

Reserve Study Level II

**Prepared for Lakemoor Community Club
2020 Fiscal Year**



Prepared by CEDCORE, LLC
Version 2
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1. Executive Summary

Report Details			
Association Name:	Lakemoor Community Club		
Location:	Olympia, WA	Number of Units:	288
Physical Description	PUD/Single Family	Site Visit Date:	11/13/2019
Level of Service:	Level II		
Report Period:	FY 2020	Projection Period:	2020 - 2049
Reserve Account Snap Shot	January 1, 2020		
Projected Reserve Balance:			\$30,750
Fully Funded Reserve Balance:			\$237,123
Percent Funded:			13 %
Reserve Surplus or (-) Deficit Per Unit:			(\$717)
Current Monthly Reserve Fund Contribution:			\$427
Interest Rate			1.00 %
Inflation Rate			3.00 %
2020 Reserve Contribution Requirements (based on the above position)			
Full Funding	Monthly Reserve Contribution:		\$6,913
	Monthly Reserve Contribution Per Unit (Average):		\$24
	Special Assessment Required for this Plan:		\$0
Baseline Funding	Monthly Reserve Contribution:		\$6,341
	Monthly Reserve Contribution Per Unit (Average):		\$22
	Special Assessment Required for this Plan:		\$0

Based upon the budget and maintenance practices of the association we have used a funding threshold of \$1,550. Expenses below \$1,550 are not funded within this report and best treated as a maintenance expense. We have included comments within the Component Analysis Section of this report.

The projected reserve fund balance is estimated based on the current reserve fund balance adding any remaining budgeted contributions and subtracting any planned projects to be completed prior to the end of the fiscal year.

The Association will need to increase the contributions by \$22.52 average per Unit per month to get onto the path to becoming Fully Funded. The alternate Proposed Funding Plan requires a \$6.47 per Unit per month increase, but an annual increase of 15% for 20 years.

1.1 Table 1 - Component List

Component	Quantity	Current Cost	UL	RUL
Asphalt: Resurface	19,204 Square Feet	\$52,800	50	6
Asphalt: Seal	19,204 Square Feet	\$6,150	5	1
Ballfield Park: Refurbish	1 Allowance	\$2,000	1	5
Basketball Assembly: Replace	2 Each	\$5,340	15	10
Dock: Repair	1 Allowance	\$3,200	3	1
Dock: Replace, A	425 Square Feet	\$104,000	25	22
Dock: Replace, B	220 Square Feet	\$48,400	25	22
Dock: Swim Floats	3 Units	\$13,200	20	7
Dog Park: Repairs	1 Allowance	\$1,600	30	28
Drainage	Unfunded due to unpredictable nature of component			
Entry Signs: Repair/Replace	1 Allowance	\$9,700	25	21
Fence: Chainlink, Replace	588 Linear Feet	\$15,300	30	12
Fence: Chainlink, Replace Basket Ball Court	438 Linear Feet	\$17,500	30	25
Gate Lock: Replace	2 Each	\$4,600	20	19
Gates, Pedestrian: Replace	Unfunded outside the 30 year scope of report			
Gravel : Refurbish	1 Allowance	\$2,100	5	1
Irrigation System: Repair	1 Allowance	\$6,700	5	5
Lake: Silt & Debris Removal	1 Allowance	\$1,140,572		19
Lake: Silt & Debris Removal, Permitting	1 Allowance	\$90,753		17
Landscaping: Refurbish	1 Allowance	\$5,350	4	4
Lights: Pole, Replace	Unfunded, not Association responsibility			
Mailbox Individual	Unfunded, not Association responsibility			
Mower: Replace	1 Unit	\$11,000	10	4
Picnic Assets	1 Allowance	\$16,800	25	13
Picnic Table	1 Allowance	\$6,300	20	19
Play Equipment: Rope Dome Replacement	1 Unit	\$24,200	25	15
Shed: Repair Allowance	1 Allowance	\$5,100	8	5
Signs / Pet Stations: Replace	Unfunded operating expense			
Sport Court: Resurface	1 Allowance	\$11,800	15	10
Storage Rack: Canoe & Peddle Boat	1 Unit	\$2,200	12	11
Storage Rack: Canoe & Peddle Boat	3 Units	\$4,290	12	8
Streets	Unfunded, not Association responsibility			
Swing Set Toy Structure: Replace	1 Unit	\$22,000	25	0
Swing Sets Playchips: Replace	1 Allowance	\$3,400	3	0
Swing Sets Playchips: Replace	1 Allowance	\$3,400	3	2
Swing Sets: Replace	1 Allowance	\$11,300	25	0
Swing Sets: Replace	1 Allowance	\$11,300	25	15
Urban Forest: Renewal, Year 1	1 Allowance	\$1,500		0
Urban Forest: Renewal, Year 2	1 Allowance	\$1,500		1

Urban Forest: Renewal, Year 3	1 Allowance	\$1,500	2
	Total Current Costs	\$1,666,855	
	Total Funded Components	34	

Components without a UL are one-time expenses, not expecting to reoccur at this time. It is important to note that actual costs may vary significantly based on scope of work, actual conditions, hidden deterioration, vendor selection, etc. This component list is for budget planning purposes only.

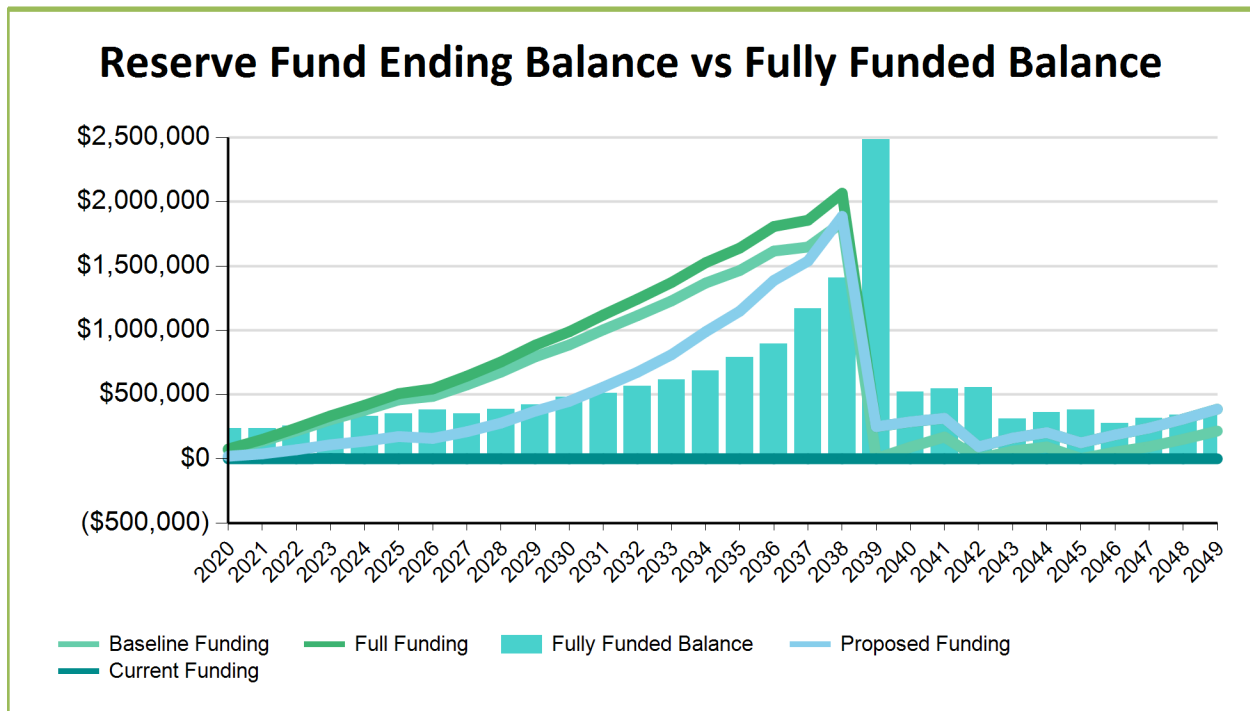
2. Financial Analysis

We have created the financial projections and recommendations based on the component list in Table One and a projected reserve fund balance \$30,750. For your Association to be 100% funded there should be \$237,123 in your reserve account(s). Therefore, your Association is projected to be 13.00% funded.

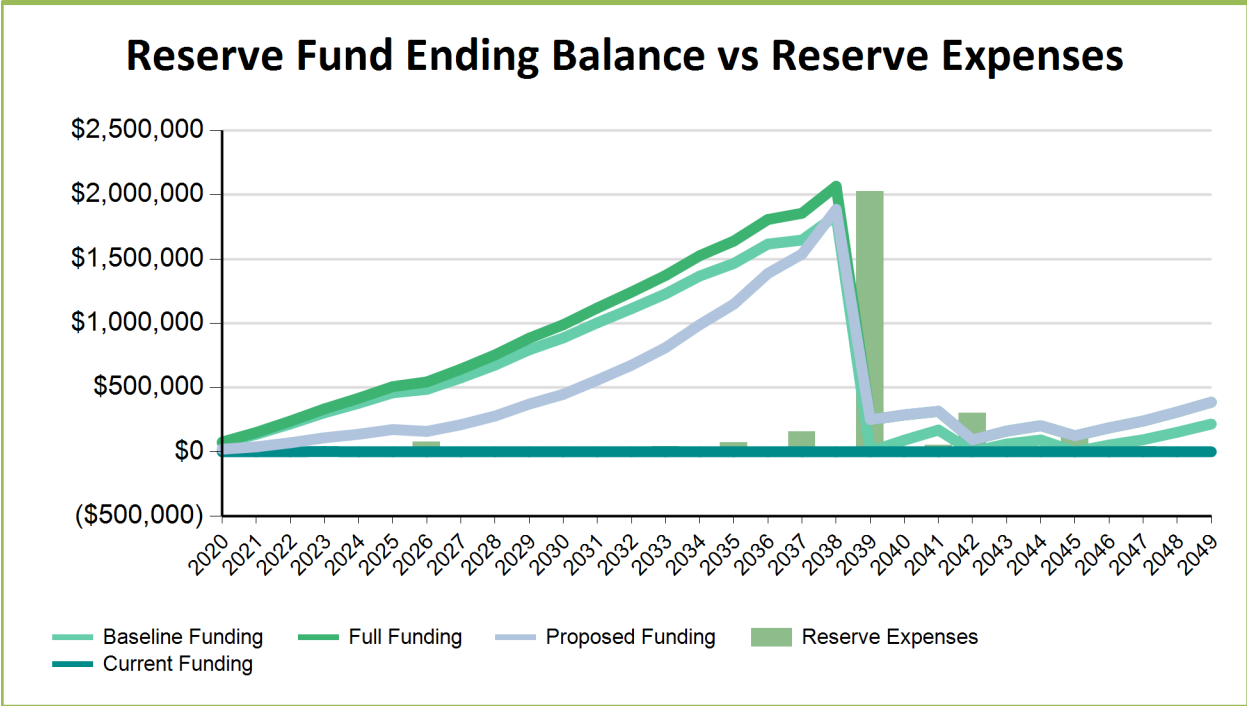
We recommend the Full Funding, which requires a monthly reserve contribution of \$6,913 with a 5.00 % increase in contributions each year for the next 20 years.

Currently the Association has monthly reserve contributions of \$427 and are Not projected to be sufficient over the next 30 years. The Baseline monthly reserve contribution requires \$6,341, with a 5.00 % increase in contributions each year for the next 20 years. The baseline funding plan is the lowest contribution amount calculated to prevent the Reserve Fund from dropping below a zero balance.

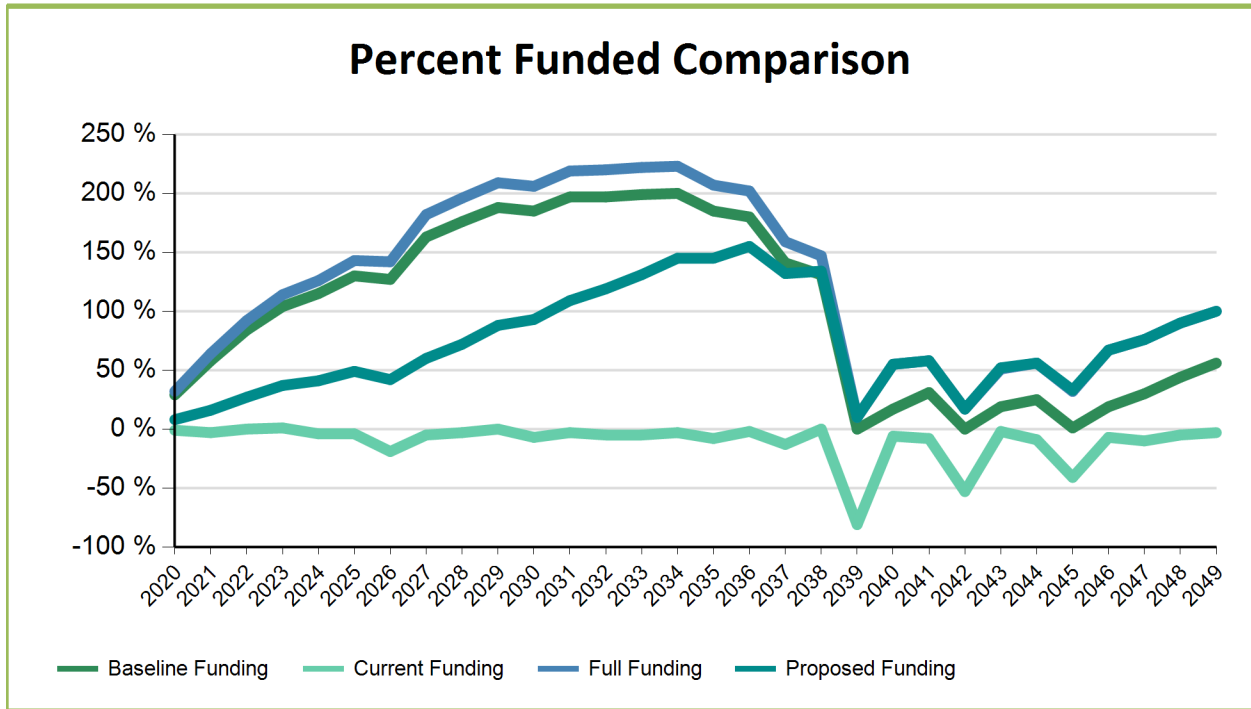
2.1 Figure 1 - Reserve Fund Ending Balance vs Fully Funded Balance



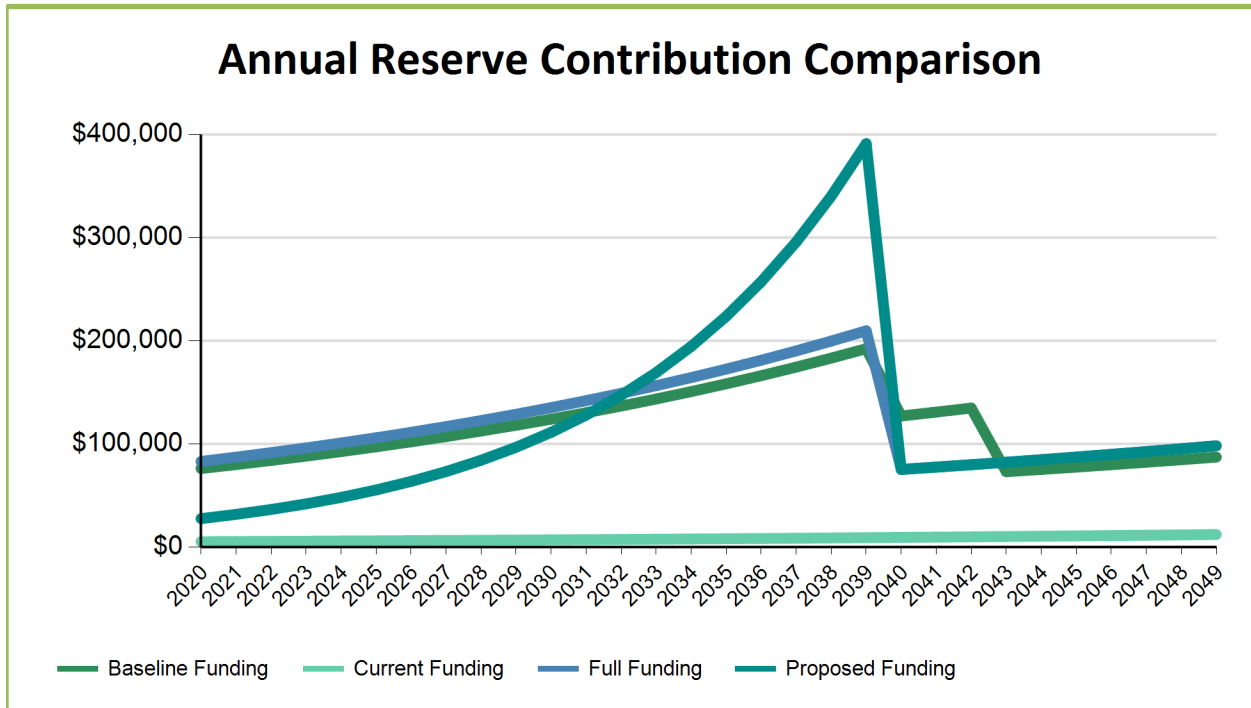
2.2 Figure 2 - Reserve Fund Ending Balance vs Reserve Expenses



2.3 Figure 3 - Percent Funded Comparison



2.4 Figure 4 – Reserve Contribution Comparison



2.5.1 - 30 Year Reserve Fund Projection (Current Funding)

Current Funding Plan								
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Additional Assessments Necessary Per Unit /Per Year	Interest Income	Reserve Expenses	Fully Funded Balance	Percent Funded
2020	\$30,750	\$5,125	\$0	\$8	\$0	\$38,200	\$237,123	-0.98 %
2021	\$0	\$5,279	\$0	\$28	\$0	\$13,339	\$234,447	-3.44 %
2022	\$0	\$5,437	\$0		\$0	\$5,198	\$258,313	0.09 %
2023	\$239	\$5,600	\$0		\$0	\$3,715	\$291,854	0.73 %
2024	\$2,124	\$5,768	\$0	\$49	\$0	\$22,004	\$329,448	-4.28 %
2025	\$0	\$5,941	\$0	\$49	\$0	\$19,940	\$353,357	-3.96 %
2026	\$0	\$6,119	\$0	\$254	\$0	\$79,345	\$382,120	-19.16 %
2027	\$0	\$6,303	\$0	\$57	\$0	\$22,630	\$352,877	-4.63 %
2028	\$0	\$6,492	\$0	\$44	\$0	\$19,052	\$383,901	-3.27 %
2029	\$0	\$6,687	\$0	\$1	\$0	\$7,046	\$422,827	-0.08 %
2030	\$0	\$6,888	\$0	\$112	\$0	\$39,028	\$479,360	-6.70 %
2031	\$0	\$7,094	\$0	\$52	\$0	\$21,939	\$509,868	-2.91 %
2032	\$0	\$7,307	\$0	\$104	\$0	\$37,142	\$565,869	-5.27 %
2033	\$0	\$7,526	\$0	\$112	\$0	\$39,797	\$617,708	-5.22 %
2034	\$0	\$7,752	\$0	\$59	\$0	\$24,806	\$683,117	-2.50 %
2035	\$0	\$7,985	\$0	\$230	\$0	\$74,159	\$790,201	-8.37 %
2036	\$0	\$8,224	\$0	\$76	\$0	\$30,168	\$895,670	-2.45 %
2037	\$0	\$8,471	\$0	\$522	\$0	\$158,927	\$1,167,197	-12.89 %
2038	\$0	\$8,725	\$0	\$2	\$0	\$9,193	\$1,407,083	-0.03 %
2039	\$0	\$8,987	\$0	\$7,011	\$0	\$2,028,231	\$2,486,115	-81.22 %
2040	\$0	\$9,256	\$0	\$104	\$0	\$39,265	\$519,297	-5.78 %
2041	\$0	\$9,534	\$0	\$151	\$0	\$52,927	\$543,540	-7.98 %
2042	\$0	\$9,820	\$0	\$1,014	\$0	\$301,978	\$555,914	-52.55 %
2043	\$0	\$10,115	\$0	\$17	\$0	\$14,999	\$313,652	-1.56 %
2044	\$0	\$10,418	\$0	\$117	\$0	\$44,213	\$361,273	-9.35 %
2045	\$0	\$10,731	\$0	\$543	\$0	\$167,168	\$381,842	-40.97 %
2046	\$0	\$11,052	\$0	\$64	\$0	\$29,437	\$278,043	-6.61 %
2047	\$0	\$11,384	\$0	\$104	\$0	\$41,316	\$314,700	-9.51 %
2048	\$0	\$11,726	\$0	\$56	\$0	\$27,798	\$341,981	-4.70 %
2049	\$0	\$12,077	\$0	\$44	\$0	\$24,743	\$385,816	-3.28 %

- 30 Year Reserve Fund Projection (Proposed Funding)

Proposed Funding Plan							
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Fully Funded Balance	Percent Funded
2020	\$30,750	\$27,480	\$0	\$63	\$38,200	\$237,123	8.47 %
2021	\$20,093	\$31,602	\$0	\$226	\$13,339	\$234,447	16.46 %
2022	\$38,582	\$36,342	\$0	\$516	\$5,198	\$258,313	27.19 %
2023	\$70,242	\$41,794	\$0	\$874	\$3,715	\$291,854	37.41 %
2024	\$109,195	\$48,063	\$0	\$1,112	\$22,004	\$329,448	41.39 %
2025	\$136,366	\$55,272	\$0	\$1,441	\$19,940	\$353,357	49.00 %
2026	\$173,139	\$63,563	\$0	\$1,256	\$79,345	\$382,120	41.51 %
2027	\$158,613	\$73,097	\$0	\$1,725	\$22,630	\$352,877	59.74 %
2028	\$210,805	\$84,062	\$0	\$2,338	\$19,052	\$383,901	72.45 %
2029	\$278,153	\$96,671	\$0	\$3,194	\$7,046	\$422,827	87.74 %
2030	\$370,972	\$111,172	\$0	\$3,875	\$39,028	\$479,360	93.25 %
2031	\$446,991	\$127,848	\$0	\$4,890	\$21,939	\$509,868	109.40 %
2032	\$557,790	\$147,025	\$0	\$5,942	\$37,142	\$565,869	119.04 %
2033	\$673,615	\$169,079	\$0	\$7,184	\$39,797	\$617,708	131.14 %
2034	\$810,081	\$194,440	\$0	\$8,825	\$24,806	\$683,117	144.71 %
2035	\$988,540	\$223,606	\$0	\$10,262	\$74,159	\$790,201	145.31 %
2036	\$1,148,249	\$257,147	\$0	\$12,467	\$30,168	\$895,670	154.93 %
2037	\$1,387,695	\$295,720	\$0	\$13,766	\$158,927	\$1,167,197	131.79 %
2038	\$1,538,254	\$340,077	\$0	\$16,991	\$9,193	\$1,407,083	134.05 %
2039	\$1,886,129	\$391,089	\$0	\$534	\$2,028,231	\$2,486,115	10.04 %
2040	\$249,521	\$75,156	\$0	\$2,478	\$39,265	\$519,297	55.44 %
2041	\$287,890	\$77,411	\$0	\$2,737	\$52,927	\$543,540	57.97 %
2042	\$315,111	\$79,733	\$0	\$530	\$301,978	\$555,914	16.80 %
2043	\$93,396	\$82,125	\$0	\$1,195	\$14,999	\$313,652	51.56 %
2044	\$161,717	\$84,589	\$0	\$1,598	\$44,213	\$361,273	56.38 %
2045	\$203,691	\$87,126	\$0	\$801	\$167,168	\$381,842	32.59 %
2046	\$124,450	\$89,740	\$0	\$1,399	\$29,437	\$278,043	66.95 %
2047	\$186,152	\$92,432	\$0	\$1,911	\$41,316	\$314,700	76.00 %
2048	\$239,179	\$95,205	\$0	\$2,590	\$27,798	\$341,981	90.41 %
2049	\$309,176	\$98,062	\$0	\$3,335	\$24,743	\$385,816	100.00 %

2.5.2 - 30 Year Reserve Fund Projection (Baseline Funding)

Baseline Funding Plan							
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Fully Funded Balance	Percent Funded
2020	\$30,750	\$76,092	\$0	\$306	\$38,200	\$237,123	29.08 %
2021	\$68,948	\$79,897	\$0	\$956	\$13,339	\$234,447	58.21 %
2022	\$136,462	\$83,891	\$0	\$1,732	\$5,198	\$258,313	83.96 %
2023	\$216,887	\$88,086	\$0	\$2,572	\$3,715	\$291,854	104.10 %
2024	\$303,830	\$92,490	\$0	\$3,281	\$22,004	\$329,448	114.62 %
2025	\$377,597	\$97,115	\$0	\$4,062	\$19,940	\$353,357	129.85 %
2026	\$458,834	\$101,971	\$0	\$4,305	\$79,345	\$382,120	127.12 %
2027	\$485,765	\$107,069	\$0	\$5,167	\$22,630	\$352,877	163.05 %
2028	\$575,371	\$112,423	\$0	\$6,125	\$19,052	\$383,901	175.79 %
2029	\$674,867	\$118,044	\$0	\$7,268	\$7,046	\$422,827	187.58 %
2030	\$793,133	\$123,946	\$0	\$8,161	\$39,028	\$479,360	184.87 %
2031	\$886,212	\$130,143	\$0	\$9,293	\$21,939	\$509,868	196.86 %
2032	\$1,003,709	\$136,650	\$0	\$10,349	\$37,142	\$565,869	196.79 %
2033	\$1,113,566	\$143,483	\$0	\$11,455	\$39,797	\$617,708	198.91 %
2034	\$1,228,707	\$150,657	\$0	\$12,792	\$24,806	\$683,117	200.16 %
2035	\$1,367,350	\$158,190	\$0	\$13,723	\$74,159	\$790,201	185.41 %
2036	\$1,465,104	\$166,099	\$0	\$15,180	\$30,168	\$895,670	180.45 %
2037	\$1,616,215	\$174,404	\$0	\$15,445	\$158,927	\$1,167,197	141.12 %
2038	\$1,647,137	\$183,124	\$0	\$17,295	\$9,193	\$1,407,083	130.65 %
2039	\$1,838,363	\$192,281	\$0	\$0	\$2,028,231	\$2,486,115	0.10 %
2040	\$2,413	\$126,984	\$0	\$266	\$39,265	\$519,297	17.41 %
2041	\$90,398	\$130,794	\$0	\$1,029	\$52,927	\$543,540	31.15 %
2042	\$169,294	\$134,717	\$0	\$0	\$301,978	\$555,914	0.37 %
2043	\$2,033	\$72,996	\$0	\$235	\$14,999	\$313,652	19.21 %
2044	\$60,265	\$75,186	\$0	\$536	\$44,213	\$361,273	25.40 %
2045	\$91,774	\$77,441	\$0	\$0	\$167,168	\$381,842	0.54 %
2046	\$2,047	\$79,765	\$0	\$125	\$29,437	\$278,043	18.88 %
2047	\$52,500	\$82,158	\$0	\$523	\$41,316	\$314,700	29.83 %
2048	\$93,865	\$84,622	\$0	\$1,084	\$27,798	\$341,981	44.38 %
2049	\$151,773	\$87,161	\$0	\$1,706	\$24,743	\$385,816	55.96 %

2.5.3 - 30 Year Reserve Fund Projection (Full Funding)

Full Funding Plan							
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Fully Funded Balance	Percent Funded
2020	\$30,750	\$82,956	\$0	\$340	\$38,200	\$237,123	31.99 %
2021	\$75,846	\$87,104	\$0	\$1,061	\$13,339	\$234,447	64.27 %
2022	\$150,672	\$91,459	\$0	\$1,912	\$5,198	\$258,313	92.46 %
2023	\$238,845	\$96,032	\$0	\$2,831	\$3,715	\$291,854	114.44 %
2024	\$333,993	\$100,834	\$0	\$3,624	\$22,004	\$329,448	126.41 %
2025	\$416,447	\$105,875	\$0	\$4,494	\$19,940	\$353,357	143.45 %
2026	\$506,876	\$111,169	\$0	\$4,831	\$79,345	\$382,120	142.24 %
2027	\$543,531	\$116,727	\$0	\$5,793	\$22,630	\$352,877	182.34 %
2028	\$643,421	\$122,564	\$0	\$6,857	\$19,052	\$383,901	196.35 %
2029	\$753,790	\$128,692	\$0	\$8,111	\$7,046	\$422,827	208.96 %
2030	\$883,547	\$135,127	\$0	\$9,121	\$39,028	\$479,360	206.27 %
2031	\$988,767	\$141,883	\$0	\$10,378	\$21,939	\$509,868	219.49 %
2032	\$1,119,089	\$148,977	\$0	\$11,564	\$37,142	\$565,869	219.57 %
2033	\$1,242,488	\$156,426	\$0	\$12,809	\$39,797	\$617,708	222.10 %
2034	\$1,371,926	\$164,247	\$0	\$14,292	\$24,806	\$683,117	223.34 %
2035	\$1,525,659	\$172,460	\$0	\$15,377	\$74,159	\$790,201	207.46 %
2036	\$1,639,337	\$181,083	\$0	\$16,997	\$30,168	\$895,670	201.78 %
2037	\$1,807,249	\$190,137	\$0	\$17,434	\$158,927	\$1,167,197	159.00 %
2038	\$1,855,893	\$199,644	\$0	\$19,465	\$9,193	\$1,407,083	146.81 %
2039	\$2,065,809	\$209,626	\$0	\$1,424	\$2,028,231	\$2,486,115	10.00 %
2040	\$248,628	\$75,240	\$0	\$2,470	\$39,265	\$519,297	55.28 %
2041	\$287,073	\$77,497	\$0	\$2,729	\$52,927	\$543,540	57.84 %
2042	\$314,372	\$79,822	\$0	\$523	\$301,978	\$555,914	16.68 %
2043	\$92,739	\$82,217	\$0	\$1,188	\$14,999	\$313,652	51.38 %
2044	\$161,145	\$84,683	\$0	\$1,593	\$44,213	\$361,273	56.25 %
2045	\$203,208	\$87,224	\$0	\$797	\$167,168	\$381,842	32.49 %
2046	\$124,061	\$89,840	\$0	\$1,395	\$29,437	\$278,043	66.85 %
2047	\$185,859	\$92,536	\$0	\$1,908	\$41,316	\$314,700	75.94 %
2048	\$238,987	\$95,312	\$0	\$2,588	\$27,798	\$341,981	90.38 %
2049	\$309,089	\$98,171	\$0	\$3,334	\$24,743	\$385,816	100.01 %

2.6 Funding Plan Cash Flow Projections

Full Funding Plan					
Year	2020	2021	2022	2023	2024
Percent Funded	31.99 %	64.27 %	92.46 %	114.44 %	126.41 %
Fully Funded Balance	\$237,123	\$234,447	\$258,313	\$291,854	\$329,448
Beginning Balance	\$30,750	\$75,846	\$150,672	\$238,845	\$333,993
Annual Contributions	\$82,956	\$87,104	\$91,459	\$96,032	\$100,834
Interest Earnings	\$340	\$1,061	\$1,912	\$2,831	\$3,624
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$38,200	\$13,339	\$5,198	\$3,715	\$22,004
Ending Balance	\$75,846	\$150,672	\$238,845	\$333,993	\$416,447

Expenses by Component & Year					
Components	2020	2021	2022	2023	2024
Asphalt: Resurface	\$0	\$0	\$0	\$0	\$0
Asphalt: Seal	\$0	\$6,335	\$0	\$0	\$0
Ballfield Park: Refurbish	\$0	\$0	\$0	\$0	\$0
Basketball Assembly: Replace	\$0	\$0	\$0	\$0	\$0
Dock: Repair	\$0	\$3,296	\$0	\$0	\$3,602
Dock: Replace, A	\$0	\$0	\$0	\$0	\$0
Dock: Replace, B	\$0	\$0	\$0	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$0	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$0	\$0
Entry Signs: Repair/Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$0	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$0
Gravel : Refurbish	\$0	\$2,163	\$0	\$0	\$0
Irrigation System: Repair	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$0	\$0	\$0
Landscaping: Refurbish	\$0	\$0	\$0	\$0	\$6,021
Mower: Replace	\$0	\$0	\$0	\$0	\$12,381
Picnic Assets	\$0	\$0	\$0	\$0	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$0
Play Equipment: Rope Dome Replacement	\$0	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$0	\$0	\$0	\$0	\$0
Sport Court: Resurface	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Swing Set Toy Structure: Replace	\$22,000	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$0	\$0	\$3,607	\$0	\$0
Swing Sets Playchips: Replace	\$3,400	\$0	\$0	\$3,715	\$0

Swing Sets: Replace	\$11,300	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 1	\$1,500	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$1,545	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$1,591	\$0	\$0

Full Funding Plan					
Year	2025	2026	2027	2028	2029
Percent Funded	143.45 %	142.24 %	182.34 %	196.35 %	208.96 %
Fully Funded Balance	\$353,357	\$382,120	\$352,877	\$383,901	\$422,827
Beginning Balance	\$416,447	\$506,876	\$543,531	\$643,421	\$753,790
Annual Contributions	\$105,875	\$111,169	\$116,727	\$122,564	\$128,692
Interest Earnings	\$4,494	\$4,831	\$5,793	\$6,857	\$8,111
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$19,940	\$79,345	\$22,630	\$19,052	\$7,046
Ending Balance	\$506,876	\$543,531	\$643,421	\$753,790	\$883,547

Expenses by Component & Year					
Components	2025	2026	2027	2028	2029
Asphalt: Resurface	\$0	\$63,046	\$0	\$0	\$0
Asphalt: Seal	\$0	\$7,343	\$0	\$0	\$0
Ballfield Park: Refurbish	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Basketball Assembly: Replace	\$0	\$0	\$0	\$0	\$0
Dock: Repair	\$0	\$0	\$3,936	\$0	\$0
Dock: Replace, A	\$0	\$0	\$0	\$0	\$0
Dock: Replace, B	\$0	\$0	\$0	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$16,234	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$0	\$0
Entry Signs: Repair/Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$0	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$0
Gravel : Refurbish	\$0	\$2,508	\$0	\$0	\$0
Irrigation System: Repair	\$7,767	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$0	\$0	\$0
Landscaping: Refurbish	\$0	\$0	\$0	\$6,777	\$0
Mower: Replace	\$0	\$0	\$0	\$0	\$0
Picnic Assets	\$0	\$0	\$0	\$0	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$0
Play Equipment: Rope Dome Replacement	\$0	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$5,912	\$0	\$0	\$0	\$0
Sport Court: Resurface	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$5,434	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Swing Set Toy Structure: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$3,942	\$0	\$0	\$4,307	\$0
Swing Sets Playchips: Replace	\$0	\$4,060	\$0	\$0	\$4,436
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0

Urban Forest: Renewal, Year 1	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$0	\$0	\$0

Full Funding Plan					
Year	2030	2031	2032	2033	2034
Percent Funded	206.27 %	219.49 %	219.57 %	222.10 %	223.34 %
Fully Funded Balance	\$479,360	\$509,868	\$565,869	\$617,708	\$683,117
Beginning Balance	\$883,547	\$988,767	\$1,119,089	\$1,242,488	\$1,371,926
Annual Contributions	\$135,127	\$141,883	\$148,977	\$156,426	\$164,247
Interest Earnings	\$9,121	\$10,378	\$11,564	\$12,809	\$14,292
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$39,028	\$21,939	\$37,142	\$39,797	\$24,806
Ending Balance	\$988,767	\$1,119,089	\$1,242,488	\$1,371,926	\$1,525,659

Expenses by Component & Year					
Components	2030	2031	2032	2033	2034
Asphalt: Resurface	\$0	\$0	\$0	\$0	\$0
Asphalt: Seal	\$0	\$8,513	\$0	\$0	\$0
Ballfield Park: Refurbish	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
Basketball Assembly: Replace	\$7,177	\$0	\$0	\$0	\$0
Dock: Repair	\$4,301	\$0	\$0	\$4,699	\$0
Dock: Replace, A	\$0	\$0	\$0	\$0	\$0
Dock: Replace, B	\$0	\$0	\$0	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$0	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$0	\$0
Entry Signs: Repair/Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$21,814	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$0	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$0
Gravel : Refurbish	\$0	\$2,907	\$0	\$0	\$0
Irrigation System: Repair	\$9,004	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$0	\$0	\$0
Landscaping: Refurbish	\$0	\$0	\$7,628	\$0	\$0
Mower: Replace	\$0	\$0	\$0	\$0	\$16,638
Picnic Assets	\$0	\$0	\$0	\$24,671	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$0
Play Equipment: Rope Dome Replacement	\$0	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$0	\$0	\$0	\$7,490	\$0
Sport Court: Resurface	\$15,858	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$3,045	\$0	\$0	\$0
Swing Set Toy Structure: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$0	\$4,706	\$0	\$0	\$5,143
Swing Sets Playchips: Replace	\$0	\$0	\$4,848	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0

Urban Forest: Renewal, Year 1	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$0	\$0	\$0

Full Funding Plan					
Year	2035	2036	2037	2038	2039
Percent Funded	207.46 %	201.78 %	159.00 %	146.81 %	10.00 %
Fully Funded Balance	\$790,201	\$895,670	\$1,167,197	\$1,407,083	\$2,486,115
Beginning Balance	\$1,525,659	\$1,639,337	\$1,807,249	\$1,855,893	\$2,065,809
Annual Contributions	\$172,460	\$181,083	\$190,137	\$199,644	\$209,626
Interest Earnings	\$15,377	\$16,997	\$17,434	\$19,465	\$1,424
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$74,159	\$30,168	\$158,927	\$9,193	\$2,028,231
Ending Balance	\$1,639,337	\$1,807,249	\$1,855,893	\$2,065,809	\$248,628

Expenses by Component & Year					
Components	2035	2036	2037	2038	2039
Asphalt: Resurface	\$0	\$0	\$0	\$0	\$0
Asphalt: Seal	\$0	\$9,869	\$0	\$0	\$0
Ballfield Park: Refurbish	\$3,116	\$3,209	\$3,306	\$3,405	\$3,507
Basketball Assembly: Replace	\$0	\$0	\$0	\$0	\$0
Dock: Repair	\$0	\$5,135	\$0	\$0	\$5,611
Dock: Replace, A	\$0	\$0	\$0	\$0	\$0
Dock: Replace, B	\$0	\$0	\$0	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$0	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$0	\$0
Entry Signs: Repair/Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$0	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$8,066
Gravel : Refurbish	\$0	\$3,370	\$0	\$0	\$0
Irrigation System: Repair	\$10,438	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$2,000,000
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$150,001	\$0	\$0
Landscaping: Refurbish	\$0	\$8,585	\$0	\$0	\$0
Mower: Replace	\$0	\$0	\$0	\$0	\$0
Picnic Assets	\$0	\$0	\$0	\$0	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$11,047
Play Equipment: Rope Dome Replacement	\$37,703	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$0	\$0	\$0	\$0	\$0
Sport Court: Resurface	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Swing Set Toy Structure: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$0	\$0	\$5,620	\$0	\$0
Swing Sets Playchips: Replace	\$5,297	\$0	\$0	\$5,788	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$17,605	\$0	\$0	\$0	\$0

Urban Forest: Renewal, Year 1	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$0	\$0	\$0

Full Funding Plan					
Year	2040	2041	2042	2043	2044
Percent Funded	55.28 %	57.84 %	16.68 %	51.38 %	56.25 %
Fully Funded Balance	\$519,297	\$543,540	\$555,914	\$313,652	\$361,273
Beginning Balance	\$248,628	\$287,073	\$314,372	\$92,739	\$161,145
Annual Contributions	\$75,240	\$77,497	\$79,822	\$82,217	\$84,683
Interest Earnings	\$2,470	\$2,729	\$523	\$1,188	\$1,593
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$39,265	\$52,927	\$301,978	\$14,999	\$44,213
Ending Balance	\$287,073	\$314,372	\$92,739	\$161,145	\$203,208

Expenses by Component & Year					
Components	2040	2041	2042	2043	2044
Asphalt: Resurface	\$0	\$0	\$0	\$0	\$0
Asphalt: Seal	\$0	\$11,441	\$0	\$0	\$0
Ballfield Park: Refurbish	\$3,612	\$3,721	\$3,832	\$3,947	\$4,066
Basketball Assembly: Replace	\$0	\$0	\$0	\$0	\$0
Dock: Repair	\$0	\$0	\$6,132	\$0	\$0
Dock: Replace, A	\$0	\$0	\$199,275	\$0	\$0
Dock: Replace, B	\$0	\$0	\$92,739	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$0	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$0	\$0
Entry Signs: Repair/Replace	\$0	\$18,045	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$0	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$0
Gravel : Refurbish	\$0	\$3,907	\$0	\$0	\$0
Irrigation System: Repair	\$12,101	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$0	\$0	\$0
Landscaping: Refurbish	\$9,663	\$0	\$0	\$0	\$10,875
Mower: Replace	\$0	\$0	\$0	\$0	\$22,361
Picnic Assets	\$0	\$0	\$0	\$0	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$0
Play Equipment: Rope Dome Replacement	\$0	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$0	\$9,488	\$0	\$0	\$0
Sport Court: Resurface	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$7,748	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$4,342	\$0
Swing Set Toy Structure: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$6,141	\$0	\$0	\$6,710	\$0
Swing Sets Playchips: Replace	\$0	\$6,325	\$0	\$0	\$6,912
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0

Urban Forest: Renewal, Year 1	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$0	\$0	\$0

Full Funding Plan					
Year	2045	2046	2047	2048	2049
Percent Funded	32.49	66.85	75.94	90.38	100.01
Fully Funded Balance	\$381,842	\$278,043	\$314,700	\$341,981	\$385,816
Beginning Balance	\$203,208	\$124,061	\$185,859	\$238,987	\$309,089
Annual Contributions	\$87,224	\$89,840	\$92,536	\$95,312	\$98,171
Interest Earnings	\$797	\$1,395	\$1,908	\$2,588	\$3,334
Special Assessment	\$0	\$0	\$0	\$0	\$0
Reserve Expenses	\$167,168	\$29,437	\$41,316	\$27,798	\$24,743
Ending Balance	\$124,061	\$185,859	\$238,987	\$309,089	\$385,851

Expenses by Component & Year					
Components	2045	2046	2047	2048	2049
Asphalt: Resurface	\$0	\$0	\$0	\$0	\$0
Asphalt: Seal	\$0	\$13,263	\$0	\$0	\$0
Ballfield Park: Refurbish	\$4,188	\$4,313	\$4,443	\$4,576	\$4,713
Basketball Assembly: Replace	\$11,181	\$0	\$0	\$0	\$0
Dock: Repair	\$6,700	\$0	\$0	\$7,321	\$0
Dock: Replace, A	\$0	\$0	\$0	\$0	\$0
Dock: Replace, B	\$0	\$0	\$0	\$0	\$0
Dock: Swim Floats	\$0	\$0	\$29,321	\$0	\$0
Dog Park: Repairs	\$0	\$0	\$0	\$3,661	\$0
Entry Signs: Repair/Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace	\$0	\$0	\$0	\$0	\$0
Fence: Chainlink, Replace Basket Ball Court	\$36,641	\$0	\$0	\$0	\$0
Gate Lock: Replace	\$0	\$0	\$0	\$0	\$0
Gravel : Refurbish	\$0	\$4,529	\$0	\$0	\$0
Irrigation System: Repair	\$14,028	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal	\$0	\$0	\$0	\$0	\$0
Lake: Silt & Debris Removal, Permitting	\$0	\$0	\$0	\$0	\$0
Landscaping: Refurbish	\$0	\$0	\$0	\$12,240	\$0
Mower: Replace	\$0	\$0	\$0	\$0	\$0
Picnic Assets	\$0	\$0	\$0	\$0	\$0
Picnic Table	\$0	\$0	\$0	\$0	\$0
Play Equipment: Rope Dome Replacement	\$0	\$0	\$0	\$0	\$0
Shed: Repair Allowance	\$0	\$0	\$0	\$0	\$12,018
Sport Court: Resurface	\$24,707	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Storage Rack: Canoe & Peddle Boat	\$0	\$0	\$0	\$0	\$0
Swing Set Toy Structure: Replace	\$46,063	\$0	\$0	\$0	\$0
Swing Sets Playchips: Replace	\$0	\$7,332	\$0	\$0	\$8,012
Swing Sets Playchips: Replace	\$0	\$0	\$7,552	\$0	\$0
Swing Sets: Replace	\$23,660	\$0	\$0	\$0	\$0
Swing Sets: Replace	\$0	\$0	\$0	\$0	\$0

Urban Forest: Renewal, Year 1	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 2	\$0	\$0	\$0	\$0	\$0
Urban Forest: Renewal, Year 3	\$0	\$0	\$0	\$0	\$0

3. Physical Analysis

We completed a site visit as part of this reserve study on 11/13/2019. Table 2 below shows all the components considered for funding and explains the basis of the funding decision.

3.1 Table 2: Component Funding Basis

Component	Condition	Funding Basis
Asphalt: Resurface		Funded based on current condition
Asphalt: Seal		Funded based on the typical life expectancy
Ballfield Park: Refurbish	Excellent	Funded based on Association direction
Basketball Assembly: Replace	Good	Funded based on the typical life expectancy
Dock: Repair	Assorted Condition	Funded based on current condition
Dock: Replace, A	Good	Funded based on current condition
Dock: Replace, B	Good	Funded based on current condition
Dock: Swim Floats	Good	Funded based on current condition
Dog Park: Repairs	Excellent	Funded based on the typical life expectancy
Drainage		Unfunded due to unpredictable nature of component
Entry Signs: Repair/Replace	Good	Funded based on the typical life expectancy
Fence: Chainlink, Replace	Good	Funded based on the typical life expectancy
Fence: Chainlink, Replace Basket Ball Court	Good	Funded based on the typical life expectancy
Gate Lock: Replace	Excellent	Funded based on the typical life expectancy
Gates, Pedestrian: Replace	Excellent	Unfunded outside the 30 year scope of report
Gravel : Refurbish		Unfunded operating expense
Irrigation System: Repair	Assorted Condition	Funded for repair
Lake: Silt & Debris Removal	Assorted Condition	Funded based on Association records
Lake: Silt & Debris Removal, Permitting	Not Applicable	Funded based on Association records
Landscaping: Refurbish	Good	Funded based on the typical life expectancy
Lights: Pole, Replace	Functional	Unfunded, not Association responsibility
Mailbox Individual		Unfunded, not Association responsibility
Mower: Replace	Unknown	Funded based on the typical life expectancy
Picnic Assets		Funded based on the typical life expectancy
Picnic Table	Excellent	Funded based on the typical life expectancy
Play Equipment: Rope Dome Replacement	Good	Funded based on the typical life expectancy
Shed: Repair Allowance	Fair	Funded for repair
Signs / Pet Stations: Replace		Unfunded operating expense
Sport Court: Resurface	Good	Funded based on the typical life expectancy
Storage Rack: Canoe & Peddle Boat		Funded based on the typical life expectancy
Storage Rack: Canoe & Peddle Boat	Functional	Funded based on the typical life expectancy
Streets		Unfunded, not Association responsibility
Swing Set Toy Structure: Replace		Funded based on Association records
Swing Sets Playchips: Replace		Funded based on Association records
Swing Sets Playchips: Replace		Funded based on Association records
Swing Sets: Replace		Funded based on Association records
Swing Sets: Replace		Funded based on Association records
Urban Forest: Renewal, Year 1	Assorted Condition	Funded based on Association direction

Urban Forest: Renewal, Year 2	Assorted Condition	Funded based on Association direction
Urban Forest: Renewal, Year 3	Assorted Condition	Funded based on Association direction

3.2 Table 3: Component Metrics

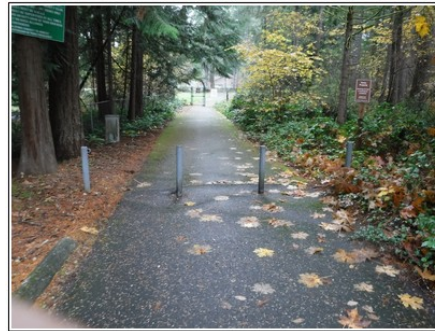
Component	FFB	% FFB	Annual Cost	% Annual Cost
Asphalt: Resurface	\$46,464	19.59%	\$1,056	1.12%
Asphalt: Seal	\$4,920	2.07%	\$1,230	1.31%
Ballfield Park: Refurbish	\$0	0.00%	\$2,000	2.13%
Basketball Assembly: Replace	\$1,780	0.75%	\$356	0.38%
Dock: Repair	\$2,133	0.90%	\$1,067	1.13%
Dock: Replace, A	\$12,480	5.26%	\$4,160	4.42%
Dock: Replace, B	\$5,808	2.45%	\$1,936	2.06%
Dock: Swim Floats	\$8,580	3.62%	\$660	0.70%
Dog Park: Repairs	\$107	0.04%	\$53	0.06%
Entry Signs: Repair/Replace	\$1,552	0.65%	\$388	0.41%
Fence: Chainlink, Replace	\$9,180	3.87%	\$510	0.54%
Fence: Chainlink, Replace Basket Ball Court	\$2,917	1.23%	\$583	0.62%
Gate Lock: Replace	\$230	0.10%	\$230	0.24%
Gravel : Refurbish	\$1,680	0.71%	\$420	0.45%
Irrigation System: Repair	\$0	0.00%	\$1,340	1.43%
Lake: Silt & Debris Removal	\$57,029	24.05%	\$60,030	63.85%
Lake: Silt & Debris Removal, Permitting	\$5,042	2.13%	\$5,338	5.68%
Landscaping: Refurbish	\$0	0.00%	\$1,338	1.42%
Mower: Replace	\$6,600	2.78%	\$1,100	1.17%
Picnic Assets	\$8,064	3.40%	\$672	0.71%
Picnic Table	\$315	0.13%	\$315	0.34%
Play Equipment: Rope Dome Replacement	\$9,680	4.08%	\$968	1.03%
Shed: Repair Allowance	\$1,913	0.81%	\$638	0.68%
Sport Court: Resurface	\$3,933	1.66%	\$787	0.84%
Storage Rack: Canoe & Peddle Boat	\$183	0.08%	\$183	0.20%
Storage Rack: Canoe & Peddle Boat	\$1,430	0.60%	\$358	0.38%
Swing Set Toy Structure: Replace	\$22,000	9.28%	\$880	0.94%
Swing Sets Playchips: Replace	\$3,400	1.43%	\$1,133	1.21%
Swing Sets Playchips: Replace	\$1,133	0.48%	\$1,133	1.21%
Swing Sets: Replace	\$11,300	4.77%	\$452	0.48%
Swing Sets: Replace	\$4,520	1.91%	\$452	0.48%
Urban Forest: Renewal, Year 1	\$1,500	0.63%		
Urban Forest: Renewal, Year 2	\$750	0.32%	\$1,500	1.60%
Urban Forest: Renewal, Year 3	\$500	0.21%	\$750	0.80%
Current Fully Funded Balance		\$237,123	\$94,016 Per Year	
Current Reserve Fund Deficit/Surplus		(\$206,373)	\$7,835 Per Month	

This table shows metric information regarding the influence each component has on the fully funded balance and contribution requirements.

3.3 Component Details

Site/Grounds - Asphalt: Resurface

Location: Christopher Park
 Quantity: 19204 Square Feet
 UL: 50
 RUL: 6
 Current Cost: \$52,800
 Funding Basis: Funded based on current condition



Good to fair condition of asphalt, with no unusual cracking, waviness or deterioration noted. We recommend regular cycles of repair and seal coat to maximize the life of the asphalt. Reserve funding recommended for eventual overlay.

Site/Grounds - Asphalt: Seal

Quantity: 19204 Square Feet
 UL: 5
 RUL: 1
 Current Cost: \$6,150.00
 Funding Basis: Funded based on the typical life expectancy

Recreation - Ballfield Park: Refurbish

Quantity: 1 Allowance
 UL: 1
 RUL: 5
 Current Cost: \$2,000
 Condition: Excellent
 Funding Basis: Funded based on Association direction



Recreation - Basketball Assembly: Replace

Location: Ballfield Park
 Quantity: 2 Each
 UL: 15
 RUL: 10
 Current Cost: \$5,340
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Good condition with no unusual deterioration or damage. We recommend funding for replacement of the assembly to ensure functionality.

Site/Grounds - Dock: Repair

Quantity: 1 Allowance

UL: 3

RUL: 1

Current Cost: \$3,200

Condition: Assorted Condition

Funding Basis: Funded based on current condition



Site/Grounds - Dock: Replace, A

Quantity: 425 Square Feet

UL: 25

RUL: 22

Current Cost: \$104,000

Condition: Good

Funding Basis: Funded based on current condition



Site/Grounds - Dock: Replace, B

Quantity: 220 Square Feet

UL: 25

RUL: 22

Current Cost: \$48,400

Condition: Good

Funding Basis: Funded based on current condition



Site/Grounds - Dock: Swim Floats

Quantity: 3 Units

UL: 20

RUL: 7

Current Cost: \$13,200

Condition: Good

Funding Basis: Funded based on current condition



Site/Grounds - Dog Park: Repairs

Quantity: 1 Allowance
 UL: 30
 RUL: 28
 Current Cost: \$1,600
 Condition: Excellent
 Funding Basis: Funded based on the typical life expectancy



Site/Grounds - Drainage

Funding Basis: Unfunded due to unpredictable nature of component

No reported problems or history of drainage concerns. We suggest regular cleaning and inspection take place to ensure that Association drainage/storm drainage system is functioning properly. No funding at this time, update as needed in future reserve studies.

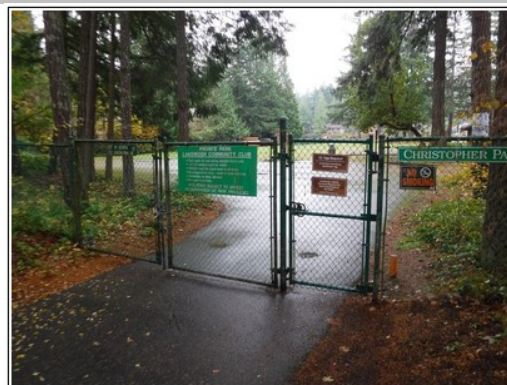
Site/Grounds - Entry Signs: Repair/Replace

Quantity: 1 Allowance
 UL: 25
 RUL: 21
 Current Cost: \$9,700
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Site/Grounds - Fence: Chainlink, Replace

Location: Christopher Park & Ballfield Park & West Side Park
 Quantity: 588 Linear Feet
 UL: 30
 RUL: 12
 Current Cost: \$15,300
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Good condition of the chain link fencing. The life expectancy of these units are approximately 30 years. Reserve funding recommended.

Site/Grounds - Fence: Chainlink, Replace Basket Ball Court

Location: Christopher Park & Ballfield Park & West Side Park

Quantity: 438 Linear Feet

UL: 30

RUL: 25

Current Cost: \$17,500

Condition: Good

Funding Basis: Funded based on the typical life expectancy



Good condition of the chain link fencing. The life expectancy of these units are approximately 30 years. Reserve funding recommended.

Site/Grounds - Gate Lock: Replace

Quantity: 2 Each

UL: 20

RUL: 19

Current Cost: \$4,600

Condition: Excellent

Funding Basis: Funded based on the typical life expectancy



New in 2019.

Site/Grounds - Gates, Pedestrian: Replace

Quantity: 2 Each

Condition: Excellent

Funding Basis: Unfunded outside the 30 year scope of report

New in 2019.

Site/Grounds - Gravel : Refurbish

Quantity: 1 Allowance

UL: 5

RUL: 1

Current Cost: \$2,100

Funding Basis: Unfunded operating expense



Various conditions noted. We suggest including the gravel areas within the landscape contract to provide proactive maintenance. Refurbish rock as needed on an annual basis. No reserve funding suggested.

Site/Grounds - Irrigation System: Repair

Location: Tot Lot & West Side
 Quantity: 1 Allowance
 UL: 5
 RUL: 5
 Current Cost: \$6,700
 Condition: Assorted Condition
 Funding Basis: Funded for repair



Fair condition with no reported problems at this time. We suggest including irrigation maintenance within the Association's annual landscape budget/contract, such as select sprinkler head replacements. As the community and irrigation lines age, local areas of line replacement may be needed and generally is not covered by the landscape contract. At this time there is no expectation of total line replacement, however, we have included an allowance for partial repair/replacement every few years. As these expenses occur and trends are developed update the reserve funding as needed.

Site/Grounds - Lake: Silt & Debris Removal

Location: East and West Canals
 Quantity: 1 Allowance
 RUL: 19
 Current Cost: \$1,140,572
 Condition: Assorted Condition
 Funding Basis: Funded based on Association records



Site/Grounds - Lake: Silt & Debris Removal, Permitting

Quantity: 1 Allowance
 Condition: Not Applicable
 Funding Basis: Funded based on Association records

RUL: 17
 Current Cost: \$90,753.00

Site/Grounds - Landscaping: Refurbish

Location: Various
 Quantity: 1 Allowance
 UL: 4
 RUL: 4
 Current Cost: \$5,350
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Site/Grounds - Lights: Pole, Replace

Location: Throughout
 Current Cost:
 Condition: Functional
 Funding Basis: Unfunded, not Association responsibility



We understand the pole lights throughout the Association and adjacent to the streets/sidewalks are the responsibility of the Public, not the Association. Therefore, no reserve funding required.

Site/Grounds - Mailbox Individual

Funding Basis: Unfunded, not Association responsibility

Mechanical & Equipment - Mower: Replace

Quantity: 1 Unit	UL: 10
Condition: Unknown	RUL: 4
Funding Basis: Funded based on the typical life expectancy	Current Cost: \$11,000.00

Site/Grounds - Picnic Assets

Location: Tot Lot, West Side, Christopher Park
 Quantity: 1 Allowance
 UL: 25
 RUL: 13
 Current Cost: \$16,800
 Funding Basis: Funded based on the typical life expectancy



Benches, trash cans, drinking fountains, picnic tables, porta-potty structure.

Recreation - Picnic Table

Location: Christopher Park
 Quantity: 1 Allowance
 UL: 20
 RUL: 19
 Current Cost: \$6,300
 Condition: Excellent
 Funding Basis: Funded based on the typical life expectancy



Recreation - Play Equipment: Rope Dome Replacement

Quantity: 1 Unit
 UL: 25
 RUL: 15
 Current Cost: \$24,200
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Building - Shed: Repair Allowance

Quantity: 1 Allowance
 UL: 8
 RUL: 5
 Current Cost: \$5,100
 Condition: Fair
 Funding Basis: Funded for repair



Funded for repair as needed.

Site/Grounds - Signs / Pet Stations: Replace

Location: Parks
 Quantity: 5 Items
 Current Cost:
 Funding Basis: Unfunded operating expense



Fair condition with no damage or concerns at this time. We understand there is no expectation to replace at one time, therefore, no reserve funding. Treat as a maintenance item.

Site/Grounds - Sport Court: Resurface

Location: Ballfield Park
 Quantity: 1 Allowance
 UL: 15
 RUL: 10
 Current Cost: \$11,800
 Condition: Good
 Funding Basis: Funded based on the typical life expectancy



Site/Grounds - Storage Rack: Canoe & Peddle Boat

Quantity: 3 Units
UL: 12
RUL: 8
Current Cost: \$4,290
Condition: Functional
Funding Basis: Funded based on the typical life expectancy



Site/Grounds - Storage Rack: Canoe & Peddle Boat

Quantity: 1 Unit

UL: 12

RUL: 11

Funding Basis: Funded based on the typical life expectancy

Current Cost: \$2,200.00

New in 2019

Site/Grounds - Streets

Current Cost:
Funding Basis: Unfunded, not Association responsibility



We understand that the streets have been transferred to the Public so there is no Association responsibility.

Recreation - Swing Set Toy Structure: Replace

Location: Tot Lot
Quantity: 1 Unit
UL: 25
RUL: 0
Current Cost: \$22,000
Funding Basis: Funded based on Association records



Fair condition with no structural instability or unusual deterioration noted during our inspection. Inspect regularly and refurbish fall zones and repair as needed utilizing the operating budget. Reserve funding recommended.

Recreation - Swing Sets Playchips: Replace

Quantity: 1 Allowance
UL: 3
RUL: 2
Funding Basis: Funded based on Association records
Current Cost: \$3,400.00

Recreation - Swing Sets Playchips: Replace

Quantity: 1 Allowance

UL: 3

RUL: 0

Funding Basis: Funded based on Association records

Current Cost: \$3,400.00

Recreation - Swing Sets: Replace

Location: West Side Park

Quantity: 1 Allowance

UL: 25

RUL: 0

Current Cost: \$11,300

Funding Basis: Funded based on Association records



Recreation - Swing Sets: Replace

Location: Tot Lot

Quantity: 1 Allowance

UL: 25

RUL: 15

Current Cost: \$11,300

Funding Basis: Funded based on Association records



Site/Grounds - Urban Forest: Renewal, Year 1

Quantity: 1 Allowance

Condition: Assorted Condition

RUL: 0

Funding Basis: Funded based on Association direction

Current Cost: \$1,500.00

Site/Grounds - Urban Forest: Renewal, Year 2

Quantity: 1 Allowance

Condition: Assorted Condition

RUL: 1

Funding Basis: Funded based on Association direction

Current Cost: \$1,500.00

Site/Grounds - Urban Forest: Renewal, Year 3

Quantity: 1 Allowance

Condition: Assorted Condition

RUL: 2

Funding Basis: Funded based on Association direction

Current Cost: \$1,500.00

4. How to Read Your Reserve Study

This reserve study is an important planning tool that contains long-term common area replacement and financial recommendations for your Association. In order to accomplish this, we provide you with critical information that should be considered when evaluating the current health of your reserve fund, future maintenance, repair and replacement expenses and reserve contribution rates to include within the regular unit owner assessments. With the use of this reserve study your Association will be better prepared for present and future expenses.

We have worked to identify your common area assets, called **components**, which have maintenance or replacement expenses that can be anticipated. Our recommendations should help to minimize deferred maintenance and special assessments, as well as maximize your property value.

Having properly funded reserves enables the Association to keep the common area assets in good condition. When potential buyers consider which association to purchase a home in, the overall condition of the association and reserve fund may be considered. Having good financials, maintenance, and curb appeal, all work together to increase your property value.

We know that your needs are different from the needs of others. Therefore, we have created this report specifically for your Association. When possible, we have had discussions with the Association Board of Directors, vendors and professional management to provide recommendations that will help you meet your Association's goals and objectives.

4.1 About Reserve Studies

By definition a reserve study is a budget planning tool. It identifies the current status of the reserve fund with a stable and equitable funding plan, to offset the anticipated future major common area expenditures. Plainly, a reserve study is a long term plan that indicates how much money needs to be set aside to pay for future expenses. The reserve study consists of two parts: the physical analysis and financial analysis.

The **physical analysis** identifies which components are appropriate for reserve funding and the current physical condition assessment of each asset; then indicates the life expectancy or useful life of the component as well as the life remaining or remaining useful life of each component. The physical analysis is concluded with the current cost to replace each component. The physical analysis information is used within the financial analysis. Therefore, it generally contains many recommendations and justifications regarding component repair, maintenance and replacement recommendations as well as cost and life cycles.

The **financial analysis** includes two results. First, it reveals the health of the reserve fund. This is completed by determining the current status of the reserve fund known as percent funded. The second result is the reserve contribution recommendation. Using the information contained within the physical analysis, the future expected expenses are analyzed and reviewed. Then multi-year funding plans are developed to meet various funding goals. The reserve contributions required to meet the funding goal desired is then presented and recommended to the Association.

4.2 Reserve Study Levels

- **Level I:** Full Reserve Study Funding Analysis and Plan. This is the most labor intensive reserve study, as it includes both a physical and financial analysis. The component inventory list and current component condition assessments with life and valuation estimates are determined from an on-site visual inspection. This information is used to conduct the financial analysis, which includes the current fund status and a recommended funding plan. A "Full Reserve Study" is recommended when a previous reserve study is not available, a substantial time has elapsed since the last study (7-10

years), or there are concerns with an existing reserve study's component inventory or measurements.

- **Level II:** Update with Visual Site Inspection. This report updates both the physical analysis and financial analysis of an existing report. An on-site visual inspection is conducted to verify and/or make adjustments to the existing component list, condition assessments, useful life and component valuation estimates. The financial analysis is also updated, including the current fund status and recommended funding plan. A level II report is recommended at least every three years, before and after major projects and as required by state law.
- **Level III:** Update with No Visual Site Inspection. This report updates the financial analysis of an existing reserve study only. No on-site visual inspection is completed. An existing fund status and funding plan is updated using research conducted with board members, vendors, association managers and information contained within a prior reserve study. A level III report is recommended to review, adjust and verify that the existing funding plan is accurate and suitable for current economic conditions. A level III report is recommended at least annually.

4.3 Percent Funded

Percent funded is a way to measure the strength of the reserve fund. The Community Associations Institute (CAI) defines "Percent Funded" as "the ratio, at a particular point of time, of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage." The **fully funded balance** is the total accrued depreciation or deterioration of the component(s). This balance is the cost of how much life has been used up. The fully funded balance is then used as an indicator against which the actual (or projected) reserve fund balance can be compared; known as percent funded.

For example, if an association were to replace interior carpeting in 10 years at an expense of \$10,000; then each year the cost of deterioration is 1/10th of the replacement cost. Therefore, each year \$1,000 of cost is accrued. In year 2, the fully funded balance would be \$2,000. In year 5, the cost of existing deterioration is \$5,000, and so on. To determine the percent funded, the FFB is compared to the reserve fund balance. To continue the above example, the association has \$2,000 in their reserve fund in year 2. The total accrued deterioration or FFB is \$2,000, therefore they are 100% funded. The association has saved 100% of the accrued deterioration or fully funded balance. If they have set aside only \$1,000, the association is 50% funded, having saved 50% of the existing deterioration or cost.

Using Percent Funded to Measure Strength

- **0-30% Funded is a "weak" status.** There is a lack of funds reserved toward the amount of accrued deterioration. Whenever an association has a weak status there is an increased possibility of requiring special assessments, loans or deferred maintenance.
- **31-69% Funded is a "fair" status.** There is a decreased chance of requiring special assessments or deferred maintenance, however, cash flow problems may very easily arise.
- **70-100% Funded is a "strong" status.** Associations in this range generally have financial stability. There are generally no cash flow issues, special assessments or deferred maintenance necessary.
- **100% Funded is known as "ideal."** The reserve fund balance equals the fully funded balance. This is "ideal" because funds are reserved as components are used. It is thought to be the most fair for members because they pay as they go, or they pay their share.

Use Caution When Using Percent Funded

Percent funded is a ratio and therefore does not convey the urgency that is often times required. There are two aspects that need to be considered when evaluating the urgency of the current situation, the time remaining before an expense is scheduled to occur, as well as the cost of the expense.

The first aspect that percent funded does not consider is the time remaining before the expense is to occur. Use the same carpet replacement example (\$10,000 carpet expense to be saved over 10 years). If, in year 5 they have only saved \$2,500 they are 50% funded (remember the total accrued deterioration or FFB would be \$5,000). To have the capital required to complete the project as scheduled in year 10 for \$10,000, they would need to save \$1,500 each year for the next 5 years.

Changing the time frames, if in year 10 they have set aside \$5,000, they would still be 50% funded (having saved 50% of the total accrued deterioration of \$10,000). However, they now need to attain \$5,000 of the required \$10,000 expense immediately rather than over a period of time.

These examples show that the percent funded ratio lacks the urgency that each association may have in attaining the rest of the financing.

Percent funded also does not consider the cost of the expense. Using the same 10 year cycle, changing the cost of the required expense from \$10,000 to a \$30,000 paint project, in year 5 the association is 50% funded by having set aside \$15,000. In this case, they must save \$3,000 each year, not \$1,500. If in year 10, they are 50% funded, they would need to save \$15,000 not \$5,000. Notice how the percent funded is the same, but the amount needed to meet the financial obligation is very different.

Percent funded is a very useful ratio, however, it must be placed in context. Remember to evaluate not only the percent funded but also the cash balance and size of the upcoming expenditures as well.

4.4 Reserve Funding Plans & Goals

To determine the contribution rate to the reserve fund, the association needs to determine their reserve fund goal. This may be based on a number of objectives and analysis' corresponding to the reserve fund. There are three different funding goals associations may choose based on their risk tolerance:

- **Baseline Funding Goal** – This sets the reserve contribution amount as low as possible without the reserve fund dropping below a zero balance. This is the most risky method with the least contributed to the reserve fund. If an expense arrives early, or unexpected, there is a significant chance of needing a special assessment or loan.
- **Threshold Funding Goal** - The goal of Threshold Funding is to set the reserve contribution amount to meet a specified goal. Common goals to achieve and maintain are 70 Percent Funded, to maintain a cash-balance of 15% of the prior year's expenses, or to maintain a minimum cash-balance of the prior year's reserve contribution amount.
- **Full Funding Goal** – Sets the goal at being fully funded. This plan sets the reserve contribution amount to achieve a fully funded balance. Fully funded is achieved when the percent funded is 100%. It requires the largest contribution to the reserve fund of the three goals, but is also the least risky.

4.5 Reserve Contributions

There are three ways to contribute to your Reserve Account:

- **Regular Contributions:** If adequate regular contributions are not established the reserve fund will eventually be underfunded. An underfunded reserve account leads to deferred maintenance and potentially extensive repair. As already mentioned, the effects of deferred maintenance and extensive repair are significantly more than routine or preventative maintenance. Additionally, it is the most fair and equitable to the association members. If reserve contributions are not set properly, whether too high or low, the individuals who use the asset will not be paying for it. If the contributions are set too high, current owners are paying for what future owners should pay for.

Likewise, when contributions are set too low, future owners will pay for what current owners should have paid for. Having properly set reserve contributions is the most fair for everyone involved.

- **Special Assessments:** If the reserve fund is underfunded at the time an expense is required, the association is forced to hold a special assessment. Most often, this occurs when deferred maintenance catches up and the association is forced to deal with it. It is better to have a small monthly increase now rather than a very large and unexpected increase later.
- **Loans:** If the association members do not have the finances to contribute to a special assessment or the required repairs are too extensive and costly for a special assessment, a loan may be required. This not only requires a monthly increase in dues, but members are then paying for past as well as future expenses, rather than just future expenses. The future still needs to be anticipated and saved for.

4.6 Reserve Components

The components of a reserve study have significant impact on the accuracy of the report. If items are improperly included or excluded from the reserve study, then the projected expenses and subsequent required reserve contributions will likewise be affected. Before a component is included within the reserve study, it is evaluated and qualified using a nationally recognized four-part test:

- **Common Area:** The component must be association responsibility; limited common areas may be included.
- **Limited Useful Life:** The life of the component must be limited.
- **Predictable Life:** The limited life must be predictable.
- **Minimum Threshold Cost:** Generally greater than 1% of the annual operating budget or \$1,000 whichever is greater.

Repairs or replacements of components that are predicted to have an estimated remaining useful life exceeding this 30-year report period are generally not included. Items that are below the minimum threshold cost, or reoccur annually are generally included within the annual operating budget. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Maintaining Components

There are three ways to manage capital reserve expenses:

- **Preventative Maintenance:** This is the most effective way to extend the useful life of components and save money in the long run, as it is a proactive maintaining of components. The cost of maintaining the condition and quality of a component is much less than repair or replacing the component to bring it back to a usable condition and may also prolong the life expectancy of an asset.
- **Deferred Maintenance:** This is deferring routine maintenance rather than completing maintenance as recommended. A common household example of this is deferring the oil changes in a vehicle. Deferred maintenance is likely the first indication of, and results in, having inadequate reserve funds. While in the short run the association is contributing less money, the effects of deferring maintenance and the costs associated with it are far greater than the cost of preventative maintenance.
- **Extensive Repair or Replacement:** This is when a component needs to have significant repair(s) completed or even replacement prior than anticipated. While not always, this is generally a result of deferred maintenance. The cost of significant repair or advanced replacement is not only expensive, it also decreases association morale through poor association management, poor curb appeal and out of commission assets.

4.7 Implementing Your Reserve Study

- **Step 1 - Understand:** The board of directors has the responsibility to lead the association, therefore, the first step is for the board to hold a meeting. This meeting should discuss the results of the reserve study in order for the Board to better understand the current position of the association and the upcoming reserve requirements of the association.
- **Step 2 - Plan:** The board should then create a plan to determine how best to manage the association's common area assets and financial position. Using this reserve study as a guide, the board should make the adjustments required to meet the needs of the association and its members. This includes setting the reserve contribution amount.
- **Step 3 - Communicate:** After the board has determined the best course of action, the plan needs to be communicated to the association members. This can be accomplished through the distribution of the results of this reserve study and/or through association meetings. This allows them to ask questions and understand the direction the association will be heading.
- **Step 4 - Update and Adjust:** Reserve studies are a one-year document, and need to be updated and adjusted annually. We recommend additional collaboration with specialized professionals to provide the expertise and adjustments to this reserve study. Additionally, we recommend the board review and make minor adjustments of this plan before and after reserve projects throughout the year.

5. Supplemental Report Information

5.1 Definitions

COMPONENT: The individual line items in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components are defined as being:

1. Association responsibility
2. Having a limited Useful Life expectancy
3. Predictable Remaining Useful Life expectancies
4. Above a minimum threshold cost
5. As required by law

DEFICIT/SURPLUS: The Reserve Balance less the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Equivalent to Total Accrued Depreciation. This represents the deteriorated or used portion of the component. This is calculated for each component, then summed together for a total FFB. $FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

PERCENT FUNDED: The ratio at a particular point of time of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PROJECTED RESERVE BALANCE: The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

REMAINING USEFUL LIFE (RUL): The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

USEFUL LIFE (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

5.2 Table 4 - RCW Required Information & Location

RCW Required Information	Report Location
(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;	Table 1 Table 4
(b) The date of the study and a statement that the study meets the requirements of this section;	Disclosure Page
(c) The level of reserve study performed:	Cover Page
(d) The association's reserve account balance;	Executive Summary
(e) The percentage of the fully funded balance that the reserve account is funded;	Executive Summary Financial Summary
(f) Special assessments already implemented or planned;	Executive Summary Financial Summary
(g) Interest and inflation assumptions;	Executive Summary Financial Summary
(h) Current reserve account contribution rate;	Executive Summary Financial Summary
(i) Recommended reserve account contribution rate; a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;	Executive Summary Financial Summary
(j) Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments;	Spread Sheet of Reserve Expenses
(k) Whether the reserve study was prepared with the assistance of a reserve study professional.	Executive Summary
(3) A reserve study shall include the following disclosure: "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."	Disclosure Page

5.3 Reserve Study Disclosure

This document is the sole opinion of CEDCORE, LLC and has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of CEDCORE. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialists and independent contractors. The site visit is a limited scope visual observation of the surface condition of identified and exposed components. Hidden systems including but not limited to mechanical, electrical, structural, plumbing, storm water, sewer, water supply, foundations, etc. are beyond the scope of a reserve study. No destructive testing was undertaken, nor does this study purport to address any latent and/or patent defects or life expectancies which are abnormally short due to either improper design and/or installation or due to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

Various construction pricing and scheduling manuals may be used as well as costs and life expectancies obtained from numerous vendors, vendor catalogues, actual quotations or historical costs, and our own experience in the field of Reserve Study preparation.

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

We recommend that your Reserve Study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the useful life and cost of many of the assets under consideration.

This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. 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 the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

This Reserve Study was prepared by or under the direct supervision of a Reserve Study Professional following National Reserve Study Standards and complies with RCW 64.34.382 and 64.90.550. The Reserve Study Professional is independent from the Association, and has no other involvement with the Association which would result in actual or perceived conflicts of interest. This Reserve Study needs to be updated annually as well as when any new material information is obtained.



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