



# RESERVE ANALYSIS REPORT

Barrington Heights HOA - Beacon Hill  
West Linn, OR

Fiscal Year Start Date: Jan 01, 2020

Date Prepared: Nov 01, 2019

Pono Building Consultants

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The purpose of the Reserve Analysis Report is to help you better understand what you own, in order to develop a financial plan, and adequately budget to pay for future expenses. It consists of a component inventory, life cycle assessment, snapshot of current financial condition, and multiple funding plan options that give you more customization in selecting a strategy that's right for you.

## What Should I Expect In My Reserve Analysis Report?

By definition, the reserve analysis report is a budget-planning tool, which identifies the current status of the reserve fund and provides a stable and equitable funding plan to offset the anticipated expenditures of tomorrow. The contents are based on estimates of the most probable current replacement costs and remaining useful lives. Accordingly, the funding plans reflect judgments based on circumstances of the most likely replacement costs and the assumption of regular maintenance of useful and remaining lives. The property may elect to adopt any of the funding plans presented, or may implement some variation developed from the reserve analysis.

The report includes the following:

**Executive Summary:** Provides project description, financial information, assumptions used in calculations, key indicators of current funding plan, and category summary of expenditures.

**Anticipated Expenditures:** Includes expenditures associated with the components you will refurbish, replace or repair in a given year.

**Component Inventory:** Includes the useful life and remaining life of each component, current replacement cost, projected annual expenditures, and source of component information.

**Percent Funded Analysis:** Provides a snapshot of the financial condition on a component basis by looking at how much you have in reserves vs. how much you should ideally have.

**Summary of Funding Plans:** An overview of different funding plans that include key performance indicators of financial strength. The funding plans include:

- Current: This plan represents the currently adopted annual reserve contribution of \$700 or \$14.58 per unit per Monthly projected over the 30 year duration using an inflation factor of 3% per year, interest rate of 0.5% per year, and assumed rate of annual reserve contribution increases of 0.43%. Based on the projected starting reserve balance of \$2,275 as of Jan 1, 2020, this plan will not meet all anticipated expenditures as they occur. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all future expenditures will be funded.
- Recommended Funding Model: This plan represents annual reserve contributions, rate of annual reserve contributions, and special assessments applied to year 1 based on specified durations which are detailed in the plan. The plan allows for multiple ladders or steps to be included in order to develop a more flexible plan that can account for gradual reserve contribution increases over time while addressing funding requirements. It takes into account an inflation factor of 3% per year and interest rate of 0.5% per year. This funding plan is a more realistic approach and allows for strategic budgeting of reserves. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all funding goals and expectations are being met.

## How Do I Read My Reserve Study?

Here are four easy steps to help you better understand your reserve study so you can use it as an effective tool to budget and plan for your future needs.

**Step One (1): Understand What You Own.** First things first. Whether you are evaluating the need to increase your reserve contributions or leaving them the same, everybody wants to know – "where is the money going?" Typically, 3 to 5 categories make up 80 % to 90 % of the anticipated expenditures. Review the Executive Summary and Component Inventory to understand what you own.

**Step Two (2): Review Your Upcoming Anticipated Expenditures.** It's important to evaluate what projects are expected for repair, refurbishment, and/or replacement within the next 3 to 5 years. Review the Anticipated Expenditures report and if you don't agree or

don't plan to complete those improvements, make sure your component inventory is adjusted accordingly.

Step Three (3): **Analyze Your Current Funding Plan.** Always look to see if your Current Funding Plan is solvent. In other words, are you going to run out of money? Look to see if your current reserve contributions meet your anticipated expenditures over the life of the plan? If yes, great! If not, look at the year the ending reserve balance goes negative (the plan runs out of money), see what the anticipated expenditures driving the shortfall are, and make adjustments accordingly.

Step Four (4): **Adopt a Funding Plan that Meets Your Needs.** We believe it's important to give you options. That's why we designed the Summary of Funding Plans for you to review. We show you what you are currently contributing to reserves, and let you compare to a minimum threshold amount, as well as a more conservative approach of 100% reserve funding in 10 years. If you don't like those options we also give you the flexibility to create your own customized funding plans.

## What Does Percent Funded Mean?

This is an indicator of your financial strength. The ratio of Starting Reserve Balance divided by Fully Funded Reserve Balance is expressed as a percentage.

The higher the percentage is, the stronger or healthier your reserve fund is and the more confidence you'll have to pay for future repairs. If your Reserve Fund Balance equals the Fully Funded Reserve Balance, the reserve fund would be considered fully funded, or 100% funded. This is considered an ideal amount.

Think of the Reserve Fund Balance as the gas in your tank and the Fully Funded Reserve Balance as the ideal amount you need to fund your road trip. It's okay if the two don't match perfectly. Usually 70% funded or above is considered strong or healthy.

## What Are The Assumptions Used In The Reserve Analysis?

Assumptions are applied in calculating the inflation rate, average interest rate, and rate of reserve contribution increases over the duration of funding plan.

The inflation rate is the percentage rate of change of a price index over time. Future-cost calculations include an assumed annual inflationary factor, which is incorporated into the component inventory, anticipated expenditures, and reserve funding projections. Typically the cost of goods and services will increase over time, so the analysis wants to take that into consideration as it projects long-term, future costs. The current replacement cost of each common area component will be annually compounded by the inflation rate selected. Historical inflation rates in this industry are about 3%, but users can increase or decrease the rate depending on the applicable economic climate. These costs should be updated and reincorporated into your reserve analysis on an ongoing basis.

For planning purposes, an annual average interest is applied to the ending reserve balance values represented in the reserve funding plans and Percent Funded Analysis report. Reserve funds deposited in certificates of deposit or money market accounts will generate interest income, increasing the reserves. Interest rates can be pegged to current bank rates or CD rates. Obviously, a lower rate is more conservative for planning purposes. Note that income from the reserve and operating accounts is taxable to an association, even if the association is established as a non-profit organization. Adjustments to the operating budget may be required to account for applicable federal and state taxes.

Annual reserve contribution increases are assumed in the reserve funding plans provided for future projections. Generally, this is established at the same rate as inflation with the school of thought being that contributions will, at a minimum, be raised to pace inflationary increases in the cost of goods and services. However, it's important for users to be realistic. If users set it to 3% and then do not increase the annual reserve contributions by 3% annually, there will be a shortfall. If there is no plan or expectation to increase reserve contributions, it is best to leave at zero to develop a more realistic plan.

## What Methodology Is Used to Perform the Reserve Analysis?

The Cash Flow Method of calculation is utilized to perform your Reserve Analysis. In other words the reserves are 'pooled' together into one reserve account. This is a method of developing a reserve funding plan where contributions to the reserve fund are designed

to offset the projected annual expenditures from year to year. At any given point in time using the Cash Flow Method, all components are funded equally in relation to the overall percent funded. If your 88% funded, all your components are equally funded at 88%.

This method gives you the flexibility to pursue a solvent, reasonably funded reserve plan when multiple components on different life cycles exist. It allows for minor adjustments to the reserve plan without worry of funding shortfalls. If one or more of the anticipated expenditures are slightly higher than expected there should be cushion to absorb the shortfall and avoid a special assessment or the need to borrow money.

## Disclosure

The Reserve Analysis report is to be used only for the purpose stated herein, any use or reliance for any other purpose is invalid. The analysis provided is applicable as of the report completion date, and those items, which are not expected to undergo major repair or replacement within the duration of the report, have been defined as 'life of the project' and may not be included. It is imperative that these components be reviewed annually to consider the impact of changing conditions. Adjustments to the component useful lives and replacement costs should be made whenever the rate of deterioration has changed or when there have been significant changes in the cost of materials and/or labor. Some assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

No conclusion or any other form of assurance on the reserve funding plans or projections is provided because the compilation of the reserve funding plans and related projections is limited as described above.

No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

## Glossary of Terms:

**Annual Fully Funded Requirement:** This is a theoretical value represented in the Percent Funded Analysis report per component. It's also considered the annual accrued depreciation. In other word it's the ideal amount required to Fully Fund the replacement on an annual basis. The amount is calculated based on the useful life and replacement cost and makes no adjustment to eliminate any current reserve deficits.

**Annual Reserve Contributions:** The total assessments, fees, or dues are apportioned between annual operating costs (paying for trash, water, utilities, maintenance, insurance, management fees) and the money you are setting aside every year to pay for anticipated expenditures. This value should not include interest earned as that is already calculated into the reserve funding plans. Our Reserve Analysis Report compares the annual reserve contributions vs. the anticipated expenditures over the duration of the reserve funding plan.

**Component:** Components are all the different common parts of the property (that typically an HOA would be responsible for). They are everything from the roof to asphalt or concrete to decking and balconies to landscaping, lighting, and painting. All of these things need to be repaired or replaced eventually. Our Reserve Analysis Report provides estimates of those current replacement costs to help determine how much money will be required in the bank to pay for them eventually.

**Fully Funded Reserve Balance:** The Fully Funded Reserve Balance is the total accrued depreciation. In other words it's the amount of life "used up" for each one of your components translated into a dollar value. This is calculated by multiplying the fractional age of each component by its current estimated replacement cost, then adding them all together, otherwise known as straight-line depreciation. Its purpose is to help you measure the strength of your reserve fund.

Here's a simple example not taking interest and inflation into consideration: If the association's reserve study says replace the roof every 10 years at a cost of \$100,000, Fully Funded does not mean \$100,000 is required today. It means that \$10,000 is required in the bank this year, \$20,000 next year, \$30,000 the following year, and so on until you have \$100,000 on the 10th year when the roof is scheduled to be replaced.

**Reserve Balance:** This is how much money you have in the bank set aside for reserves at a given point in time, like at the start of each fiscal year called 'Starting Reserve Balance' or at the end of the fiscal year called 'Ending Reserve Balance.' It can also be the reserve accumulated to date, like in the Percent Funding Analysis report where each component has an 'Accumulated Reserve Balance' value.

Reserves are the money set aside for anticipated common area expenses. The reserve account (also called cash reserves or reserve funds) is funded by dues collected from owners (like HOA fees).

Just like an emergency fund or a rainy-day fund to cover personal expenses if the car breaks down or the kitchen sink leaks, HOAs with commonly owned space like condominiums must set aside a healthy percentage of funds every year to plan for the future.

Without it, paying for big expenses becomes difficult. It may require a special assessment to raise the funds to pay for a repair, putting an oversized financial burden on owners. Or a capital improvement loan may be required. The Reserve Analysis report will help figure out a sufficient amount of money to put away in reserves each year to pay for those eventual expenses. Usually a 70% funded reserve balance or above is considered strong.

**Remaining Useful Life (RUL):** Remaining useful life is how many remaining years of use a component should have left before it has to be replaced. For example, if the useful life of your roof is 20 years and it is five years old, the remaining useful life would be 15 years.

**Replacement Contingency %:** The replacement contingency percentage is a budgeting option that gives you the flexibility to determine the amount or percentage to fund replacements. This gives you more control to establish the funds available to make the necessary repairs on a cycled basis. For example, the retaining walls may be estimated to be replaced over 25 years, but the budget may call to phase the replacement in stages of 20% every five years. It may be determined to only account for that percentage of the replacement cost in your budget.

**Source:** These are the source(s) utilized to obtain component repair or replacement cost estimates and can be reviewed on the Component Inventory report.

**Useful Life (UL):** Useful life is how many years a component is expected to be in use from the time it's new (or refurbished); to the time it has to be replaced. For example, the roof – depending on what kind it is – might have a useful life of 20 years. After 20 years, you'd expect to replace it.

## Project Description

Property Name: **Barrington Heights HOA - Beacon Hill**

Location: **West Linn, OR**

Project Type: **Planned Unit Development**

Number of Units: **4**

Age of Project: **26 Year(s)**

## Financial Summary

Starting Reserve Balance: **\$2,275**

Fully Funded Reserve Balance: **\$10,333**

Percent Funded: **22%**

Current Replacement Cost: **\$21,572**

Deficit/Surplus vs. Fully Funded Reserve: **(\$8,058) or (\$2,014.42) Per Unit Avg**

A 4 lot section of the Barrington Heights HOA.

## Assumed Inflation, Interest & Rate of Annual Reserve Contribution Increase

Funding and anticipated expenditures have been computed with a Time Value of Money approach. Inflation was applied to the anticipated expenditures, and average interest to the ending reserve balance values.

Annual Inflation Rate: **3.00 %**

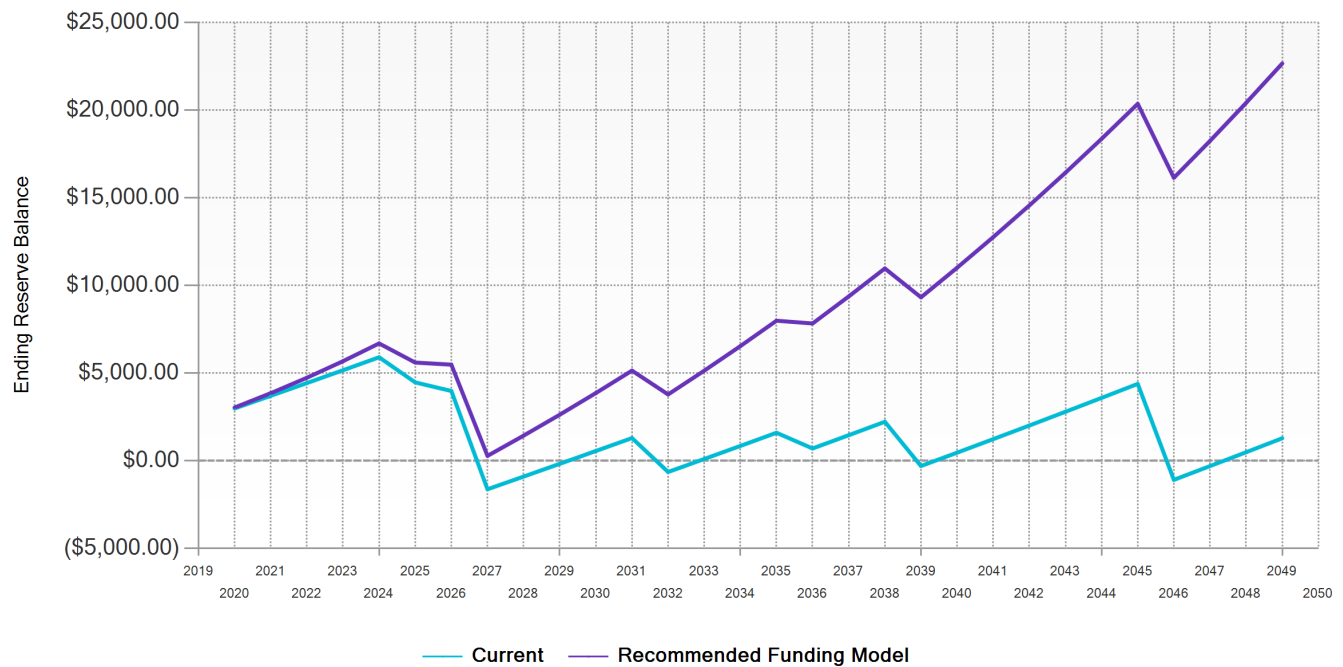
Annual Interest Rate: **0.50 %**

Annual Reserve Contribution Increase: **0.43 %**

## Summary of Funding Plans

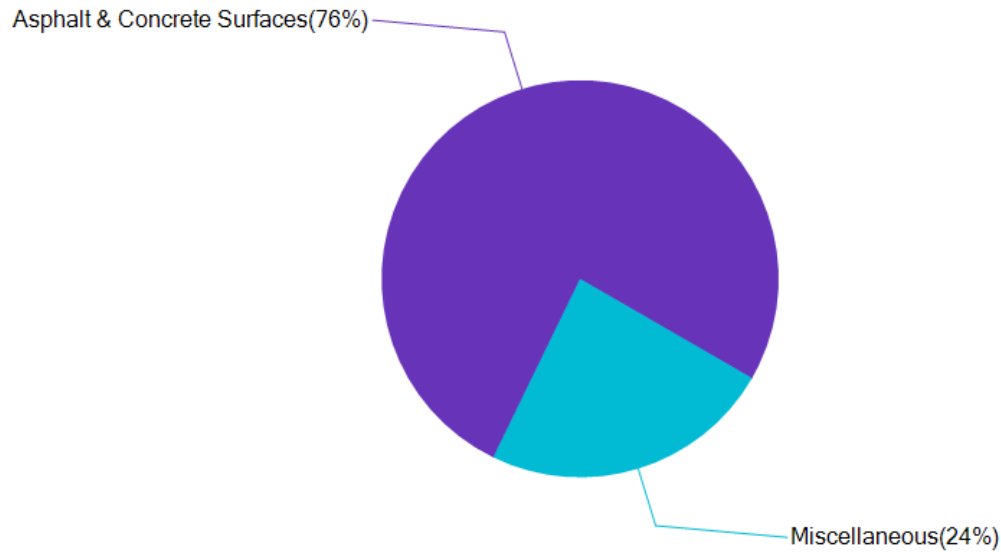
★ Recommended funding plan

Funding Plans	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Meet All Anticipated Expenditures During Next 30 Years	1st Year of Reserve Deficit (if Applicable)	Average Reserve Balance Over 30 Years	Average Percent Funded Over 30 Years
Current ★	\$700	\$14.58	No	2027	\$1,691	10%
Recommended Funding Model	\$750	\$15.62	Yes	N/A	\$9,348	37%





## Expenditures by Category

**Total Current Cost: \$21,572.00**

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Asphalt & Concrete Surfaces	7-50	5-31	\$16,422	\$1,340	\$641	\$6,084	\$583
Miscellaneous	40-40	7-7	\$5,150	\$935	\$129	\$4,249	\$117
Totals			\$21,572	\$2,275	\$770	\$10,333	\$700

# Component Inventory



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020

Current Replacement Cost: \$21,572

Component	GL Code	UL	RUL	Unit Price	Quantity	Current Replacement Cost	Anticipated Expenditures	Source
<b>Asphalt &amp; Concrete Surfaces</b>								
Asphalt - Overlay		50	31	\$2.52 / SF	5,356	\$13,516	\$33,791	User
Asphalt - Seal/Stripe & Repair		7	5	\$0.35 / SF	5,356	\$1,876	\$2,174	User
Concrete - Contingency		10	6	\$1,030.00 / Total	1	\$1,030	\$1,230	User
<b>Totals</b>						<b>\$16,422</b>	<b>\$37,195</b>	
<b>Miscellaneous</b>								
Underground Utilities - Contingency		40	7	\$5,150.00 / Total	1	\$5,150	\$6,334	User
<b>Totals</b>						<b>\$5,150</b>	<b>\$6,334</b>	

**Measure key :** SF = Square Feet , EA = Each , SY = Square Yard(s) , LF = Linear Feet , ALW = Allowance , BLD = Building(s) , CY = Cubic Yard(s) , LT = Lot , PLC = Place(s) , SQ = Square(s) , TN = Ton(s)

## Asphalt & Concrete Surfaces

### Asphalt - Overlay



Component Type:	Reserve Component	GL Code:	
Date in Service:	1987	Source:	User
Effective Age:	19	Current Cost:	\$13,516
Useful Life:	50	Inflation Rate:	3.00
Remaining Life:	31	Starting Reserve Balance:	\$1,131
Quantity / Units:	5,356 SF	Annual Fully Funding Requirement:	\$270
Unit Price:	\$2.52 / SF	Fully Funded Reserve Balance:	\$5,136
Replacement %:	100.00	Annual Reserve Contribution:	\$246

2" overlay of private street.

### Asphalt - Seal/Stripe & Repair



Component Type:	Reserve Component	GL Code:	
Date in Service:	2018	Source:	User
Effective Age:	2	Current Cost:	\$1,876
Useful Life:	7	Inflation Rate:	3.00
Remaining Life:	5	Starting Reserve Balance:	\$118
Quantity / Units:	5,356 SF	Annual Fully Funding Requirement:	\$268
Unit Price:	\$0.35 / SF	Fully Funded Reserve Balance:	\$536
Replacement %:	100.00	Annual Reserve Contribution:	\$244

Sealcoat of private street.

## Component Photos & Details



**Barrington Heights HOA - Beacon Hill**  
West Linn, OR

Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020

### Concrete - Contingency



Component Type:	Reserve Component	GL Code:	
Date in Service:	2016	Source:	User
Effective Age:	4	Current Cost:	\$1,030
Useful Life:	10	Inflation Rate:	3.00
Remaining Life:	6	Starting Reserve Balance:	\$91
Quantity / Units:	1 Total	Annual Fully Funding Requirement:	\$103
Unit Price:	\$1,030.00 / Total	Fully Funded Reserve Balance:	\$412
Replacement %:	100.00	Annual Reserve Contribution:	\$94

Contingency for repair to concrete curbs and commonly maintained sidewalks.

### Miscellaneous

#### Underground Utilities - Contingency



Component Type:	Reserve Component	GL Code:	
Date in Service:	1987	Source:	User
Effective Age:	33	Current Cost:	\$5,150
Useful Life:	40	Inflation Rate:	3.00
Remaining Life:	7	Starting Reserve Balance:	\$935
Quantity / Units:	1 Total	Annual Fully Funding Requirement:	\$129
Unit Price:	\$5,150.00 / Total	Fully Funded Reserve Balance:	\$4,249
Replacement %:	100.00	Annual Reserve Contribution:	\$117

Contingency for repair of underground utilities or lines.

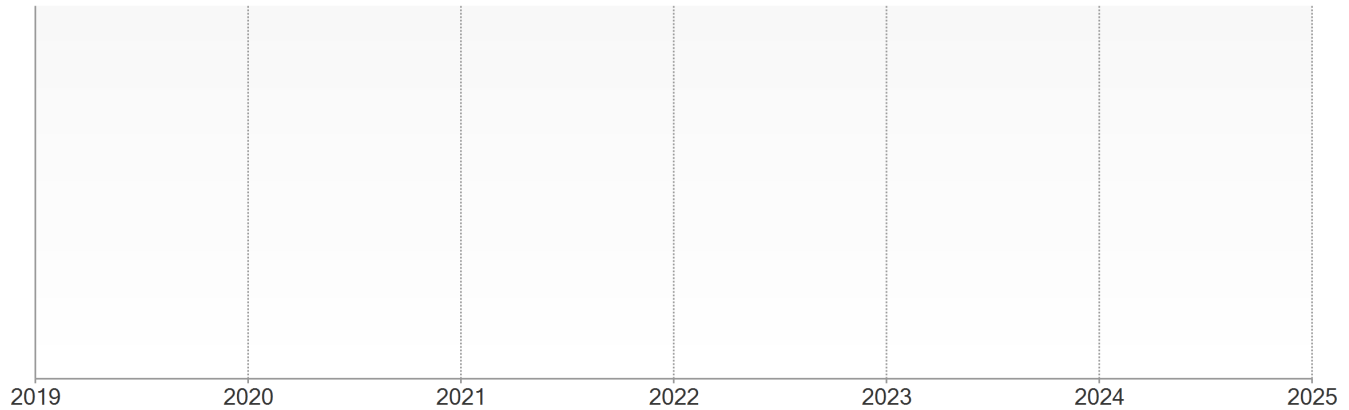
## Anticipated Expenditures (5 Years)



**Barrington Heights HOA - Beacon Hill**  
West Linn, OR

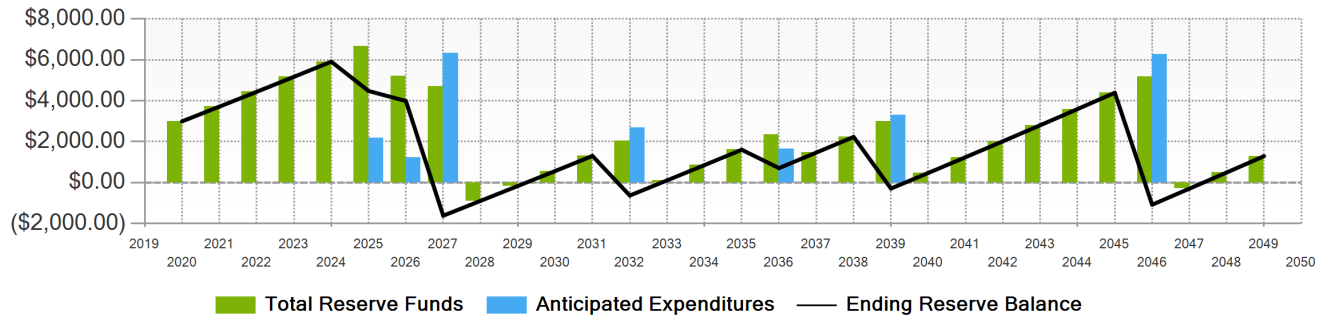
Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020



Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
2020				
			Total for 2020:	\$0
2021				
			Total for 2021:	\$0
2022				
			Total for 2022:	\$0
2023				
			Total for 2023:	\$0
2024				
			Total for 2024:	\$0

This plan represents the currently adopted annual reserve contribution of \$700 or \$14.58 per unit per Monthly projected over the 30 year duration using an inflation factor of 3% per year, interest rate of 0.5% per year, and assumed rate of annual reserve contribution increases of 0.43%. Based on the projected starting reserve balance of \$2,275 as of Jan 1, 2020, this plan will not meet all anticipated expenditures as they occur. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all future expenditures will be funded.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2020	\$700	\$14.58	\$2,275	\$13	\$2,988	\$0	\$2,988	\$11,436	26%
2021	\$703	\$14.65	\$2,988	\$17	\$3,708	\$0	\$3,708	\$12,596	29%
2022	\$706	\$14.71	\$3,708	\$20	\$4,434	\$0	\$4,434	\$13,815	32%
2023	\$709	\$14.77	\$4,434	\$24	\$5,167	\$0	\$5,167	\$15,096	34%
2024	\$712	\$14.84	\$5,167	\$28	\$5,907	\$0	\$5,907	\$16,442	36%
2025	\$715	\$14.90	\$5,907	\$26	\$6,648	\$2,174	\$4,474	\$15,615	29%
2026	\$718	\$14.96	\$4,474	\$21	\$5,213	\$1,230	\$3,983	\$15,763	25%
2027	\$721	\$15.03	\$3,983	\$6	\$4,710	\$6,334	(\$1,624)	\$10,688	0%
2028	\$724	\$15.09	(\$1,624)	\$0	(\$899)	\$0	(\$899)	\$12,013	0%
2029	\$728	\$15.16	(\$899)	\$0	(\$172)	\$0	(\$172)	\$13,409	0%
2030	\$731	\$15.22	(\$172)	\$1	\$560	\$0	\$560	\$14,877	4%
2031	\$734	\$15.29	\$560	\$5	\$1,299	\$0	\$1,299	\$16,421	8%
2032	\$737	\$15.35	\$1,299	\$2	\$2,037	\$2,674	(\$637)	\$15,290	0%
2033	\$740	\$15.42	(\$637)	\$0	\$103	\$0	\$103	\$16,913	1%
2034	\$743	\$15.49	\$103	\$2	\$849	\$0	\$849	\$18,620	5%
2035	\$747	\$15.55	\$849	\$6	\$1,601	\$0	\$1,601	\$20,415	8%
2036	\$750	\$15.62	\$1,601	\$6	\$2,357	\$1,653	\$704	\$20,597	3%
2037	\$753	\$15.69	\$704	\$5	\$1,462	\$0	\$1,462	\$22,526	6%
2038	\$756	\$15.75	\$1,462	\$9	\$2,228	\$0	\$2,228	\$24,552	9%
2039	\$759	\$15.82	\$2,228	\$5	\$2,992	\$3,289	(\$297)	\$23,292	0%
2040	\$763	\$15.89	(\$297)	\$0	\$466	\$0	\$466	\$25,423	2%
2041	\$766	\$15.96	\$466	\$4	\$1,237	\$0	\$1,237	\$27,661	4%
2042	\$769	\$16.03	\$1,237	\$8	\$2,014	\$0	\$2,014	\$30,011	7%
2043	\$773	\$16.10	\$2,014	\$12	\$2,799	\$0	\$2,799	\$32,476	9%
2044	\$776	\$16.17	\$2,799	\$16	\$3,590	\$0	\$3,590	\$35,063	10%
2045	\$779	\$16.23	\$3,590	\$20	\$4,390	\$0	\$4,390	\$37,775	12%
2046	\$783	\$16.30	\$4,390	\$8	\$5,180	\$6,266	(\$1,086)	\$34,165	0%
2047	\$786	\$16.37	(\$1,086)	\$0	(\$300)	\$0	(\$300)	\$36,951	0%
2048	\$789	\$16.44	(\$300)	\$0	\$490	\$0	\$490	\$39,874	1%
2049	\$793	\$16.52	\$490	\$4	\$1,287	\$0	\$1,287	\$42,940	3%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: 0.43%

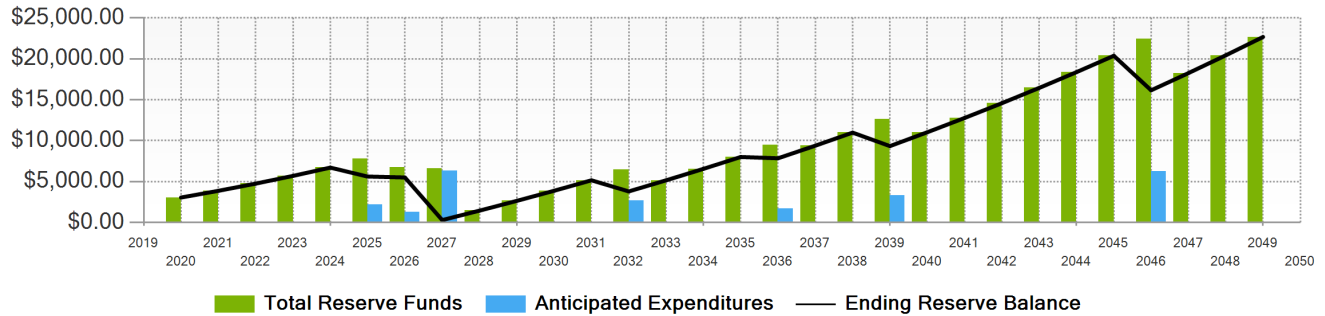
# Recommended Funding Model



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019  
Start Date: Jan 1, 2020

This plan represents annual reserve contributions, rate of annual reserve contributions, and special assessments applied to year 1 based on specified durations which our detailed in the plan. The plan allows for multiple ladders or steps to be included in order to develop a more flexible plan that can account for gradual reserve contribution increases over time while addressing funding requirements. It takes into account an inflation factor of 3% per year and interest rate of 0.5% per year. This funding plan is a more realistic approach and allows for strategic budgeting of reserves. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all funding goals and expectations are being met.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2020	\$750	\$15.62	\$2,275	\$13	\$3,038	\$0	\$3,038	\$11,436	27%
2021	\$803	\$16.72	\$3,038	\$17	\$3,858	\$0	\$3,858	\$12,596	31%
2022	\$859	\$17.89	\$3,858	\$21	\$4,738	\$0	\$4,738	\$13,815	34%
2023	\$919	\$19.14	\$4,738	\$26	\$5,683	\$0	\$5,683	\$15,096	38%
2024	\$983	\$20.48	\$5,683	\$31	\$6,697	\$0	\$6,697	\$16,442	41%
Rate of Annual Reserve Funding Increases: 7.00%      Duration: 5 years      Additional Funds To Reserves: \$0.00									
2025	\$1,052	\$21.91	\$6,697	\$31	\$7,779	\$2,174	\$5,605	\$15,615	36%
2026	\$1,083	\$22.57	\$5,605	\$28	\$6,716	\$1,230	\$5,486	\$15,763	35%
2027	\$1,116	\$23.25	\$5,486	\$14	\$6,617	\$6,334	\$283	\$10,688	3%
2028	\$1,149	\$23.95	\$283	\$4	\$1,436	\$0	\$1,436	\$12,013	12%
2029	\$1,184	\$24.67	\$1,436	\$10	\$2,631	\$0	\$2,631	\$13,409	20%
2030	\$1,219	\$25.41	\$2,631	\$16	\$3,866	\$0	\$3,866	\$14,877	26%
2031	\$1,256	\$26.17	\$3,866	\$22	\$5,145	\$0	\$5,145	\$16,421	31%
2032	\$1,294	\$26.95	\$5,145	\$22	\$6,461	\$2,674	\$3,786	\$15,290	25%
2033	\$1,333	\$27.76	\$3,786	\$22	\$5,141	\$0	\$5,141	\$16,913	30%
2034	\$1,373	\$28.59	\$5,141	\$29	\$6,543	\$0	\$6,543	\$18,620	35%
2035	\$1,414	\$29.45	\$6,543	\$36	\$7,993	\$0	\$7,993	\$20,415	39%
2036	\$1,456	\$30.34	\$7,993	\$39	\$9,488	\$1,653	\$7,836	\$20,597	38%
2037	\$1,500	\$31.25	\$7,836	\$43	\$9,378	\$0	\$9,378	\$22,526	42%
2038	\$1,545	\$32.18	\$9,378	\$51	\$10,974	\$0	\$10,974	\$24,552	45%
2039	\$1,591	\$33.15	\$10,974	\$51	\$12,616	\$3,289	\$9,327	\$23,292	40%
2040	\$1,639	\$34.14	\$9,327	\$51	\$11,016	\$0	\$11,016	\$25,423	43%
2041	\$1,688	\$35.17	\$11,016	\$59	\$12,763	\$0	\$12,763	\$27,661	46%
2042	\$1,739	\$36.22	\$12,763	\$68	\$14,570	\$0	\$14,570	\$30,011	49%
2043	\$1,791	\$37.31	\$14,570	\$77	\$16,438	\$0	\$16,438	\$32,476	51%
2044	\$1,845	\$38.43	\$16,438	\$87	\$18,370	\$0	\$18,370	\$35,063	52%
2045	\$1,900	\$39.58	\$18,370	\$97	\$20,366	\$0	\$20,366	\$37,775	54%
2046	\$1,957	\$40.77	\$20,366	\$91	\$22,414	\$6,266	\$16,148	\$34,165	47%
2047	\$2,016	\$41.99	\$16,148	\$86	\$18,249	\$0	\$18,249	\$36,951	49%
2048	\$2,076	\$43.25	\$18,249	\$96	\$20,422	\$0	\$20,422	\$39,874	51%
2049	\$2,138	\$44.55	\$20,422	\$107	\$22,667	\$0	\$22,667	\$42,940	53%
Rate of Annual Reserve Funding Increases: 3.00%      Duration: 25 years      Additional Funds To Reserves: \$0.00									
Inflation Rate: 3.00%      Interest Rate: 0.50%      Average Rate of Annual Reserve Funding Increases: 3.69%									

Recommended Funding Model



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019  
Start Date: Jan 1, 2020

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
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Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: 3.69%



# Percent Funding Analysis



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020

Component	UL	RUL	Effective Age	Current Replacement Cost	Starting Reserve Balance	Percent Funded: 22%			
						Annual Fully Funding Reqmt.	Fully Funded Reserve Balance	Annual Reserve Contrib.	
	A	B	C	D	E	F	G	H	
<b>ASPHALT &amp; CONCRETE SURFACES</b>									
Asphalt - Overlay	50	31	19	\$13,516	\$1,131	\$270	\$5,136	\$246	
Asphalt - Seal/Stripe & Repair	7	5	2	\$1,876	\$118	\$268	\$536	\$244	
Concrete - Contingency	10	6	4	\$1,030	\$91	\$103	\$412	\$94	
			Total	\$16,422	\$1,340	\$641	\$6,084	\$583	
<b>MISCELLANEOUS</b>									
Underground Utilities - Contingency	40	7	33	\$5,150	\$935	\$129	\$4,249	\$117	
			Total	\$5,150	\$935	\$129	\$4,249	\$117	
			Totals	\$21,572	\$2,275	\$770	\$10,333	\$700	

**Percent Funded Calculations:** Effective Age (Column C): (A) - (B) = (C). Starting Reserve Balance (Column E): G (Individual) / G (Total) \* E (Total) = E (Individual). Annual Fully Funding Requirement (Column F): (D) / (A) = (F). Fully Funded Reserve Balance (Column G): (C) \* (F) = (G)

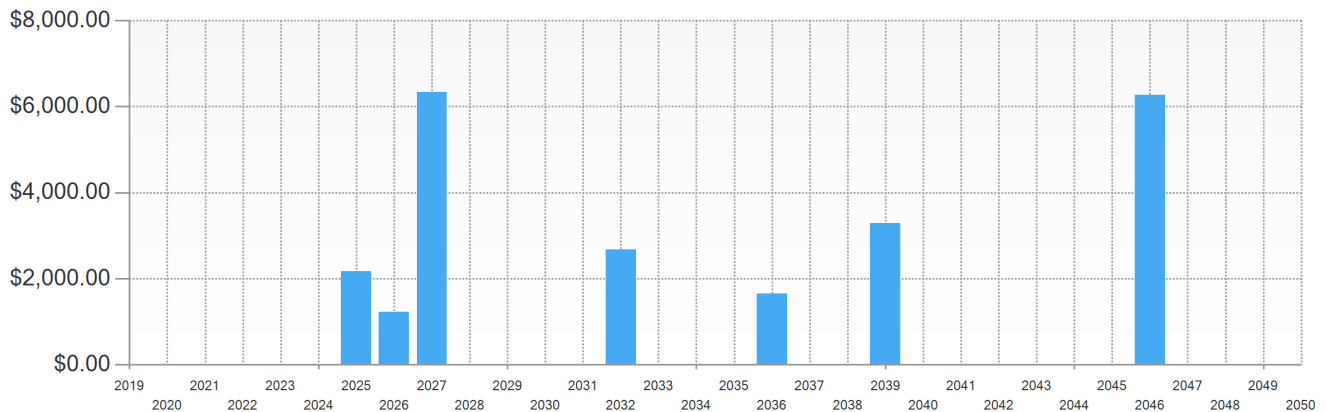
# Anticipated Expenditures (30 Years)



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020



Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
2020				
			Total for 2020:	\$0
2021				
			Total for 2021:	\$0
2022				
			Total for 2022:	\$0
2023				
			Total for 2023:	\$0
2024				
			Total for 2024:	\$0
2025				
Asphalt - Seal/Stripe & Repair		Asphalt & Concrete Surfaces	\$1,876	\$2,174
			Total for 2025:	\$2,174
2026				
Concrete - Contingency		Asphalt & Concrete Surfaces	\$1,030	\$1,230
			Total for 2026:	\$1,230
2027				
Underground Utilities - Contingency		Miscellaneous	\$5,150	\$6,334
			Total for 2027:	\$6,334
2028				
			Total for 2028:	\$0
2029				
			Total for 2029:	\$0
2030				
			Total for 2030:	\$0
2031				
			Total for 2031:	\$0
2032				
Asphalt - Seal/Stripe & Repair		Asphalt & Concrete Surfaces	\$1,876	\$2,674
			Total for 2032:	\$2,674
2033				
			Total for 2033:	\$0
2034				
			Total for 2034:	\$0
2035				
			Total for 2035:	\$0
2036				
Concrete - Contingency		Asphalt & Concrete Surfaces	\$1,030	\$1,653
			Total for 2036:	\$1,653

## Anticipated Expenditures (30 Years)



Barrington Heights HOA - Beacon Hill  
West Linn, OR

Date Prepared: Nov 1, 2019

Start Date: Jan 1, 2020

Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
<b>2037</b>				
			Total for 2037:	\$0
<b>2038</b>				
			Total for 2038:	\$0
<b>2039</b>				
Asphalt - Seal/Stripe & Repair		Asphalt & Concrete Surfaces	\$1,876	\$3,289
			Total for 2039:	\$3,289
<b>2040</b>				
			Total for 2040:	\$0
<b>2041</b>				
			Total for 2041:	\$0
<b>2042</b>				
			Total for 2042:	\$0
<b>2043</b>				
			Total for 2043:	\$0
<b>2044</b>				
			Total for 2044:	\$0
<b>2045</b>				
			Total for 2045:	\$0
<b>2046</b>				
Asphalt - Seal/Stripe & Repair		Asphalt & Concrete Surfaces	\$1,876	\$4,045
Concrete - Contingency		Asphalt & Concrete Surfaces	\$1,030	\$2,221
			Total for 2046:	\$6,266
<b>2047</b>				
			Total for 2047:	\$0
<b>2048</b>				
			Total for 2048:	\$0
<b>2049</b>				
			Total for 2049:	\$0