



**2022  
RESERVE STUDY  
CAPITAL COURT CONDOMINIUM ASSOCIATION**

Olympia, WA 98501

Financial Year 2022 (January 1, 2022 - December 31, 2022)

Level 3 Update without Site Visit

10/29/21







## A New Strategy for Reserve Funding.

Our reserve study approach is simple. We provide you with the insight needed to make fast, accurate and informed decisions. We focus on understanding your situation and providing funding solutions that are designed with your goals in mind. By focusing on the detail and the big picture we provide the information you need to best manage your reserve fund and annual contributions.

As a long-term capital budget plan, the reserve study identifies the current status of the reserve fund and whether contributions to the fund are adequate to address future needs. The report helps the Association make necessary decisions regarding the development of their reserve fund and establish expectations in relation to the timing and cost of significant repair and replacement projects.

The reserve study recommends funding through smaller monthly contributions rather than risking large, unanticipated special assessments. Regular and ongoing reserve contributions are favored over special assessment as they help distribute expenses equally between current and future owners, and establish a stable contribution rate.

The reserve study contains 'forward looking' concepts which reflect expectations with respect to certain future events and potential financial performance. Although we believe at this time that the expectations reflected within the reserve study are reasonable, no assurances can be given that such expectations will prove correct. We recommend that the reserve study be updated annually to address changing circumstances and conditions.



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# EXECUTIVE SUMMARY

## PROPERTY SUMMARY

ASSOCIATION NAME	Capital Court Condominium Association
LOCATION	Olympia, WASHINGTON 98501
YEAR CONSTRUCTED	1993
NUMBER OF UNITS	36
FINANCIAL YEAR	2022 (January 1, 2022 - December 31, 2022)
REPORT LEVEL	Level 3 Update without Site Visit

## RESERVE FUND

PROJECT STARTING BALANCE <sup>1</sup>	\$248,791
FULLY FUNDED BALANCE, IDEAL	\$1,029,176
CURRENT PER UNIT DEFICIENCY/(SURPLUS) IN RESERVES	\$21,677
PERCENT FUNDED <sup>2</sup>	24 %
INTEREST EARNED	0.01 %
INFLATION RATE <sup>3</sup>	3.00 %

## RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$25,808
FULL FUNDING, MAXIMUM CONTRIBUTION	\$94,216
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$82,103
SPECIAL ASSESSMENT	\$0

<sup>1</sup> Information in relation to the Association's finances were supplied by the Association's representative and is not audited.

<sup>2</sup> The ratio, at a particular point of time (the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage ([www.caionline.org](http://www.caionline.org)). Used to highlight the strength of the Association's reserve fund.

<sup>3</sup> Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics ([www.labor.gov](http://www.labor.gov)).



## KEY INSIGHTS

**\$248,791**

RESERVE ACCOUNT  
BALANCE

**\$25,808**

ANNUAL  
RESERVE CONTRIBUTION

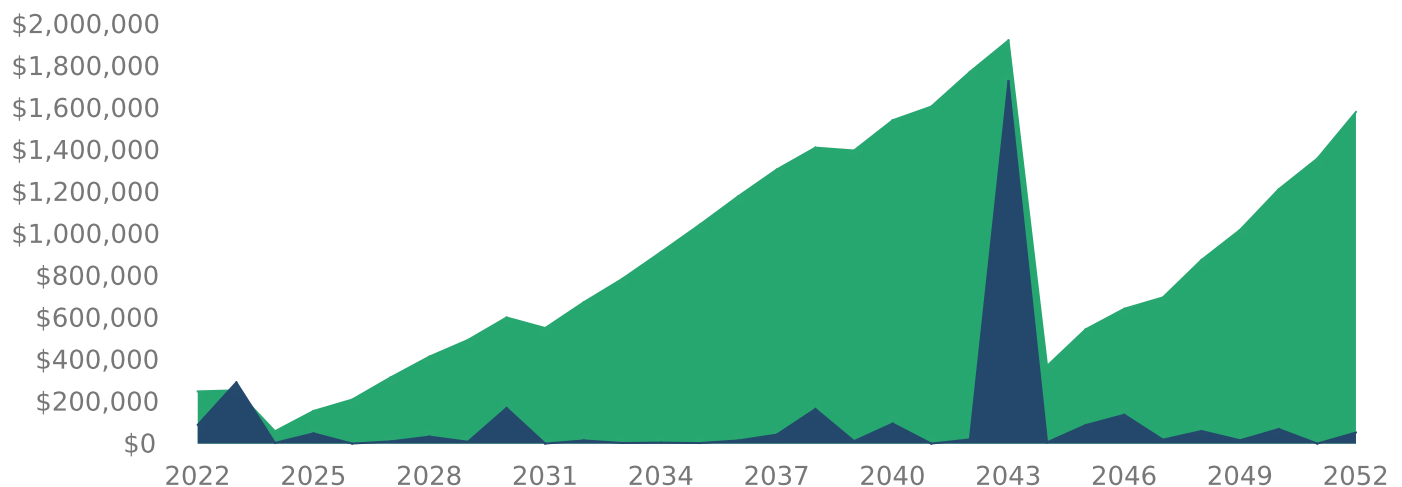
**\$3,152,750**

PROJECTED EXPENSES  
OVER 30 YEARS

## FULL FUNDING STRATEGY

Annual member contributions to the reserve fund are used to address those expenses too large or infrequent to be addressed through annual operating funds. The chart below highlights the outcome of the Full Funding strategy over the mid-to-long term.

YEAR 1-30 EXPENSES  
**\$3,152,750**



STARTING BALANCE

**\$248,791**

ENDING BALANCE

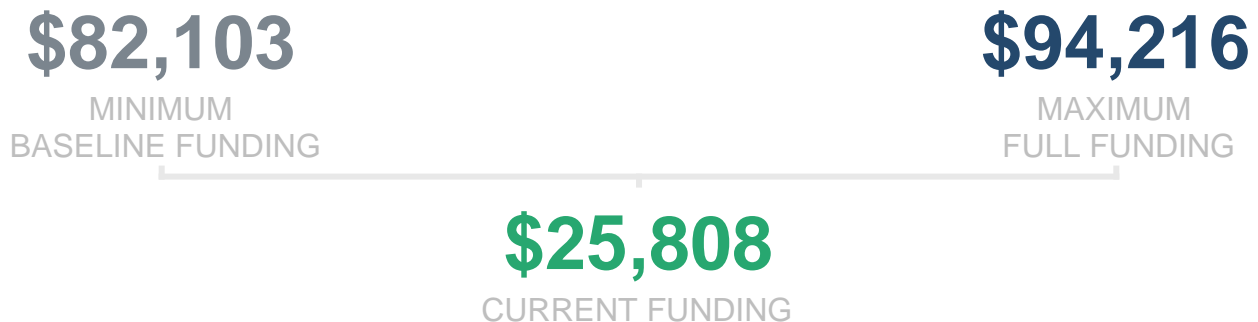
**\$1,581,011**

Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



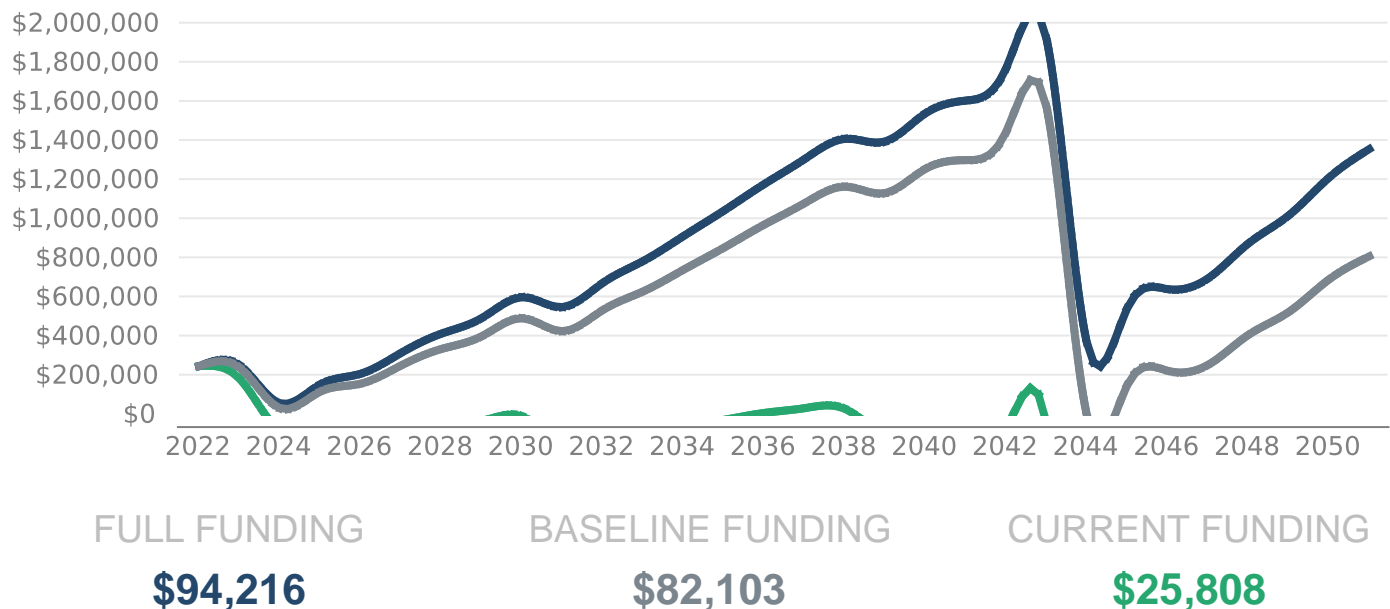
## CONTRIBUTION RANGE

We recommend that reserve contributions be evenly distributed between members over the life of a community. To achieve this goal, we establish an ideal contribution range within which the Association should establish ongoing payments.



## FUNDING STRATEGIES

The funding strategy chosen will have a direct impact on the growth of the Association's reserve fund. The chart below highlights the outcomes of the various funding strategies.



Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



## FULL FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2022	\$1,029,176	24%	\$248,791	\$94,216	\$0	\$25	\$89,256	\$253,776
2023	\$1,021,262	25%	\$253,776	\$97,042	\$0	\$16	\$291,928	\$58,906
2024	\$805,952	7%	\$58,906	\$99,953	\$0	\$11	\$3,395	\$155,475
2025	\$883,014	18%	\$155,475	\$102,952	\$0	\$18	\$48,732	\$209,713
2026	\$917,383	23%	\$209,713	\$106,040	\$0	\$26	\$0	\$315,780
2027	\$1,004,718	31%	\$315,780	\$109,222	\$0	\$37	\$10,382	\$414,656
2028	\$1,085,774	38%	\$414,656	\$112,498	\$0	\$45	\$33,165	\$494,035
2029	\$1,147,644	43%	\$494,035	\$115,873	\$0	\$55	\$8,776	\$601,187
2030	\$1,238,394	49%	\$601,187	\$119,349	\$0	\$58	\$169,747	\$550,846
2031	\$1,168,028	47%	\$550,846	\$122,930	\$0	\$61	\$0	\$673,838
2032	\$1,272,409	53%	\$673,838	\$126,618	\$0	\$73	\$14,892	\$785,637
2033	\$1,366,664	57%	\$785,637	\$130,416	\$0	\$85	\$2,941	\$913,196
2034	\$1,478,197	62%	\$913,196	\$134,329	\$0	\$98	\$4,562	\$1,043,061
2035	\$1,593,614	65%	\$1,043,061	\$138,359	\$0	\$111	\$2,570	\$1,178,961
2036	\$1,716,819	69%	\$1,178,961	\$142,510	\$0	\$124	\$14,702	\$1,306,892
2037	\$1,833,565	71%	\$1,306,892	\$146,785	\$0	\$136	\$42,807	\$1,411,006
2038	\$1,927,278	73%	\$1,411,006	\$151,188	\$0	\$140	\$164,884	\$1,397,451
2039	\$1,900,546	74%	\$1,397,451	\$155,724	\$0	\$147	\$11,795	\$1,541,528
2040	\$2,033,253	76%	\$1,541,528	\$160,396	\$0	\$157	\$95,404	\$1,606,676
2041	\$2,086,458	77%	\$1,606,676	\$165,208	\$0	\$169	\$0	\$1,772,053
2042	\$2,242,240	79%	\$1,772,053	\$170,164	\$0	\$185	\$20,014	\$1,922,388
2043	\$2,384,877	81%	\$1,922,388	\$175,269	\$0	\$115	\$1,727,516	\$370,255
2044	\$775,945	48%	\$370,255	\$180,527	\$0	\$46	\$6,132	\$544,696
2045	\$894,737	61%	\$544,696	\$185,943	\$0	\$59	\$88,015	\$642,684
2046	\$935,808	69%	\$642,684	\$191,521	\$0	\$67	\$137,366	\$696,905
2047	\$930,426	75%	\$696,905	\$197,267	\$0	\$79	\$18,752	\$875,499
2048	\$1,050,295	83%	\$875,499	\$203,185	\$0	\$95	\$59,899	\$1,018,879
2049	\$1,134,718	90%	\$1,018,879	\$209,280	\$0	\$112	\$15,851	\$1,212,419
2050	\$1,270,480	95%	\$1,212,419	\$215,558	\$0	\$129	\$69,267	\$1,358,839
2051	\$1,358,839	100%	\$1,358,839	\$222,025	\$0	\$147	\$0	\$1,581,011

**\$94,216**

2022  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.01 %**

ANNUAL  
INTEREST RATE





## BASELINE FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2022	\$1,029,176	24%	\$248,791	\$82,103	\$0	\$25	\$89,256	\$241,662
2023	\$1,021,262	24%	\$241,662	\$84,566	\$0	\$14	\$291,928	\$34,314
2024	\$805,952	4%	\$34,314	\$87,103	\$0	\$8	\$3,395	\$118,029
2025	\$883,014	13%	\$118,029	\$89,716	\$0	\$14	\$48,732	\$159,027
2026	\$917,383	17%	\$159,027	\$92,407	\$0	\$21	\$0	\$251,455
2027	\$1,004,718	25%	\$251,455	\$95,179	\$0	\$29	\$10,382	\$336,281
2028	\$1,085,774	31%	\$336,281	\$98,035	\$0	\$37	\$33,165	\$401,188
2029	\$1,147,644	35%	\$401,188	\$100,976	\$0	\$45	\$8,776	\$493,432
2030	\$1,238,394	40%	\$493,432	\$104,005	\$0	\$46	\$169,747	\$427,736
2031	\$1,168,028	37%	\$427,736	\$107,125	\$0	\$48	\$0	\$534,910
2032	\$1,272,409	42%	\$534,910	\$110,339	\$0	\$58	\$14,892	\$630,415
2033	\$1,366,664	46%	\$630,415	\$113,649	\$0	\$69	\$2,941	\$741,191
2034	\$1,478,197	50%	\$741,191	\$117,059	\$0	\$80	\$4,562	\$853,767
2035	\$1,593,614	54%	\$853,767	\$120,570	\$0	\$91	\$2,570	\$971,859
2036	\$1,716,819	57%	\$971,859	\$124,188	\$0	\$103	\$14,702	\$1,081,447
2037	\$1,833,565	59%	\$1,081,447	\$127,913	\$0	\$112	\$42,807	\$1,166,666
2038	\$1,927,278	61%	\$1,166,666	\$131,751	\$0	\$115	\$164,884	\$1,133,648
2039	\$1,900,546	60%	\$1,133,648	\$135,703	\$0	\$120	\$11,795	\$1,257,676
2040	\$2,033,253	62%	\$1,257,676	\$139,774	\$0	\$128	\$95,404	\$1,302,174
2041	\$2,086,458	62%	\$1,302,174	\$143,967	\$0	\$137	\$0	\$1,446,278
2042	\$2,242,240	65%	\$1,446,278	\$148,286	\$0	\$151	\$20,014	\$1,574,702
2043	\$2,384,877	66%	\$1,574,702	\$152,735	\$0	\$79	\$1,727,516	\$0
2044	\$775,945	0%	\$0	\$157,317	\$0	\$8	\$6,132	\$151,193
2045	\$894,737	17%	\$151,193	\$162,037	\$0	\$19	\$88,015	\$225,234
2046	\$935,808	24%	\$225,234	\$166,898	\$0	\$24	\$137,366	\$254,790
2047	\$930,426	27%	\$254,790	\$171,905	\$0	\$33	\$18,752	\$407,975
2048	\$1,050,295	39%	\$407,975	\$177,062	\$0	\$47	\$59,899	\$525,184
2049	\$1,134,718	46%	\$525,184	\$182,374	\$0	\$61	\$15,851	\$691,768
2050	\$1,270,480	54%	\$691,768	\$187,845	\$0	\$75	\$69,267	\$810,421
2051	\$1,358,839	60%	\$810,421	\$193,480	\$0	\$91	\$0	\$1,003,992

**\$82,103**

2022  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.01 %**

ANNUAL  
INTEREST RATE





## CURRENT FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2022	\$1,029,176	24%	\$248,791	\$25,808	\$0	\$22	\$89,256	\$185,365
2023	\$1,021,262	18%	\$185,365	\$26,582	\$0	\$5	\$291,928	-\$79,976
2024	\$805,952	0%	-\$79,976	\$27,380	\$0	\$0	\$3,395	-\$55,991
2025	\$883,014	0%	-\$55,991	\$28,201	\$0	\$0	\$48,732	-\$76,521
2026	\$917,383	0%	-\$76,521	\$29,047	\$0	\$0	\$0	-\$47,474
2027	\$1,004,718	0%	-\$47,474	\$29,919	\$0	\$0	\$10,382	-\$27,938
2028	\$1,085,774	0%	-\$27,938	\$30,816	\$0	\$0	\$33,165	-\$30,287
2029	\$1,147,644	0%	-\$30,287	\$31,741	\$0	\$0	\$8,776	-\$7,322
2030	\$1,238,394	0%	-\$7,322	\$32,693	\$0	\$0	\$169,747	-\$144,377
2031	\$1,168,028	0%	-\$144,377	\$33,674	\$0	\$0	\$0	-\$110,703
2032	\$1,272,409	0%	-\$110,703	\$34,684	\$0	\$0	\$14,892	-\$90,911
2033	\$1,366,664	0%	-\$90,911	\$35,724	\$0	\$0	\$2,941	-\$58,129
2034	\$1,478,197	0%	-\$58,129	\$36,796	\$0	\$0	\$4,562	-\$25,895
2035	\$1,593,614	0%	-\$25,895	\$37,900	\$0	\$0	\$2,570	\$9,435
2036	\$1,716,819	1%	\$9,435	\$39,037	\$0	\$2	\$14,702	\$33,772
2037	\$1,833,565	2%	\$33,772	\$40,208	\$0	\$3	\$42,807	\$31,176
2038	\$1,927,278	2%	\$31,176	\$41,414	\$0	\$0	\$164,884	-\$92,293
2039	\$1,900,546	0%	-\$92,293	\$42,657	\$0	\$0	\$11,795	-\$61,431
2040	\$2,033,253	0%	-\$61,431	\$43,936	\$0	\$0	\$95,404	-\$112,899
2041	\$2,086,458	0%	-\$112,899	\$45,254	\$0	\$0	\$0	-\$67,645
2042	\$2,242,240	0%	-\$67,645	\$46,612	\$0	\$0	\$20,014	-\$41,046
2043	\$2,384,877	0%	-\$41,046	\$48,010	\$0	\$0	\$1,727,516	-\$1,720,551
2044	\$775,945	0%	-\$1,720,551	\$49,451	\$0	\$0	\$6,132	-\$1,677,232
2045	\$894,737	0%	-\$1,677,232	\$50,934	\$0	\$0	\$88,015	-\$1,714,312
2046	\$935,808	0%	-\$1,714,312	\$52,462	\$0	\$0	\$137,366	-\$1,799,216
2047	\$930,426	0%	-\$1,799,216	\$54,036	\$0	\$0	\$18,752	-\$1,763,932
2048	\$1,050,295	0%	-\$1,763,932	\$55,657	\$0	\$0	\$59,899	-\$1,768,174
2049	\$1,134,718	0%	-\$1,768,174	\$57,327	\$0	\$0	\$15,851	-\$1,726,698
2050	\$1,270,480	0%	-\$1,726,698	\$59,047	\$0	\$0	\$69,267	-\$1,736,918
2051	\$1,358,839	0%	-\$1,736,918	\$60,818	\$0	\$0	\$0	-\$1,676,100

**\$25,808**

2022  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.01 %**

ANNUAL  
INTEREST RATE



## METHODOLOGY

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An important aspect of living in a common area development such as a cooperative, condominium, or homeowner Association is the community's ownership and commitment to maintain its common areas.

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Association members have a vested interest in maintaining and preserving their investment. To meet these obligations, the Association should prudently prepare for the future and contribute funds into a reserve account. Periodic contributions provide the freedom to gradually accumulate funds for anticipated expenditures while limiting the need to raise large sums of money through alternative means, such as special assessments.

When implementing a policy to fund major repair or replacement, the Board must educate owners about the benefits of accumulating reserve funds in advance through periodic contributions. Benefits of a systematic accumulation of funds include:

- having assurance that funds for major repairs and replacements will be available when needed;
- development of an equitable method of charging both current and future owners for ongoing use of assets;
- preservation of the market value of individual units; and
- compliance with the governing documents, statutes, mortgages, and other similar requirements.

A reserve study recommends the preferable mode of funding through smaller monthly contributions rather than facing large, unanticipated special assessments. The reserve study provides an Association with access to information and materials that will assist them in making timely and informed decisions about their reserve fund and contributions.

A reserve study is the sum of two parts: the physical and financial analysis. The physical analysis is a result of the on-site collection and review of data specific to the property's reserve components, common areas, and limited common areas. Through an onsite inspection and the use of source materials, the Reserve Specialist quantifies and establishes the reserve component inventory and assesses the physical condition of the Association's reserve components. Data from the physical analysis is used to define the scope and timing of future anticipated expenses.

The financial analysis evaluates the condition of the Association's reserve fund in relation to its income and anticipated expenses. It appraises the adequacy of the reserve fund, and associated member contributions, against the current and future expenditures of the Association. To adequately forecast these expenditures over the 30-year projection period, current costs, projected inflation, and interest rates must be established. Recommendations are then provided to establish a reserve fund that addresses anticipated expenses, without having to resort to special assessments.

Due to the long-term nature of a reserve study, certain assumptions must be made. Every effort has been made to ensure that the recommendations are based upon reliable and experienced sources in the building industry. However, there can be no guarantee that events will occur at the predicted specific intervals, or that they will occur at all. Any reserve study must be viewed in the light of circumstances existing at the actual time of the study.



## PHYSICAL ANALYSIS

As part of this reserve study a comprehensive list of reserve components (major common and limited common elements) has been compiled. Estimates for the useful life, remaining life, plus current repair and replacement costs for each of these reserve components have been calculated. This list is not intended to be exhaustive. However, an inaccurate or incomplete list of components can have an adverse impact upon the Association's long-term funding plan.

### Site Inspection

A site inspection is conducted to assess the general condition of the property and its common areas. The on-site inspection is visual in nature, and no destructive or invasive testing is conducted. Observations are recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements are also substantiated as part of the inspection.

### Reserve Components

Determination of what constitutes a reserve component is dependent on a number of factors. A four-part test is generally used to distinguish a reserve item from an operational or maintenance expense. A component is included as a reserve item only if it satisfies ALL criteria outlined below:

- It is part of the Association's common and limited common area responsibilities.
- It has a predictable useful service life.
- Its useful life fits within the projection period. This means that components with a life of 30 years or more may not be included as part of the report if it is determined that they will last beyond the projection period.
- Its cost for repair or replacement is too high to include as part of the operating budget.

The components of common property that an Association includes in its reserve funding plan are also dependent on the type of project, the construction properties and the Association's applicable governing documents and state statutes.

### Component Useful Life

The useful life of a reserve component relates to the number of years it is expected to last, given reasonable care and maintenance. The prediction of reserve and building component life can be no more than an informed estimate based upon information made available at the time of the report's development. Consideration is given to vendor recommendations, material warranty information provided at the time of the report's development, along with other published sources. The data and service life estimates in this report are based on information gathered from various groups and industry sources as outlined below:

- Historical data and feedback from the Association;
- Management groups and maintenance managers;
- Manufacturer recommendations and industry standards;
- Published sources of service life data;
- Manufacturers' and suppliers' data.



## Component Remaining Useful Life

The remaining life of a reserve component refers to the number of years left before an item's expected repair or replacement. A component's remaining life is contingent upon the following factors:

- Age/years in service;
- Physical condition;
- Frequency and quality of inspections and maintenance;
- General use;
- Environment, impact of weather and building location;
- Installation methods that meets or exceed industry standards;
- Design and quality of materials used.

In addition to deterioration or anticipated failure of a component, the longevity may be impacted by obsolescence. The accuracy of the estimate is contingent upon reliable information made available at the time of the report's development. It is important to note that even with the highest degree of diligence and experience, outcomes will vary, and no guarantee can be given as to the timing or service life of the reserve components. All service life assessments in this report are based on the assumption that installation is carried out in accordance with manufacturer's recommendations and installation instructions, together with industry standards of workmanship.

## FINANCIAL ANALYSIS

An Association, like any business entity, must prepare financially for the replacement and repair of its assets. Reserve study funding analysis is an important part of the annual budget process. Reserve funding should be reviewed at least once annually to help determine the annual assessment to be charged to members. The following elements are used in the financial analysis.

### Recommended Funding Rate

We advocate a program of regular reserve fund contributions and promote a gradual means of reserving for future repair and replacement expenses. Recommended contributions are set at a level where they require only minor annual increases. The rate is designed to distribute the anticipated cost of common property ownership equitably between all members over the entire projection period.

### Fully Funded Balance

The Fully Funded balance is equal to the total depreciable cost of all the Association's reserve components. It is determined by dividing each reserve component's cost by its useful life, and multiplying that by the number of years the component has been in service (effectively its age). In essence, the depreciated or 'used up' value of a component is utilized to establish an amount that the Association should have saved by a particular time. The recommendations in this report are based upon a Full Funding plan, which sets the goal of achieving one hundred percent fully funded reserves by the end of the 30-year projection period. We advocate full funding as we feel that this approach provides a solid platform to address future needs, thus dramatically reducing the need for special assessment.





## Percent Funded

An Association's reserve fund status is assessed by comparing the ratio of actual or projected funds available versus how much they 'should have saved'. The result is presented as a percentage and is commonly known as "percent funded". In other words, percent funded is calculated by dividing the Association's current reserve fund balance by the fully funded balance. This equation is an industry measure of how well prepared an Association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the Association's reserve account in relation to the anticipated costs of repair and replacement.

## Reserve Component Cost

Current cost estimates for reserve components are derived from a variety of sources but typically are based on cost data sourced from national construction estimators (R.S. Means) and vendor pricing acquired from regional contractors and suppliers. All cost estimates formulated from national estimators are based upon the latest specific geographical information for the area. Future cost estimates are determined by applying the assumed annual inflation rate to the current cost of each component.

Individual cost estimates are for budgeting purposes only. Actual construction costs can vary significantly due to economies of scale, material availability, labor, seasonal considerations, and other factors beyond our control. We recommend that project costs be substantiated well in advance of the anticipated date of repair and replacement. A detailed evaluation by a qualified professional should also be undertaken to establish the scope and budget of each project.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.

## Inflation Rate

The effect of inflation on the cost of reserve components is a key factor in the financial projections. Historically, the cost of construction materials and labor rise at a higher rate than that experienced by the general economy. RSG has chosen to use an inflationary multiplier that is somewhat higher than the current general consumer index for inflation. The rate used is based upon the historical average of inflation over the last 30 years. This rate reflects a realistic appreciation of future costs for reserve components and assists the Association in adequately budgeting for increasing cost.

## Interest Rate

The interest rate used in this report is formulated on a conservative rate of return. Unless otherwise advised by the Association, an assumed net interest rate of 1.00% is used. RSG offers no guarantee or opinion in relation to investment decisions made by the Association or the rate of return achieved.

## Current Reserve Fund Balance

The analysis, recommendations, and financial projections made within this report are heavily reliant on information provided by the Association and its representatives. The starting reserve fund balance (current or projected) and member contribution totals are supplied by these sources. This information has not been audited nor have the financial projections or recommendations.



# FINANCIAL ANALYSIS

This section of the report is intended to provide the association with the awareness to adequately plan for the ongoing major maintenance, repair and replacement of their common property components. The recommendations included within this report represent one scenario, and are not intended to represent the only means of achieving the association’s goals. We recommend that the Board of Directors use the following information as a guide in planning for their future objectives.

## Percent Funded

The Percent Funded equation is the industry measure of how well prepared an association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the association’s reserve account in relation to its anticipated costs of repair and replacement. The higher the funded level, the less exposed an association is to market conditions, unanticipated expenses or events, and fluctuations in the general economy.

PERCENT  
FUNDED  
**24%**



RESERVE FUND  
BALANCE  
**\$248,791**

IDEAL  
BALANCE  
**\$1,029,176**

An Association at or below a funding level of 30% has an increased risk of requiring special assessments to meet their ongoing obligations, as compared to Associations with higher funding levels. A level of funding at and above 60% is categorized as good or well funded. We recommend that associations look to achieve and maintain funding levels at and above 60%, with a preference to being 100% funded.

## Funding Goals

There is a range of funding alternatives available to the association. In our opinion the strategy chosen should not only meet the immediate needs and risk tolerance of current members, but also the longer term needs of the association.

The association needs to establish a reserve contribution rate which, at a minimum, meets their anticipated financial needs without having to resort to special assessment or deferred maintenance. In addition, the funding goal needs to be prudent enough to meet the expectations of current members while not unfairly burdening future owners.



### **FULL FUNDING**

Establishes a goal of achieving one hundred percent fully funded reserves by the end of the projection period.

### **THRESHOLD FUNDING**

Sets out to keep the cash reserves above a specified dollar or percent funded amount for the duration of the projection period.

### **BASELINE FUNDING**

Establishes a goal of maintaining a reserve account balance above zero dollars throughout the study period.

The minimum funding goal needed to meet planned expenditure is Baseline Funding. Baseline Funding maintains the reserve account at or above zero dollars, but leaves the association with no contingency to address unanticipated outcomes. Threshold funding is a strategy designed to provide for this contingency by keeping cash reserves above a specific dollar amount or percent funded level.

The reserve fund plan highlighted in this report is based upon the Full Funding program of reserve contributions. The Full Funding plan highlights an ideal level of contributions which will enable an association to be 100% funded by the end of the projection period. As stated previously, we recommend that the association implement a program that moves them toward and maintains a funding level of 60-100%.



## RESERVE COMPONENT LIST

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost	Current Cost
Building Exterior - Roof, Asphalt Shingle	30	1	480	Squares	\$475.00	\$228,000
Building Exterior - Roof, Asphalt Shingle, Bldg 2	30	28	57	Squares	\$475.00	\$27,075
Building Exterior - Roof, Gutters & Downspouts	30	1	5400	LF	\$8.50	\$45,900
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	8	0	36	Each	\$1,175.00	\$10,575
Building Exterior - Siding, Vinyl	50	21	50500	SF	\$13.00	\$656,500
Building Exterior - Clean & Paint Trim	8	0	1	Lump Sum	\$57,000.00	\$57,000
Building Exterior - Windows & SGDs	50	21	216	Each	\$1,250.00	\$270,000
Building Exterior - Doors, Entry [25% Replace]	10	6	36	Each	\$1,600.00	\$14,400
Building Exterior - Doors, Garage [25% Replace]	10	6	36	Each	\$1,250.00	\$11,250
Building Exterior - Wood Deck	20	15	240	SF	\$33.00	\$7,920
Electrical - Light Fixtures, Exterior	20	14	72	Each	\$135.00	\$9,720
Electrical - Light Fixtures, Posts	20	3	36	Each	\$490.00	\$17,640
Electrical - Security, Entry Gates Access	15	0	1	Lump Sum	\$10,600.00	\$10,600
General Site - Asphalt, Repair & Overlay	30	8	25300	SF	\$2.25	\$56,925
General Site - Asphalt, Repair & Striping	5	0	25300	SF	\$0.27	\$6,831
General Site - Concrete, Flatwork [2% Limited]	10	7	19200	SF	\$10.25	\$3,936
General Site - Drainage, Catch Basin [Clean]	5	2	1	Allowance	\$3,200.00	\$3,200
General Site - Landscape, Tree Felling & Removal	5	1	1	Lump Sum	\$2,125.00	\$2,125
General Site - Fence, Chain Link	30	18	1560	LF	\$27.75	\$43,290
General Site - Fence, Vinyl Panel	30	18	200	LF	\$63.75	\$12,750
General Site - Fence, Wood	20	3	475	LF	\$56.75	\$26,956
General Site - Fence, Metal Pedestrian Gate	25	13	2	Each	\$875.00	\$1,750
General Site - Entry Gates, Paint	10	0	1	Lump Sum	\$2,125.00	\$2,125
General Site - Entry Gates, Operators	15	1	2	Each	\$3,700.00	\$7,400
General Site - Entry Signage	20	8	1	Lump Sum	\$3,200.00	\$3,200
General Site - Entry Columns & Planters, Masonry	5	0	1	Allowance	\$2,125.00	\$2,125
General Site - Mailboxes	25	8	3	Each	\$2,100.00	\$6,300
<b>TOTALS</b>						<b>\$1,545,493</b>

Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study [building foundations, utility piping, structural, plumbing & electrical elements] in conjunction with elements that are or can be managed as part of the Association's operating budget.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.





## FULLY FUNDED BALANCE

Component	Current Cost	Current Fully Funded Balance	Annual Cost	% Annual Cost
Building Exterior - Roof, Asphalt Shingle	\$228,000	\$220,400	\$7,600	14.73%
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$27,075	\$1,805	\$903	1.75%
Building Exterior - Roof, Gutters & Downspouts	\$45,900	\$44,370	\$1,530	2.97%
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$10,575	\$10,575	\$1,322	2.56%
Building Exterior - Siding, Vinyl	\$656,500	\$380,770	\$13,130	25.45%
Building Exterior - Clean & Paint Trim	\$57,000	\$57,000	\$7,125	13.81%
Building Exterior - Windows & SGDs	\$270,000	\$156,600	\$5,400	10.47%
Building Exterior - Doors, Entry [25% Replace]	\$14,400	\$5,760	\$1,440	2.79%
Building Exterior - Doors, Garage [25% Replace]	\$11,250	\$4,500	\$1,125	2.18%
Building Exterior - Wood Deck	\$7,920	\$1,980	\$396	0.77%
Electrical - Light Fixtures, Exterior	\$9,720	\$2,916	\$486	0.94%
Electrical - Light Fixtures, Posts	\$17,640	\$14,994	\$882	1.71%
Electrical - Security, Entry Gates Access	\$10,600	\$10,600	\$707	1.37%
General Site - Asphalt, Repair & Overlay	\$56,925	\$41,745	\$1,898	3.68%
General Site - Asphalt, Repair & Striping	\$6,831	\$6,831	\$1,366	2.65%
General Site - Concrete, Flatwork [2% Limited]	\$3,936	\$1,181	\$394	0.76%
General Site - Drainage, Catch Basin [Clean]	\$3,200	\$1,920	\$640	1.24%
General Site - Landscape, Tree Felling & Removal	\$2,125	\$1,700	\$425	0.82%
General Site - Fence, Chain Link	\$43,290	\$17,316	\$1,443	2.80%
General Site - Fence, Vinyl Panel	\$12,750	\$5,100	\$425	0.82%
General Site - Fence, Wood	\$26,956	\$22,913	\$1,348	2.61%
General Site - Fence, Metal Pedestrian Gate	\$1,750	\$840	\$70	0.14%
General Site - Entry Gates, Paint	\$2,125	\$2,125	\$213	0.41%
General Site - Entry Gates, Operators	\$7,400	\$6,907	\$493	0.96%
General Site - Entry Signage	\$3,200	\$1,920	\$160	0.31%
General Site - Entry Columns & Planters, Masonry	\$2,125	\$2,125	\$425	0.82%
General Site - Mailboxes	\$6,300	\$4,284	\$252	0.49%
<b>TOTALS</b>	<b>\$1,545,493</b>	<b>\$1,029,176</b>	<b>\$51,596</b>	<b>100%</b>



## RESERVE EXPENSES 1-5 YEARS

Component	2022	2023	2024	2025	2026
Building Exterior - Roof, Asphalt Shingle	\$0	\$234,840	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$47,277	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$10,575	\$0	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$57,000	\$0	\$0	\$0	\$0
Building Exterior - Windows & SGD's	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Wood Deck	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$19,276	\$0
Electrical - Security, Entry Gates Access	\$10,600	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Striping	\$6,831	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$0	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$3,395	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$2,189	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$29,456	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Paint	\$2,125	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$7,622	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$0	\$0
General Site - Entry Columns & Planters, Masonry	\$2,125	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$89,256	\$291,928	\$3,395	\$48,732	\$0



## RESERVE EXPENSES 6-10 YEARS

Component	2027	2028	2029	2030	2031
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$0	\$0	\$0	\$13,396	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$0	\$0	\$0	\$72,206	\$0
Building Exterior - Windows & SGD's	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$17,194	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$13,433	\$0	\$0	\$0
Building Exterior - Wood Deck	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$0	\$0
Electrical - Security, Entry Gates Access	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$72,111	\$0
General Site - Asphalt, Repair & Striping	\$7,919	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$4,841	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$3,936	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$2,537	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Paint	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$0	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$4,054	\$0
General Site - Entry Columns & Planters, Masonry	\$2,463	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$7,981	\$0
Annual Expenditure	\$10,382	\$33,165	\$8,776	\$169,747	\$0



## RESERVE EXPENSES 11-15 YEARS

Component	2032	2033	2034	2035	2036
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$0	\$0	\$0	\$0	\$0
Building Exterior - Windows & SGD's	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Wood Deck	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$14,702
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$0	\$0
Electrical - Security, Entry Gates Access	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Striping	\$9,180	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$0	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$4,562	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$2,941	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$2,570	\$0
General Site - Entry Gates, Paint	\$2,856	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$0	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$0	\$0
General Site - Entry Columns & Planters, Masonry	\$2,856	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$14,892	\$2,941	\$4,562	\$2,570	\$14,702





## RESERVE EXPENSES 16-20 YEARS

Component	2037	2038	2039	2040	2041
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$0	\$16,970	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$0	\$91,468	\$0	\$0	\$0
Building Exterior - Windows & SGD's	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$23,108	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$18,053	\$0	\$0	\$0
Building Exterior - Wood Deck	\$12,339	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$0	\$0
Electrical - Security, Entry Gates Access	\$16,514	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Striping	\$10,642	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$6,506	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$5,289	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$3,410	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$73,698	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$21,706	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Paint	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$11,875	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$0	\$0
General Site - Entry Columns & Planters, Masonry	\$3,311	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$42,807	\$164,884	\$11,795	\$95,404	\$0



## RESERVE EXPENSES 21-25 YEARS

Component	2042	2043	2044	2045	2046
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$0	\$0	\$0	\$0	\$21,497
Building Exterior - Siding, Vinyl	\$0	\$1,221,283	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$0	\$0	\$0	\$0	\$115,869
Building Exterior - Windows & SGDs	\$0	\$502,280	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Wood Deck	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$34,814	\$0
Electrical - Security, Entry Gates Access	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Striping	\$12,338	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$0	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$6,132	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$3,953	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$53,200	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Paint	\$3,838	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$0	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$0	\$0
General Site - Entry Columns & Planters, Masonry	\$3,838	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$20,014	\$1,727,516	\$6,132	\$88,015	\$137,366



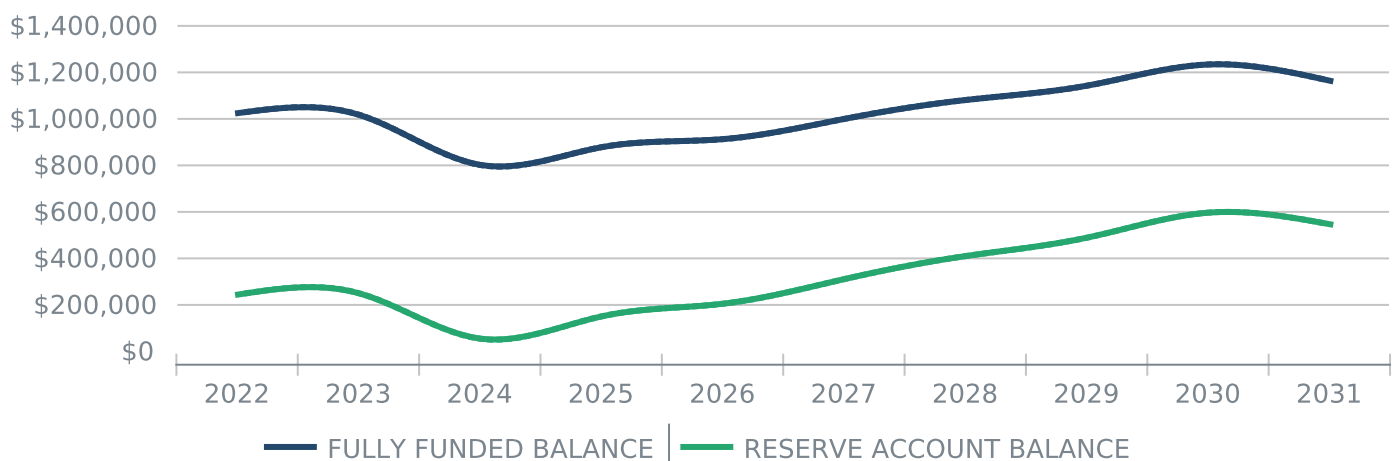
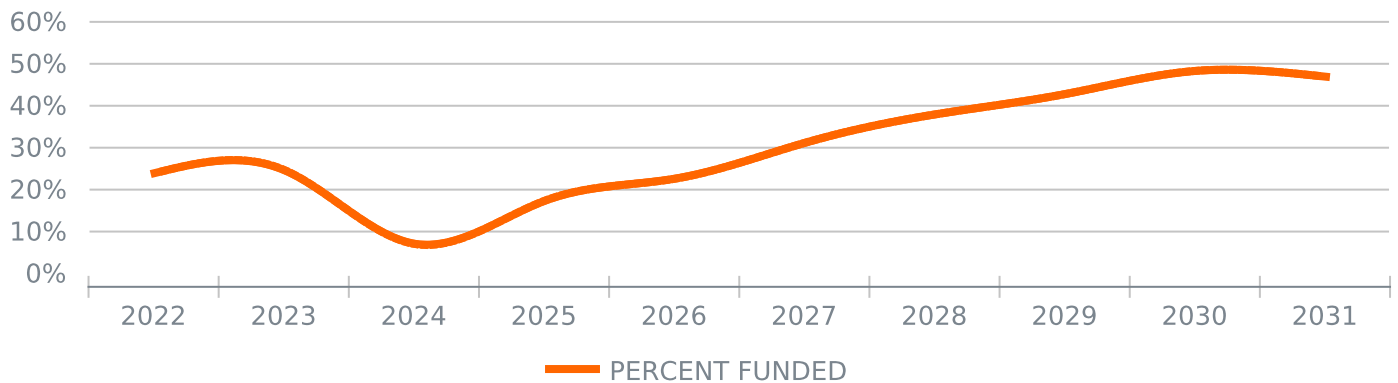
## RESERVE EXPENSES 26-30 YEARS

Component	2047	2048	2049	2050	2051
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Bldg 2	\$0	\$0	\$0	\$61,946	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Chases & Flue Caps [25% Replace]	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Vinyl	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean & Paint Trim	\$0	\$0	\$0	\$0	\$0
Building Exterior - Windows & SGD's	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Entry [25% Replace]	\$0	\$31,055	\$0	\$0	\$0
Building Exterior - Doors, Garage [25% Replace]	\$0	\$24,262	\$0	\$0	\$0
Building Exterior - Wood Deck	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Exterior	\$0	\$0	\$0	\$0	\$0
Electrical - Light Fixtures, Posts	\$0	\$0	\$0	\$0	\$0
Electrical - Security, Entry Gates Access	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Striping	\$14,303	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork [2% Limited]	\$0	\$0	\$8,743	\$0	\$0
General Site - Drainage, Catch Basin [Clean]	\$0	\$0	\$7,108	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$4,583	\$0	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Vinyl Panel	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Pedestrian Gate	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Paint	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gates, Operators	\$0	\$0	\$0	\$0	\$0
General Site - Entry Signage	\$0	\$0	\$0	\$7,321	\$0
General Site - Entry Columns & Planters, Masonry	\$4,449	\$0	\$0	\$0	\$0
General Site - Mailboxes	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$18,752	\$59,899	\$15,851	\$69,267	\$0



## FULL FUNDING PLAN 1-10 YEARS

YEAR 1-10	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Fully Funded Balance	\$1,029,176	\$1,021,262	\$805,952	\$883,014	\$917,383	\$1,004,718	\$1,085,774	\$1,147,644	\$1,238,394	\$1,168,028
Percentage Funded (%)	24%	25%	7%	18%	23%	31%	38%	43%	49%	47%
Beginning Balance	\$248,791	\$253,776	\$58,906	\$155,475	\$209,713	\$315,780	\$414,656	\$494,035	\$601,187	\$550,846
Reserve Contribution	\$94,216	\$97,042	\$99,953	\$102,952	\$106,040	\$109,222	\$112,498	\$115,873	\$119,349	\$122,930
Avg Unit Contribution (mth)	\$218.09	\$224.63	\$231.37	\$238.31	\$245.46	\$252.83	\$260.41	\$268.23	\$276.27	\$284.56
Contribution Increase (%)	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$25	\$16	\$11	\$18	\$26	\$37	\$45	\$55	\$58	\$61
Reserve Expenditures	\$89,256	\$291,928	\$3,395	\$48,732	\$0	\$10,382	\$33,165	\$8,776	\$169,747	\$0
ENDING BALANCE	\$253,776	\$58,906	\$155,475	\$209,713	\$315,780	\$414,656	\$494,035	\$601,187	\$550,846	\$673,838

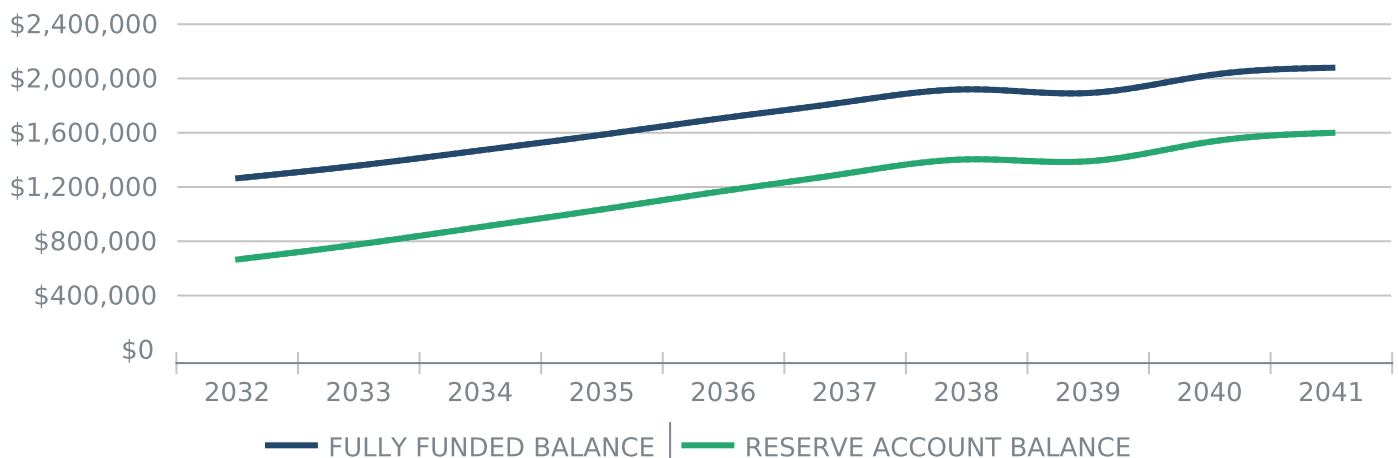
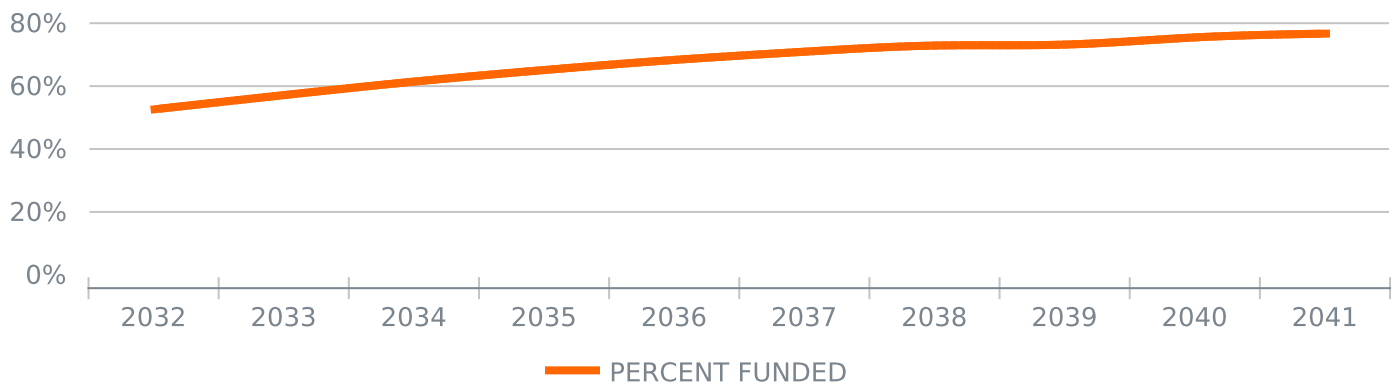






# FULL FUNDING PLAN 11-20 YEARS

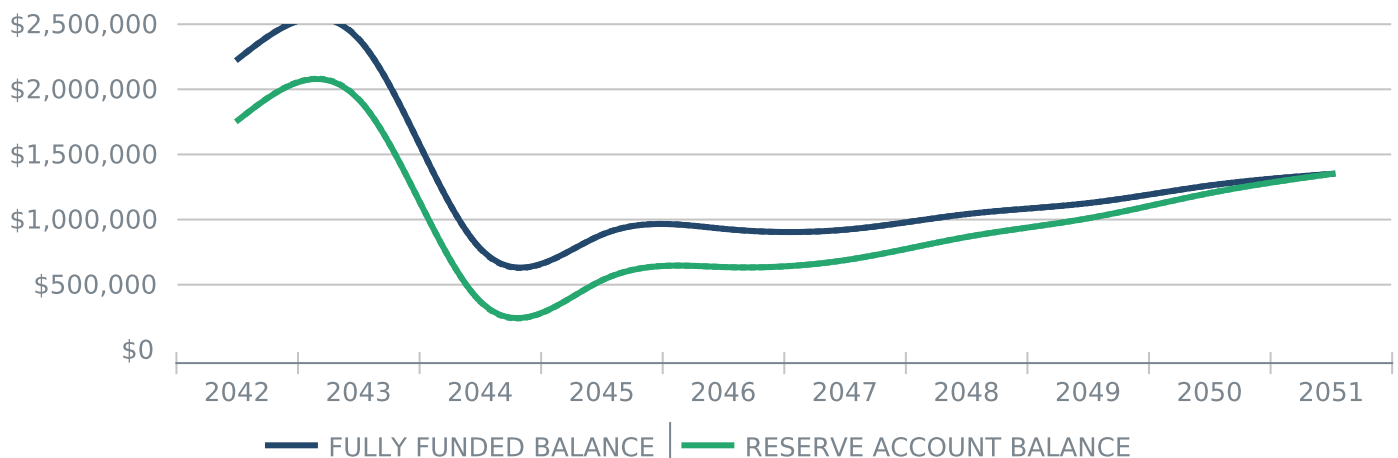
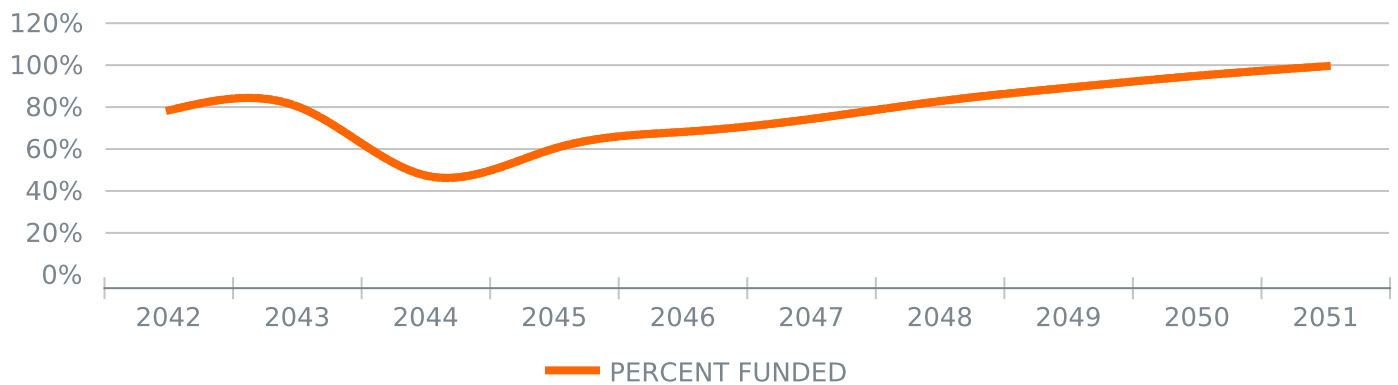
YEAR 11-20	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Fully Funded Balance	\$1,272,409	\$1,366,664	\$1,478,197	\$1,593,614	\$1,716,819	\$1,833,565	\$1,927,278	\$1,900,546	\$2,033,253	\$2,086,458
Percentage Funded (%)	53%	57%	62%	65%	69%	71%	73%	74%	76%	77%
Beginning Balance	\$673,838	\$785,637	\$913,196	\$1,043,061	\$1,178,961	\$1,306,892	\$1,411,006	\$1,397,451	\$1,541,528	\$1,606,676
Reserve Contribution	\$126,618	\$130,416	\$134,329	\$138,359	\$142,510	\$146,785	\$151,188	\$155,724	\$160,396	\$165,208
Avg Unit Contribution (mth)	\$293.10	\$301.89	\$310.95	\$320.27	\$329.88	\$339.78	\$349.97	\$360.47	\$371.29	\$382.43
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$73	\$85	\$98	\$111	\$124	\$136	\$140	\$147	\$157	\$169
Reserve Expenditures	\$14,892	\$2,941	\$4,562	\$2,570	\$14,702	\$42,807	\$164,884	\$11,795	\$95,404	\$0
ENDING BALANCE	\$785,637	\$913,196	\$1,043,061	\$1,178,961	\$1,306,892	\$1,411,006	\$1,397,451	\$1,541,528	\$1,606,676	\$1,772,053





## FULL FUNDING PLAN 21-30 YEARS

YEAR 21-30	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Fully Funded Balance	\$2,242,240	\$2,384,877	\$775,945	\$894,737	\$935,808	\$930,426	\$1,050,295	\$1,134,718	\$1,270,480	\$1,358,839
Percentage Funded (%)	79%	81%	48%	61%	69%	75%	83%	90%	95%	100%
Beginning Balance	\$1,772,053	\$1,922,388	\$370,255	\$544,696	\$642,684	\$696,905	\$875,499	\$1,018,879	\$1,212,419	\$1,358,839
Reserve Contribution	\$170,164	\$175,269	\$180,527	\$185,943	\$191,521	\$197,267	\$203,185	\$209,280	\$215,558	\$222,025
Avg Unit Contribution (mth)	\$393.90	\$405.71	\$417.89	\$430.42	\$443.34	\$456.64	\$470.33	\$484.44	\$498.98	\$513.95
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$185	\$115	\$46	\$59	\$67	\$79	\$95	\$112	\$129	\$147
Reserve Expenditures	\$20,014	\$1,727,516	\$6,132	\$88,015	\$137,366	\$18,752	\$59,899	\$15,851	\$69,267	\$0
ENDING BALANCE	\$1,922,388	\$370,255	\$544,696	\$642,684	\$696,905	\$875,499	\$1,018,879	\$1,212,419	\$1,358,839	\$1,581,011





## DISCLOSURES

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Reserve Study Group, LLC (RSG) cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. RSG shall not be responsible for accurate determination of remaining life expectancies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

RSG nor any of its representatives, agents or employees maintain management roles or vested interest in, or have other business relationships with the Association. There is no perceived or actual conflicts of interest between RSG and the Association. Our reserve studies are prepared by a reserve study professional and also comply with the requirements of the Washington Unified Common Interest Act (WUCIOA).

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.



## GLOSSARY OF TERMS

### *Component*

The individual line items in the Reserve Study which are included in the Physical Analysis. These elements form the building blocks for the Reserve Study.

### *Estimated Useful Life*

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.

### *Fully Funded*

When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

### *Fully Funded Balance (FFB)*

The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an Association total.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

### *Percent Funded*

The ratio, at a particular point of time, of the actual Reserve Balance to the Fully Funded Balance (FFB), expressed as a percentage.

### *Remaining Useful Life*

The estimated time, in years, that a Reserve Component can be expected to continue to service its intended function. Projects anticipated to occur in the initial year have a “zero” Remaining Life.

### *Unit Cost Estimate*

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 the current year.

### *Unit of Measure*

Various units of measure have been used to quantify the amounts and costs in relation to each reserve component. Below are the key units used as part of this report.

SF = Square Foot

SY = Square Yard

LF = Linear Foot

SQUARE = 100 Square Feet (Roofing)

