



5116 Heather Drive
Anacortes, WA 98221
360.588.9956

Funding Reserve Analysis *for* Mt. Baker Rim Community Club Level 3a Study 2023

January 10, 2023



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5116 Heather Drive
Anacortes, WA 9822
360.588.9956

January 10, 2023

Ms. Laura Meyer
Board of Directors
10315 Mount Baker Highway
Deming WA 98244

Dear Ms. Laura Meyer,

Introduction

First, we would like to thank you for utilizing our services. Our approach is to provide the members, the board and management with understandable information to make informed decisions needed to best manage your reserve fund and annual contributions. We strive to understand the association's needs and design a funding strategy for meeting those needs based on a realistic approach to finances available and real-world workings of most associations. We live and work in the local area and work hard to keep up to date with costs in your association's neighborhood.

Included within the following pages you will find:

Three funding models which detail how your association finances will look during the 30-year forecast window.

- Current Level of Contributions
- Baseline Funded
- Fully Funded (per the State of Washington RCW 64.34.380)

A list of the community components that the association is responsible for maintaining.

- Estimated current cost of replacement of each component.
- Timeline of estimated remaining life and estimated cost at replacement date per component.

Annual expenditure detail.

Expenses by item and by calendar year.

Average deficit or surplus from a Fully Funded Balance for the association and per member in dollar amount and percentage (based on equal percentage ownership for all units). This amount is calculated by subtracting the association's reserve account balance as of the date of the study (*Budget Year Beginning Date*) from the Fully Funded Balance. Also included is the same calculated amounts as projected at the end of the each study year (*Budget Year Ending Date*).

What is our Recommended Funding Goal? Maintaining the Reserve Fund at a level equal to the value of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. This is simple, responsible, and our recommendation.

Evidence shows that associations in the:

- 0-30% range are considered in **Poor** condition and at a high risk of special assessments or deferred maintenance.
- 30-70% range are considered in **Fair** condition and should strive to gradually increase reserves.
- 70-130% range are considered in **Good** condition and enjoy a low risk of special assessments or deferred maintenance.

The attached funding study is limited in scope to those expense items listed in the attached Expense Detail Report. Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long-lived items overlaps the 30 Years reserve study envelope.

Mt. Baker Rim Community Club Level 3a Study 2023

Executive Summary

Name	Mt. Baker Rim Community Club Level 3a Study 2023
Location	Deming, WA
Contributing Members	432
Year Built	1978
Fiscal Year Ends	2023
Depth of Study	Level 3a Study (<i>Without Site Visit</i>)
Date of Study	January 10, 2023
Last On-Site Inspection Date	May 3, 2021
Inflation Rate for Projections	8% Years 2023-2024/5% 2025>

Reserve Account Summary

Reported Current Annual Reserve Contribution	\$46,000 per year
Estimated Fiscal Year Starting Balance	\$363,391
Fiscal Year Beginning Balance If Fully Funded	\$513,350 (<i>ideal amount in reserves</i>)
Average Deficit/Surplus Per Member (<i>As of Budget Year Beginning Date</i>)	-347 Percent Funded 71%



5 - Year Summary - Current vs. Baseline vs. Fully Funded (*As of Budget Year Ending Date*)

	Current Funding Model <i>Contribution amount supplied by Client</i>		Baseline Funded Model <i>Reserve account above \$0 within study timeframe</i>		Fully Funded Model Recommended <i>Achieve 100% funded within the 30 year study timeframe</i>	
2023	\$333,396	64%	\$361,012	69%	\$370,126	71%
2024	\$42,168	16%	\$97,566	38%	\$118,798	46%
2025	\$50,157	17%	\$133,393	45%	\$170,111	58%
2026	\$105,169	28%	\$217,792	57%	\$270,863	71%
2027	\$82,202	21%	\$225,840	58%	\$296,173	75%
	<i>Contribution increased at 5% per year</i>		<i>Contribution increased at 5% per year</i>		<i>Model goal is to achieve 100% funded by year 30</i>	

The percentage figures above represent the percentage each model is above or below fully funded for the noted time period

Project Description

Mt. Baker Rim Community Club is located near Glacier Washington near Mt. Baker recreational area. There are approximately 432.5 heavily wooded single family lots serviced by several miles of private asphalt paved road. Amenities include a large clubhouse, swimming pool, tennis & pickle ball courts, gate house including a managers apartment, utility garage plus other out buildings. Equipment includes two trucks, a tractor and various landscape maintenance equipment.

This year's report is a Level 3 Reserve financial update only and does not include a site inspection or revision to the community's assets. For this report we have relied on current information provided by management, previous reserve studies and field notes from our last site visit.

The association reported several projects completed in the past year and some that will continue in the coming year.

Please refer to the detailed report pages in the following sections of the report.

(Report Note - material and labor costs appear to be continuing to increase in all construction categories. Many associations have reported dramatic cost differences in recent contractor bids on the same projects. We highly recommend associations request contractor bids on upcoming projects early in the process. Until such time as cost increases moderate all models will include an inflation factor of 8% through 2024 then decrease to 5%).

Reserve Fund Status and Funding Plan Recommendation - Based on our findings, the current level of funding of the reserve account is **not adequate to fund projected expenses for the long term.** We recommend the association gradually adopt a reserve funding plan based on the Fully Funding Model in order to ensure that adequate funding is available throughout the 30-year study period.

Current Assessment Projection - The initial reserve assessment is the association's reported current fiscal year funding level and projected out 30 years to illustrate the adequacy of the current funding over time.

Current Total Reported Annual Reserve Contribution - \$46,000

Baseline Funded Model - The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. A facility using this funding method must understand that even a minor reduction in a component's remaining useful life **or unplanned expenses** can result in a deficit in the reserve cash balance **and may require additional funding.**

Recommended Total Annual Reserve Contribution - \$73,443

Fully Funded Model - This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments. This is the most conservative funding model. It leads to or maintains a fully funded reserve position. (Please note that the Fully Funded Model incorporates funding parameters that seek to reach 100% funded at year 30 reserve study limit. The recommended contribution amount may be unusually high or low for the first few years depending on the current reserve account balance and upcoming expenses).

Recommended Total Annual Reserve Contribution - \$82,500

In this Reserve Study the following components are excluded:

Power Lines – Generally utility companies.

Utility Main Lines – Generally utility companies or City.

Interior Plumbing - The remaining useful life of the plumbing exceeds the 30-year scope of the study.

Windows - The remaining useful life exceeds the 30-year scope of the study.

Depth of Study

We have completed a Level 3 Reserve Study for your association. A field inspection was not made to verify the current status of the various reserve study components, their physical condition, and to verify component quantities.

Understanding the Budget Year

Your study is based on the standard calendar year January 1 through December 31st. January is the “*budget year beginning*”. This account balance is the starting point for determining the distribution of available funds for the year. Reserve contributions plus any addition income or deposits and interest for the 12-month period are calculated then projected expenses for the year are deducted. The result is the *budget year ending* balance estimated for December 31st.

Initial Reserves

Initial reserves for this reserve study are estimated to be \$363,391 as of December 31, 2022. We have relied upon the client to provide the current (or projected) reserve balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the reserve fund.

Keeping Your Reserve Study Current

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the facilities site and computations made subsequently in preparing this reserve analysis study are retained in our computer files.

Conflict of Interest

As the preparer of this reserve study, Pacific Crest Reserves 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.

Date of Physical Inspection

The property was physically inspected by Pacific Crest Reserves on May 3, 2021.

Pacific Crest Reserves would like to thank the members and management for the opportunity to be of service in the preparation of the attached funding study. Again, please feel free to contact us if you have any questions.

Prepared by:

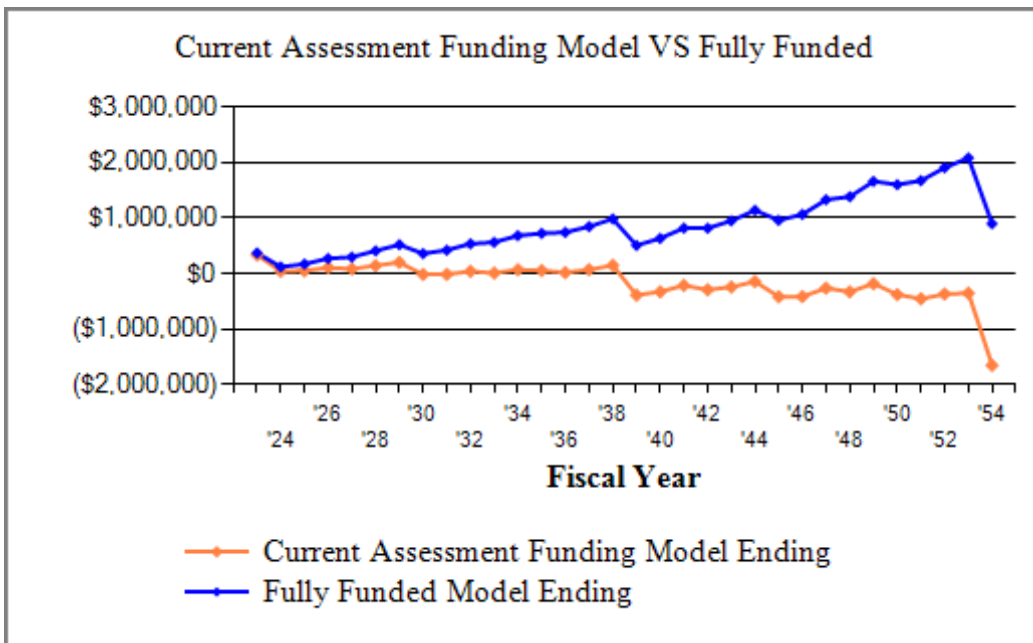
Charlie Barefield

Charlie Barefield
Reserve Analyst Principal

Mt. Baker Rim Community Club Level 3a Study 2023
 Deming, WA
Current Assessment Projection Summary

Report Date	January 10, 2023
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	432

Report Parameters	
Interest Rate on Reserve Deposit	0.63%
Tax Rate Included in Interest Rate	
2023 Beginning Balance	\$363,391



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$46,000.00
<i>\$106.48 per unit annually</i>	
Average Net Annual Interest Earned	\$2,087.25
Total Annual Allocation to Reserves	\$48,087.25
<i>\$111.31 per unit annually</i>	

**Mt. Baker Rim Community Club Level 3a Study 2023
Current Assessment Projection**

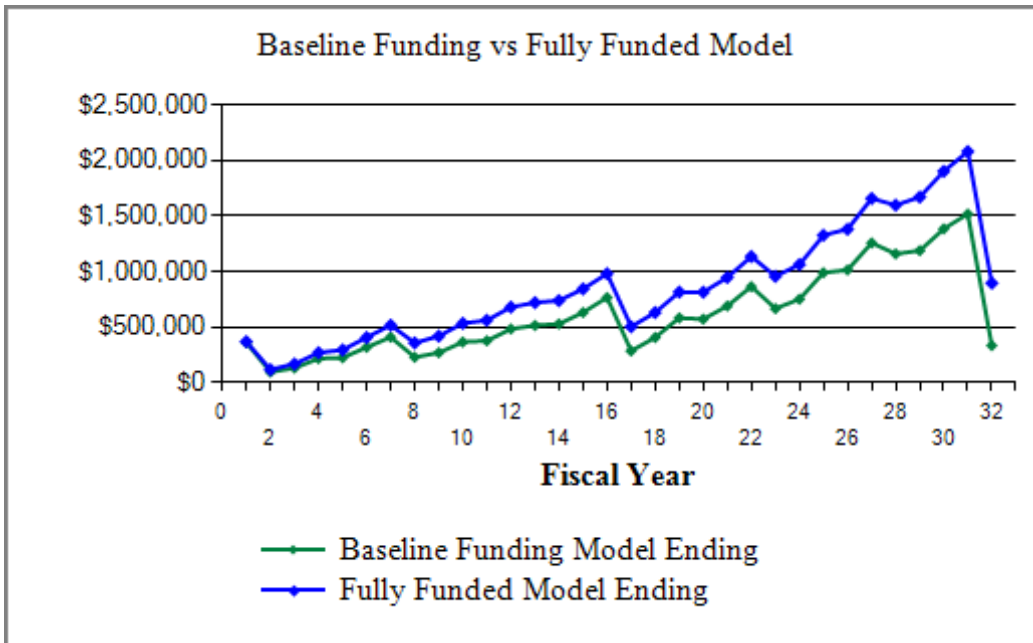
Beginning Balance: \$363,391

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	46,000	2,087	78,082	333,396	520,665	64%
2024	49,680	264	341,172	42,168	260,126	16%
2025	53,654	314	45,979	50,157	295,455	17%
2026	56,337	658	1,984	105,169	382,277	28%
2027	59,154	515	82,636	82,202	392,462	21%
2028	62,112	895	2,187	143,021	491,519	29%
2029	65,217	1,249	9,953	199,535	591,462	34%
2030	68,478		284,571	-16,558	414,147	
2031	71,902		70,058	-14,714	457,801	
2032	75,497	255	20,384	40,654	560,620	7%
2033	79,272	58	110,740	9,244	578,773	2%
2034	83,236	441	22,474	70,447	695,833	10%
2035	87,397	342	103,623	54,563	739,125	7%
2036	91,767	114	128,195	18,250	764,647	2%
2037	96,356	430	46,293	68,743	883,601	8%
2038	101,173	924	23,186	147,655	1,039,230	14%
2039	106,232		642,242	-388,355	559,422	
2040	111,544		49,758	-326,570	684,861	
2041	117,121		4,125	-213,573	871,972	
2042	122,977		200,666	-291,263	869,931	
2043	129,126		80,339	-242,476	1,002,385	
2044	135,582		36,607	-143,501	1,196,044	
2045	142,361		416,128	-417,267	1,009,990	
2046	149,479		145,645	-413,433	1,108,193	
2047	156,953		5,527	-262,007	1,368,461	
2048	164,801		230,219	-327,426	1,416,349	
2049	173,041		26,408	-180,793	1,691,694	
2050	181,693		379,659	-378,759	1,621,505	
2051	190,777		266,508	-454,489	1,678,809	
2052	200,316		115,051	-369,224	1,910,810	
2053	210,332		193,881	-352,773	2,085,084	
2054	220,849		1,516,655	-1,648,579	893,273	

Mt. Baker Rim Community Club Level 3a Study 2023
 Deming, WA
Baseline Funding Model Summary

Report Date	January 10, 2023
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	432

Report Parameters	
Annual Assessment Increase	5.00%
Interest Rate on Reserve Deposit	0.63%
Tax Rate Included in Interest Rate	
2023 Beginning Balance	\$363,391



The **Baseline Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined baseline, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Baseline Funding Model** allows the client to choose the level of conservative funding they desire by choosing the baseline dollar amount.

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$73,443.03
<i>\$170.01 per unit annually</i>	
Average Net Annual Interest Earned	\$2,260.14
Total Annual Allocation to Reserves	\$75,703.17
<i>\$175.24 per unit annually</i>	

**Mt. Baker Rim Community Club Level 3a Study 2023
Baseline Funding Model Projection**

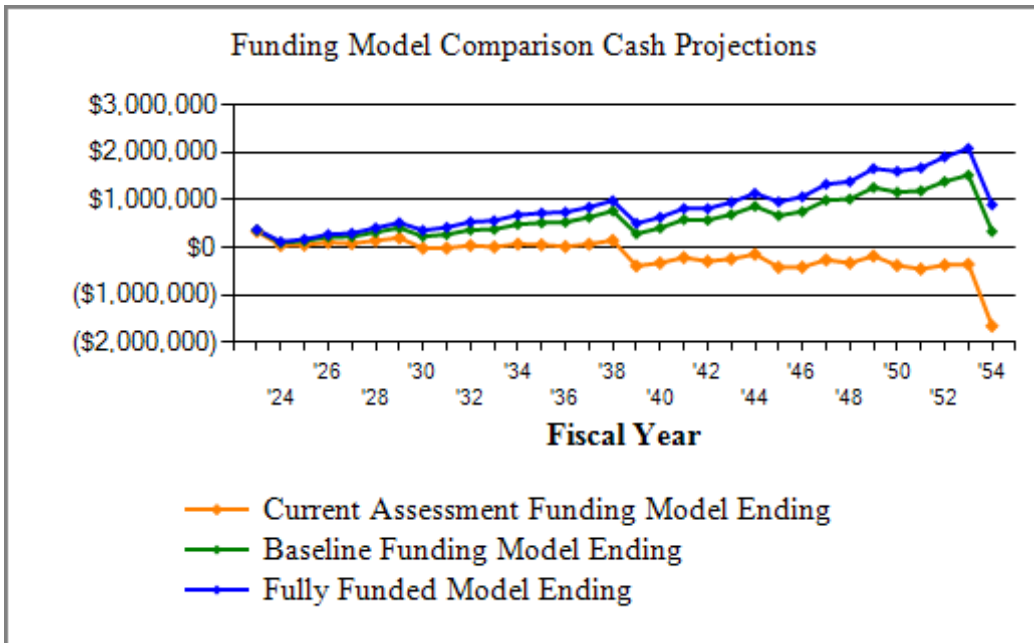
Beginning Balance: \$363,391

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	73,443	2,260	78,082	361,012	520,665	69%
2024	77,115	611	341,172	97,566	260,126	38%
2025	80,971	835	45,979	133,393	295,455	45%
2026	85,019	1,363	1,984	217,792	382,277	57%
2027	89,270	1,414	82,636	225,840	392,462	58%
2028	93,734	2,000	2,187	319,387	491,519	65%
2029	98,421	2,569	9,953	410,424	591,462	69%
2030	103,342	1,444	284,571	230,638	414,147	56%
2031	108,509	1,695	70,058	270,785	457,801	59%
2032	113,934	2,295	20,384	366,630	560,620	65%
2033	119,631	2,366	110,740	377,887	578,773	65%
2034	125,613	3,030	22,474	484,057	695,833	70%
2035	131,893	3,228	103,623	515,555	739,125	70%
2036	138,488	3,313	128,195	529,161	764,647	69%
2037	145,412	3,958	46,293	632,238	883,601	72%
2038	152,683	4,799	23,186	766,534	1,039,230	74%
2039	160,317	1,793	642,242	286,402	559,422	51%
2040	168,333	2,551	49,758	407,528	684,861	60%
2041	176,749	3,655	4,125	583,807	871,972	67%
2042	185,587	3,583	200,666	572,311	869,931	66%
2043	194,866	4,327	80,339	691,166	1,002,385	69%
2044	204,610	5,413	36,607	864,581	1,196,044	72%
2045	214,840	4,179	416,128	667,472	1,009,990	66%
2046	225,582	4,709	145,645	752,118	1,108,193	68%
2047	236,861	6,196	5,527	989,647	1,368,461	72%
2048	248,704	6,351	230,219	1,014,483	1,416,349	72%
2049	261,139	7,870	26,408	1,257,085	1,691,694	74%
2050	274,196	7,255	379,659	1,158,878	1,621,505	71%
2051	287,906	7,436	266,508	1,187,712	1,678,809	71%
2052	302,301	8,662	115,051	1,383,624	1,910,810	72%
2053	317,417	9,495	193,881	1,516,655	2,085,084	73%
2054	333,287	2,100	1,516,655	335,387	893,273	38%

Mt. Baker Rim Community Club Level 3a Study 2023
 Deming, WA
Fully Funded Model Summary

Report Date	January 10, 2023
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	432

Report Parameters	
Interest Rate on Reserve Deposit	0.63%
Tax Rate Included in Interest Rate	
2023 Beginning Balance	\$363,391



The **Fully Funded Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

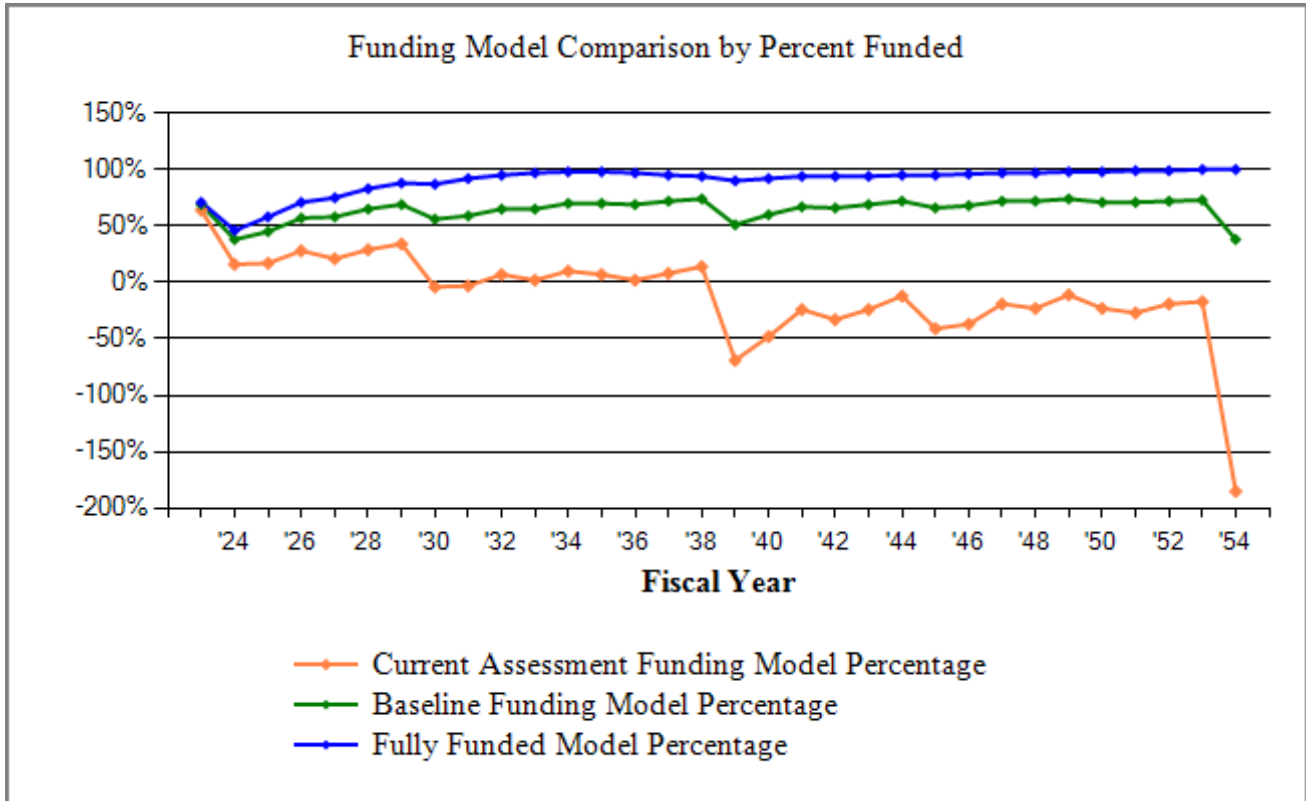
Fully Funded Model Summary of Calculations	
Required Annual Contribution	\$82,500.00
<i>\$190.97 per unit annually</i>	
Average Net Annual Interest Earned	\$2,317.20
Total Annual Allocation to Reserves	\$84,817.20
<i>\$196.34 per unit annually</i>	

**Mt. Baker Rim Community Club Level 3a Study 2023
Fully Funded Model Projection**

Beginning Balance: \$363,391

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	82,500	2,317	78,082	370,126	520,665	71%
2024	89,100	744	341,172	118,798	260,126	46%
2025	96,228	1,065	45,979	170,111	295,455	58%
2026	101,039	1,696	1,984	270,863	382,277	71%
2027	106,091	1,854	82,636	296,173	392,462	75%
2028	111,396	2,554	2,187	407,935	491,519	83%
2029	116,966	3,244	9,953	518,192	591,462	88%
2030	122,814	2,246	284,571	358,681	414,147	87%
2031	128,955	2,631	70,058	420,208	457,801	92%
2032	131,534	3,348	20,384	534,706	560,620	95%
2033	134,164	3,516	110,740	561,647	578,773	97%
2034	136,848	4,259	22,474	680,280	695,833	98%
2035	139,585	4,512	103,623	720,754	739,125	98%
2036	142,376	4,630	128,195	739,566	764,647	97%
2037	145,224	5,283	46,293	843,780	883,601	95%
2038	153,937	6,140	23,186	980,670	1,039,230	94%
2039	163,174	3,160	642,242	504,762	559,422	90%
2040	172,964	3,956	49,758	631,924	684,861	92%
2041	183,342	5,110	4,125	816,252	871,972	94%
2042	194,342	5,103	200,666	815,030	869,931	94%
2043	206,003	5,926	80,339	946,621	1,002,385	94%
2044	218,363	7,109	36,607	1,135,486	1,196,044	95%
2045	231,465	5,990	416,128	956,813	1,009,990	95%
2046	245,353	6,656	145,645	1,063,178	1,108,193	96%
2047	260,074	8,302	5,527	1,326,026	1,368,461	97%
2048	275,678	8,640	230,219	1,380,125	1,416,349	97%
2049	292,219	10,369	26,408	1,656,306	1,691,694	98%
2050	309,752	9,994	379,659	1,596,394	1,621,505	98%
2051	328,337	10,447	266,508	1,668,670	1,678,809	99%
2052	334,904	11,898	115,051	1,900,421	1,910,810	99%
2053	358,347	13,009	193,881	2,077,896	2,085,084	100%
2054	329,000	5,609	1,516,655	895,850	893,273	100%

**Mt. Baker Rim Community Club Level 3a Study 2023
Funding Model Comparison by Percent Funded**



The chart above compares the projected Reserve Percentage Funded of the three funding models (Current Assessment Funding Model, Baseline Funding Model and Fully Funded Model) over 30 years.

**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2023	
Clubhouse Interior Refurbish - 2023	27,160
Culvert Replacement & Road Repairs - 2023	15,000
Ford Tractor	27,000
Pool - Equipment Major Repair & Replacement - 2023	8,922
Total for 2023	\$78,082
Replacement Year 2024	
Clubhouse & Shuksan Drainage	9,331
Clubhouse - Exterior Painting	5,832
Clubhouse - Siding Replacement	34,992
Dike Repair & Maintenance	5,832
Gate Entry System	20,995
Gate House, Garage, A-Frame Exterior Maintenance & Repair	1,750
Pool - Interior & Deck Surfaces	204,120
Road Major Repair	58,320
Total for 2024	\$341,172
Replacement Year 2025	
Clubhouse - Decking & Fencing	6,928
Gate House & Apartment Furnace/Hot Water Heater	12,597
Gate House, Garage, A-Frame Exterior Maintenance & Repair	1,890
General Equipment	11,967
Playground Equipment and Surrounds	6,299
Sander/Spreader	6,299
Total for 2025	\$45,979
Replacement Year 2026	
Gate House, Garage, A-Frame Exterior Maintenance & Repair	1,984
Total for 2026	\$1,984
Replacement Year 2027	
Clubhouse & Shuksan Drainage	11,111
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,083
Road Major Repair	69,442
Total for 2027	\$82,636
Replacement Year 2028	
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,187
Total for 2028	\$2,187

**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2029	
Dike Repair & Maintenance	7,656
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,297
Total for 2029	\$9,953
Replacement Year 2030	
Clubhouse & Shuksan Drainage	12,862
Gate House & Manager Apartment Interior Refurbish	16,077
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,412
Road Major Repair	80,387
Tennis Court Maintenance & Surface Replacement	112,542
Toyota Tacoma Pickup	48,232
Trash Enclosure & Compactor Maintenance	12,058
Total for 2030	\$284,571
Replacement Year 2031	
Dodge Truck 1 Ton	67,525
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,532
Total for 2031	\$70,058
Replacement Year 2032	
Clubhouse Interior Refurbish	17,725
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,659
Total for 2032	\$20,384
Replacement Year 2033	
Clubhouse & Shuksan Drainage	14,889
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,792
Road Major Repair	93,058
Total for 2033	\$110,740
Replacement Year 2034	
Clubhouse - Exterior Painting	9,771
Dike Repair & Maintenance	9,771
Gate House, Garage, A-Frame Exterior Maintenance & Repair	2,931
Total for 2034	\$22,474

**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2035	
Clubhouse - Heat Pump Heating Equipment	60,532
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,078
General Equipment	19,493
Playground Equipment and Surrounds	10,260
Sander/Spreader	10,260
Total for 2035	\$103,623
Replacement Year 2036	
Clubhouse & Shuksan Drainage	17,236
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,232
Road Major Repair	107,727
Total for 2036	\$128,195
Replacement Year 2037	
Clubhouse - Sauna	13,574
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,393
Pool - Equipment Major Repair & Replacement	29,326
Total for 2037	\$46,293
Replacement Year 2038	
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,563
Pool - Equipment Major Repair & Replacement - 2023	19,623
Total for 2038	\$23,186
Replacement Year 2039	
Clubhouse & Shuksan Drainage	19,953
Dike Repair & Maintenance	12,471
Gate Entry System	44,895
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,741
Pool - Interior & Deck Surfaces	436,475
Road Major Repair	124,707
Total for 2039	\$642,242
Replacement Year 2040	
Gate House & Manager Apartment Interior Refurbish	26,189
Gate House, Garage, A-Frame Exterior Maintenance & Repair	3,928
Trash Enclosure & Compactor Maintenance	19,641
Total for 2040	\$49,758

**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2041	
Gate House, Garage, A-Frame Exterior Maintenance & Repair	4,125
Total for 2041	\$4,125
Replacement Year 2042	
Clubhouse & Shuksan Drainage	23,098
Clubhouse Interior Refurbish	28,873
Gate House, Garage, A-Frame Exterior Maintenance & Repair	4,331
Road Major Repair	144,364
Total for 2042	\$200,666
Replacement Year 2043	
Ford Tractor	75,791
Gate House, Garage, A-Frame Exterior Maintenance & Repair	4,547
Total for 2043	\$80,339
Replacement Year 2044	
Clubhouse - Exterior Painting	15,916
Dike Repair & Maintenance	15,916
Gate House, Garage, A-Frame Exterior Maintenance & Repair	4,775
Total for 2044	\$36,607
Replacement Year 2045	
Clubhouse & Shuksan Drainage	26,739
Clubhouse - Decking & Fencing	18,383
Gate House & Apartment Furnace/Hot Water Heater	33,424
Gate House, Garage, A-Frame Exterior Maintenance & Repair	5,014
General Equipment	31,753
Playground Equipment and Surrounds	16,712
Road Major Repair	167,120
Sander/Spreader	16,712
Toyota Tacoma Pickup	100,272
Total for 2045	\$416,128
Replacement Year 2046	
Dodge Truck 1 Ton	140,380
Gate House, Garage, A-Frame Exterior Maintenance & Repair	5,264
Total for 2046	\$145,645

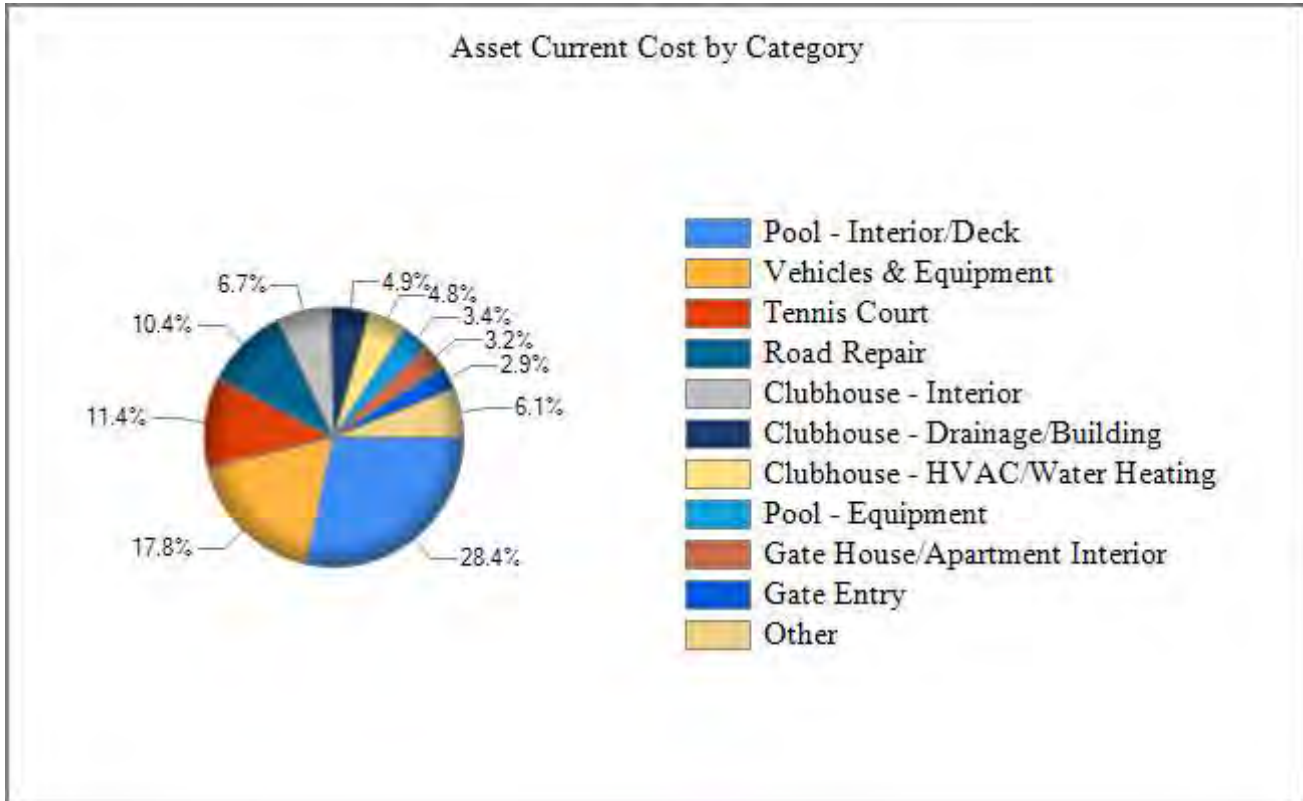
**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2047	
Gate House, Garage, A-Frame Exterior Maintenance & Repair	5,527
Total for 2047	\$5,527
Replacement Year 2048	
Clubhouse & Shuksan Drainage	30,954
Gate House, Garage, A-Frame Exterior Maintenance & Repair	5,804
Road Major Repair	193,462
Total for 2048	\$230,219
Replacement Year 2049	
Dike Repair & Maintenance	20,313
Gate House, Garage, A-Frame Exterior Maintenance & Repair	6,094
Total for 2049	\$26,408
Replacement Year 2050	
Gate House & Manager Apartment Interior Refurbish	42,658
Gate House, Garage, A-Frame Exterior Maintenance & Repair	6,399
Tennis Court Maintenance & Surface Replacement	298,608
Trash Enclosure & Compactor Maintenance	31,994
Total for 2050	\$379,659
Replacement Year 2051	
Clubhouse & Shuksan Drainage	35,833
Gate House, Garage, A-Frame Exterior Maintenance & Repair	6,719
Road Major Repair	223,956
Total for 2051	\$266,508
Replacement Year 2052	
Clubhouse Interior Refurbish	47,031
Gate House, Garage, A-Frame Exterior Maintenance & Repair	7,055
Pool - Equipment Major Repair & Replacement	60,966
Total for 2052	\$115,051
Replacement Year 2053	
Clubhouse - Heat Pump Heating Equipment	145,678
Gate House, Garage, A-Frame Exterior Maintenance & Repair	7,407

**Mt. Baker Rim Community Club Level 3a Study 2023
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2053 continued...</i>	
Pool - Equipment Major Repair & Replacement - 2023	40,795
Total for 2053	<u>\$193,881</u>
 Replacement Year 2054	
Clubhouse & Shuksan Drainage	41,481
Clubhouse - Exterior Painting	25,926
Clubhouse - Siding Replacement	155,554
Dike Repair & Maintenance	25,926
Gate Entry System	93,333
Gate House, Garage, A-Frame Exterior Maintenance & Repair	7,778
Pool - Interior & Deck Surfaces	907,400
Road Major Repair	259,257
Total for 2054	<u>\$1,516,655</u>

**Mt. Baker Rim Community Club Level 3a Study 2023
Asset Current Cost by Category**



The above chart illustrates the current cost breakdown percentage of the Component Categories in this reserve study (highest percentage components listed at top, items less than 2% are listed as "Other"). 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. Refer to the Cash Flow Projections and the Annual Expenditure Report for the projected timeline of expected expenditures.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Clubhouse - Siding Replacement - 2024

Asset ID	1001	1 Allowance @	\$32,400.00
		Asset Actual Cost	\$32,400.00
		Percent Replacement	100%
		Future Cost	\$34,992.00
Category	Clubhouse - Drainage/Building		
Placed in Service	January 1978		
Useful Life	30		
Adjustment	16		
Replacement Year	2024		
Remaining Life	1		



No update for 2023, cycle revised.

The clubhouse has had several areas where the siding has been replaced with a cement fibrous lap siding product over the last few years. There are sections that remain that will require inspection and repair of reported rot damage within the wall structure prior to replacement of the existing with new lap siding.

Clubhouse - Exterior Painting - 2024

Asset ID	1002	1 Allowance @	\$5,400.00
		Asset Actual Cost	\$5,400.00
		Percent Replacement	100%
		Future Cost	\$5,832.00
Category	Clubhouse - Painting		
Placed in Service	January 2013		
Useful Life	10		
Adjustment	1		
Replacement Year	2024		
Remaining Life	1		

No update for 2023, cycle revised.

Exterior paint is the barrier coat that seals and protects the building materials from the elements. Modern paints when professionally applied over properly prepared materials should provide a useful life of 10 years or more. Inspection and touchup of any damaged areas will greatly increase the performance of

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Clubhouse - Exterior Painting continued...

these products.

Clubhouse - Engineer Evaluation

Asset ID	1003	1 Allowance	
Category	Category - Drainage/Building	Asset Actual Cost	
Placed in Service	January 1978	Percent Replacement	100%
No Useful Life		Future Cost	



Completed in the past year.

Our understanding is there are ongoing issues in the clubhouse with sinking floors and the resulting cracks in the walls due to historical drainage issues. The floors have been repaired in past years however settling and cracks have returned. We recommend consultation with a professional engineering company for a full evaluation of the causes and recommendations on permanent solutions.

Clubhouse - Drainage & Building Upgrade

Asset ID	1004	1 Allowance	
Category	Category - Drainage/Building	Asset Actual Cost	
Placed in Service	January 1978	Percent Replacement	100%
No Useful Life		Future Cost	

Our understanding is this project was completed in the past year, noted as slab restoration at a cost of \$91,073.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Clubhouse - Drainage & Building Upgrade continued...

Pending an engineering inspection, determination of the underlying elements and estimated cost of mitigation the budget includes a place holder allowance for these costs.

Clubhouse Interior Refurbish - 2032

Asset ID	1005	1 Allowance @ \$10,800.00
Category	Clubhouse - Interior	Asset Actual Cost \$10,800.00
Placed in Service	January 2022	Percent Replacement 100%
Useful Life	10	Future Cost \$17,725.41
Replacement Year	2032	
Remaining Life	9	



A major project listed as interior finish and plumbing was started in 2022 with a deposit of \$57,480 paid and remainder of the work and final payment due in 2023. Ongoing clubhouse refurbish cycle revised. Funds are included for refurbishing the interior of the clubhouse common areas, restrooms and kitchen.

Clubhouse - Sauna - 2037

Asset ID	1006	1 Allowance @ \$6,480.00
Category	Clubhouse - Interior	Asset Actual Cost \$6,480.00
Placed in Service	January 2017	Percent Replacement 100%
Useful Life	20	Future Cost \$13,573.57
Replacement Year	2037	
Remaining Life	14	

No update for 2023

It was reported the sauna was replaced in 2017. Funds are included for future major repair and replacement.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Clubhouse - Heat Pump Heating Equipment - 2035

Asset ID	1007	1 Allowance @	\$31,860.00
		Asset Actual Cost	\$31,860.00
		Percent Replacement	100%
		Future Cost	\$60,532.17
Clubhouse Category	HVAC/Water Heating		
Placed in Service	January 2017		
Useful Life	18		
Replacement Year	2035		
Remaining Life	12		

No update for 2023

The clubhouse heating system was upgraded to a modern heat pump system in 2017. This type of equipment should provide a useful life of 15-18 years as it is not in full time usage. An allowance is also included for hot water heating equipment.

Clubhouse - Decking & Fencing - 2025

Asset ID	1008	1 Allowance @	\$5,940.00
		Asset Actual Cost	\$5,940.00
		Percent Replacement	100%
		Future Cost	\$6,928.42
Clubhouse Category	Clubhouse - Deck/Fencing		
Placed in Service	January 1995		
Useful Life	20		
Adjustment	10		
Replacement Year	2025		
Remaining Life	2		



No update for 2023

The clubhouse exterior deck area was updated last in 1995. Funds are included for future updating the deck and fence areas.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Pool - Equipment Major Repair & Replacement - 2037

Asset ID	1009	1 Allowance @ \$14,000.00
		Asset Actual Cost \$14,000.00
		Percent Replacement 100%
Category	Pool - Equipment	Future Cost \$29,325.61
Placed in Service	January 2022	
Useful Life	15	
Replacement Year	2037	
Remaining Life	14	



The pool equipment replacement project was started in 2022 with \$14,000 cost. The final phase of this project is scheduled for 2023 with an additional cost of \$8,922.

The budget includes funds for replacement of the various pool equipment.

Pool - Interior & Deck Surfaces - 2024

Asset ID	1010	1 Allowance @ \$189,000.00
		Asset Actual Cost \$189,000.00
		Percent Replacement 100%
Category	Pool - Interior/Deck	Future Cost \$204,120.00
Placed in Service	January 2011	
Useful Life	15	
Adjustment	-2	
Replacement Year	2024	
Remaining Life	1	

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Pool - Interior & Deck Surfaces continued...



No update for 2023, cycle revised.

Our understanding is the pool interior was last resurfaced in 2011. There have been some tiles that have come loose and some hollow areas found behind other tiles. The pool deck surface will also require replacement or major repair work as the existing concrete squares are shifting which causes trip hazards and constant adjustment of the wood expansion joint materials. The budget includes a placeholder estimate for this project.

Tennis Court Maintenance & Surface Replacement - 2030

Asset ID	1011	1 Allowance	@ \$75,600.00
Category	Tennis Court	Asset Actual Cost	\$75,600.00
Placed in Service	January 2008	Percent Replacement	100%
Useful Life	20	Future Cost	\$112,542.30
Adjustment	2		
Replacement Year	2030		
Remaining Life	7		



No update for 2023

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Tennis Court Maintenance & Surface Replacement continued...

It was reported the tennis courts were resurfaced in 2008 and continue to appear in good condition. Funds are included for maintenance, future resurfacing and fence repair as may be required.

Gate House, Garage, A-Frame Exterior Maintenance & Repair - 2024

Asset ID	1012	1 Allowance	@ \$1,620.00
		Asset Actual Cost	\$1,620.00
		Percent Replacement	100%
		Future Cost	\$1,749.60
Category	Gate House/Garage/A-Frame Exteriors		
Placed in Service	January 2020		
Useful Life	1		
Adjustment	3		
Replacement Year	2024		
Remaining Life	1		



No update for 2023, cycle revised.

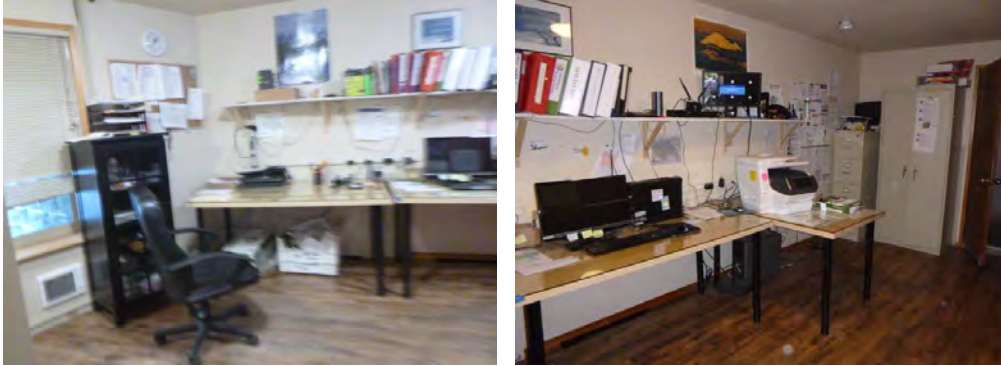
Funds are included annually for exterior maintenance, repair and painting/staining of the gate house & deck, garage and a-frame as required. All appear to be well maintained and in good condition currently.

Gate House & Manager Apartment Interior Refurbish - 2030

Asset ID	1013	1 Allowance	@ \$10,800.00
		Asset Actual Cost	\$10,800.00
		Percent Replacement	100%
		Future Cost	\$16,077.47
Category	Gate House/Apartment Interior		
Placed in Service	January 2018		
Useful Life	10		
Adjustment	2		
Replacement Year	2030		
Remaining Life	7		

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Gate House & Manager Apartment Interior Refurbish continued...



No update for 2023

The interiors of the gate house office area and manager apartment have been updated over the years by staff. Funds are included for future refurbishing in 10 year cycles.

Gate House & Apartment Furnace/Hot Water Heater - 2025

Asset ID	1014	1 Allowance @ \$10,800.00
		Asset Actual Cost \$10,800.00
		Percent Replacement 100%
Category	Gate House/Apartment Interior	Future Cost \$12,597.12
Placed in Service	January 2005	
Useful Life	20	
Replacement Year	2025	
Remaining Life	2	

No update for 2023

It was reported the gate house apartment heat source is an gas heater that will require replacement within the next few years. Funds are included for replacement of the gas heater and building hot water heater.

Gate Entry System - 2024

Asset ID	1015	1 Allowance @ \$19,440.00
		Asset Actual Cost \$19,440.00
		Percent Replacement 100%
Category	Gate Entry	Future Cost \$20,995.20
Placed in Service	January 2007	
Useful Life	15	
Adjustment	2	
Replacement Year	2024	
Remaining Life	1	

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Gate Entry System continued...



No update for 2023, cycle revised.

Funds are included for the community gate entry system which requires significant maintenance and replacement in future years.

Dodge Truck 1 Ton - 2031

Asset ID	1016	1 Allowance @	\$43,200.00
Category/Vehicles & Equipment		Asset Actual Cost	\$43,200.00
Placed in Service	January 2016	Percent Replacement	100%
Useful Life	15	Future Cost	\$67,525.38
Replacement Year	2031		
Remaining Life	8		



No update for 2023

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Toyota Tacoma Pickup - 2030

Asset ID	1017	1 Allowance @	\$32,400.00
		Asset Actual Cost	\$32,400.00
		Percent Replacement	100%
Category	Vehicles & Equipment	Future Cost	\$48,232.42
Placed in Service	January 2012		
Useful Life	15		
Adjustment	3		
Replacement Year	2030		
Remaining Life	7		



No update for 2023

Ford Tractor - 2023

Asset ID	1018	1 Allowance @	\$27,000.00
		Asset Actual Cost	\$27,000.00
		Percent Replacement	100%
Category	Vehicles & Equipment	Future Cost	\$27,000.00
Placed in Service	January 1994		
Useful Life	20		
Adjustment	9		
Replacement Year	2023		
Remaining Life	0		

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Ford Tractor continued...



It was reported the tractor will be replaced in 2023, cost & cycle revised.

Plans call for purchase of a newer and larger tractor in the next few years as the current model is nearing end of life and has proven itself to be not quite adequate for the community's needs.

Sander/Spreader - 2025

Asset ID	1019	1 Allowance	@ \$5,400.00
		Asset Actual Cost	\$5,400.00
		Percent Replacement	100%
Category/Vehicles & Equipment		Future Cost	\$6,298.56
Placed in Service	January 2011		
Useful Life	10		
Adjustment	4		
Replacement Year	2025		
Remaining Life	2		



No update for 2023

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

General Equipment - 2025

Asset ID	1020	1 Allowance @	\$10,260.00
		Asset Actual Cost	\$10,260.00
		Percent Replacement	100%
Category/Vehicles & Equipment		Future Cost	\$11,967.26
Placed in Service	January 2011		
Useful Life	10		
Adjustment	4		
Replacement Year	2025		
Remaining Life	2		

No update for 2023

Funds are included for community lawn mowers and other maintenance equipment.

Road Major Repair - 2024

Asset ID	1021	1 Allowance @	\$54,000.00
		Asset Actual Cost	\$54,000.00
		Percent Replacement	100%
Category	Road Repair	Future Cost	\$58,320.00
Placed in Service	January 2019		
Useful Life	3		
Adjustment	2		
Replacement Year	2024		
Remaining Life	1		



No update for 2023

The community owns and maintains several miles of internal asphalt paved roads. Minor repair is carried out annually by staff members. Approximately every three years a commercial paving company is contracted to make major repairs.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Playground Equipment and Surrounds - 2025

Asset ID	1022	1 Allowance	@ \$5,400.00
		Asset Actual Cost	\$5,400.00
		Percent Replacement	100%
Category	Playground Area	Future Cost	\$6,298.56
Placed in Service	January 2004		
Useful Life	10		
Adjustment	11		
Replacement Year	2025		
Remaining Life	2		



No update for 2023

Trash Enclosure & Compactor Maintenance - 2030

Asset ID	1023	1 Allowance	@ \$8,100.00
		Asset Actual Cost	\$8,100.00
		Percent Replacement	100%
Category	Trash Enclosure	Future Cost	\$12,058.10
Placed in Service	January 2015		
Useful Life	10		
Adjustment	5		
Replacement Year	2030		
Remaining Life	7		

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Trash Enclosure & Compactor Maintenance continued...



No update for 2023

Funds are included for maintaining the trash enclosure and compacting equipment.

Dike Repair & Maintenance - 2024

Asset ID	1024	1 Allowance	@ \$5,400.00
Category	Dike	Asset Actual Cost	\$5,400.00
Placed in Service	January 2009	Percent Replacement	100%
Useful Life	5	Future Cost	\$5,832.00
Adjustment	10		
Replacement Year	2024		
Remaining Life	1		



No update for 2023, cycle revised.

The dike along the river requires ongoing inspection, maintenance and occasional repair.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Clubhouse & Shuksan Drainage - 2024

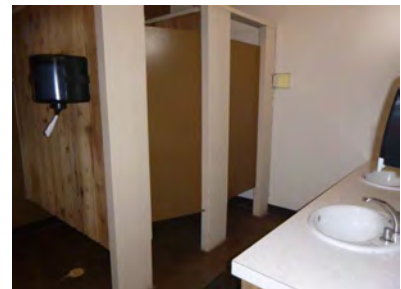
Asset ID	1025	1 Allowance	@ \$8,640.00
Category	Clubhouse & Shuksan Drainage	Asset Actual Cost	\$8,640.00
Placed in Service	January 2011	Percent Replacement	100%
Useful Life	3	Future Cost	\$9,331.20
Adjustment	10		
Replacement Year	2024		
Remaining Life	1		

No update for 2023, cycle revised.

Funds are included for ongoing drainage maintenance and repair.

Clubhouse Interior Refurbish - 2023 - 2023

Asset ID	1026	1 Allowance	@ \$27,160.00
Category	Clubhouse - Interior	Asset Actual Cost	\$27,160.00
Placed in Service	January 2022	Percent Replacement	100%
Useful Life	1	Future Cost	\$27,160.00
Replacement Year	2023		
Remaining Life	0		



A major project listed as interior finish and plumbing was started in 2022 with a deposit of \$57,480 paid and remainder of the work and final payment of \$27,160.82 due in 2023.

Funds are included for refurbishing the interior of the clubhouse common areas, restrooms and kitchen.

**Mt. Baker Rim Community Club Level 3a Study 2023
Detail Report by Category**

Pool - Equipment Major Repair & Replacement - 2023 - 2023

Asset ID	1027	1 Allowance	@ \$8,922.00
		Asset Actual Cost	\$8,922.00
		Percent Replacement	100%
Category	Pool - Equipment	Future Cost	\$8,922.00
Placed in Service	January 2014		
Useful Life	15		
Adjustment	-6		
Replacement Year	2023		
Remaining Life	0		



The pool equipment replacement project was started in 2022 with \$14,000 cost. The final phase of this project is scheduled for 2023 with an additional cost of \$8,922.

The budget includes funds for replacement of the various pool equipment.

Culvert Replacement & Road Repairs - 2023 - 2023

Asset ID	1028	1 Allowance	@ \$15,000.00
		Asset Actual Cost	\$15,000.00
		Percent Replacement	100%
Category	Road Repair	Future Cost	\$15,000.00
Placed in Service	January 1978		
Useful Life	1		
Replacement Year	2023		
Remaining Life	0		

Our understanding culvert replacement and road repairs are planned for 2023.

**Mt. Baker Rim Community Club Level 3a Study 2023
Expenses by Item and by Calender Year**

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Clubhouse & Shuksan Drainage		9,331			11,111			12,862		
Clubhouse - Decking & Fencing			6,928							
Clubhouse - Drainage & Building Upgrade	<i>Unfunded</i>									
Clubhouse - Engineer Evaluation	<i>Unfunded</i>									
Clubhouse - Exterior Painting		5,832								
Clubhouse - Heat Pump Heating Equipment										
Clubhouse - Sauna										
Clubhouse - Siding Replacement		34,992								
Clubhouse Interior Refurbish										17,725
Clubhouse Interior Refurbish - 2023	27,160									
Culvert Replacement & Road Repairs - 2023	15,000									
Dike Repair & Maintenance		5,832					7,656			
Dodge Truck 1 Ton									67,525	
Ford Tractor	27,000									
Gate Entry System		20,995								
Gate House & Apartment Furnace/Hot Water ..			12,597							
Gate House & Manager Apartment Interior Ref..								16,077		
Gate House, Garage, A-Frame Exterior Mainte..		1,750	1,890	1,984	2,083	2,187	2,297	2,412	2,532	2,659
General Equipment			11,967							
Playground Equipment and Surrounds			6,299							
Pool - Equipment Major Repair & Replacement										
Pool - Equipment Major Repair & Replacement..	8,922									
Pool - Interior & Deck Surfaces		204,120								
Road Major Repair		58,320			69,442			80,387		
Sander/Spreader			6,299							
Tennis Court Maintenance & Surface Replace..								112,542		
Toyota Tacoma Pickup								48,232		
Trash Enclosure & Compactor Maintenance								12,058		
Year Total:	78,082	341,172	45,979	1,984	82,636	2,187	9,953	284,571	70,058	20,384

**Mt. Baker Rim Community Club Level 3a Study 2023
Expenses by Item and by Calender Year**

Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Clubhouse & Shuksan Drainage	14,889			17,236			19,953			23,098
Clubhouse - Decking & Fencing										
Clubhouse - Drainage & Building Upgrade	<i>Unfunded</i>									
Clubhouse - Engineer Evaluation	<i>Unfunded</i>									
Clubhouse - Exterior Painting		9,771								
Clubhouse - Heat Pump Heating Equipment			60,532							
Clubhouse - Sauna					13,574					
Clubhouse - Siding Replacement										
Clubhouse Interior Refurbish										28,873
Clubhouse Interior Refurbish - 2023										
Culvert Replacement & Road Repairs - 2023										
Dike Repair & Maintenance		9,771					12,471			
Dodge Truck 1 Ton										
Ford Tractor										
Gate Entry System							44,895			
Gate House & Apartment Furnace/Hot Water ..										
Gate House & Manager Apartment Interior Ref..								26,189		
Gate House, Garage, A-Frame Exterior Mainte..	2,792	2,931	3,078	3,232	3,393	3,563	3,741	3,928	4,125	4,331
General Equipment			19,493							
Playground Equipment and Surrounds			10,260							
Pool - Equipment Major Repair & Replacement					29,326					
Pool - Equipment Major Repair & Replacement..						19,623				
Pool - Interior & Deck Surfaces							436,475			
Road Major Repair	93,058			107,727			124,707			144,364
Sander/Spreader			10,260							
Tennis Court Maintenance & Surface Replace..										
Toyota Tacoma Pickup										
Trash Enclosure & Compactor Maintenance								19,641		
Year Total:	110,740	22,474	103,623	128,195	46,293	23,186	642,242	49,758	4,125	200,666

**Mt. Baker Rim Community Club Level 3a Study 2023
Expenses by Item and by Calender Year**

Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Clubhouse & Shuksan Drainage			26,739			30,954			35,833	
Clubhouse - Decking & Fencing			18,383							
Clubhouse - Drainage & Building Upgrade	<i>Unfunded</i>									
Clubhouse - Engineer Evaluation	<i>Unfunded</i>									
Clubhouse - Exterior Painting		15,916								
Clubhouse - Heat Pump Heating Equipment										
Clubhouse - Sauna										
Clubhouse - Siding Replacement										
Clubhouse Interior Refurbish										47,031
Clubhouse Interior Refurbish - 2023										
Culvert Replacement & Road Repairs - 2023										
Dike Repair & Maintenance		15,916					20,313			
Dodge Truck 1 Ton				140,380						
Ford Tractor	75,791									
Gate Entry System										
Gate House & Apartment Furnace/Hot Water ..			33,424							
Gate House & Manager Apartment Interior Ref..								42,658		
Gate House, Garage, A-Frame Exterior Mainte..	4,547	4,775	5,014	5,264	5,527	5,804	6,094	6,399	6,719	7,055
General Equipment			31,753							
Playground Equipment and Surrounds			16,712							
Pool - Equipment Major Repair & Replacement										60,966
Pool - Equipment Major Repair & Replacement..										
Pool - Interior & Deck Surfaces										
Road Major Repair			167,120			193,462			223,956	
Sander/Spreader			16,712							
Tennis Court Maintenance & Surface Replace..								298,608		
Toyota Tacoma Pickup			100,272							
Trash Enclosure & Compactor Maintenance								31,994		
Year Total:	80,339	36,607	416,128	145,645	5,527	230,219	26,408	379,659	266,508	115,051

**Mt. Baker Rim Community Club Level 3a Study 2023
Expenses by Item and by Calender Year**

Description	2053	2054
Clubhouse & Shuksan Drainage		41,481
Clubhouse - Decking & Fencing		
Clubhouse - Drainage & Building Upgrade	<i>Unfunded</i>	
Clubhouse - Engineer Evaluation	<i>Unfunded</i>	
Clubhouse - Exterior Painting		25,926
Clubhouse - Heat Pump Heating Equipment	145,678	
Clubhouse - Sauna		
Clubhouse - Siding Replacement		155,554
Clubhouse Interior Refurbish		
Clubhouse Interior Refurbish - 2023		
Culvert Replacement & Road Repairs - 2023		
Dike Repair & Maintenance		25,926
Dodge Truck 1 Ton		
Ford Tractor		
Gate Entry System		93,333
Gate House & Apartment Furnace/Hot Water ..		
Gate House & Manager Apartment Interior Ref..		
Gate House, Garage, A-Frame Exterior Mainte..	7,407	7,778
General Equipment		
Playground Equipment and Surrounds		
Pool - Equipment Major Repair & Replacement		
Pool - Equipment Major Repair & Replacement..	40,795	
Pool - Interior & Deck Surfaces		907,400
Road Major Repair		259,257
Sander/Spreader		
Tennis Court Maintenance & Surface Replace..		
Toyota Tacoma Pickup		
Trash Enclosure & Compactor Maintenance		
Year Total:	193,881	1,516,655



Reserve Study Disclosure Form

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2019)

Name of Association: Mt. Baker Rim Community Club

Current Year Reported Budget Contribution to Reserves: \$46,000

Recommended 2023 Contribution to Reserves, per study: \$82,500

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$333,396
(Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount)

Projected Year End Balance If the account was Fully Funded: \$520,665

5 Year Balances

Estimates Per Study:	2023	2024	2025	2026	2027
Projected Year End Reserve Balances at Current Contribution Level	\$333,396	\$42,168	\$50,157	\$105,169	\$82,202
<i>Average Deficit/Surplus Per Member: \$(347) Percent Funded 71%</i>					
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$370,126	\$118,798	\$170,111	\$270,863	\$296,173
Projected Year End Fully Funded Reserves If Fully Funded:	\$520,665	\$260,126	\$295,455	\$382,277	\$392,462
Percent Reserve is Fully Funded at Current Funding Level:	64%	16%	17%	28%	21%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? No

To be Completed by Management

Proposed 2023 Budget's Contribution to Reserves: _____

Is Additional Funding (Regular or Special Assessment) Planned? Yes/No

When is it due? (Month/Year) _____

What is the Purpose? Description of Project(s): _____

Duration of Assessment: Start Date _____ End Date _____

Assessment Amount per Unit on Average: Per Month _____ Per Year _____

Author Name _____

Mt. Baker Rim Community Club Level 3a Study 2023

Appendix - Disclosure, Definitions & Calculations

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all Reserve Items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve Items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

Washington State Homeowners and Condominium Act Compliance with RCW 64.38 and RCW 64.34 (2019)

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. A reserve component list (as applicable), including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component.

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 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.

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis of the last 12 months has been used to determine future expense estimates. Based on the current economic conditions, the inflation rate will need to be closely monitored as this is a critical factor in reserve planning for future fund needs.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied.

Mt. Baker Rim Community Club Level 3a Study 2023 Appendix - Disclosure, Definitions & Calculations

Performing the appropriate routine maintenance for each major component generally increases the components' useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful lives of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

Study Method

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Items Beyond the Scope of this Report

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, radon, water quality or other environmental hazards.

Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site.

This study is not a pest inspection.

Adequacy or efficiency of any system or component on site.

Specifically excluded reserve items:

Septic systems and septic tanks.

Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.

Items concealed by signs.

Missing or omitted information supplied by the Client for the purposes of reserve study preparation.

Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

Definitions:

Purpose of Distribution

Distribution will have no real meaning for a cash flow model. But the nature of the Fully Funded Model requires it. Annuity payments are based on an accumulation of reserves for each component in the study. Because a study will rarely start with 'perfect' funding for each component, a starting point for each year must be established.

At the start of the study (The beginning fiscal date)

The beginning balance is used for distribution

Going through the components ordered by remaining life and starting with the least remaining life, the balance is assigned to the components by the value of fully funded for each component. Fully funded for components with no

Mt. Baker Rim Community Club Level 3a Study 2023 Appendix - Disclosure, Definitions & Calculations

life left is the replacement value of the component.

If after the last component there is still a balance remaining, the list of components is iterated again and the moneys are assigned at the replacement cost of each component.

If after the second pass on there are remaining funds then just the components being replaced are iterated and distribution is set to twice the replacement value.

If there are still funds after the above, they are considered excess funds.

In each following year of the projection

Money is accumulated from contributions and interest on deposit. Expenditures for replacement/repair of components is subtracted. This becomes the ending balance of the year. This money is distributed in the same manner as described above.

Calculations:

Fully Funded Methods

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:

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

$$CAI_FF = Basic_FF \\ + Basic_FF / (1 + interest)^{Remaining Life} \\ - Basic_FF / (1 + inflation)^{Remaining Life}$$