                  |
| <b>Replacement Year 2040</b>                     |                  |
| 1009 Fence (split rail 2020) - Replace           | 20,052           |
| 1030 Landscaping - Hazardous Tree Removal        | 13,619           |
| <b>Total for 2040</b>                            | <b>\$33,672</b>  |
| <br>   |                  |
| <b>Replacement Year 2041</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 14,028           |
| <b>Total for 2041</b>                            | <b>\$14,028</b>  |
| <br>   |                  |
| <b>Replacement Year 2042</b>                     |                  |
| 1002 Backflow Device - Irrigation - Replace      | 4,728            |

**Timberline Ridge HOA  
Projected Expenditures Report**

| Description                                      | Expenditures     |
|--|------------------|
| <b><i>Replacement Year 2042 continued...</i></b> |                  |
| 1008 Fence (split rail 2000) - Replace           | 8,020            |
| 1030 Landscaping - Hazardous Tree Removal        | 14,449           |
| 1015 Mailbox Kiosk Roofs - Replace               | 8,447            |
| 1016 Mailbox Kiosk Structure - Replace           | 180,508          |
| <b>Total for 2042</b>                            | <b>\$216,151</b> |
| <b>Replacement Year 2043</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 14,882           |
| <b>Total for 2043</b>                            | <b>\$14,882</b>  |
| <b>Replacement Year 2044</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 15,329           |
| 1017 Mailboxes - Replace                         | 38,755           |
| <b>Total for 2044</b>                            | <b>\$54,084</b>  |
| <b>Replacement Year 2045</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 15,789           |
| <b>Total for 2045</b>                            | <b>\$15,789</b>  |
| <b>Replacement Year 2046</b>                     |                  |
| 1010 Irrigation Controllers - Replace            | 12,577           |
| 1030 Landscaping - Hazardous Tree Removal        | 16,262           |
| <b>Total for 2046</b>                            | <b>\$28,839</b>  |
| <b>Replacement Year 2047</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 16,750           |
| 1014 Lights at Monuments - Replace               | 3,488            |
| 1025 Tennis Court - Resurface                    | 42,219           |
| <b>Total for 2047</b>                            | <b>\$62,457</b>  |
| <b>Replacement Year 2048</b>                     |                  |
| 1030 Landscaping - Hazardous Tree Removal        | 17,253           |
| 1023 Playground Structures - Replace             | 153,954          |
| <b>Total for 2048</b>                            | <b>\$171,207</b> |

**Timberline Ridge HOA  
Projected Expenditures Report**

| Description                               | Expenditures    |
|---|-----------------|
| <b>Replacement Year 2049</b>              |                 |
| 1030 Landscaping - Hazardous Tree Removal | 17,770          |
| <b>Total for 2049</b>                     | <b>\$17,770</b> |
| <br>                                      |                 |
| <b>Replacement Year 2050</b>              |                 |
| 1005 Benches - Replace                    | 9,255           |
| 1030 Landscaping - Hazardous Tree Removal | 18,303          |
| 1021 Picnic Table - Replace               | 4,355           |
| <b>Total for 2050</b>                     | <b>\$31,914</b> |
| <br>                                      |                 |
| <b>Replacement Year 2051</b>              |                 |
| 1030 Landscaping - Hazardous Tree Removal | 18,853          |
| <b>Total for 2051</b>                     | <b>\$18,853</b> |

**Timberline Ridge HOA  
Spreadsheet - Component Expenditures**

|  | 2022    | 2023    | 2024    | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Beginning Balance</b>                   | 160,370 | 179,332 | 210,288 | 221,614 | 249,025 | 284,147 | 290,587 | 242,195 | 280,363 | 251,442 |
| <b>Annual Reserve Account Contribution</b> | 37,450  | 38,573  | 39,731  | 40,923  | 42,150  | 43,415  | 44,717  | 46,059  | 47,441  | 48,864  |
| <b>Interest Earned</b>                     | 1,247   | 1,462   | 1,541   | 1,731   | 1,975   | 2,020   | 1,684   | 1,949   | 1,748   | 1,973   |
| <b>Expenditures</b>                        | 19,734  | 9,079   | 29,945  | 15,242  | 9,004   | 38,995  | 94,793  | 9,839   | 78,110  | 18,511  |
| <b>Fully Funded Balance</b>                | 334,391 | 364,373 | 374,641 | 401,267 | 436,049 | 441,946 | 391,536 | 428,136 | 396,564 | 426,513 |
| <b>Percent Funded</b>                      | 54%     | 58%     | 59%     | 62%     | 65%     | 66%     | 62%     | 65%     | 63%     | 67%     |
| <b>Ending Reserve Account Balance</b>      | 179,332 | 210,288 | 221,614 | 249,025 | 284,147 | 290,587 | 242,195 | 280,363 | 251,442 | 283,768 |

**ID Description**

|  |               |              |               |               |              |               |               |              |               |               |
|--|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|
| 1001 Asphalt Pathways - Replace                |               |              |               |               |              |               |               |              |               |               |
| 1002 Backflow Device - Irrigation - Replace    | 2,618         |              |               |               |              |               |               |              |               |               |
| 1004 Basketball Hoops - Replace                |               |              |               |               |              | 6,345         |               |              |               |               |
| 1005 Benches - Replace                         |               |              |               | 4,420         |              |               |               |              |               |               |
| 1006 Bollards - Repair Contingency             |               |              |               |               |              |               |               |              | 10,550        |               |
| 1007 Electrical - Modernize                    |               |              |               |               |              |               |               |              | 15,072        |               |
| 1008 Fence (split rail 2000) - Replace         | 4,440         |              |               |               |              |               |               |              |               |               |
| 1009 Fence (split rail 2020) - Replace         |               |              |               |               |              |               |               |              |               |               |
| 1010 Irrigation Controllers - Replace          |               |              |               |               |              |               |               |              |               | 8,073         |
| 1011 Irrigation Distribution Systems - Replace |               |              |               |               |              |               |               |              |               |               |
| 1030 Landscaping - Hazardous Tree Removal      | 8,000         | 8,240        | 8,487         | 8,742         | 9,004        | 9,274         | 9,552         | 9,839        | 10,134        | 10,438        |
| 1014 Lights at Monuments - Replace             |               |              |               |               |              |               |               |              |               |               |
| 1015 Mailbox Kiosk Roofs - Replace             | 4,677         |              |               |               |              |               |               |              |               |               |
| 1016 Mailbox Kiosk Structure - Replace         |               |              |               |               |              |               |               |              |               |               |
| 1017 Mailboxes - Replace                       |               |              | 21,458        |               |              |               |               |              |               |               |
| 1018 Metal Cooking Grill - Replace             |               | 839          |               |               |              |               |               |              |               |               |
| 1019 Monuments - Repair Contingency            |               |              |               |               |              |               |               |              | 36,926        |               |
| 1020 Pavers - Replace                          |               |              |               |               |              |               |               |              |               |               |
| 1021 Picnic Table - Replace                    |               |              |               | 2,080         |              |               |               |              |               |               |
| 1023 Playground Structures - Replace           |               |              |               |               |              |               | 85,241        |              |               |               |
| 1025 Tennis Court - Resurface                  |               |              |               |               |              | 23,376        |               |              |               |               |
| 1026 Tennis Court Fence - Replace              |               |              |               |               |              |               |               |              |               |               |
| 1029 Wood Park Sandblasted Signs - Replace     |               |              |               |               |              |               |               |              | 5,427         |               |
| <b>Year Total:</b>                             | <b>19,734</b> | <b>9,079</b> | <b>29,945</b> | <b>15,242</b> | <b>9,004</b> | <b>38,995</b> | <b>94,793</b> | <b>9,839</b> | <b>78,110</b> | <b>18,511</b> |

**Timberline Ridge HOA**  
**Spreadsheet - Component Expenditures**

|  | 2032    | 2033    | 2034    | 2035    | 2036    | 2037    | 2038    | 2039    | 2040    | 2041    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Beginning Balance</b>                   | 283,768 | 323,355 | 366,670 | 411,519 | 235,157 | 281,661 | 271,472 | 258,394 | 309,220 | 341,680 |
| <b>Annual Reserve Account Contribution</b> | 50,330  | 51,840  | 53,395  | 54,997  | 56,646  | 58,346  | 60,096  | 61,899  | 63,756  | 65,669  |
| <b>Interest Earned</b>                     | 2,248   | 2,549   | 2,861   | 1,635   | 1,958   | 1,887   | 1,796   | 2,149   | 2,375   | 2,753   |
| <b>Expenditures</b>                        | 12,990  | 11,074  | 11,406  | 232,993 | 12,101  | 70,421  | 74,970  | 13,223  | 33,672  | 14,028  |
| <b>Fully Funded Balance</b>                | 464,161 | 506,059 | 550,053 | 368,349 | 409,966 | 393,997 | 374,192 | 418,760 | 445,012 | 493,735 |
| <b>Percent Funded</b>                      | 70%     | 72%     | 75%     | 64%     | 69%     | 69%     | 69%     | 74%     | 77%     | 80%     |
| <b>Ending Reserve Account Balance</b>      | 323,355 | 366,670 | 411,519 | 235,157 | 281,661 | 271,472 | 258,394 | 309,220 | 341,680 | 396,074 |

**ID Description**

|  |        |        |        |         |        |        |        |        |        |        |
|--|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|
| 1001 Asphalt Pathways - Replace                |        |        |        |         |        |        | 60,825 |        |        |        |
| 1002 Backflow Device - Irrigation - Replace    |        |        |        |         |        |        |        |        |        |        |
| 1004 Basketball Hoops - Replace                |        |        |        |         |        |        |        |        |        |        |
| 1005 Benches - Replace                         |        |        |        |         |        |        |        |        |        |        |
| 1006 Bollards - Repair Contingency             |        |        |        |         |        |        |        |        |        |        |
| 1007 Electrical - Modernize                    |        |        |        |         |        |        |        |        |        |        |
| 1008 Fence (split rail 2000) - Replace         |        |        |        |         |        |        |        |        |        |        |
| 1009 Fence (split rail 2020) - Replace         |        |        |        |         |        |        |        |        | 20,052 |        |
| 1010 Irrigation Controllers - Replace          |        |        |        |         |        |        |        |        |        |        |
| 1011 Irrigation Distribution Systems - Replace |        |        |        | 185,175 |        |        |        |        |        |        |
| 1030 Landscaping - Hazardous Tree Removal      | 10,751 | 11,074 | 11,406 | 11,748  | 12,101 | 12,464 | 12,838 | 13,223 | 13,619 | 14,028 |
| 1014 Lights at Monuments - Replace             | 2,239  |        |        |         |        |        |        |        |        |        |
| 1015 Mailbox Kiosk Roofs - Replace             |        |        |        |         |        |        |        |        |        |        |
| 1016 Mailbox Kiosk Structure - Replace         |        |        |        |         |        |        |        |        |        |        |
| 1017 Mailboxes - Replace                       |        |        |        |         |        |        |        |        |        |        |
| 1018 Metal Cooking Grill - Replace             |        |        |        |         |        |        | 1,308  |        |        |        |
| 1019 Monuments - Repair Contingency            |        |        |        |         |        |        |        |        |        |        |
| 1020 Pavers - Replace                          |        |        |        | 36,070  |        |        |        |        |        |        |
| 1021 Picnic Table - Replace                    |        |        |        |         |        |        |        |        |        |        |
| 1023 Playground Structures - Replace           |        |        |        |         |        |        |        |        |        |        |
| 1025 Tennis Court - Resurface                  |        |        |        |         |        | 31,415 |        |        |        |        |
| 1026 Tennis Court Fence - Replace              |        |        |        |         |        | 26,543 |        |        |        |        |
| 1029 Wood Park Sandblasted Signs - Replace     |        |        |        |         |        |        |        |        |        |        |

|                    |               |               |               |                |               |               |               |               |               |               |
|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Year Total:</b> | <b>12,990</b> | <b>11,074</b> | <b>11,406</b> | <b>232,993</b> | <b>12,101</b> | <b>70,421</b> | <b>74,970</b> | <b>13,223</b> | <b>33,672</b> | <b>14,028</b> |
|--------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|

**Timberline Ridge HOA**  
**Spreadsheet - Component Expenditures**

|  | 2042    | 2043    | 2044    | 2045    | 2046    | 2047    | 2048    | 2049    | 2050    | 2051    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Beginning Balance</b>                   | 396,074 | 249,295 | 306,209 | 326,150 | 386,963 | 437,291 | 456,419 | 368,538 | 436,993 | 494,197 |
| <b>Annual Reserve Account Contribution</b> | 67,639  | 69,668  | 71,758  | 73,911  | 76,128  | 78,412  | 80,764  | 83,187  | 85,683  | 88,253  |
| <b>Interest Earned</b>                     | 1,733   | 2,129   | 2,267   | 2,690   | 3,040   | 3,173   | 2,562   | 3,038   | 3,435   | 3,945   |
| <b>Expenditures</b>                        | 216,151 | 14,882  | 54,084  | 15,789  | 28,839  | 62,457  | 171,207 | 17,770  | 31,914  | 18,853  |
| <b>Fully Funded Balance</b>                | 337,449 | 385,328 | 395,858 | 447,788 | 489,524 | 499,625 | 399,810 | 456,885 | 503,007 | 565,924 |
| <b>Percent Funded</b>                      | 74%     | 79%     | 82%     | 86%     | 89%     | 91%     | 92%     | 96%     | 98%     | 100%    |
| <b>Ending Reserve Account Balance</b>      | 249,295 | 306,209 | 326,150 | 386,963 | 437,291 | 456,419 | 368,538 | 436,993 | 494,197 | 567,543 |

**ID Description**

|  |         |        |        |        |        |        |         |        |        |        |
|--|---------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| 1001 Asphalt Pathways - Replace                |         |        |        |        |        |        |         |        |        |        |
| 1002 Backflow Device - Irrigation - Replace    | 4,728   |        |        |        |        |        |         |        |        |        |
| 1004 Basketball Hoops - Replace                |         |        |        |        |        |        |         |        |        |        |
| 1005 Benches - Replace                         |         |        |        |        |        |        |         |        | 9,255  |        |
| 1006 Bollards - Repair Contingency             |         |        |        |        |        |        |         |        |        |        |
| 1007 Electrical - Modernize                    |         |        |        |        |        |        |         |        |        |        |
| 1008 Fence (split rail 2000) - Replace         | 8,020   |        |        |        |        |        |         |        |        |        |
| 1009 Fence (split rail 2020) - Replace         |         |        |        |        |        |        |         |        |        |        |
| 1010 Irrigation Controllers - Replace          |         |        |        |        | 12,577 |        |         |        |        |        |
| 1011 Irrigation Distribution Systems - Replace |         |        |        |        |        |        |         |        |        |        |
| 1030 Landscaping - Hazardous Tree Removal      | 14,449  | 14,882 | 15,329 | 15,789 | 16,262 | 16,750 | 17,253  | 17,770 | 18,303 | 18,853 |
| 1014 Lights at Monuments - Replace             |         |        |        |        |        | 3,488  |         |        |        |        |
| 1015 Mailbox Kiosk Roofs - Replace             | 8,447   |        |        |        |        |        |         |        |        |        |
| 1016 Mailbox Kiosk Structure - Replace         | 180,508 |        |        |        |        |        |         |        |        |        |
| 1017 Mailboxes - Replace                       |         |        | 38,755 |        |        |        |         |        |        |        |
| 1018 Metal Cooking Grill - Replace             |         |        |        |        |        |        |         |        |        |        |
| 1019 Monuments - Repair Contingency            |         |        |        |        |        |        |         |        |        |        |
| 1020 Pavers - Replace                          |         |        |        |        |        |        |         |        |        |        |
| 1021 Picnic Table - Replace                    |         |        |        |        |        |        |         |        | 4,355  |        |
| 1023 Playground Structures - Replace           |         |        |        |        |        |        | 153,954 |        |        |        |
| 1025 Tennis Court - Resurface                  |         |        |        |        |        | 42,219 |         |        |        |        |
| 1026 Tennis Court Fence - Replace              |         |        |        |        |        |        |         |        |        |        |
| 1029 Wood Park Sandblasted Signs - Replace     |         |        |        |        |        |        |         |        |        |        |

|                    |                |               |               |               |               |               |                |               |               |               |
|--------------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>Year Total:</b> | <b>216,151</b> | <b>14,882</b> | <b>54,084</b> | <b>15,789</b> | <b>28,839</b> | <b>62,457</b> | <b>171,207</b> | <b>17,770</b> | <b>31,914</b> | <b>18,853</b> |
|--------------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|



**Timberline Ridge HOA**  
**FY Beginning Fully Funded Balance Calculations**

| Asset ID             | Description                        | Current Cost | x | Age | / | Useful Life | = | Fully Funded            |
|----------------------|------------------------------------|--------------|---|-----|---|-------------|---|-------------------------|
| 1001                 | Asphalt Pathways - Replace         | \$37,904     | x | 4   | / | 20          | = | \$7,581                 |
| 1002                 | Backflow Device - Irrigation -...  | \$2,618      | x | 20  | / | 20          | = | \$2,618                 |
| 1004                 | Basketball Hoops - Replace         | \$5,473      | x | 22  | / | 27          | = | \$4,460                 |
| 1005                 | Benches - Replace                  | \$4,045      | x | 22  | / | 25          | = | \$3,560                 |
| 1006                 | Bollards - Repair Contingency      | \$8,329      | x | 22  | / | 30          | = | \$6,108                 |
| 1007                 | Electrical - Modernize             | \$11,898     | x | 22  | / | 30          | = | \$8,725                 |
| 1008                 | Fence (split rail 2000) - Repla... | \$4,440      | x | 20  | / | 20          | = | \$4,440                 |
| 1009                 | Fence (split rail 2020) - Repla... | \$11,778     | x | 2   | / | 20          | = | \$1,178                 |
| 1010                 | Irrigation Controllers - Replace   | \$6,187      | x | 6   | / | 15          | = | \$2,475                 |
| 1011                 | Irrigation Distribution Syste...   | \$126,095    | x | 22  | / | 35          | = | \$79,260                |
| 1030                 | Landscaping - Hazardous Tre...     | \$8,000      | x | 1   | / | 1           | = | \$8,000                 |
| 1014                 | Lights at Monuments - Repla...     | \$1,666      | x | 5   | / | 15          | = | \$555                   |
| 1015                 | Mailbox Kiosk Roofs - Replace      | \$4,677      | x | 20  | / | 20          | = | \$4,677                 |
| 1016                 | Mailbox Kiosk Structure - Re...    | \$99,943     | x | 22  | / | 42          | = | \$52,351                |
| 1017                 | Mailboxes - Replace                | \$20,226     | x | 18  | / | 20          | = | \$18,203                |
| 1018                 | Metal Cooking Grill - Replace      | \$815        | x | 14  | / | 15          | = | \$761                   |
| 1019                 | Monuments - Repair Conting...      | \$29,150     | x | 22  | / | 30          | = | \$21,377                |
| 1020                 | Pavers - Replace                   | \$24,562     | x | 22  | / | 35          | = | \$15,439                |
| 1021                 | Picnic Table - Replace             | \$1,904      | x | 22  | / | 25          | = | \$1,675                 |
| 1023                 | Playground Structures - Repl...    | \$71,388     | x | 14  | / | 20          | = | \$49,972                |
| 1025                 | Tennis Court - Resurface           | \$20,164     | x | 5   | / | 10          | = | \$10,082                |
| 1026                 | Tennis Court Fence - Replace       | \$17,037     | x | 22  | / | 37          | = | \$10,130                |
| 1029                 | Wood Park Sandblasted Sign...      | \$4,284      | x | 22  | / | 30          | = | \$3,142                 |
| Total Asset Summary: |                                    |              |   |     |   |             |   | <u><u>\$316,766</u></u> |

## Timberline Ridge HOA About the Component Detail Reports Section

In the following Component Details Section of this reserve study you will find each component that has been listed within the Component List. This section has more detailed information for each component and reviewing it will often answer questions that arise regarding specific components within this reserve study. Below you will find an explanation of what and where this information is located.

1

Elevated Walkways/Hallways- Topcoat- 2019

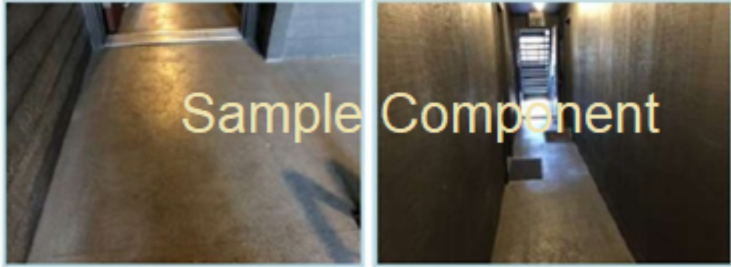
3

|  |          |      |                     |            |
|--|----------|------|---------------------|------------|
|  | Asset ID | 1055 | 1,340 sf            | @ \$4.75   |
|  |          |      | Asset Cost          | \$6,365.00 |
|  |          |      | Percent Replacement | 100%       |
|  |          |      | Future Cost         | \$6,365.00 |

2

|  |                   |                      |  |  |
|--|-------------------|----------------------|--|--|
|  | Category          | Decks/Porches/Patios |  |  |
|  | Placed in Service | June 2012            |  |  |
|  | Useful Life       | 5                    |  |  |
|  | Replacement Year  | 2019                 |  |  |
|  | Remaining Life    | 0                    |  |  |

4



Sample Component

5

This elastomeric surface type (at elevated walkways, covered staircases and covered hallways) needs to be top coated periodically for waterproof integrity, protection of surrounding structure and appearance. As routine maintenance, we strongly suggest annual professional inspections, with cleaning and repair as needed. Clean with mild solution such as TSP; bleach can be added if mold/mildew becomes a problem. Plan for regular intervals of professional maintenance top coating at the interval indicated.

1. Component Name and next Replacement Year as well as a unique Asset ID to cross reference with other sections within this reserve study.
2. This area has the category of the component, estimated placed in-service date (when last installed), the estimated useful life of the component (estimate of how long the component will last), the next replacement year in this reserve study and the remaining useful life (how many years before replacement is estimated to occur).
3. The area has the total measurement/unit count of the component, the cost per unit, the total asset cost (unit count X unit cost), the percent replacement (amount funded to be replaced in a cycle), and the future cost (estimated cost at the next replacement date).
4. Pictures of the component are included for Level I studies unless the Client has requested fewer pages in the study in which case we will omit them.
5. Specific comments about this component which can include explanations for adjustments to the useful life, phasing, maintenance of the component, Vendor recommendations, etc.

**Timberline Ridge HOA  
Component Detail Reports**

**Asphalt Pathways - Replace - 2038**

|                   |                  |                     |             |
|-------------------|------------------|---------------------|-------------|
| Asset ID          | 1001             | 6,592 sf            | @ \$5.75    |
| Category          | Asphalt Surfaces | Asset Actual Cost   | \$37,904.00 |
| Placed in Service | August 2018      | Percent Replacement | 100%        |
| Useful Life       | 20               | Future Cost         | \$60,824.79 |
| Replacement Year  | 2038             |                     |             |
| Remaining Life    | 16               |                     |             |



Asphalt pathways at park were reportedly replaced in 2018 for approx. \$33,326. As routine maintenance, keep surface clean, repair cracks and clean oils stains promptly.

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for major rehabilitation or replacement to be completed.

**Timberline Ridge HOA  
Component Detail Reports**

**Backflow Device - Irrigation - Replace - 2022**

|                   |                    |                     |      |              |
|-------------------|--------------------|---------------------|------|--------------|
|                   |                    |                     | 2 ea | @ \$1,308.77 |
| Asset ID          | 1002               | Asset Actual Cost   |      | \$2,617.54   |
|                   |                    | Percent Replacement |      | 100%         |
| Category          | Irrigation Systems | Future Cost         |      | \$2,617.54   |
| Placed in Service | June 2000          |                     |      |              |
| Useful Life       | 20                 |                     |      |              |
| Replacement Year  | 2022               |                     |      |              |
| Remaining Life    | 0                  |                     |      |              |

As routine maintenance, inspect regularly, test system, repair as needed from operating budget. We recommend funding for this component at the time frame indicated.

**Timberline Ridge HOA  
Component Detail Reports**

**Basketball Hoops - Replace - 2027**

|                   |              |                     |              |
|-------------------|--------------|---------------------|--------------|
| Asset ID          | 1004         | 2 ea                | @ \$2,736.53 |
|                   |              | Asset Actual Cost   | \$5,473.06   |
|                   |              | Percent Replacement | 100%         |
| Category          | Tennis Court | Future Cost         | \$6,344.78   |
| Placed in Service | June 2000    |                     |              |
| Useful Life       | 27           |                     |              |
| Replacement Year  | 2027         |                     |              |
| Remaining Life    | 5            |                     |              |



The tennis court backboard appears to be in fair condition. No major damage noted. Inspect, repair & paint as needed annually from the Operating budget. We recommend budgeting for replacement at the timeframe indicated to cycle with the next tennis court resurfacing.

**Timberline Ridge HOA  
Component Detail Reports**

**Benches - Replace - 2025**

|                   |            |                     |              |
|-------------------|------------|---------------------|--------------|
|                   |            | 4 ea                | @ \$1,011.33 |
| Asset ID          | 1005       | Asset Actual Cost   | \$4,045.32   |
|                   |            | Percent Replacement | 100%         |
| Category          | Recreation | Future Cost         | \$4,420.43   |
| Placed in Service | June 2000  |                     |              |
| Useful Life       | 25         |                     |              |
| Replacement Year  | 2025       |                     |              |
| Remaining Life    | 3          |                     |              |



Wood and metal benches are in fair condition. One bench was damaged at the time of inspection. Individual board replacement and staining regularly can maximize the service life of these benches. The metal will eventually corrode requiring full replacement.

**Timberline Ridge HOA  
Component Detail Reports**

**Bollards - Repair Contingency - 2030**

|                   |           |                     |             |
|-------------------|-----------|---------------------|-------------|
| Asset ID          | 1006      | 14 ea               | @ \$594.90  |
| Category          | Signage   | Asset Actual Cost   | \$8,328.60  |
| Placed in Service | June 2000 | Percent Replacement | 100%        |
| Useful Life       | 30        | Future Cost         | \$10,550.42 |
| Replacement Year  | 2030      |                     |             |
| Remaining Life    | 8         |                     |             |



Bollard appears to be deteriorating at a rate typical of their age. These are made of study concrete, masonry and metal materials. There is no expectation of total replacement but repairs should be anticipated for grout failure, concrete cracking and damage from tree roots. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for refurbishment of this monument recommended to maintain a consistent, quality appearance. A repair contingency has been included. Review annually and adjust as conditions and repair needs dictate.

**Timberline Ridge HOA  
Component Detail Reports**

**Electrical - Modernize - 2030**

|                   |            |                     |              |
|-------------------|------------|---------------------|--------------|
|                   |            | 4 ea                | @ \$2,974.49 |
| Asset ID          | 1007       | Asset Actual Cost   | \$11,897.96  |
|                   |            | Percent Replacement | 100%         |
| Category          | Electrical | Future Cost         | \$15,071.98  |
| Placed in Service | June 2000  |                     |              |
| Useful Life       | 30         |                     |              |
| Replacement Year  | 2030       |                     |              |
| Remaining Life    | 8          |                     |              |



Fair condition noted. Small Circuit breaker panels and meter sockets installed onsite for the common area irrigation and lighting systems. These are located behind some of the monuments. Anticipate the need for eventual replacement of these panels as they are exposed to the elements and the enclosures will eventually corrode. Cost for each location to modernize.



**Timberline Ridge HOA  
Component Detail Reports**

**Fence (split rail 2000) - Replace - 2022**

|                   |           |                     |            |
|-------------------|-----------|---------------------|------------|
| Asset ID          | 1008      | 190 lf              | @ \$23.37  |
| Category          | Fencing   | Asset Actual Cost   | \$4,440.30 |
| Placed in Service | June 2000 | Percent Replacement | 100%       |
| Useful Life       | 20        | Future Cost         | \$4,440.30 |
| Replacement Year  | 2022      |                     |            |
| Remaining Life    | 0         |                     |            |



Approx. 50 linear feet of the spit rail fence at NE 30th Ct. has recently been replaced. Although rustic looking by design, this type of fencing will eventually need to be replaced due to constant weathering and exposure. Inspect regularly and repair as needed from operating budget. Plan for regular intervals of replacement at roughly the time frame indicated below.

Note: assumed to be left to weather naturally; no funding for seal/stain herein.

[Cost estimate provide by the Client based on recent completed project.](#)

**Timberline Ridge HOA  
Component Detail Reports**

**Fence (split rail 2020) - Replace - 2040**

|                   |           |                     |             |
|-------------------|-----------|---------------------|-------------|
| Asset ID          | 1009      | 504 lf              | @ \$23.37   |
| Category          | Fencing   | Asset Actual Cost   | \$11,778.48 |
| Placed in Service | June 2020 | Percent Replacement | 100%        |
| Useful Life       | 20        | Future Cost         | \$20,052.07 |
| Replacement Year  | 2040      |                     |             |
| Remaining Life    | 18        |                     |             |



Although rustic looking by design, this type of fencing will eventually need to be replaced due to constant weathering and exposure. Inspect regularly and repair as needed from operating budget. Plan for regular intervals of replacement at roughly the time frame indicated below.

Note: assumed to be left to weather naturally; no funding for seal/stain herein.

[Cost estimate provide by the Client based on recent completed project.](#)

**Timberline Ridge HOA  
Component Detail Reports**

**Irrigation Controllers - Replace - 2031**

|                   |                    |                     |              |
|-------------------|--------------------|---------------------|--------------|
|                   |                    | 2 ea                | @ \$3,093.47 |
| Asset ID          | 1010               | Asset Actual Cost   | \$6,186.94   |
|                   |                    | Percent Replacement | 100%         |
| Category          | Irrigation Systems | Future Cost         | \$8,072.55   |
| Placed in Service | June 2016          |                     |              |
| Useful Life       | 15                 |                     |              |
| Replacement Year  | 2031               |                     |              |
| Remaining Life    | 9                  |                     |              |



These are newer in age. They also have the weather station option. We recommend funding for replacement at the timeframe indicated.

**Timberline Ridge HOA  
Component Detail Reports**

**Irrigation Distribution Systems - Replace - 2035**

|                   |                    |                     |              |
|-------------------|--------------------|---------------------|--------------|
|                   |                    | 132,732 sf          | @ \$0.95     |
| Asset ID          | 1011               | Asset Actual Cost   | \$126,095.40 |
|                   |                    | Percent Replacement | 100%         |
| Category          | Irrigation Systems | Future Cost         | \$185,175.35 |
| Placed in Service | June 2000          |                     |              |
| Useful Life       | 35                 |                     |              |
| Replacement Year  | 2035               |                     |              |
| Remaining Life    | 13                 |                     |              |



Local repairs reported but no large scale replacement of piping and valves. As routine maintenance, inspect and test system regularly, perform any minor repairs as necessary from maintenance budget. Although the failure rate of the elements within this component are typically difficult to predict, prudent planning suggests setting aside funding, for large scale replacement/refurbishing of irrigation systems (I.E. piping, control valves, gate valves, etc.), on a cyclical basis.

**Timberline Ridge HOA  
Component Detail Reports**

Landscaping - Hazardous Tree Removal - 2022

|                   |              |                     |      |              |
|-------------------|--------------|---------------------|------|--------------|
|                   |              |                     | 1 Is | @ \$8,000.00 |
| Asset ID          | 1030         | Asset Actual Cost   |      | \$8,000.00   |
|                   |              | Percent Replacement |      | 100%         |
| Category          | Landscaping  | Future Cost         |      | \$8,000.00   |
| Placed in Service | January 2020 |                     |      |              |
| Useful Life       | 1            |                     |      |              |
| Replacement Year  | 2022         |                     |      |              |
| Remaining Life    | 0            |                     |      |              |



It has been our experience that tree hazards develop over time, which can add up to a significant expense. We recommend funding for regular cycles of hazardous tree removal.

Note that in prior studies all tree care was considered an operational expense as the projects costs had historically been paid from the Operational Account. The Client has requested that this be included in the reserve study going forward as the expense has grown large enough that it has become difficult to budget for operationally.

**Timberline Ridge HOA  
Component Detail Reports**

**Lights at Monuments - Replace - 2032**

|                     |           |      |            |
|---------------------|-----------|------|------------|
| Asset ID            | 1014      | 7 ea | @ \$237.96 |
| Asset Actual Cost   |           |      | \$1,665.72 |
| Percent Replacement |           |      | 100%       |
| Future Cost         |           |      | \$2,238.59 |
| Category            | Lighting  |      |            |
| Placed in Service   | June 2017 |      |            |
| Useful Life         | 15        |      |            |
| Replacement Year    | 2032      |      |            |
| Remaining Life      | 10        |      |            |



Monument lights are newer LED's and appear to be deteriorating at a rate typical of their age. We recommend budgeting for replacement at the timeframe indicated due to constant exposure to the elements and deterioration of the component over time.

**Timberline Ridge HOA  
Component Detail Reports**

**Mailbox Kiosk Roofs - Replace - 2022**

|                   |           |                     |            |
|-------------------|-----------|---------------------|------------|
| Asset ID          | 1015      | 605 sf              | @ \$7.73   |
| Category          | Mailboxes | Asset Actual Cost   | \$4,676.65 |
| Placed in Service | June 2000 | Percent Replacement | 100%       |
| Useful Life       | 20        | Future Cost         | \$4,676.65 |
| Replacement Year  | 2022      |                     |            |
| Remaining Life    | 0         |                     |            |



Mailbox kiosk roofs are in fair to poor condition. Damages and missing shingles noted. Some vehicle damage likely.

**Timberline Ridge HOA  
Component Detail Reports**

**Mailbox Kiosk Structure - Replace - 2042**

|                   |           |                     |              |
|-------------------|-----------|---------------------|--------------|
|                   |           | 24 ea               | @ \$4,164.29 |
| Asset ID          | 1016      | Asset Actual Cost   | \$99,942.96  |
|                   |           | Percent Replacement | 100%         |
| Category          | Mailboxes | Future Cost         | \$180,508.10 |
| Placed in Service | June 2000 |                     |              |
| Useful Life       | 40        |                     |              |
| Adjustment        | 2         |                     |              |
| Replacement Year  | 2042      |                     |              |
| Remaining Life    | 20        |                     |              |



Wood mailbox kiosks are in variable condition. Board reported that these were recently refurbished to repair damaged wood. Inspection revealed structures have wood and composition roofs in poor condition, with damaged and missing shingles noted. These wood structures should be inspected and painted/stained as needed paid from the Operating account. Over time these structures will need refurbishment including roof replacement, wood repairs and stability enforcement to maximize their service lives. We recommend preparing for eventual total replacement of these wood structures.

[Slight adjustment given so this coincides with the roof replacement component.](#)



**Timberline Ridge HOA  
Component Detail Reports**

**Mailboxes - Replace - 2024**

|                   |           |                     |             |
|-------------------|-----------|---------------------|-------------|
|                   |           | 200 ea              | @ \$101.13  |
| Asset ID          | 1017      | Asset Actual Cost   | \$20,226.00 |
|                   |           | Percent Replacement | 100%        |
| Category          | Mailboxes | Future Cost         | \$21,457.76 |
| Placed in Service | June 2004 |                     |             |
| Useful Life       | 20        |                     |             |
| Replacement Year  | 2024      |                     |             |
| Remaining Life    | 2         |                     |             |



These are reported to have been installed in 2004. Appear to be deteriorating at a rate typical of their age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

**Timberline Ridge HOA  
Component Detail Reports**

**Metal Cooking Grill - Replace - 2023**

|                   |            |                     |            |
|-------------------|------------|---------------------|------------|
| Asset ID          | 1018       | 1 ea                | @ \$815.01 |
| Category          | Recreation | Asset Actual Cost   | \$815.01   |
| Placed in Service | June 2008  | Percent Replacement | 100%       |
| Useful Life       | 15         | Future Cost         | \$839.46   |
| Replacement Year  | 2023       |                     |            |
| Remaining Life    | 1          |                     |            |



Metal cooking grill is in fair condition. Some surface rust noted. Plan for eventual replacement as these structures will deteriorate from the heat as well as the exposure to the elements.

**Timberline Ridge HOA  
Component Detail Reports**

**Monuments - Repair Contingency - 2030**

|                     |           |      |              |
|---------------------|-----------|------|--------------|
| Asset ID            | 1019      | 7 ea | @ \$4,164.29 |
| Asset Actual Cost   |           |      | \$29,150.03  |
| Percent Replacement |           |      | 100%         |
| Future Cost         |           |      | \$36,926.39  |
| Category            | Signage   |      |              |
| Placed in Service   | June 2000 |      |              |
| Useful Life         | 30        |      |              |
| Replacement Year    | 2030      |      |              |
| Remaining Life      | 8         |      |              |



Community monument appears to be deteriorating at a rate typical of their age. These are made of sturdy concrete, masonry and metal materials. There is no expectation of total replacement but repair should be anticipated for grout failure, concrete cracking and damage from tree roots. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for refurbishment of this monument recommended to maintain a consistent, quality appearance. A repair contingency has been included. Review annually and adjust as conditions and repair needs dictate.

**Timberline Ridge HOA  
Component Detail Reports**

**Pavers - Replace - 2035**

|                   |             |                     |             |
|-------------------|-------------|---------------------|-------------|
| Asset ID          | 1020        | 1,290 sf            | @ \$19.04   |
| Category          | Landscaping | Asset Actual Cost   | \$24,561.60 |
| Placed in Service | June 2000   | Percent Replacement | 100%        |
| Useful Life       | 35          | Future Cost         | \$36,069.54 |
| Replacement Year  | 2035        |                     |             |
| Remaining Life    | 13          |                     |             |



Located at the Circle Park. We recommend budgeting for replacement at the timeframe indicated as these sand set paver systems will typically become uneven with time due to settling, root intrusion, drainage issues and use.

**Timberline Ridge HOA  
Component Detail Reports**

**Picnic Table - Replace - 2025**

|                   |            |                     |      |              |
|-------------------|------------|---------------------|------|--------------|
|                   |            |                     | 1 ea | @ \$1,903.68 |
| Asset ID          | 1021       | Asset Actual Cost   |      | \$1,903.68   |
|                   |            | Percent Replacement |      | 100%         |
| Category          | Recreation | Future Cost         |      | \$2,080.20   |
| Placed in Service | June 2000  |                     |      |              |
| Useful Life       | 25         |                     |      |              |
| Replacement Year  | 2025       |                     |      |              |
| Remaining Life    | 3          |                     |      |              |



The Picnic table appear to be deteriorating at a rate typical of their age. We recommend for eventual replacement at the time frame indicated due to constant exposure. We recommend cleaning and inspecting annually - paint/stain as needed paid for from the Operating account.

**Timberline Ridge HOA  
Component Detail Reports**

**Playground Structures - Replace - 2028**

|                   |            |                     |      |               |
|-------------------|------------|---------------------|------|---------------|
|                   |            |                     | 2 ea | @ \$35,693.94 |
| Asset ID          | 1023       | Asset Actual Cost   |      | \$71,387.88   |
| Category          | Recreation | Percent Replacement |      | 100%          |
| Placed in Service | June 2008  | Future Cost         |      | \$85,240.86   |
| Useful Life       | 20         |                     |      |               |
| Replacement Year  | 2028       |                     |      |               |
| Remaining Life    | 6          |                     |      |               |



These play structures are reported to have been installed around 2008. These are study metal and should have a service life much longer than the prior structures which were built of wood/plastic. The play structures appear to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated to limit liability issues that arise from old structures that require ongoing repairs and have safety issues and before actual failure of the structure. There is a very wide range in cost figures for this type of component due to significant quality variations. The estimate in this reserve study is based on replacement with a similar quality structure.

**Timberline Ridge HOA  
Component Detail Reports**

**Tennis Court - Resurface - 2027**

|                   |              |                     |             |
|-------------------|--------------|---------------------|-------------|
| Asset ID          | 1025         | 7,100 sf            | @ \$2.84    |
| Category          | Tennis Court | Asset Actual Cost   | \$20,164.00 |
| Placed in Service | June 2017    | Percent Replacement | 100%        |
| Useful Life       | 10           | Future Cost         | \$23,375.60 |
| Replacement Year  | 2027         |                     |             |
| Remaining Life    | 5            |                     |             |



The tennis court was resurfaced in 2017 for approx. \$16K. For the safety and playability of the tennis court these surfaces should be inspected annually, and repairs made as needed between resurfacing projects. When tennis court do not receive regular cycles of resurfacing water often causes extensive damage as it seeps into the cracks on the court and causes underlying deterioration of the aggregate base. If nothing is done, then eventually a resurfacing project would not be possible (if the base is in below average condition) and the Community will need to budget for total replacement of the court at a much higher cost.

**Timberline Ridge HOA  
Component Detail Reports**

**Tennis Court Fence - Replace - 2037**

|                   |              |                     |             |
|-------------------|--------------|---------------------|-------------|
| Asset ID          | 1026         | 320 lf              | @ \$53.24   |
| Category          | Tennis Court | Asset Actual Cost   | \$17,036.80 |
| Placed in Service | June 2000    | Percent Replacement | 100%        |
| Useful Life       | 40           | Future Cost         | \$26,542.78 |
| Adjustment        | -3           |                     |             |
| Replacement Year  | 2037         |                     |             |
| Remaining Life    | 15           |                     |             |



Appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.



**Timberline Ridge HOA  
Component Detail Reports**

**Wood Park Sandblasted Signs - Replace - 2030**

|                   |           |                     |      |              |
|-------------------|-----------|---------------------|------|--------------|
|                   |           |                     | 2 ea | @ \$2,142.00 |
| Asset ID          | 1029      | Asset Actual Cost   |      | \$4,284.00   |
|                   |           | Percent Replacement |      | 100%         |
| Category          | Signage   | Future Cost         |      | \$5,426.84   |
| Placed in Service | June 2000 |                     |      |              |
| Useful Life       | 30        |                     |      |              |
| Replacement Year  | 2030      |                     |      |              |
| Remaining Life    | 8         |                     |      |              |



Wood park signs have a fair to poor surface appearance. We recommend painting at this time to protect the underlying wood. Due to the wood construction eventual replacement should be anticipated as wood will rot and split. As routine maintenance, inspect regularly, clean/touch up for appearance and repair from operating budget. Reserve funding recommended for regular intervals of replacement to maintain a consistent, quality appearance.

# Timberline Ridge HOA

## Definitions, Disclosure & Calculations Appendixes

### Definitions Index

#### Abbreviations

|                     |                           |                            |               |
|---------------------|---------------------------|----------------------------|---------------|
| ea = each           | FY = fiscal year          | lf or lin ft = lineal feet | ls = lump sum |
| RL = remaining life | sf or sq ft = square feet | sy or sq yd= square yard   |               |
| UL = useful life    | 100 sq ft = 1 square)     | % = percent                |               |

1. **Allocation %**  
A percentage of the total Reserve Allocation. See - Calculations Appendix
2. **Allocation Increase Rate**  
Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.
3. **Base Year**  
The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.
4. **Common Interest Development (CID)**  
Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:
  - Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit (e.g. balcony, doors/windows, patio yard, etc.).
  - Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

*\*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.*
5. **Component Inventory**  
The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.
6. **Condition Assessment**  
The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.
7. **Contingency Rate**  
Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

8. **Current Cost**  
The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.
9. **Disbursement / Expenditures**  
The funds expected to be paid or expended from the Reserve Balance.
10. **Extended Cost**  
See - Calculations Appendix.
11. **Fiscal Year (FY)**  
A twelve-month period for which an organization plans the use of its funds. There are two distinct types:
  - Calendar Fiscal Year (ends December 31)
  - Non-Calendar Fiscal Year (does not end December 31)
12. **Full Funded Balance (FFB)**  
Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.
13. **Funding Goal**  
Independent of methodology utilized, the following represents the basic categories of funding plan goals:
  - Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.
  - Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.
  - Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statutes.
  - Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.
14. **Funding Method (or Funding Plan)**  
An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:
  - Cash Flow Method- A method of developing a reserve funding plan where allocations to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
  - Component Method- The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

# Timberline Ridge HOA

## Definitions, Disclosure & Calculations Appendixes

15. **Funding Plan**  
The combined Funding Method & Funding Goal.
16. **FY End Balance (same as next FY Start Balance)**  
The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.
17. **FY Start Balance (same as prior year FY End Balance)**  
The balance in reserves at start of applicable fiscal year.
18. **Inflation Rate**  
Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.
19. **Interest Earned**  
The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.
20. **Interest Rate**  
The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.
21. **Interest Rate (net effective)**  
The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.
22. **Levels of Service**
- Level 1 Reserve Study** (Full or Comprehensive)- A Reserve Study in which the following five Reserve Study tasks are performed:
- Component Inventory
  - Condition Assessment (based upon on-site visual observations)
  - Life and Valuation Estimates
  - Fund Status
  - Funding Plan
- Level 2 Reserve Study** (Update, With-Site-Visit/On-Site Review)- A Reserve Study update in which the following five tasks are performed:
- Component Inventory (from prior study)
  - Condition Assessment (based upon on-site visual observations)
  - Life and Valuation Estimates
  - Fund Status
  - Funding Plan
  - \*Note- Updates are reliant on the validity of prior Reserve Studies.
- Level 3 Reserve Study** (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:
- Life and Valuation Estimates (from prior study - updated)
  - Fund Status
  - Funding Plan
  - \*Note- Updates are reliant on the validity of prior Reserve Studies.
23. **Percent Funded**  
A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.
24. **Quantity**  
The number or amount of a reserve component or subcomponent.
25. **Remaining Life (RL)**  
The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.
26. **Replacement %**  
A percentage of the total replacement for a reserve component or subcomponent. This parameter is normally 100%.
27. **Reserve Allocation**  
The amount to be annually budgeted towards reserves based on a Funding Plan.
28. **Reserve Component (or subcomponent)**  
The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:
- association responsibility,
  - with limited useful life expectancies,
  - predictable remaining useful life expectancies,
  - above a minimum threshold cost,
  - and, as required by statutes.
29. **Restoration**  
Defined as to bring back to an unimpaired or improved condition. General types follow:
- Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
  - Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
  - Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.
30. **Risk Factor (Percent Funded)**  
The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:
- 70% and above- LOW
  - 30% to 70%- MODERATE
  - 30% and below- HIGH
- \*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.
31. **Unit Cost**  
The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.
32. **Unit of Measure**  
A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).
33. **Useful Life (UL)**  
Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

# Timberline Ridge HOA

## Definitions, Disclosure & Calculations Appendixes

### Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

#### 1. Items Beyond the Scope of this Report

This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

- Building or land appraisals for any purpose
- State or local zoning ordinance violations
- Building code violations
- Soils conditions, soils contamination or geological stability of site
- Engineering analysis or structural stability of site
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- Water quality or other environmental hazards
- Invasions by termites and any or all other destroying organisms or insects
- Damage or destruction due to pests, birds, bats or animals to buildings or site
- Adequacy or efficiency of any system or component on site
- Specifically excluded reserve items
- Septic systems and septic tanks
- Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
- Items concealed by signs, carpets or other things
- Missing or omitted information supplied by the Association for the purposes of reserve study preparation
- Hidden improvements such as sewer lines, water lines, or other buried or concealed items

#### 2. Qualifications

We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.

#### 3. Invasive Testing

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

#### 4. Conflicts of Interests

As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

#### 5. Representative Sampling

This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.

#### 6. Reliance on Client & Vendor Data Provided

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will reflect information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. The results of this study are based on the independent opinion of the preparer and their experience and research during their career in preparing Reserve Studies. In addition, the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

#### 7. Update to Prior Reserve Studies

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. Level III Studies: In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore, we have not verified the current condition of the common area components. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.

#### 8. Assumption Regarding Ongoing Maintenance

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components.

# Timberline Ridge HOA

## Definitions, Disclosure & Calculations Appendixes

**9. Assumptions Regarding Defect in Design or Construction**

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed all components have been properly built and will reach normal, typical life expectancies. In general, a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

**10. Basis of Cost Estimates**

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

**11. Limitations on Report Use**

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

**12. WA State RCW 64.34.382 & WA State RCW 64.38.070**

This reserve study includes all aspects required per WA State RCW requirements outlined in the Washington Condominium Act and the Homeowners' Association Act.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

**13. Disclosures Required by RCW 64.90.550.**

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

- a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c) This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

# Timberline Ridge HOA

## Definitions, Disclosure & Calculations Appendixes

### Calculations Index

1. **Allocation % =**  
Reserve Allocation (Component Method) / Total Reserve  
Allocation (Component Method) x 100
2. **Current Cost =**  
Extended Cost (for a component without subcomponents)  
i. -or-  
Sum of subcomponent Extended Costs (for a component with subcomponents)
3. **Extended Cost =**  
Quantity x Unit Cost x Replacement % x (1+Contingency Rate)
4. **FY End Balance (same as Next FY Start Balance) =**  
Initial or current fiscal year-  
Current Reserve Balance + Interest Earned +  
Reserve Allocation to Fund + Special  
Assessment to  
Fund + Funds Due from Operating - Approved  
Funds to Disburse - Disbursements  
  
Subsequent fiscal years-  
FY Start Balance + Interest Earned + (Reserve  
Allocation (from previous year) x  
(1 + Reserve Allocation Rate) - Disbursements
5. **Interest Earned=**  
*Initial fiscal year-*  
Current Reserve Balance x (Interest Rate  
(net effective)/12 x  
Number of funding months remaining in current  
fiscal year)  
*Subsequent fiscal years-*  
FY Start Balance x Interest Rate (net effective)  
*Accumulation Function and Amount Function*  
<https://www.reservedataanalyst.com/int>
6. **Percent Funded =**  
(Reserve Account Balance / Fully Funded Balance) x 100
7. **Reserve Allocation (Component Method) =**  
Current Cost / Useful Life

### 8. **Fully Funded Balance =**

#### Basic Fully Funded

There are two published methods of calculating Fully Funded. The first only considers the present value of a component. Present value in each period will change according to the inflation applied.

$$FullyFunded = (Age / Useful Life) * Present Value$$

#### Community Association Press Fully Funded

To account for inflation and interest earned on deposit the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' came up with:

$$Basic\_FF = (Age / Useful Life) * Present Value$$

$$CAI\_FF = Basic\_FF + Basic\_FF / (1 + interest)^{Remaining\ Life} - Basic\_FF / (1 + inflation)^{Remaining\ Life}$$

This is better than the basic method but still an approximation. The below formula most accurately incorporates inflationary and interest impact over time.

#### Annuity Due Fully Funded

To reach a more accurate future replacement cost the below formula is most accurate in that the component is actually fully funded when the projected is expected to occur whereas the above two formula come up slightly short (when inflation and interest rates are not the same):

$$Future\ Cost = (1 + inflation)^n * Current\ Cost$$

$$n = Years\ Until\ Replacement$$

Then get the payment needed for the full-term replacement, (using useful life) with equation (2)

Finally, get the future value of the Annuity Due with equation (1) using the age of the component for n. The result is an Annuity Due Fully Funded

Note: The "Basic" formula for the Fully Funded Balance is utilized by most companies in the reserve study industry however this formula is not the most accurate. The above Annuity Formula is most accurate for mathematical calculations over time. More info can be found at the following link:  
[www.reservedataanalyst.com/math](http://www.reservedataanalyst.com/math)

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|          | Total Unfunded Assets                     | <u>0</u>    |      |
|          | Total Assets                              | 23          |      |