From: Kevin Fink <kfink@reservestudy.com>
Sent: Wednesday, August 12, 2026 8:38 AM
To: Susan Holli WCA <president@wcacoop.org>
Cc: Jim Habel WCA <treasurer@wcacoop.org>
Subject: Re: The Woods, WCA, Little River, CA, AR Reports & Communications

Hi Susan,

Here are my comments:

Purpose of the reports: The Reserve Study and Assessment and Reserve Funding Disclosure Summary are long-term planning and disclosure documents. The Reserve Study is a cash flow and budgeting tool. The study recommends ongoing budgeted reserve contributions to offset the deterioration of reserve components over the 30-year study period. The Board sets Reserve contributions and schedules Reserve projects through the annual budget process. The purpose of the Assessment and Reserve Funding Disclosure Summary is to reflect the current reserve contributions and disclose whether that funding level is adequate based on the estimated expenses outlined in the Reserve Study. Neither document mandates a special assessment nor requires the property to be 100% funded.

Both documents contain information provided to us by the client as well as our own estimates. The Reserve Study is a living, breathing document that gets refined over time. It is common to see fluctuations year to year, especially in the beginning when the component list is being established.

Funding Strength: The Reserve Study measures funding strength in a metric called percent funded. Percent funded is calculated by comparing the total dollars set aside for reserves at the start of the fiscal year to the accumulated deterioration of the Reserve components. Percent funded is a measure of special assessment risk. Properties less than 30% funded are at greater risk of special assessment than those with more than 70% funded. The multi-year funding plan in the Reserve Study is designed to gradually bring the property's percent funded to 70% over the report's 30-year scope. Budgeting decisions are made annually by the Board, and the Reserve Study is a tool to help assess the strength of the Reserve fund and identify where funding may be insufficient to cover estimated Reserve expenses. The current average percent funded across similar properties we serve in Northern California is 31%. Per the 2026 Reserve Study, The Woods is approximately 38.2% funded. This falls within the fair range (30-70%) and we recommend working towards 70% funding over time to significantly reduce the risk of future special assessments.

Best,

Kevin

Assessment and Reserve Funding Disclosure Summary

The Woods at Little River, Little River

For Fiscal Year Beginning: 1/1/2026 # of units: 109

1) Budgeted Amounts:

	Total	Average Per Unit*	
Reserve Transfers:	$1,833.33	$16.82	
Total Assessment Income:	$164,481.42	$1,509.00	per: Month

2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount	Total Amount Per Unit*	Purpose
	Total: $0.00	Total: $0.00	

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **No**

4) If the answer to #3 is no, what additional assessments or other transfers/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Total Amount	Average Total Amount Per Unit*
2027	$1,308,000.00	$12,000.00
2034	$1,853,000.00	$17,000.00
2041	$2,616,000.00	$24,000.00
2048	$2,289,000.00	$21,000.00
	Total: $8,066,000.00	Total: $74,000.00

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6)

All computations/disclosures are based on the fiscal year start date of:	1/1/2026
Fully Funded Balance (based on formula defined in 5570(b)4):	$2,333,991
Projected Reserve Fund Balance:	$892,198
Percent Funded:	38.2 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	$13,227

From the 10/21/2025 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Kier Balboa **Date: 7/17/2026**

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2026 Rate 51033-2

Fiscal Year Start: 1/1/2026	Net After Tax Interest: 2.50 %	Avg 30-Yr Inflation: 3.00 %
Reserve Fund Strength (as-of Fiscal Year Start)	**Projected Reserve Balance Changes**	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2026	$892,198	$2,333,991	38.2 %	Medium	0.00 %	$22,000	$0	$16,779	$479,350
2027	$451,627	$2,150,011	21.0 %	High	20.00 %	$26,400	$1,308,000	$21,150	$564,924
2028	$1,242,254	$1,879,563	66.1 %	Medium	20.00 %	$31,680	$0	$28,215	$284,767
2029	$1,017,381	$1,896,971	53.6 %	Medium	20.00 %	$38,016	$0	$23,675	$200,406
2030	$878,666	$2,009,423	43.7 %	Medium	3.00 %	$39,156	$0	$18,750	$313,623
2031	$622,949	$2,016,494	30.9 %	Medium	3.00 %	$40,331	$0	$14,558	$134,905
2032	$542,933	$2,215,951	24.5 %	High	3.00 %	$41,541	$0	$12,685	$124,205
2033	$472,953	$2,440,750	19.4 %	High	3.00 %	$42,787	$0	$8,943	$281,420
2034	$243,264	$2,518,950	9.7 %	High	3.00 %	$44,071	$1,853,000	$26,313	$302,581
2035	$1,864,067	$2,586,545	72.1 %	Low	3.00 %	$45,393	$0	$43,779	$311,136
2036	$1,642,103	$2,656,466	61.8 %	Medium	3.00 %	$46,755	$0	$38,124	$315,847
2037	$1,411,134	$2,733,016	51.6 %	Medium	3.00 %	$48,157	$0	$27,289	$712,202
2038	$774,379	$2,413,283	32.1 %	Medium	3.00 %	$49,602	$0	$16,359	$304,571
2039	$535,769	$2,513,772	21.3 %	High	3.00 %	$51,090	$0	$12,002	$173,390
2040	$425,472	$2,762,648	15.4 %	High	3.00 %	$52,623	$0	$9,760	$131,656
2041	$356,199	$3,072,537	11.6 %	High	3.00 %	$54,202	$2,616,000	$37,937	$382,247
2042	$2,682,090	$3,144,492	85.3 %	Low	3.00 %	$55,828	$0	$66,424	$166,697
2043	$2,637,645	$3,451,827	76.4 %	Low	3.00 %	$57,503	$0	$56,965	$827,614
2044	$1,924,498	$3,099,179	62.1 %	Medium	3.00 %	$59,228	$0	$46,585	$223,904
2045	$1,806,407	$3,369,660	53.6 %	Medium	3.00 %	$61,004	$0	$41,830	$365,571
2046	$1,543,671	$3,514,582	43.9 %	Medium	3.00 %	$62,835	$0	$33,769	$479,504
2047	$1,160,770	$3,559,112	32.6 %	Medium	3.00 %	$64,720	$0	$19,150	$871,771
2048	$372,868	$3,213,932	11.6 %	High	3.00 %	$66,661	$2,289,000	$34,403	$380,557
2049	$2,382,374	$3,377,726	70.5 %	Low	3.00 %	$68,661	$0	$59,712	$110,916
2050	$2,399,832	$3,837,945	62.5 %	Medium	3.00 %	$70,721	$0	$57,826	$297,073
2051	$2,231,307	$4,134,423	54.0 %	Medium	3.00 %	$72,842	$0	$49,755	$600,433
2052	$1,753,472	$4,141,955	42.3 %	Medium	3.00 %	$75,028	$0	$38,980	$499,165
2053	$1,368,314	$4,269,076	32.1 %	Medium	3.00 %	$77,279	$0	$26,985	$679,759
2054	$792,819	$4,229,510	18.7 %	High	3.00 %	$79,597	$0	$16,578	$354,125
2055	$534,868	$4,540,134	11.8 %	High	3.00 %	$81,985	$0	$5,382	$726,081