

RAVENNA WOODS CONDOMINIUM ASSOCIATION

AJE Report

12/31/2023

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE 01		4100.20			
To reconcile equity					
5006	Fund adjustment		0.00	5,686.00	
5999	Appfolio Opening Balance Equity		338,604.00	0.00	
5005	Contract liabilities		0.00	374,086.00	
5010	Reserves - Unallocated		41,168.00	0.00	
Total			379,772.00	379,772.00	0.00
AJE 02		4100.20			
To allocate reserve activity					
6315	Reserve assessments		0.00	15,000.00	
6911	Reserve interest income		0.00	13,397.00	
9990	Reserve garage expense		27,783.00	0.00	
5010	Reserves - Unallocated		614.00	0.00	
Total			28,397.00	28,397.00	614.00
AJE 03		4100.20			
To record reserve contributions to budget					
6315	Reserve assessments		0.00	64,476.00	
9910	Reserve - Unallocated		64,476.00	0.00	
1200	Due between funds - Operating		11,441.00	0.00	
1210	Due between funds - Reserves		0.00	11,441.00	
Total			75,917.00	75,917.00	0.00
AJE 04		2310.20			
To record prepaid insurance					
1015	Prepaid insurance		3,432.00	0.00	
7285	Insurance EQ		0.00	3,432.00	
Total			3,432.00	3,432.00	3,432.00
AJE 05		3110.20			
To record accounts payable					
8960	Garbage		1,175.00	0.00	
8910	Electricity		422.00	0.00	
9610	Lawn Maint & Landscaping		1,323.00	0.00	
2000	Account payable		0.00	5,795.00	
8920	Water		2,875.00	0.00	
Total			5,795.00	5,795.00	-5,795.00
AJE 06		2310.20			
To record prior period adjustment					
7285	Insurance EQ		2,477.00	0.00	
8910	Electricity		0.00	255.00	
8920	Water		0.00	669.00	
8940	Sewer		0.00	1,837.00	
8960	Garbage		0.00	1,158.00	
9610	Lawn Maint & Landscaping		0.00	2,644.00	
5000	Prior period adjustment		4,086.00	0.00	
Total			6,563.00	6,563.00	4,086.00
AJE 07		3500.20			
To defer replacement fund assessments					

RAVENNA WOODS CONDOMINIUM ASSOCIATION

AJE Report

12/31/2023

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
6315	Reserve assessments		65,090.00	0.00	
5005	Contract liabilities		0.00	65,090.00	
Total			65,090.00	65,090.00	-65,090.00
GRAND TOTAL			564,966.00	564,966.00	-62,753.00

RAVENNA WOODS CONDOMINIUM ASSOCIATION

TB Report 12/31/2023

Account	Description	Type	Unadjusted 12/31/2023	Adjusting JE 12/31/2023	Reclassifying JE 12/31/2023	Report 12/31/2023
1010	Cash Checking - Operating	A	72,892.00	0.00	0.00	72,892.00
1015	Prepaid insurance	A	0.00	3,432.00	0.00	3,432.00
	AJE 04 To record prepaid insurance	Adjusting		3,432.00		
1060	Cash Reserves	A	450,617.00	0.00	0.00	450,617.00
1200	Due between funds - Operating	A	0.00	11,441.00	0.00	11,441.00
	AJE 03 To record reserve contributions to budget	Adjusting		11,441.00		
1210	Due between funds - Reserves	A	0.00	-11,441.00	0.00	-11,441.00
	AJE 03 To record reserve contributions to budget	Adjusting		-11,441.00		
2000	Account payable	L	-6,061.00	-5,795.00	0.00	-11,856.00
	AJE 05 To record accounts payable	Adjusting		-5,795.00		
3005	Prepaid Income	L	-17,938.00	0.00	0.00	-17,938.00
3355	Assessment Receivable	A	2,144.00	0.00	0.00	2,144.00
5000	Prior period adjustment	Q	0.00	4,086.00	0.00	4,086.00
	AJE 06 To record prior period adjustment	Adjusting		4,086.00		
5005	Contract liabilities	L	0.00	-439,176.00	0.00	-439,176.00
	AJE 01 To reconcile equity	Adjusting		-374,086.00		
	AJE 07 To defer replacement fund assessments	Adjusting		-65,090.00		
5006	Fund adjustment	Q	0.00	-5,686.00	0.00	-5,686.00
	AJE 01 To reconcile equity	Adjusting		-5,686.00		
5010	Reserves - Unallocated	Q	-51,819.00	41,782.00	0.00	-10,037.00
	AJE 01 To reconcile equity	Adjusting		41,168.00		
	AJE 02 To allocate reserve activity	Adjusting		614.00		
5015	Reserves - Pavement / Concrete / Asphalt	Q	1,278.00	0.00	0.00	1,278.00
5070	Reserves - Interest	Q	-2,671.00	0.00	0.00	-2,671.00
5071	Dividend	Q	-35,450.00	0.00	0.00	-35,450.00
5096	Reserves - Parking Lot / Garage	Q	27,783.00	0.00	0.00	27,783.00
5100	Reserves - Plumbing	Q	19,097.00	0.00	0.00	19,097.00
5999	Appfolio Opening Balance Equity	Q	-216,100.00	338,604.00	0.00	122,504.00
	AJE 01 To reconcile equity	Adjusting		338,604.00		
6000	Calculated Prior Years Retained Earnings	Q	-192,135.00	0.00	0.00	-192,135.00
6310	Association Dues	R	-236,576.00	0.00	0.00	-236,576.00
6315	Reserve assessments	R	0.00	-14,386.00	0.00	-14,386.00
	AJE 02 To allocate reserve activity	Adjusting		-15,000.00		
	AJE 03 To record reserve contributions to budget	Adjusting		-64,476.00		
	AJE 07 To defer replacement fund assessments	Adjusting		65,090.00		
6340	Late Fee Income	R	-575.00	0.00	0.00	-575.00
6910	Interest Income	R	-48.00	0.00	0.00	-48.00
6911	Reserve interest income	R	0.00	-13,397.00	0.00	-13,397.00
	AJE 02 To allocate reserve activity	Adjusting		-13,397.00		
6940	Insurance Proceeds	R	-1,103.00	0.00	0.00	-1,103.00
7010	Management Fees	E	15,700.00	0.00	0.00	15,700.00
7020	Accounting Fees	E	225.00	0.00	0.00	225.00
7250	Bank Charges	E	10.00	0.00	0.00	10.00
7260	Postage & Mail	E	421.00	0.00	0.00	421.00
7280	Insurance	E	17,646.00	0.00	0.00	17,646.00
7285	Insurance EQ	E	13,728.00	-955.00	0.00	12,773.00
	AJE 04 To record prepaid insurance	Adjusting		-3,432.00		
	AJE 06 To record prior period adjustment	Adjusting		2,477.00		
7320	Office Supplies	E	360.00	0.00	0.00	360.00
7400	Reserve Study	E	1,494.00	0.00	0.00	1,494.00

RAVENNA WOODS CONDOMINIUM ASSOCIATION

TB Report

12/31/2023

Account	Description	Type	Unadjusted 12/31/2023	Adjusting JE 12/31/2023	Reclassifying JE 12/31/2023	Report 12/31/2023
7430	Federal Income Tax	E	1,148.00	0.00	0.00	1,148.00
7890	FHA Approval	E	500.00	0.00	0.00	500.00
8910	Electricity	E	1,637.00	167.00	0.00	1,804.00
	AJE 05	To record accounts payable		422.00		
	AJE 06	To record prior period adjustment		-255.00		
8920	Water	E	8,897.00	2,206.00	0.00	11,103.00
	AJE 05	To record accounts payable		2,875.00		
	AJE 06	To record prior period adjustment		-669.00		
8940	Sewer	E	22,669.00	-1,837.00	0.00	20,832.00
	AJE 06	To record prior period adjustment		-1,837.00		
8960	Garbage	E	14,110.00	17.00	0.00	14,127.00
	AJE 05	To record accounts payable		1,175.00		
	AJE 06	To record prior period adjustment		-1,158.00		
9010	Misc. Landscaping	E	1,147.00	0.00	0.00	1,147.00
9110	Gen. Maint. & Repair	E	14,451.00	0.00	0.00	14,451.00
9115	Winterization / Fall /Spring Cleaning	E	659.00	0.00	0.00	659.00
9135	Roof Repairs	E	7,943.00	0.00	0.00	7,943.00
9140	Roof & Gutter Cleaning	E	2,007.00	0.00	0.00	2,007.00
9145	Garage/ Door Repair	E	9,941.00	0.00	0.00	9,941.00
9190	Backflow Testing	E	50.00	0.00	0.00	50.00
9220	Chimney maintenance	E	4,504.00	0.00	0.00	4,504.00
9230	Combined Dryer and Chimney Maintenance	E	331.00	0.00	0.00	331.00
9250	Lock & Security	E	1,047.00	0.00	0.00	1,047.00
9610	Lawn Maint & Landscaping	E	24,196.00	-1,321.00	0.00	22,875.00
	AJE 05	To record accounts payable		1,323.00		
	AJE 06	To record prior period adjustment		-2,644.00		
9650	Fire & Safety	E	4,947.00	0.00	0.00	4,947.00
9750	Extermination	E	1,577.00	0.00	0.00	1,577.00
9800	Snow Removal	E	320.00	0.00	0.00	320.00
9910	Reserve - Unallocated	E	15,000.00	64,476.00	0.00	79,476.00
	AJE 03	To record reserve contributions to budget		64,476.00		
9990	Reserve garage expense	E	0.00	27,783.00	0.00	27,783.00
AJE 02	To allocate reserve activity	Adjusting		27,783.00		
Total			0.00	0.00	0.00	0.00
Net Income (Loss)			51,637.00			-11,116.00

RAVENNA WOODS CONDOMINIUM ASSOCIATION
Grouping Report
12/31/2023

Code	Account	Description	Unadjusted 12/31/2023	Adjusting JE 12/31/2023	Reclassifying JE 12/31/2023	Report 12/31/2023
A		Assets				
A, AR		Assessments receivable				
	3355	Assessment Receivable	2,144.00	0.00	0.00	2,144.00
	A, AR Total		2,144.00	0.00	0.00	2,144.00
A, CASH		Cash and cash equivalents				
	1010	Cash Checking - Operating	72,892.00	0.00	0.00	72,892.00
	A, CASH Total		72,892.00	0.00	0.00	72,892.00
A, CASH - R		Cash and cash equivalents - Reserve				
	1060	Cash Reserves	450,617.00	0.00	0.00	450,617.00
	A, CASH - R Total		450,617.00	0.00	0.00	450,617.00
A, DBF - O		Due from (to) fund - Operating				
	1200	Due between funds - Operating	0.00	11,441.00	0.00	11,441.00
	AJE 03	To record reserve contributions to budget		11,441.00		
	A, DBF - O Total		0.00	11,441.00	0.00	11,441.00
A, DBF - R		Due from (to) fund - Reserve				
	1210	Due between funds - Reserves	0.00	-11,441.00	0.00	-11,441.00
	AJE 03	To record reserve contributions to budget		-11,441.00		
	A, DBF - R Total		0.00	-11,441.00	0.00	-11,441.00
A, PPI		Prepaid insurance				
	1015	Prepaid insurance	0.00	3,432.00	0.00	3,432.00
	AJE 04	To record prepaid insurance		3,432.00		
	A, PPI Total		0.00	3,432.00	0.00	3,432.00
A Total			525,653.00	3,432.00	0.00	529,085.00
L		Liabilities				
L, AP		Accounts payable				
	2000	Account payable	-6,061.00	-5,795.00	0.00	-11,856.00
	AJE 05	To record accounts payable		-5,795.00		
	L, AP Total		-6,061.00	-5,795.00	0.00	-11,856.00
L, CONTLIAB - R		Contract Liabilities (Assessments received in advance - replacement fund)				
	5005	Contract liabilities	0.00	-439,176.00	0.00	-439,176.00
	AJE 01			To reconcile equity		
	AJE 07	To defer replacement fund assessments		-65,090.00		
	L, CONTLIAB - R Total		0.00	-439,176.00	0.00	-439,176.00
L, PPA		Prepaid assessments				
	3005	Prepaid Income	-17,938.00	0.00	0.00	-17,938.00
	L, PPA Total		-17,938.00	0.00	0.00	-17,938.00
L Total			-23,999.00	-444,971.00	0.00	-468,970.00
EQ		Equity				
EQ, EQ		Fund balance				
	5999	Appfolio Opening Balance Equity	-216,100.00	338,604.00	0.00	122,504.00
	AJE 01			To reconcile equity		
	6000	Calculated Prior Years Retained Earnings	-192,135.00	0.00	0.00	-192,135.00
	EQ, EQ Total		-408,235.00	338,604.00	0.00	-69,631.00
EQ, EQ - R		Fund balance - Reserve				
	5010	Reserves - Unallocated	-51,819.00	41,782.00	0.00	-10,037.00
	AJE 01			To reconcile equity		
	AJE 02			To allocate reserve activity		
	5015	Reserves - Pavement / Concrete / Asphalt	1,278.00	0.00	0.00	1,278.00
	5070	Reserves - Interest	-2,671.00	0.00	0.00	-2,671.00
	5071	Dividend	-35,450.00	0.00	0.00	-35,450.00
	5096	Reserves - Parking Lot / Garage	27,783.00	0.00	0.00	27,783.00
	5100	Reserves - Plumbing	19,097.00	0.00	0.00	19,097.00
	EQ, EQ - R Total		-41,782.00	41,782.00	0.00	0.00
EQ, FUNDADJ		Fund Adjustment				
	5006	Fund adjustment	0.00	-5,686.00	0.00	-5,686.00
	AJE 01	To reconcile equity		-5,686.00		
	EQ, FUNDADJ Total		0.00	-5,686.00	0.00	-5,686.00
EQ, PRPDADJ		Prior period adjustment				
	5000	Prior period adjustment	0.00	4,086.00	0.00	4,086.00
	AJE 06	To record prior period adjustment		4,086.00		
	EQ, PRPDADJ Total		0.00	4,086.00	0.00	4,086.00
EQ Total			-450,017.00	378,786.00	0.00	-71,231.00

RAVENNA WOODS CONDOMINIUM ASSOCIATION
Grouping Report
12/31/2023

Code	Account	Description	Unadjusted 12/31/2023	Adjusting JE 12/31/2023	Reclassifying JE 12/31/2023	Report 12/31/2023
INC			Revenues			
INC, ASSESS		Owners assessments				
	6310	Association Dues	-236,576.00	0.00	0.00	-236,576.00
INC, ASSESS Total			-236,576.00	0.00	0.00	-236,576.00
INC, INT		Interest				
	6910	Interest Income	-48.00	0.00	0.00	-48.00
INC, INT Total			-48.00	0.00	0.00	-48.00
INC, OT		Other member income				
	6340	Late Fee Income	-575.00	0.00	0.00	-575.00
	6940	Insurance Proceeds	-1,103.00	0.00	0.00	-1,103.00
INC, OT Total			-1,678.00	0.00	0.00	-1,678.00
INC Total			-238,302.00	0.00	0.00	-238,302.00
INCR			Revenues			
INCR, ASSESS - R		Owners assessments - Reserve				
	6315	Reserve assessments	0.00	-14,386.00	0.00	-14,386.00
		AJE 02		To allocate reserve activity	-15,000.00	
		AJE 03		To record reserve contributions to budget	-64,476.00	
	AJE 07	To defer replacement fund assessments		65,090.00		
INCR, ASSESS - R Total			0.00	-14,386.00	0.00	-14,386.00
INCR, INT - R		Interest - Reserve				
	6911	Reserve interest income	0.00	-13,397.00	0.00	-13,397.00
	AJE 02	To allocate reserve activity		-13,397.00		
INCR, INT - R Total			0.00	-13,397.00	0.00	-13,397.00
INCR Total			0.00	-27,783.00	0.00	-27,783.00
EXP			Expenses			
EXP, ADMIN		Administrative expense				
	7250	Bank Charges	10.00	0.00	0.00	10.00
	7260	Postage & Mail	421.00	0.00	0.00	421.00
	7320	Office Supplies	360.00	0.00	0.00	360.00
	7890	FHA Approval	500.00	0.00	0.00	500.00
EXP, ADMIN Total			1,291.00	0.00	0.00	1,291.00
EXP, CA		Common area repairs and maintenance				
	9110	Gen. Maint. & Repair	14,451.00	0.00	0.00	14,451.00
	9220	Chimney maintenance	4,504.00	0.00	0.00	4,504.00
	9230	Combined Dryer and Chimney Maintenance	331.00	0.00	0.00	331.00
	9250	Lock & Security	1,047.00	0.00	0.00	1,047.00
	9750	Extermination	1,577.00	0.00	0.00	1,577.00
	9800	Snow Removal	320.00	0.00	0.00	320.00
EXP, CA Total			22,230.00	0.00	0.00	22,230.00
EXP, ELECTRICITY		Electricity				
	8910	Electricity	1,637.00	167.00	0.00	1,804.00
		AJE 05		To record accounts payable	422.00	
	AJE 06	To record prior period adjustment		-255.00		
EXP, ELECTRICITY Total			1,637.00	167.00	0.00	1,804.00
EXP, FIRE		Fire prevention				
	9650	Fire & Safety	4,947.00	0.00	0.00	4,947.00
EXP, FIRE Total			4,947.00	0.00	0.00	4,947.00
EXP, GARAGE		Garage maintenance				
	9145	Garage/ Door Repair	9,941.00	0.00	0.00	9,941.00
EXP, GARAGE Total			9,941.00	0.00	0.00	9,941.00
EXP, INS		Insurance				
	7280	Insurance	17,646.00	0.00	0.00	17,646.00
	7285	Insurance EQ	13,728.00	-955.00	0.00	12,773.00
		AJE 04		To record prepaid insurance	-3,432.00	
	AJE 06	To record prior period adjustment		2,477.00		
EXP, INS Total			31,374.00	-955.00	0.00	30,419.00
EXP, LAND		Landscape and irrigation				
	9010	Misc. Landscaping	1,147.00	0.00	0.00	1,147.00
	9115	Winterization / Fall /Spring Cleaning	659.00	0.00	0.00	659.00
	9190	Backflow Testing	50.00	0.00	0.00	50.00
	9610	Lawn Maint & Landscaping	24,196.00	-1,321.00	0.00	22,875.00
		AJE 05		To record accounts payable	1,323.00	
	AJE 06	To record prior period adjustment		-2,644.00		

RAVENNA WOODS CONDOMINIUM ASSOCIATION
Grouping Report
12/31/2023

Code	Account	Description	Unadjusted 12/31/2023	Adjusting JE 12/31/2023	Reclassifying JE 12/31/2023	Report 12/31/2023
EXP, LAND Total			26,052.00	-1,321.00	0.00	24,731.00
EXP, LEGAL		Legal and professional				
	7020	Accounting Fees	225.00	0.00	0.00	225.00
	7400	Reserve Study	1,494.00	0.00	0.00	1,494.00
EXP, LEGAL Total			1,719.00	0.00	0.00	1,719.00
EXP, MGMT		Management				
	7010	Management Fees	15,700.00	0.00	0.00	15,700.00
EXP, MGMT Total			15,700.00	0.00	0.00	15,700.00
EXP, RESCON		Reserve Contributions				
	9910	Reserve - Unallocated	15,000.00	64,476.00	0.00	79,476.00
	AJE 03	To record reserve contributions to budget		64,476.00		
EXP, RESCON Total			15,000.00	64,476.00	0.00	79,476.00
EXP, ROOF		Roof repair and maintenance				
	9135	Roof Repairs	7,943.00	0.00	0.00	7,943.00
	9140	Roof & Gutter Cleaning	2,007.00	0.00	0.00	2,007.00
EXP, ROOF Total			9,950.00	0.00	0.00	9,950.00
EXP, TAX		Income tax expense				
	7430	Federal Income Tax	1,148.00	0.00	0.00	1,148.00
EXP, TAX Total			1,148.00	0.00	0.00	1,148.00
EXP, TR		Trash removal				
	8960	Garbage	14,110.00	17.00	0.00	14,127.00
		AJE 05		To record accounts payable	1,175.00	
	AJE 06	To record prior period adjustment		-1,158.00		
EXP, TR Total			14,110.00	17.00	0.00	14,127.00
EXP, WATSEW		Water and sewer				
	8920	Water	8,897.00	2,206.00	0.00	11,103.00
		AJE 05		To record accounts payable	2,875.00	
		AJE 06		To record prior period adjustment	-669.00	
	8940	Sewer	22,669.00	-1,837.00	0.00	20,832.00
	AJE 06	To record prior period adjustment		-1,837.00		
EXP, WATSEW Total			31,566.00	369.00	0.00	31,935.00
EXP Total			186,665.00	62,753.00	0.00	249,418.00
EXPR		Expenses				
EXPR, GARAGE - R		Garage maintenance - Reserve				
	9990	Reserve garage expense	0.00	27,783.00	0.00	27,783.00
	AJE 02	To allocate reserve activity		27,783.00		
EXPR, GARAGE - R Total			0.00	27,783.00	0.00	27,783.00
EXPR Total			0.00	27,783.00	0.00	27,783.00
Newman Account Classification			0.00	0.00	0.00	0.00
	Net Income (Loss)		51,637.00			-11,116.00
	Total Assets		525,653.00	3,432.00	0.00	529,085.00
	Total Liabilities		-23,999.00	-444,971.00	0.00	-468,970.00
	Total Equity		-450,017.00	378,786.00	0.00	-71,231.00
	Total Revenue		-238,302.00	-27,783.00	0.00	-266,085.00
	Total Expense		186,665.00	90,536.00	0.00	277,201.00



December 6, 2024

Board of Directors and Management
Ravenna Woods Condominium Association
Bothell, Washington

Dear Board of Directors and Management:

We have audited the financial statements of Ravenna Woods Condominium Association for the year ended December 31, 2023. We have released the draft financial statements and representation letter to you. Upon the Board's approval of the financial statements and representation letter we will release the final report. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated March 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

You are responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ravenna Woods Condominium Association are described in Note 3 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2023. We noted no transactions entered into by Ravenna Woods Condominium Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Your estimate of the allowance for doubtful accounts is based on your determination that there is some doubt regarding the collectability of certain delinquent owner accounts receivable. We evaluated the key factors and assumptions used to estimate the allowance for doubtful accounts. The balance is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of FASB ASC 606 New Accounting Guidance in Note 6 to the financial statements discloses the Association's adoption of FASB ASC 606 together with the effect on fund balances as presented in the audited financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We were unable to obtain sufficient appropriate evidence regarding the existence or accuracy of an unidentified fund adjustment.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have provided management with all audit adjusting journal entries recorded.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. Generally Accepted Accounting Principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. Please note that the supplementary information has not been subjected to audit procedures.

This information is intended solely for the use of the Board of Directors and Management of Ravenna Woods Condominium Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Newman Certified Public Accountant, PC.

Newman Certified Public Accountant, PC
Bellevue, Washington

Newman Certified Public Accountant, PC
Bellevue, Washington

This representation letter is provided in connection with your audit of the financial statements of Ravenna Woods Condominium Association (the "Association"), which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities and, as set out in the terms of the audit engagement letter, including our responsibilities for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. If applicable, a list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
12. Transfers or designations of fund balance or inter-fund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with GAAP.
13. Uncollectible inter-fund loans have been properly accounted for and disclosed in accordance with GAAP.

Information Provided

14. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
15. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or

c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators, or others.
19. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
20. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
21. We have disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
22. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
23. We acknowledge our responsibility for presenting the supplementary information on major repairs and replacements in accordance with U.S. GAAP, and we believe the supplementary information on major repairs and replacements, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information on major repairs and replacements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
24. The board of directors is collecting funds for future major repairs and replacements in conformity with the Association's policy to fund for those needs based on the latest study conducted. The board of directors believes the funds will adequately provide for future major repairs and replacements.
25. We read and understand the basis for the qualified opinion due to the unidentified funds adjustment.
26. We have disclosed to you all material events, if any, that would require adjustments to, or disclosure in, the financial statements. In addition, we represent that no other material events have occurred since you completed your audit fieldwork and through the date of this letter. Examples of material events include, but are not limited to, insured or uninsured losses, new litigation or legal settlements and approval of special assessments. Material events that have occurred are:

Ravenna Woods Condominium Association. Audit for the year ended December 31, 2023.

BOARD:

Date: _____

Signature: _____

Print name: _____

Title: _____

BOARD:

Date: _____

Signature: _____

Print name: _____

Title: _____

MANAGING AGENT:

Date: _____

Signature: _____

Print name: _____

Title: _____

Ravenna Woods Condominium Association
Financial Statements
For the Year Ended December 31, 2023

DRAFT



NEWMAN
Certified Public Accountant, PC

**Ravenna Woods Condominium Association
Financial Statements
For the Year Ended December 31, 2023**

TABLE OF CONTENTS

Independent Auditor's Report.....	3-4
Balance Sheet.....	.5
Statement of Revenues and Expenses and Changes in Fund Balances6
Statement of Cash Flows7
Notes to Financial Statements.....	8-11
Supplementary Information12

DRAFT



Independent Auditor's Report

To the Board of Directors of Ravenna Woods Condominium Association

Qualified Opinion

We have audited the accompanying financial statements of Ravenna Woods Condominium Association, which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the financial statements referred to above present fairly, in all material respects, the financial position of Ravenna Woods Condominium Association as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate evidence to determine the accuracy of an adjustment to the Operating Fund totaling \$5,686.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ravenna Woods Condominium Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter - Change in Accounting Principle

The Association adopted FASB ASC 606 Revenue from Contracts with Customers effective the beginning of the current year using the modified retrospective method of transition, which requires the cumulative effect of the changes related to the adoption be charged to the Replacement Fund beginning balance (Note 6). Our opinion is not modified with respect to the change in accounting principle.

Emphasis of Matter - Future Major Repairs and Replacements

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 5 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ravenna Woods Condominium Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ravenna Woods Condominium Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ravenna Woods Condominium Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bellevue, Washington
XX/XX/XXXX

Ravenna Woods Condominium Association
Balance Sheet
December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 72,892	\$ 450,617	\$ 523,509
Assessments receivable	2,144	-	2,144
Prepaid insurance	3,432	-	3,432
Due from (to) fund	11,441	(11,441)	-
Total assets	<u>\$ 89,909</u>	<u>\$ 439,176</u>	<u>\$ 529,085</u>
Liabilities			
Accounts payable	\$ 11,856	\$ -	\$ 11,856
Prepaid assessments	17,938	-	17,938
Contract liabilities (assessments received in advance - replacement fund)	-	439,176	439,176
Total liabilities	<u>29,794</u>	<u>439,176</u>	<u>468,970</u>
Fund balances	<u>60,115</u>	<u>-</u>	<u>60,115</u>
Total liabilities and fund balances	<u>\$ 89,909</u>	<u>\$ 439,176</u>	<u>\$ 529,085</u>

Ravenna Woods Condominium Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the Year Ended December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues			
Owners' assessments	\$ 157,100	\$ 14,386	\$ 171,486
Interest	48	13,397	13,445
Other member income	1,678	-	1,678
Total revenues	<u>158,826</u>	<u>27,783</u>	<u>186,609</u>
Expenses			
Utilities			
Electricity	1,804	-	1,804
Water and sewer	31,935	-	31,935
Trash removal	14,127	-	14,127
	<u>47,866</u>	<u>-</u>	<u>47,866</u>
Common Area			
Landscape and irrigation	24,731	-	24,731
Common area repairs and maintenance	22,230	-	22,230
Roof repair and maintenance	9,950	-	9,950
Fire prevention	4,947	-	4,947
Garage maintenance	9,941	27,783	37,724
	<u>71,799</u>	<u>27,783</u>	<u>99,582</u>
Administrative			
Insurance	30,419	-	30,419
Management	15,700	-	15,700
Legal and professional	1,719	-	1,719
Administrative expense	1,291	-	1,291
Income tax expense	1,148	-	1,148
	<u>50,277</u>	<u>-</u>	<u>50,277</u>
Total expenses	<u>169,942</u>	<u>27,783</u>	<u>197,725</u>
Excess (deficit) of revenues over (under) expenses	(11,116)	-	(11,116)
Beginning fund balances			
Prior period adjustment	(4,086)	-	(4,086)
Fund adjustment	5,686	-	5,686
Ending fund balances	<u>\$ 60,115</u>	<u>\$ -</u>	<u>\$ 60,115</u>

The accompanying notes are an integral part of the financial statements
(See Independent Auditor's Report)

Ravenna Woods Condominium Association
Statement of Cash Flows
For the Year Ended December 31, 2023

	Operating Fund	Replacement Fund	Total
Excess (deficit) of revenues over (under) expenses	\$ (11,116)	\$ -	\$ (11,116)
Adjustments to reconcile excess (deficit) of revenues over (under) expenses to net cash provided (used) by operating activities			
Decrease (Increase) in operating assets:			
Assessments receivable	(2,144)	-	(2,144)
Prepaid insurance	(3,432)	-	(3,432)
Increase (Decrease) in operating liabilities:			
Accounts payable	11,509	-	11,509
Prepaid assessments	15,177	-	15,177
Contract liabilities (assessments received in advance - replacement fund)	-	65,090	65,090
Prior period adjustment	(4,086)	-	(4,086)
Fund Adjustment	5,686	-	5,686
Total adjustments	<u>22,710</u>	<u>65,090</u>	<u>87,800</u>
Net cash provided (used) by operating activities	<u>11,594</u>	<u>65,090</u>	<u>76,684</u>
Cash provided (used) by investing activities:			
Net cash flows from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided (used) by financing activities:			
Interfund borrowings	(11,441)	11,441	-
Net cash flows from financing activities	<u>(11,441)</u>	<u>11,441</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	153	76,531	76,684
Beginning cash and cash equivalents	72,739	374,086	446,825
Ending cash and cash equivalents	<u>\$ 72,892</u>	<u>\$ 450,617</u>	<u>\$ 523,509</u>
SUPPLEMENTAL DISCLOSURE			
Income taxes paid			\$ -
Interest paid			<u>\$ -</u>

The accompanying notes are an integral part of the financial statements
(See Independent Auditor's Report)

Ravenna Woods Condominium Association
Notes to Financial Statements
For the Year Ended December 31, 2023

1. Organization

Ravenna Woods Condominium Association (the "Association") was incorporated on March 15, 1979, as a nonprofit corporation under the laws of Washington for the purposes of maintaining and preserving common property. The Association consists of 39 residential homes and is located in Bothell, Washington.

2. Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through XX/XX/XXXX, the date that the financial statements were available to be issued.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - The fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - The fund is used to accumulate financial resources designated for future major repairs and replacements.

Members Assessments and Allowance for Credit Losses

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on properties of owners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. The balances of assessments receivable as of the beginning and end of the year are \$0 and \$2,144, respectively. After the Board of Directors has exhausted all efforts to collect delinquent accounts, the Board of Directors may elect to write off uncollectible balances.

Ravenna Woods Condominium Association
Notes to Financial Statements
For the Year Ended December 31, 2023

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

Contract Liabilities (Assessments received in advance – replacement fund)

The Association recognizes replacement fund (reserves) revenue from members as related performance obligations are satisfied. A contract liability (assessments received in advance – replacement fund) is recorded when the Association has the right to receive payment in advance of satisfaction of performance obligations related to replacement reserve assessments. The balance of Contract Liabilities (assessments received in advance – replacement fund) as of the beginning and end of the year are \$374,086 and \$439,176, respectively.

Income Tax

The Association's policy is to record interest expense or penalties related to income tax in operating expenses.

Interest Income

Interest income is recognized when earned and allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund.

Cash and Cash Equivalents

Cash and cash equivalents include the Association's cash, checking accounts, money market funds and investments in certificates of deposit with original maturities of 90 days or less.

4. Income Taxes

Common Interest Realty Associations are generally taxed either as a qualifying Internal Revenue Code (IRC) Section 528 homeowners' association or as a regular corporation subject to the special provisions of IRC Section 277 for membership organizations. For the current year, the Association has met IRC Section 528 eligibility requirements and has chosen to file Form 1120-H for its federal income tax return. The income tax filing determination is assessed for each tax year and only pertains to the tax year being evaluated.

IRC Section 528 requires that the Association separates all of its income and expense activity between three categories: exempt function, nonexempt function and capital. Taxable income includes net nonexempt function income, such as interest and other nonmember sourced income. In the determination of net taxable income, certain expenses were allocated to offset a portion of the Association's taxable income. The Form 1120-H tax rate is 30%.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Association and has concluded that as of the year end, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions. The Internal Revenue Service can examine the Association's income tax returns generally up to three years and four years, respectively. There are currently no audits in progress for any tax period.

Ravenna Woods Condominium Association
Notes to Financial Statements
For the Year Ended December 31, 2023

5. Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate bank accounts and are generally not available for operating fund expenses.

The Board of Directors conducted a reserve study to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements is based on this study.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or to levy special assessments, or it may delay major repairs and replacements until funds are available.

6. FASB ASC 606 New Accounting Guidance Implementation

The Financial Accounting Standards Boards (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate – Common Interest Realty Associations (CIRA), Revenue Recognition, and requires the recognition of revenue when promised goods and services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods and services.

The Association adopted the requirements of the new guidance as of January 1, 2023, using the modified retrospective method of transition, which requires the cumulative effect of the changes related to the adoption be charged to the beginning balance. The Association applied the new guidance using the practical expedient in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The adoption of the new revenue recognition guidance resulted in the following change to the fund balance as of January 1, 2023:

Fund balance, as previously reported, January 1, 2023	\$ 443,717
Adjustment	<u>(374,086)</u>
Fund balance, as adjusted, January 1, 2023	<u><u>\$ 69,631</u></u>

The effect of the adoption is a decrease in December 31, 2023 replacement fund assessments and a recording of a contract liability (assessments received in advance – replacement fund). The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance.

Ravenna Woods Condominium Association
Notes to Financial Statements
For the Year Ended December 31, 2023

The modified retrospective method requires us to disclose the effect of applying the new guidance on each item included in our December 31, 2023, financial statements. Following are the line items from our financial statements as of December 31, 2023, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance.

	<u>As previously reported</u>	<u>Effect of Adoption</u>	<u>As Adjusted</u>
Balance Sheet:			
Contract liabilities (assessments received in advance - replacement fund)	\$ -	\$ 439,176	\$ 439,176
Ending fund balance	\$ 499,291	\$ (439,176)	\$ 60,115
Statement of Revenues and Expenses and Changes in Fund Balances:			
Regular assessments	\$ 236,576	\$ (65,090)	\$ 171,486
Excess (deficit) of revenues over (under) expenses	\$ 53,974	\$ (65,090)	\$ (11,116)
Statement of Cash Flows:			
Excess (deficit) of revenues over (under) expenses	\$ 53,974	\$ (65,090)	\$ (11,116)
Contract liabilities (assessments received in advance - replacement fund)	\$ -	\$ 65,090	\$ 65,090

7. Due From (To) Fund

The balance of the due from (to) fund accounts as of December 31, 2023, totaled \$11,441. The balance is comprised primarily of Replacement Fund expenses paid by the Operating Fund.

8. Prior Period Adjustment

A prior period adjustment has been recorded to the Operating Fund to reclassify prior period expenses totaling \$6,563 and to write off prior period prepaid insurance totaling \$2,477.

9. Fund Adjustment

A fund adjustment has been recorded due to a change in account balances totaling \$5,686. The reason for the adjustment has not been identified.

Ravenna Woods Condominium Association
Supplementary Information on Future Major Repairs and Replacements
December 31, 2023
(Unaudited)

The Association's Board of Directors, in conjunction with a reserve study expert, conducted a reserve study dated August 11, 2023, to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair and replacement.

The following information is based on the study and presents significant information about the components of common property.

Study Component	Estimated remaining useful lives (years)	Estimated future replacement costs
Streets	1-3	\$ 11,530
Roofs	7-31	240,119
Painting	1-1	36,500
Lights	8	9,000
Exterior building	1-18	348,250
Electrical	8-18	255,000
Plumbing	8	45,000
Outbuildings	1	3,500
Grounds	1-8	39,700
		<u>\$ 988,599</u>
Interest rate		3.32%
Inflation rate		<u>4.00%</u>

See the Balance Sheet for replacement fund cash, cash equivalents and investments balances at December 31, 2023