



Reserve Study Statement/Report Accompanying the 2022/2023 Budget

Per RCW 64.38.025(4)(a-g) the information in this Report is required to be given to members each year along with the proposed annual budget (budget enclosed in this mailing).

If you have any questions pertaining to this content, please contact the board of directors at BOD@9mileranchhoa.org and we will do our best to try to address them. The board will be working on how to make the report more easily understood by our members.

RCW64.38 requires HOAs to annually "...estimate the anticipated major maintenance, repair, and replacement costs..." of maintenance/repair items "...whose infrequent and significant nature make them impractical to be included in an annual budget"; these items are referred to as "reserve components". Then after identifying those "reserve components" and their costs, that information has to be incorporated into a *recommended* schedule of annual assessment rates for (30) years that would be able to pay for the reserve components. All of that is then incorporated into the required "[MASTER 2021/2022 Reserve Fund and Study Report](#)" along with other required related information; you can view the entire MASTER Study by clicking on the highlight above or by visiting the 9mileranchhoa.org website. Otherwise, the following are specific summaries and fact statements derived from the MASTER Study:

- The Board of Directors offered the membership an opportunity, through a vote in June 2021, to raise annual assessments to fund the Reserve Components for the next five years in the MASTER Study (you may recall that was "Vote Item #2"). That vote *did not pass*, so therefore there is currently no plan to or funds available to fund those Reserve Components, and there will of course therefore be no deposit into the HOA reserve fund this year to fund the Reserve Components.
- This report and the "[MASTER 2021/2022 Reserve Fund and Study Report](#)" meet with the requirements of RCW64.38.070.
- This report meets with "Level III" reporting requirements in [RCW64.38.070.\(2\)\(c\)\(iii\)](#).
- The reserve fund balance on 3/01/22 is cumulatively \$54,047.00, which includes funds in the following accounts:
 - ↳ \$13,362.00 in savings
 - ↳ \$36,368.00 in CD
 - ↳ \$4317.00 in checking

Please understand that the reserve funds shown above *are not* for projected Reserve Components but rather are to fulfill a different requirement – Nine Mile Ranch HOA CCRs, Article IV, Section 4, funds to "...sufficient[ly] meet the obligations imposed by the Declaration [CCRs] and any amendments to the Declaration, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair, and improvement of the roads and any other Common Areas, plus any other costs or fees incurred by the Association." The "[MASTER 2021/2022 Reserve Fund and Study Report](#)" includes descriptions and breakdowns for how this CCR funding requirement is being met.

- Had the membership voted affirmatively in the June 2021 election to fund the projected Reserve Components through the offered additional annual assessment rates in the vote, the following income and expenditure facts would have manifested in this coming fiscal year:
 - ↳ \$55,834.65 would have been taken in for Reserve Components,
 - ↳ \$27,603.68 would have been spent on Reserve Components between last fall and through to the end of the 2022/2023 fiscal year, and
 - ↳ the funds in the HOA reserve fund at the end of the 2022/2023 fiscal year available for both CCR-required reserve funding and Reserve Components be would be \$79,746.73. Because the vote to fund the Reserve Components did not pass, the projected amount of funds to be left in the reserve fund at the end of fiscal year 2022/2023 is \$51,515.00 (see calculations at sections III and IV in the "[MASTER 2021/2022 Reserve Fund and Study Report](#)") and again, those funds will be adequate to continue to meet the reserve funding requirements of the HOA CCRs, Article IV, Section 4.

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- Please see page 5 in the “[MASTER 2021/2022 Reserve Fund and Study Report](#)” on the HOA website for a schedule of what *recommended* annual assessment rates would be over a period of (30) years in order to pay for the Reserve Components.
- Please see page 22 in the “[MASTER 2021/2022 Reserve Fund and Study Report](#)” on the HOA website for a schedule of annual reserve fund deposits, withdrawals and running balances over a period of (30) years had the HOA approved increasing the assessment rates in June 2021 to pay for the recommended Reserve Components. If such rates had been adopted as offered in the June 2021 vote then the reserve fund portion allocated for Reserve Components would be fully funded for years 2022 – 2026.

Required statements about the status of various current Special Assessments:

- On August 31, 2019 A Special Assessment of \$242.00 per Lot was passed by a vote of the membership which provided the process for funding the purchase of:
 - ↳ a road gravel rake (for road maintenance)
 - ↳ replenishment topcoat gravel, designed to make up for that portion of road gravel that had been worn away but not yet replenished between the time span of 1996 and 2017.

The rake was purchased in spring 2020, and throughout 2020 and 2021 much replenishment gravel was placed. Here are the income and expenditures balances for gravel and the rake as of 3/6/22:

- \$71,814.00 total collected income of the \$73,568.00 total billed.
- ↳ \$18,861.00 spent on the rake, the rake being fully purchased/paid for.
- ↳ \$53,539.00 spent so far on gravel
- On June 20, 2021 a one-time Special Assessment of \$35.37 per Lot was passed for a complete CCR-required court arbitration process against the owner of Lot 47, Division 1 for various CCR violations; income and expenditures as of 3/1/22 as follows:
 - \$9868.00 total collected.
 - ↳ \$2569.00 total funds spent.
- On June 20, 2021 a one-time Special Assessment of \$38.55 per Lot was passed for the construction of a sanding facility for winter sanding of icy roads; income and expenditures as of 3/1/22 as follows:
 - \$10,755.00 total collected.
 - ↳ \$350.00 total funds spent.

- ⑩ At this point there are no other special assessments planned to be brought for membership vote.

Pursuant to RCW64.38.070(3) the following statement is required to be included with this report: “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.”