



RSG



2022
RESERVE STUDY
LAKE JANE ESTATES

Bonney Lake, WA 98391

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

Level 3 Update without Site Visit

09/27/21



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	Lake Jane Estates
LOCATION	Bonney Lake, WASHINGTON 98391
YEAR CONSTRUCTED	1959
NUMBER OF UNITS	444
FINANCIAL YEAR	2022 (January 1, 2022 - December 31, 2022)
REPORT LEVEL	Level 3 Update without Site Visit

RESERVE FUND

PROJECT STARTING BALANCE ¹	\$86,187
FULLY FUNDED BALANCE, IDEAL	\$223,885
CURRENT PER UNIT DEFICIENCY/(SURPLUS) IN RESERVES	\$310
PERCENT FUNDED ²	38 %
INTEREST EARNED	0.01 %
INFLATION RATE ³	3.00 %

RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$25,000
FULL FUNDING, MAXIMUM CONTRIBUTION	\$44,655
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$34,625
SPECIAL ASSESSMENT	\$0

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

² 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). Used to highlight the strength of the Association's reserve fund.

³ 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).



KEY INSIGHTS

\$86,187

RESERVE ACCOUNT
BALANCE

\$25,000

ANNUAL
RESERVE CONTRIBUTION

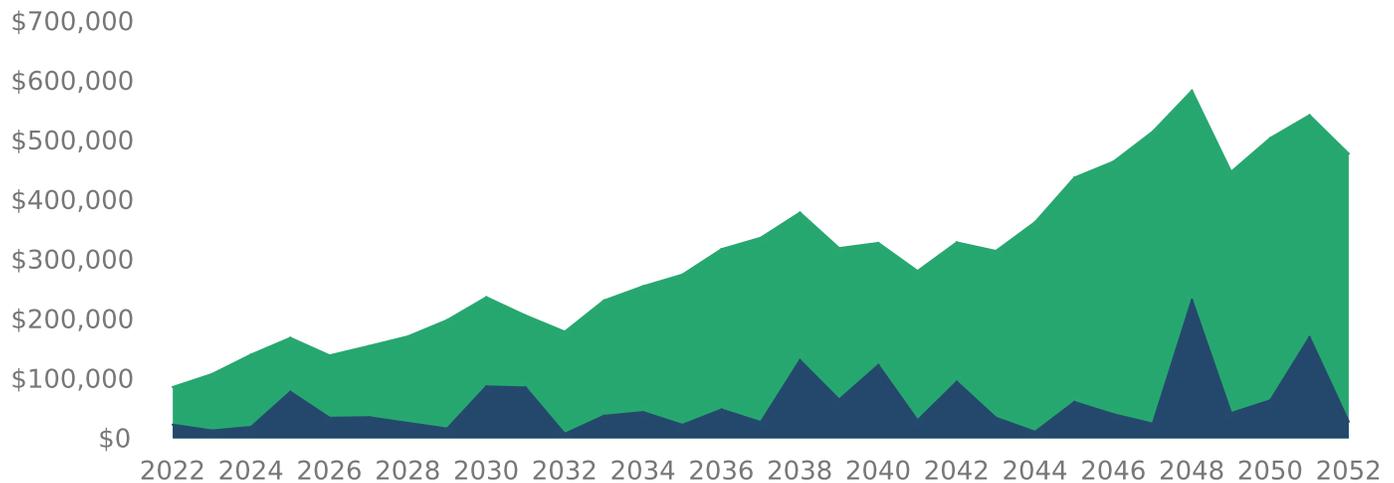
\$1,733,800

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
\$1,733,800



STARTING BALANCE

\$86,187

ENDING BALANCE

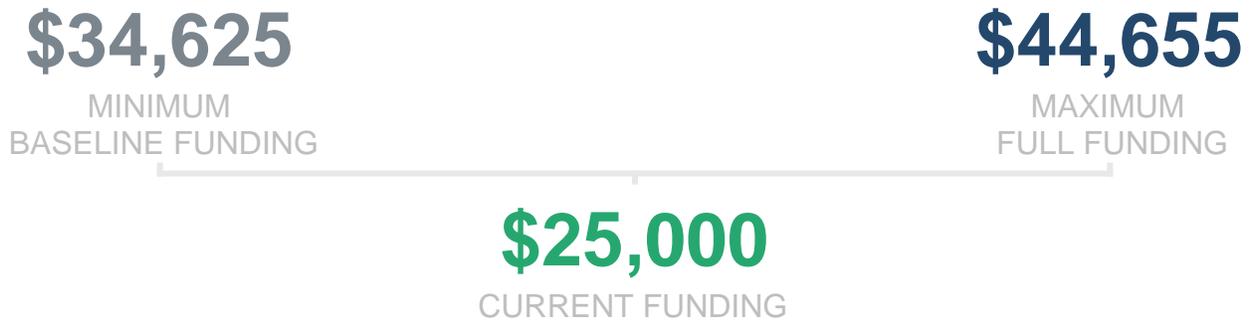
\$477,767

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.



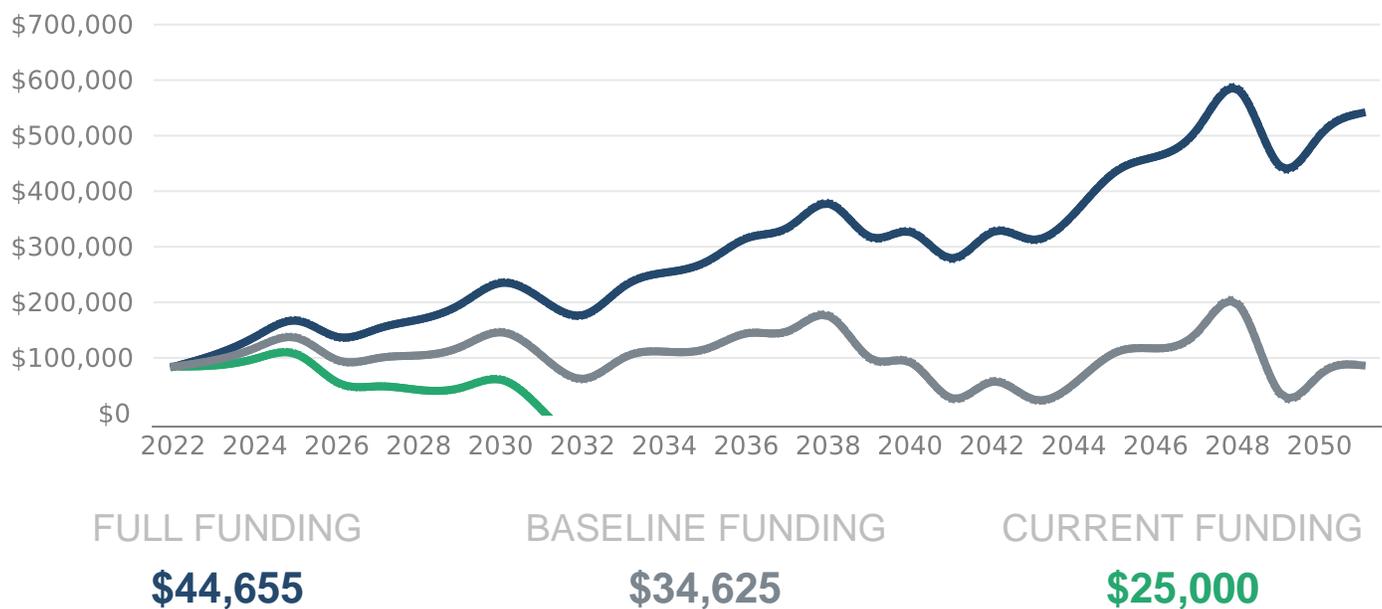
CONTRIBUTION RANGE

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	\$223,885	38%	\$86,187	\$44,655	\$0	\$10	\$22,950	\$107,901
2023	\$242,402	45%	\$107,901	\$45,994	\$0	\$12	\$13,261	\$140,647
2024	\$272,518	52%	\$140,647	\$47,374	\$0	\$15	\$19,308	\$168,728
2025	\$298,403	57%	\$168,728	\$48,795	\$0	\$15	\$78,241	\$139,298
2026	\$265,492	52%	\$139,298	\$50,259	\$0	\$15	\$34,609	\$154,962
2027	\$277,697	56%	\$154,962	\$51,767	\$0	\$16	\$35,561	\$171,185
2028	\$290,484	59%	\$171,185	\$53,320	\$0	\$18	\$26,000	\$198,523
2029	\$314,734	63%	\$198,523	\$54,919	\$0	\$22	\$16,511	\$236,953
2030	\$350,755	68%	\$236,953	\$56,567	\$0	\$22	\$87,223	\$206,319
2031	\$316,331	65%	\$206,319	\$58,264	\$0	\$19	\$85,430	\$179,172
2032	\$284,068	63%	\$179,172	\$60,012	\$0	\$21	\$7,795	\$231,410
2033	\$332,189	70%	\$231,410	\$61,812	\$0	\$24	\$37,893	\$255,353
2034	\$352,180	73%	\$255,353	\$63,667	\$0	\$27	\$44,199	\$274,848
2035	\$367,749	75%	\$274,848	\$65,577	\$0	\$30	\$22,801	\$317,653
2036	\$407,340	78%	\$317,653	\$67,544	\$0	\$33	\$48,441	\$336,789
2037	\$423,271	80%	\$336,789	\$69,570	\$0	\$36	\$27,381	\$379,014
2038	\$462,980	82%	\$379,014	\$71,657	\$0	\$35	\$131,341	\$319,365
2039	\$398,457	80%	\$319,365	\$73,807	\$0	\$32	\$65,164	\$328,041
2040	\$401,868	82%	\$328,041	\$76,021	\$0	\$30	\$123,116	\$280,978
2041	\$347,447	81%	\$280,978	\$78,302	\$0	\$30	\$30,379	\$328,931
2042	\$388,723	85%	\$328,931	\$80,651	\$0	\$32	\$95,001	\$314,612
2043	\$366,540	86%	\$314,612	\$83,071	\$0	\$34	\$34,648	\$363,069
2044	\$407,776	89%	\$363,069	\$85,563	\$0	\$40	\$11,113	\$437,558
2045	\$476,468	92%	\$437,558	\$88,130	\$0	\$45	\$61,134	\$464,599
2046	\$497,735	93%	\$464,599	\$90,774	\$0	\$49	\$40,554	\$514,867
2047	\$542,937	95%	\$514,867	\$93,497	\$0	\$55	\$24,759	\$583,660
2048	\$607,925	96%	\$583,660	\$96,302	\$0	\$52	\$232,534	\$447,479
2049	\$463,080	97%	\$447,479	\$99,191	\$0	\$48	\$42,593	\$504,124
2050	\$511,822	98%	\$504,124	\$102,166	\$0	\$52	\$63,890	\$542,452
2051	\$542,452	100%	\$542,452	\$105,231	\$0	\$51	\$169,967	\$477,767

\$44,655

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	\$223,885	38%	\$86,187	\$34,625	\$0	\$9	\$22,950	\$97,871
2023	\$242,402	40%	\$97,871	\$35,664	\$0	\$11	\$13,261	\$120,285
2024	\$272,518	44%	\$120,285	\$36,734	\$0	\$13	\$19,308	\$137,723
2025	\$298,403	46%	\$137,723	\$37,836	\$0	\$12	\$78,241	\$97,330
2026	\$265,492	37%	\$97,330	\$38,971	\$0	\$10	\$34,609	\$101,702
2027	\$277,697	37%	\$101,702	\$40,140	\$0	\$10	\$35,561	\$106,291
2028	\$290,484	37%	\$106,291	\$41,344	\$0	\$11	\$26,000	\$121,646
2029	\$314,734	39%	\$121,646	\$42,585	\$0	\$13	\$16,511	\$147,733
2030	\$350,755	42%	\$147,733	\$43,862	\$0	\$13	\$87,223	\$104,384
2031	\$316,331	33%	\$104,384	\$45,178	\$0	\$8	\$85,430	\$64,141
2032	\$284,068	23%	\$64,141	\$46,533	\$0	\$8	\$7,795	\$102,888
2033	\$332,189	31%	\$102,888	\$47,929	\$0	\$11	\$37,893	\$112,934
2034	\$352,180	32%	\$112,934	\$49,367	\$0	\$12	\$44,199	\$118,114
2035	\$367,749	32%	\$118,114	\$50,848	\$0	\$13	\$22,801	\$146,175
2036	\$407,340	36%	\$146,175	\$52,374	\$0	\$15	\$48,441	\$150,123
2037	\$423,271	35%	\$150,123	\$53,945	\$0	\$16	\$27,381	\$176,703
2038	\$462,980	38%	\$176,703	\$55,563	\$0	\$14	\$131,341	\$100,938
2039	\$398,457	25%	\$100,938	\$57,230	\$0	\$10	\$65,164	\$93,015
2040	\$401,868	23%	\$93,015	\$58,947	\$0	\$6	\$123,116	\$28,852
2041	\$347,447	8%	\$28,852	\$60,715	\$0	\$4	\$30,379	\$59,192
2042	\$388,723	15%	\$59,192	\$62,537	\$0	\$4	\$95,001	\$26,732
2043	\$366,540	7%	\$26,732	\$64,413	\$0	\$4	\$34,648	\$56,501
2044	\$407,776	14%	\$56,501	\$66,345	\$0	\$8	\$11,113	\$111,741
2045	\$476,468	23%	\$111,741	\$68,336	\$0	\$12	\$61,134	\$118,954
2046	\$497,735	24%	\$118,954	\$70,386	\$0	\$13	\$40,554	\$148,799
2047	\$542,937	27%	\$148,799	\$72,497	\$0	\$17	\$24,759	\$196,555
2048	\$607,925	32%	\$196,555	\$74,672	\$0	\$12	\$232,534	\$38,704
2049	\$463,080	8%	\$38,704	\$76,912	\$0	\$6	\$42,593	\$73,029
2050	\$511,822	14%	\$73,029	\$79,220	\$0	\$8	\$63,890	\$88,367
2051	\$542,452	16%	\$88,367	\$81,596	\$0	\$4	\$169,967	\$0

\$34,625

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	\$223,885	38%	\$86,187	\$25,000	\$0	\$9	\$22,950	\$88,246
2023	\$242,402	36%	\$88,246	\$25,750	\$0	\$9	\$13,261	\$100,744
2024	\$272,518	37%	\$100,744	\$26,523	\$0	\$10	\$19,308	\$107,968
2025	\$298,403	36%	\$107,968	\$27,318	\$0	\$8	\$78,241	\$57,054
2026	\$265,492	21%	\$57,054	\$28,138	\$0	\$5	\$34,609	\$50,588
2027	\$277,697	18%	\$50,588	\$28,982	\$0	\$5	\$35,561	\$44,014
2028	\$290,484	15%	\$44,014	\$29,851	\$0	\$5	\$26,000	\$47,869
2029	\$314,734	15%	\$47,869	\$30,747	\$0	\$5	\$16,511	\$62,111
2030	\$350,755	18%	\$62,111	\$31,669	\$0	\$3	\$87,223	\$6,560
2031	\$316,331	2%	\$6,560	\$32,619	\$0	\$0	\$85,430	-\$46,251
2032	\$284,068	0%	-\$46,251	\$33,598	\$0	\$0	\$7,795	-\$20,448
2033	\$332,189	0%	-\$20,448	\$34,606	\$0	\$0	\$37,893	-\$23,735
2034	\$352,180	0%	-\$23,735	\$35,644	\$0	\$0	\$44,199	-\$32,290
2035	\$367,749	0%	-\$32,290	\$36,713	\$0	\$0	\$22,801	-\$18,377
2036	\$407,340	0%	-\$18,377	\$37,815	\$0	\$0	\$48,441	-\$29,003
2037	\$423,271	0%	-\$29,003	\$38,949	\$0	\$0	\$27,381	-\$17,435
2038	\$462,980	0%	-\$17,435	\$40,118	\$0	\$0	\$131,341	-\$108,659
2039	\$398,457	0%	-\$108,659	\$41,321	\$0	\$0	\$65,164	-\$132,501
2040	\$401,868	0%	-\$132,501	\$42,561	\$0	\$0	\$123,116	-\$213,056
2041	\$347,447	0%	-\$213,056	\$43,838	\$0	\$0	\$30,379	-\$199,598
2042	\$388,723	0%	-\$199,598	\$45,153	\$0	\$0	\$95,001	-\$249,447
2043	\$366,540	0%	-\$249,447	\$46,507	\$0	\$0	\$34,648	-\$237,587
2044	\$407,776	0%	-\$237,587	\$47,903	\$0	\$0	\$11,113	-\$200,798
2045	\$476,468	0%	-\$200,798	\$49,340	\$0	\$0	\$61,134	-\$212,593
2046	\$497,735	0%	-\$212,593	\$50,820	\$0	\$0	\$40,554	-\$202,327
2047	\$542,937	0%	-\$202,327	\$52,344	\$0	\$0	\$24,759	-\$174,742
2048	\$607,925	0%	-\$174,742	\$53,915	\$0	\$0	\$232,534	-\$353,361
2049	\$463,080	0%	-\$353,361	\$55,532	\$0	\$0	\$42,593	-\$340,422
2050	\$511,822	0%	-\$340,422	\$57,198	\$0	\$0	\$63,890	-\$347,114
2051	\$542,452	0%	-\$347,114	\$58,914	\$0	\$0	\$169,967	-\$458,168

\$25,000

2022
ANNUAL CONTRIBUTION

3.00 %

PERCENTAGE ANNUAL
CONTRIBUTION INCREASE

0.01 %

ANNUAL
INTEREST RATE



METHODOLOGY

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.

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

38%



RESERVE FUND
BALANCE

\$86,187

IDEAL
BALANCE

\$223,885

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
POOL HOUSE & POOL AREA						
Building Exterior - Pool House, Roof, Replace	25	14	12	Squares	\$650.00	\$7,800
Building Exterior - Pool House, Gutters & Downspouts	25	14	70	LF	\$7.50	\$525
Building Exterior - Pool House, Caulk & Paint	10	6	1	Lump Sum	\$3,875.00	\$3,875
Building Exterior - Pool House, Siding, Replace	40	16	1365	SF	\$16.50	\$22,523
Building Exterior - Pool House, Windows & Doors	10	6	1	Allowance	\$2,100.00	\$2,100
Building Exterior - Pool House, Remodel	20	16	1	Lump Sum	\$23,400.00	\$23,400
Electrical - Security System	15	11	1	Lump Sum	\$2,100.00	\$2,100
Plumbing - Water Heater	15	8	1	Each	\$1,525.00	\$1,525
General Site - Pool, Repair & Resurface	15	3	1	Lump Sum	\$29,000.00	\$29,000
General Site - Pool, Coping, Replace	30	3	180	LF	\$110.00	\$19,800
General Site - Pool, Equipment, Pumps & Filters	5	4	1	Allowance	\$5,500.00	\$5,500
General Site - Pool, Equipment, Heater	15	5	1	Lump Sum	\$6,450.00	\$6,450
GENERAL COMMON AREAS						
General Site - Concrete Sidewalk, 5% Limited Repair	10	3	7050	SF	\$10.50	\$3,701
General Site - Landscape, Tree Felling & Removal	2	1	1	Allowance	\$9,725.00	\$9,725
General Site - Landscape, Tree & Shrub Replacement	2	0	1	Allowance	\$3,700.00	\$3,700
General Site - Landscape, Irrigation System	3	0	1	Allowance	\$5,850.00	\$5,850
General Site - Lake, Inspection & Treatment	3	2	1	Allowance	\$14,500.00	\$14,500
General Site - Bridge @ Lake Debra Jane, Replace	50	26	1	Lump Sum	\$55,500.00	\$55,500
General Site - Fence, Chain Link 10'	30	8	370	LF	\$43.25	\$16,003
General Site - Fence, Chain Link 6'	30	8	1030	LF	\$26.75	\$27,553
General Site - Fence, Chain Link 4'	30	18	1290	LF	\$23.25	\$29,993
General Site - Fence, Wood Split Rail	20	8	50	LF	\$18.00	\$900
General Site - Gate, Boat Launch, Replace	30	26	1	Lump Sum	\$21,800.00	\$21,800
General Site - Gate, Upper Park Pool, Repair	10	8	1	Allowance	\$1,775.00	\$1,775
General Site - Gate, Lower Park, Repair	3	0	1	Allowance	\$2,000.00	\$2,000
General Site - Paving, Replace @ Lower Park	20	0	1	Lump Sum	\$8,500.00	\$8,500
General Site - Playground, Equipment @ Upper Park	20	9	1	Lump Sum	\$42,400.00	\$42,400
General Site - Playground, Equipment @ Lower Park	20	16	1	Lump Sum	\$17,000.00	\$17,000
General Site - Playground, Surface Material	4	0	1	Lump Sum	\$2,900.00	\$2,900
General Site - Equipment, Seating, Picnic Tables	3	1	1	Allowance	\$2,100.00	\$2,100
General Site - Equipment, Tennis Court	10	7	1	Lump Sum	\$1,600.00	\$1,600
General Site - Equipment, Basketball Court	20	3	1	Lump Sum	\$1,525.00	\$1,525
General Site - Basketball Court, Color Coat & Repair	8	4	1	Lump Sum	\$5,450.00	\$5,450
General Site - Tennis Court, Color Coat & Repair	8	4	1	Lump Sum	\$11,100.00	\$11,100
General Site - Park Shelters, Maintenance & Repair	10	6	1	Allowance	\$3,200.00	\$3,200
General Site - Signage, Miscellaneous	5	1	1	Allowance	\$1,050.00	\$1,050
General Site - Dog Park	20	17	1	Lump Sum	\$13,600.00	\$13,600
TOTALS						\$428,021

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
POOL HOUSE & POOL AREA				
Building Exterior - Pool House, Roof, Replace	\$7,800	\$3,432	\$312	0.91%
Building Exterior - Pool House, Gutters & Downspouts	\$525	\$231	\$21	0.06%
Building Exterior - Pool House, Caulk & Paint	\$3,875	\$1,550	\$388	1.13%
Building Exterior - Pool House, Siding, Replace	\$22,523	\$13,514	\$563	1.64%
Building Exterior - Pool House, Windows & Doors	\$2,100	\$840	\$210	0.61%
Building Exterior - Pool House, Remodel	\$23,400	\$4,680	\$1,170	3.40%
Electrical - Security System	\$2,100	\$560	\$140	0.41%
Plumbing - Water Heater	\$1,525	\$712	\$102	0.30%
General Site - Pool, Repair & Resurface	\$29,000	\$23,200	\$1,933	5.62%
General Site - Pool, Coping, Replace	\$19,800	\$17,820	\$660	1.92%
General Site - Pool, Equipment, Pumps & Filters	\$5,500	\$1,100	\$1,100	3.20%
General Site - Pool, Equipment, Heater	\$6,450	\$4,300	\$430	1.25%
GENERAL COMMON AREAS				
General Site - Concrete Sidewalk, 5% Limited Repair	\$3,701	\$2,591	\$370	1.08%
General Site - Landscape, Tree Felling & Removal	\$9,725	\$4,863	\$4,863	14.13%
General Site - Landscape, Tree & Shrub Replacement	\$3,700	\$3,700	\$1,850	5.38%
General Site - Landscape, Irrigation System	\$5,850	\$5,850	\$1,950	5.67%
General Site - Lake, Inspection & Treatment	\$14,500	\$4,833	\$4,833	14.05%
General Site - Bridge @ Lake Debra Jane, Replace	\$55,500	\$26,640	\$1,110	3.23%
General Site - Fence, Chain Link 10'	\$16,003	\$11,735	\$533	1.55%
General Site - Fence, Chain Link 6'	\$27,553	\$20,205	\$918	2.67%
General Site - Fence, Chain Link 4'	\$29,993	\$11,997	\$1,000	2.91%
General Site - Fence, Wood Split Rail	\$900	\$540	\$45	0.13%
General Site - Gate, Boat Launch, Replace	\$21,800	\$2,907	\$727	2.11%
General Site - Gate, Upper Park Pool, Repair	\$1,775	\$355	\$178	0.52%
General Site - Gate, Lower Park, Repair	\$2,000	\$2,000	\$667	1.94%
General Site - Paving, Replace @ Lower Park	\$8,500	\$8,500	\$425	1.24%
General Site - Playground, Equipment @ Upper Park	\$42,400	\$23,320	\$2,120	6.16%
General Site - Playground, Equipment @ Lower Park	\$17,000	\$3,400	\$850	2.47%
General Site - Playground, Surface Material	\$2,900	\$2,900	\$725	2.11%
General Site - Equipment, Seating, Picnic Tables	\$2,100	\$1,400	\$700	2.03%
General Site - Equipment, Tennis Court	\$1,600	\$480	\$160	0.47%
General Site - Equipment, Basketball Court	\$1,525	\$1,296	\$76	0.22%
General Site - Basketball Court, Color Coat & Repair	\$5,450	\$2,725	\$681	1.98%
General Site - Tennis Court, Color Coat & Repair	\$11,100	\$5,550	\$1,388	4.03%
General Site - Park Shelters, Maintenance & Repair	\$3,200	\$1,280	\$320	0.93%
General Site - Signage, Miscellaneous	\$1,050	\$840	\$210	0.61%
General Site - Dog Park	\$13,600	\$2,040	\$680	1.98%
TOTALS	\$428,021	\$223,885	\$34,407	100%



RESERVE EXPENSES 1-5 YEARS

Component	2022	2023	2024	2025	2026
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Electrical - Security System	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$31,689	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$21,636	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$6,190
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$4,044	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$10,017	\$0	\$10,627	\$0
General Site - Landscape, Tree & Shrub Replacement	\$3,700	\$0	\$3,925	\$0	\$4,164
General Site - Landscape, Irrigation System	\$5,850	\$0	\$0	\$6,392	\$0
General Site - Lake, Inspection & Treatment	\$0	\$0	\$15,383	\$0	\$0
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$2,000	\$0	\$0	\$2,185	\$0
General Site - Paving, Replace @ Lower Park	\$8,500	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$2,900	\$0	\$0	\$0	\$3,264
General Site - Equipment, Seating, Picnic Tables	\$0	\$2,163	\$0	\$0	\$2,364
General Site - Equipment, Tennis Court	\$0	\$0	\$0	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$1,666	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$6,134
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$12,493
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,082	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$22,950	\$13,261	\$19,308	\$78,241	\$34,609



RESERVE EXPENSES 6-10 YEARS

Component	2027	2028	2029	2030	2031
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$4,627	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$2,508	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Electrical - Security System	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$1,932	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$7,176
General Site - Pool, Equipment, Heater	\$7,477	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$11,274	\$0	\$11,961	\$0	\$12,689
General Site - Landscape, Tree & Shrub Replacement	\$0	\$4,418	\$0	\$4,687	\$0
General Site - Landscape, Irrigation System	\$0	\$6,985	\$0	\$0	\$7,633
General Site - Lake, Inspection & Treatment	\$16,809	\$0	\$0	\$18,368	\$0
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$20,271	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$34,903	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$1,140	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$2,249	\$0
General Site - Gate, Lower Park, Repair	\$0	\$2,388	\$0	\$0	\$2,610
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$55,322
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$0	\$0	\$3,674	\$0
General Site - Equipment, Seating, Picnic Tables	\$0	\$0	\$2,583	\$0	\$0
General Site - Equipment, Tennis Court	\$0	\$0	\$1,968	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$3,821	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,254	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$35,561	\$26,000	\$16,511	\$87,223	\$85,430



RESERVE EXPENSES 11-15 YEARS

Component	2032	2033	2034	2035	2036
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$11,798
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$794
Building Exterior - Pool House, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Electrical - Security System	\$0	\$2,907	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$8,319
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$5,435	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$13,462	\$0	\$14,281	\$0
General Site - Landscape, Tree & Shrub Replacement	\$4,972	\$0	\$5,275	\$0	\$5,597
General Site - Landscape, Irrigation System	\$0	\$0	\$8,341	\$0	\$0
General Site - Lake, Inspection & Treatment	\$0	\$20,071	\$0	\$0	\$21,933
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$0	\$0	\$2,852	\$0	\$0
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$0	\$4,135	\$0	\$0
General Site - Equipment, Seating, Picnic Tables	\$2,822	\$0	\$0	\$3,084	\$0
General Site - Equipment, Tennis Court	\$0	\$0	\$0	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$7,770	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$15,826	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,453	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$7,795	\$37,893	\$44,199	\$22,801	\$48,441



RESERVE EXPENSES 16-20 YEARS

Component	2037	2038	2039	2040	2041
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$6,218	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$36,142	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$3,370	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$37,550	\$0	\$0	\$0
Electrical - Security System	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$49,371	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$9,644
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$15,151	\$0	\$16,074	\$0	\$17,053
General Site - Landscape, Tree & Shrub Replacement	\$0	\$5,937	\$0	\$6,299	\$0
General Site - Landscape, Irrigation System	\$9,114	\$0	\$0	\$9,959	\$0
General Site - Lake, Inspection & Treatment	\$0	\$0	\$23,966	\$0	\$0
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$51,060	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$3,022	\$0
General Site - Gate, Lower Park, Repair	\$3,116	\$0	\$0	\$3,405	\$0
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$27,280	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$4,654	\$0	\$0	\$0
General Site - Equipment, Seating, Picnic Tables	\$0	\$3,370	\$0	\$0	\$3,682
General Site - Equipment, Tennis Court	\$0	\$0	\$2,645	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$5,135	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,685	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$22,479	\$0	\$0
Annual Expenditure	\$27,381	\$131,341	\$65,164	\$123,116	\$30,379



RESERVE EXPENSES 21-25 YEARS

Component	2042	2043	2044	2045	2046
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Electrical - Security System	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$3,010	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$11,180
General Site - Pool, Equipment, Heater	\$11,649	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$7,305	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$18,091	\$0	\$19,193	\$0
General Site - Landscape, Tree & Shrub Replacement	\$6,683	\$0	\$7,090	\$0	\$7,521
General Site - Landscape, Irrigation System	\$0	\$10,883	\$0	\$0	\$11,892
General Site - Lake, Inspection & Treatment	\$26,189	\$0	\$0	\$28,617	\$0
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$0	\$3,721	\$0	\$0	\$4,066
General Site - Paving, Replace @ Lower Park	\$15,352	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$5,238	\$0	\$0	\$0	\$5,895
General Site - Equipment, Seating, Picnic Tables	\$0	\$0	\$4,024	\$0	\$0
General Site - Equipment, Tennis Court	\$0	\$0	\$0	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$3,010	\$0
General Site - Basketball Court, Color Coat & Repair	\$9,843	\$0	\$0	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$20,048	\$0	\$0	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,953	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$95,001	\$34,648	\$11,113	\$61,134	\$40,554



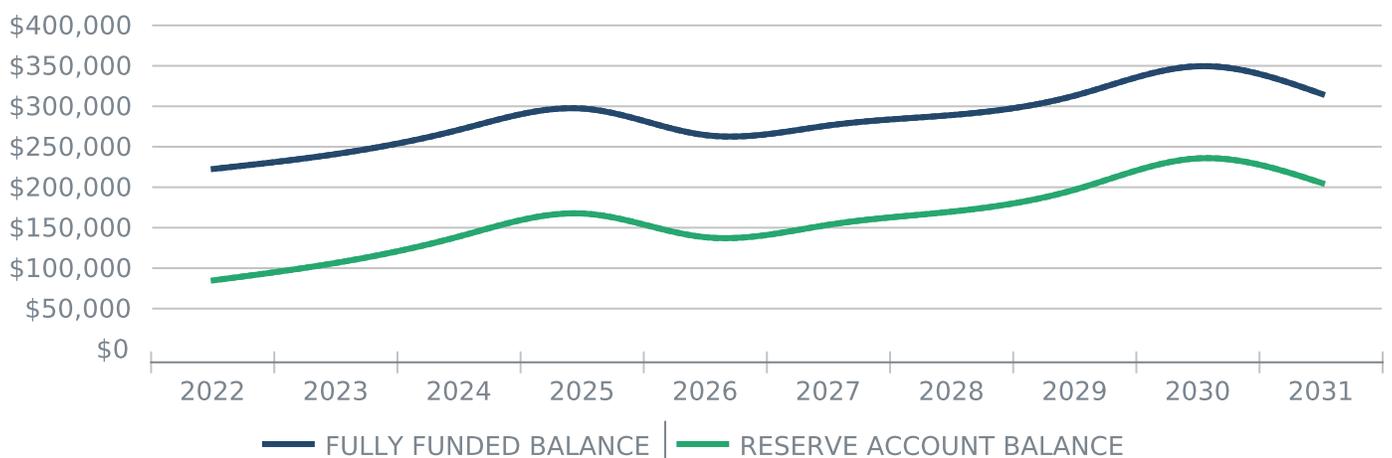
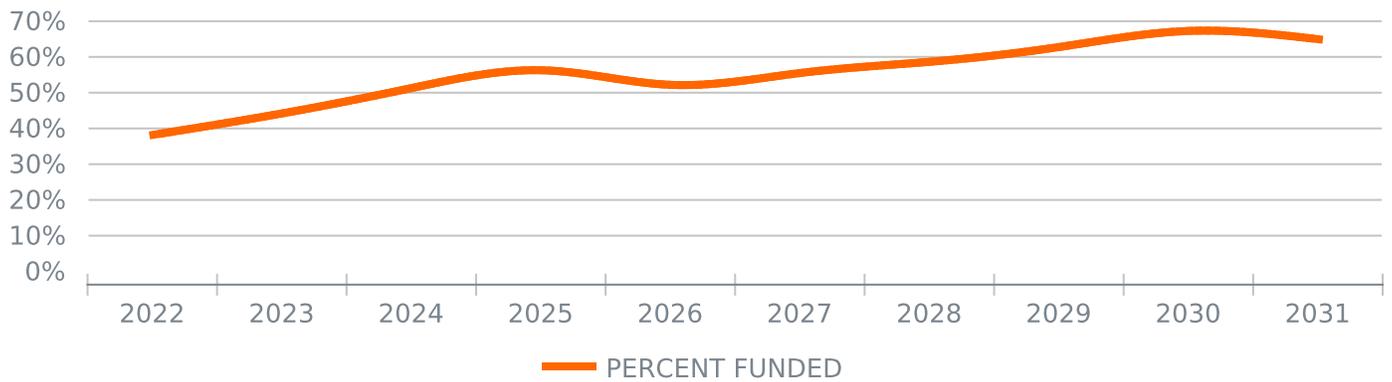
RESERVE EXPENSES 26-30 YEARS

Component	2047	2048	2049	2050	2051
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$8,357	\$0	\$0	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$4,529	\$0	\$0	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Electrical - Security System	\$0	\$4,529	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$0	\$0	\$0	\$12,961
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$20,362	\$0	\$21,602	\$0	\$22,918
General Site - Landscape, Tree & Shrub Replacement	\$0	\$7,979	\$0	\$8,465	\$0
General Site - Landscape, Irrigation System	\$0	\$0	\$12,995	\$0	\$0
General Site - Lake, Inspection & Treatment	\$0	\$31,271	\$0	\$0	\$34,170
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$119,691	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$0	\$0	\$0	\$2,059	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$47,014	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$4,061	\$0
General Site - Gate, Lower Park, Repair	\$0	\$0	\$4,443	\$0	\$0
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$0	\$0	\$0	\$99,918
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$0	\$0	\$6,635	\$0
General Site - Equipment, Seating, Picnic Tables	\$4,397	\$0	\$0	\$4,805	\$0
General Site - Equipment, Tennis Court	\$0	\$0	\$3,554	\$0	\$0
General Site - Equipment, Basketball Court	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$0	\$12,469	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$0	\$25,396	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$6,901	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$2,264	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$24,759	\$232,534	\$42,593	\$63,890	\$169,967



FULL FUNDING PLAN 1-10 YEARS

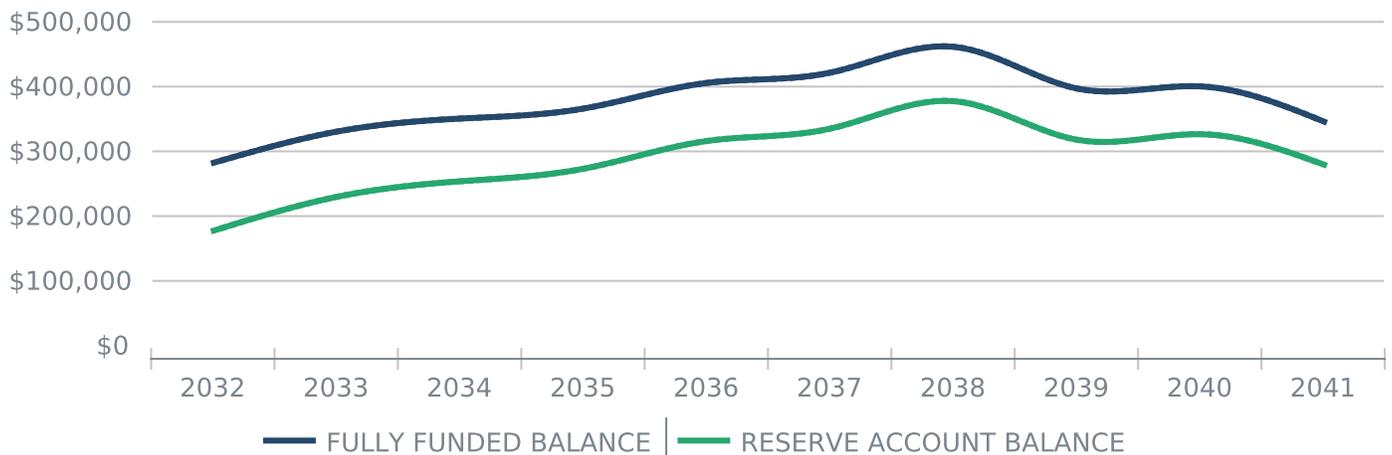
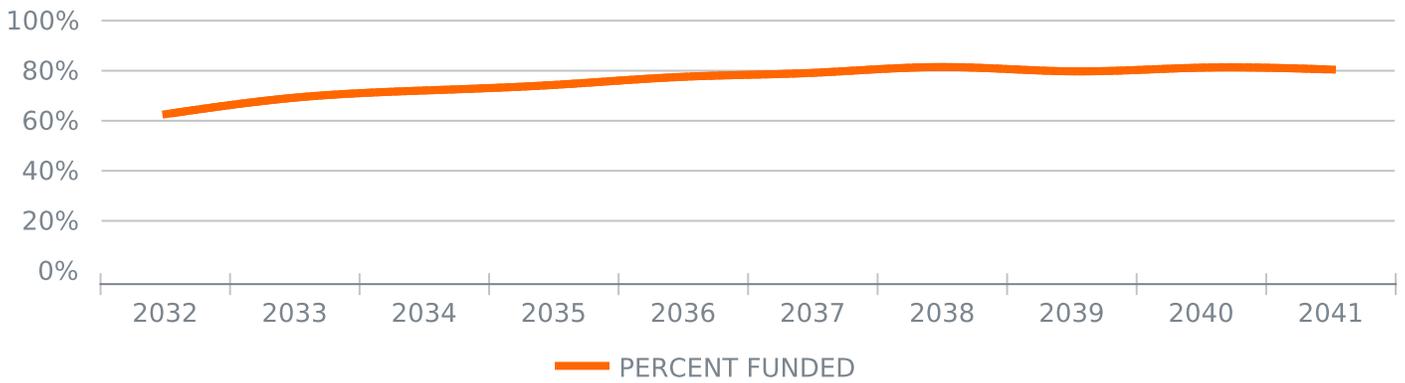
YEAR 1-10	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Fully Funded Balance	\$223,885	\$242,402	\$272,518	\$298,403	\$265,492	\$277,697	\$290,484	\$314,734	\$350,755	\$316,331
Percentage Funded (%)	38%	45%	52%	57%	52%	56%	59%	63%	68%	65%
Beginning Balance	\$86,187	\$107,901	\$140,647	\$168,728	\$139,298	\$154,962	\$171,185	\$198,523	\$236,953	\$206,319
Reserve Contribution	\$44,655	\$45,994	\$47,374	\$48,795	\$50,259	\$51,767	\$53,320	\$54,919	\$56,567	\$58,264
Avg Unit Contribution (mth)	\$8.38	\$8.63	\$8.89	\$9.16	\$9.43	\$9.72	\$10.01	\$10.31	\$10.62	\$10.94
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	\$10	\$12	\$15	\$15	\$15	\$16	\$18	\$22	\$22	\$19
Reserve Expenditures	\$22,950	\$13,261	\$19,308	\$78,241	\$34,609	\$35,561	\$26,000	\$16,511	\$87,223	\$85,430
ENDING BALANCE	\$107,901	\$140,647	\$168,728	\$139,298	\$154,962	\$171,185	\$198,523	\$236,953	\$206,319	\$179,172





FULL FUNDING PLAN 11-20 YEARS

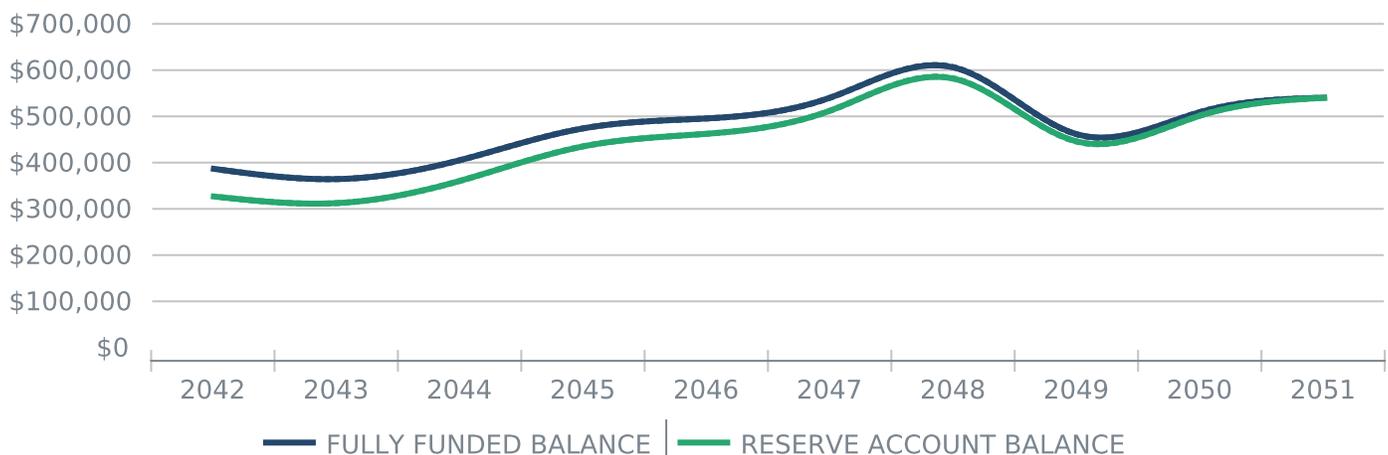
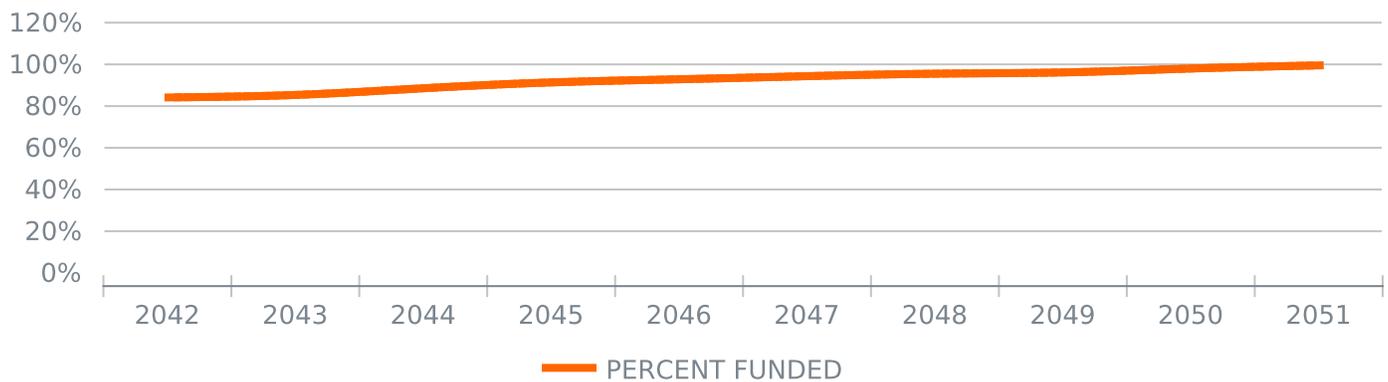
YEAR 11-20	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Fully Funded Balance	\$284,068	\$332,189	\$352,180	\$367,749	\$407,340	\$423,271	\$462,980	\$398,457	\$401,868	\$347,447
Percentage Funded (%)	63%	70%	73%	75%	78%	80%	82%	80%	82%	81%
Beginning Balance	\$179,172	\$231,410	\$255,353	\$274,848	\$317,653	\$336,789	\$379,014	\$319,365	\$328,041	\$280,978
Reserve Contribution	\$60,012	\$61,812	\$63,667	\$65,577	\$67,544	\$69,570	\$71,657	\$73,807	\$76,021	\$78,302
Avg Unit Contribution (mth)	\$11.26	\$11.60	\$11.95	\$12.31	\$12.68	\$13.06	\$13.45	\$13.85	\$14.27	\$14.70
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	\$21	\$24	\$27	\$30	\$33	\$36	\$35	\$32	\$30	\$30
Reserve Expenditures	\$7,795	\$37,893	\$44,199	\$22,801	\$48,441	\$27,381	\$131,341	\$65,164	\$123,116	\$30,379
ENDING BALANCE	\$231,410	\$255,353	\$274,848	\$317,653	\$336,789	\$379,014	\$319,365	\$328,041	\$280,978	\$328,931





FULL FUNDING PLAN 21-30 YEARS

YEAR 21-30	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Fully Funded Balance	\$388,723	\$366,540	\$407,776	\$476,468	\$497,735	\$542,937	\$607,925	\$463,080	\$511,822	\$542,452
Percentage Funded (%)	85%	86%	89%	92%	93%	95%	96%	97%	98%	100%
Beginning Balance	\$328,931	\$314,612	\$363,069	\$437,558	\$464,599	\$514,867	\$583,660	\$447,479	\$504,124	\$542,452
Reserve Contribution	\$80,651	\$83,071	\$85,563	\$88,130	\$90,774	\$93,497	\$96,302	\$99,191	\$102,166	\$105,231
Avg Unit Contribution (mth)	\$15.14	\$15.59	\$16.06	\$16.54	\$17.04	\$17.55	\$18.07	\$18.62	\$19.18	\$19.75
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	\$32	\$34	\$40	\$45	\$49	\$55	\$52	\$48	\$52	\$51
Reserve Expenditures	\$95,001	\$34,648	\$11,113	\$61,134	\$40,554	\$24,759	\$232,534	\$42,593	\$63,890	\$169,967
ENDING BALANCE	\$314,612	\$363,069	\$437,558	\$464,599	\$514,867	\$583,660	\$447,479	\$504,124	\$542,452	\$477,767





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.

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

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)

