



2025

Reserve Study Report

Lake Jane Estates

Bonney Lake, WA 98391

Level 3 Update without Site Visit
Report Financial Year 2025
January 1, 2025 - December 31, 2025

Issued August 30, 2024

Reserve Study Group
www.reservestudygroup.com

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.



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Lake Jane Estates

Bonney Lake, WA 98391



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Executive Summary

Reserve Fund and Percent Funded

Reserve Fund

Reserve Account Starting Balance	\$122,900
Current Member Contribution	\$30,000
Interest Rate	0.25 %
Financial Year	2025 (January 1, 2025 - December 31, 2025)

Information above provided by Association representatives.

Reserve Fund Strength

Current Per Unit Deficiency/(Surplus) in Reserves	\$487
Percent Funded	36 %
Reserve Account Balance	\$122,900
Fully Funded Balance, Ideal Balance	\$339,232

Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

Financial Assumptions

Inflation Rate	3.00 %
Projection Period	30 Yrs

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).

Financial Snapshot

Reserve Contributions

Max Contribution, Full Funding	\$47,064
Min Contribution, Baseline Funding	\$36,211
Current Contribution	\$30,000
Special Assessment	\$0

We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward.

Reserve Account Projection

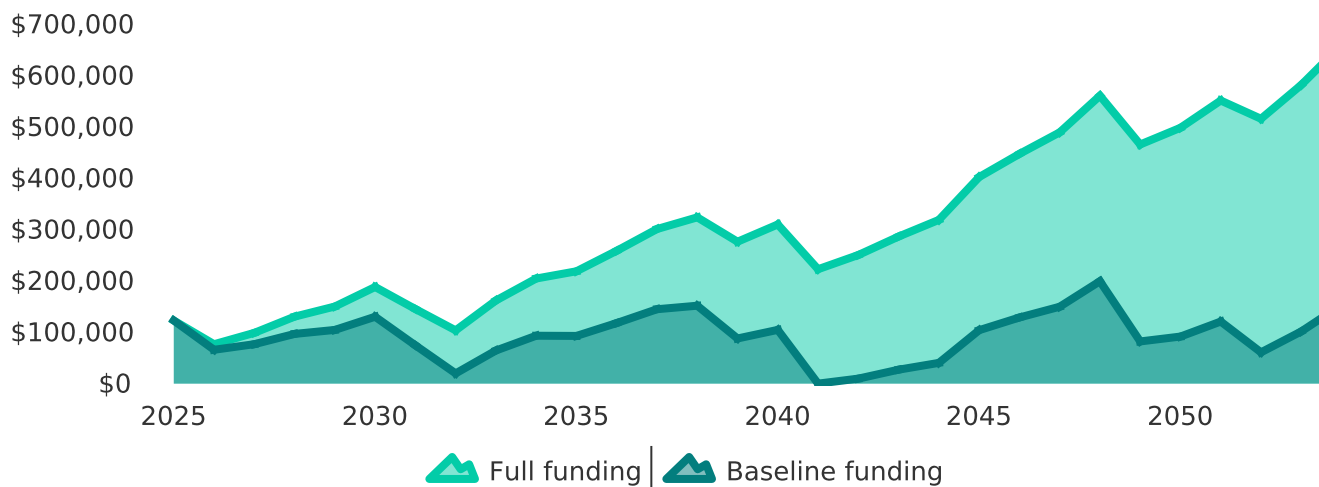


Chart highlights the outcome of implementing the recommended funding strategies, and the result of projected expenses on the Association's reserve account.

Why reserves studies are important.

A reserve study is a detailed analysis of a property's physical components and their associated costs over time. It takes into account various factors such as the age, condition, and expected useful life of each component, as well as any expected changes in market conditions, interest rates, and inflation. The goal of a reserve study is to help property owners plan and budget for necessary repairs, replacements, and maintenance over the long term.

In the past, many communities would simply address repair and replacement expenses as they occurred, without any long-term planning or budgeting. This approach often led to unexpected expenses and inadequate funds to cover necessary repairs and replacements. It also resulted in communities falling behind on maintenance, leading to costly repairs and a shorter lifespan for common property.

As a result, association managers and homeowners associations recognized the need for long-term planning and budgeting for maintenance and repairs of common property. Reserve studies were developed as a way to help communities plan for the future and ensure that they had the funds necessary to maintain their common area assets over the long term.

Reserve studies involve a detailed analysis of a property's physical components and their associated costs over time. The study takes into account various factors such as the age, condition, and expected useful life of each component, as well as any expected changes in market conditions, interest rates, and inflation. The goal of a reserve study is to help property owners plan and budget for necessary repairs, replacements, and maintenance over the long term.

One of the key benefits of a reserve study is that it helps associations avoid unexpected expenses and funding deficiencies. By planning for necessary repairs and replacements ahead of time, associations can ensure that they have the funds necessary to address any issues that arise. This can help prevent special assessments or loans, which can be a burden on homeowners and create financial instability for the community.

In addition, reserve studies help associations prioritize their spending and make informed decisions about investments and assets. By understanding the condition and expected useful life of each component, associations can determine which items require immediate attention and which can be deferred. This helps associations allocate their funds more effectively and ensure that they are making the most of their resources.

Furthermore, reserve studies can help associations promote transparency and build trust with homeowners. By providing a detailed breakdown of the reserve fund and projected costs, associations can demonstrate to homeowners that they are being responsible and proactive in managing community finances. This can help build trust and foster a sense of community among homeowners.

Goals and outcomes.

When conducting a reserve study, it is important to establish clear goals and desired outcomes in order to ensure that the study is effective and provides value to the community. By defining specific goals and outcomes, association managers and association Board Members can better plan for the future and ensure that they have the funds necessary to maintain their common property over the long term.

One of the primary goals of a reserve study is to identify the condition and expected useful life of each component of common property. By understanding the condition and useful life of each component, managers and associations can plan for necessary repairs and replacements, and ensure that they have the funds necessary to address any issues that arise. This can help prevent unexpected expenses and funding deficiencies, which can be a burden on homeowners and create financial instability for the community.

In addition, a reserve study can help managers and homeowners associations identify any funding deficiencies that may exist. If the study reveals that there are not enough funds in the reserve account to cover necessary repairs and replacements, association managers and associations can take action to address the shortfall, such as increasing assessments or reducing expenses. By identifying and addressing funding deficiencies, managers and associations can ensure that they are properly funded and prepared for the future.

Another goal of a reserve study is to promote transparency and build trust with homeowners. By providing a detailed breakdown of the reserve fund and projected costs, association managers and associations can demonstrate to homeowners that they are being responsible and proactive in managing community finances. This can help build trust and foster a sense of community among homeowners.

Ultimately, the desired outcome of a reserve study is to ensure the proper maintenance and repair of common property and the continued success of the community. By taking a proactive approach to long-term planning and budgeting, property managers and homeowners associations can ensure that they have the funds necessary to maintain their common property over the long term, and avoid unexpected expenses and funding deficiencies.

Methodology

Conducting a reserve study involves a systematic approach to gathering and analyzing data to assess the condition and projected costs of maintaining and repairing an association's components over time. Here is a brief description of the methods used in a reserve study, including data collection, analysis, assumptions, limitations, and interpretation of results.

Define the scope of responsibility.

Components included in a reserve study are typically defined based on the specific needs and characteristics of the property or community association being assessed. To identify what qualifies as a reserve component, multiple factors come into play. Typically, a three-part test is employed to determine if a component should be categorized as a reserve item or falls under operational or maintenance expenses. For a component to be classified as a reserve item, a project cost must typically must satisfy the following criteria:



Association responsibility

The association has the obligation to maintain or replace the existing element or component.



Need can be anticipated.

The need and timing for the project can be reasonably anticipated.



Cost can be reasonably estimated.

The total cost for a project can be reasonably estimated, and includes all direct and related costs.

The criteria above is based upon the revised 2023 Community Association Institutes Reserve Study Standards. The standards are provided with the intent of providing guidance and methodology in the preparation of reserve studies for all varieties of community association ownership types and physical configurations.

Why items are not addressed in a reserve study.

Associations should also be mindful of what assets and aspects of the community are excluded from the reserve study. Determining which reserve components are excluded from a reserve study involves a careful evaluation of certain criteria and considerations specific to the property or community association being assessed. Here are common steps and factors to help identify reserve components that may be excluded:



Long-life components.

Components that do not have a predictable useful life and are beyond the 30 year projection window.



Unit owner responsibility.

Components or activities that are the responsibility of the individual unit owners.



Operating account expenses.

Expenses that are currently addressed via the Association's annual operating budget.



Cost is too low to include.

Components or assets that are identified as not meeting a minimum threshold.



Responsibility of other groups.

Components or assets that are designated as the responsibility of others to maintain, repair or replace.

Research.

After defining the reserve component list, the first step in a reserve study is to collect relevant data about the property being assessed. Site visits, detailed measurements, photographs, and notes are taken to document the current condition of the association. In addition, historical records, maintenance reports, and financial statements are reviewed to gain insights into past maintenance activities, costs, and funding practices. During the site visit, detailed measurements, photographs, and notes are taken to document the current condition of the components.

Component Analysis.

Once the data has been collected, our team performs a comprehensive analysis of each component. This involves assessing the current condition, estimating the remaining useful life, and determining the expected costs for maintenance, repairs, and replacements.

The condition assessment is based on visual inspections, industry standards, and expert judgment. To estimate the remaining useful life, the team considers factors like historical performance, maintenance practices, technological advancements and the age of the component. This estimation helps determine when the component will likely need repairs or replacements in the future.

The projected costs are calculated by considering various factors such as current market prices, labor costs, material costs, and inflation rates. Cost estimates are based on industry benchmarks, local market conditions, historical data from similar projects, vendor pricing acquired from regional contractors and suppliers and cost data sourced from national construction estimators.

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.

Financial Analysis.

Once the component analysis is complete, the financial aspect of the reserve study begins. This involves evaluating the current funding status and projecting the future funding needs of the association.

Our team reviews the association's financial records, including the reserve fund balance, annual contributions, and any existing debt or outstanding loans. They also analyze the association's budget and financial statements to understand the current funding practices and identify any funding deficiencies.

Using the projected costs for maintenance and replacements, along with expected inflation rates and investment returns, the team determines the necessary annual contributions to the reserve fund. They calculate the ideal funding level required to cover future expenses and maintain an adequate reserve balance.

Financial Considerations

Upon conducting the reserve study and analyzing the financial results, several recommendations emerge that can help associations enhance their financial planning, ensure the proper maintenance of their common property, and secure the long-term stability of the community. These recommendations are based on the analysis of the current funding status, projected costs, and funding needs identified in the reserve study report.

Annual Contributions.

One of the primary recommendations is to consider adjusting the annual contributions to the reserve fund. This ensures that sufficient funds are accumulated over time to cover anticipated maintenance and replacement expenses. By gradually increasing the contributions, associations can build a healthier reserve fund and avoid funding deficiencies in the future.

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.

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 over sixty percent (60%).

Prioritize Maintenance and Repairs.


Based on the projected costs and estimated remaining useful life of components, it is crucial for associations to prioritize maintenance and repairs. Regularly scheduled maintenance and proactive repairs can extend the life of components, minimize the need for costly replacements, and optimize the allocation of financial resources. Associations should develop a comprehensive maintenance plan that aligns with the recommendations of the reserve study report.

Review Reserve Investment Strategies.

The reserve study report may suggest reviewing the current investment strategies for the reserve fund. Associations should consult with financial advisors or investment professionals to assess the investment options available and optimize the fund's growth potential while balancing risk. Adjusting investment allocations and considering conservative yet reasonable returns can help maximize the reserve fund's growth over time.

Simple Interest.

Interest has a significant impact on the long-term returns of a reserve account. The impact of investments and interest on long-term returns for a reserve account is significant. Through the compounding effect and enhanced accumulation, interest can help the reserve account grow over time, providing additional financial resources for future maintenance and replacements.

 A simple example of the impact of interest on reserve funds.

Starting Balance	Interest Rate
\$10,000	1.00%
Balance in 30 yrs.	Interest Earned
\$13,478	\$3,478

 To compare, if the Association had a 5.00% rate of return on their reserves.

Starting Balance	
\$10,000	
Balance in 30 yrs.	Interest Earned
\$43,219	\$33,219

The example above is for illustrative purposes only and not indicative of any investment. It is hypothetical in nature and does not factor in additional contributions to the starting principle amount.

However, it is essential to balance the pursuit of higher returns with the need for stability and liquidity. Reserve accounts are typically designed to prioritize the safety and preservation of capital rather than taking on excessive risk for the sake of higher returns. Associations should work with financial professionals to determine an appropriate balance between earning interest and ensuring the funds are readily available for future needs.

Financial Analysis.

The following section of the report highlights the key financial metrics used to evaluate and assess the financial performance of the association. The metrics are derived from information provided by the association and sourced by our team. The analysis 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.



Reserve Expenses Summary

Common Area Assets

Major Expenses



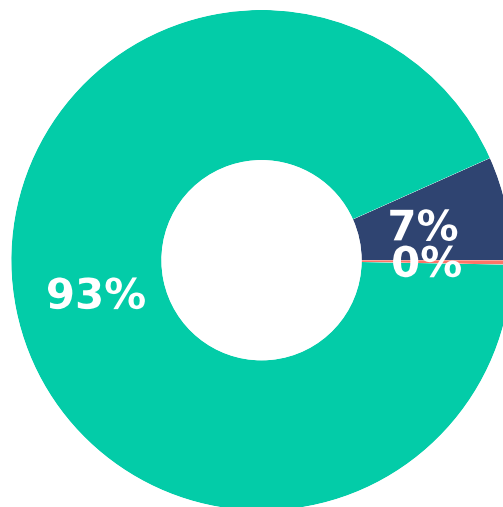
General Site, Lake, Inspection & Treatment **\$281,546**

General Site, Landscape, Tree Felling & Removal **\$271,566**

Breakdown is based upon the average annual cost of the reserve component and serves to highlight the significance of the association's two largest expenses.

Expense Category Breakdown

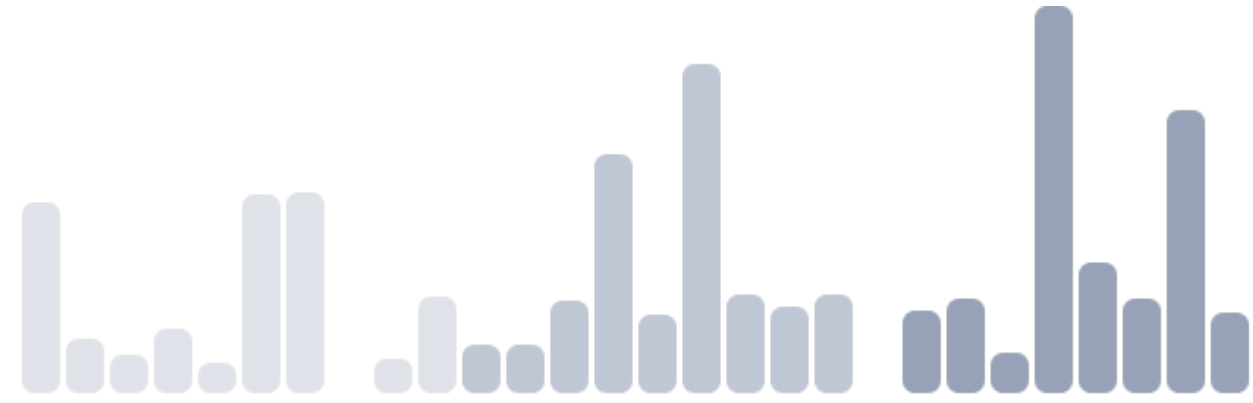
- **Building Exterior**
\$122,635
- **General Site**
\$1,704,698
- **Plumbing**
\$5,189



Reserve Expenses Summary
 Common Area Assets

Reserve Account

Total Expenses over 30 years.	\$1,613,502
Average Annual Expense over 30 years.	\$53,783



Expenditures for major reserve components are outlined in greater details within the report. We recommend that the report is read in its entirety in order to understand how conclusions and results have been formulated.

Expense Outlook

Years 1-10, Short-term expenses	\$447,160
Years 11-20, Mid-term expenses	\$548,698
Years 21-30 Long-term expenses	\$617,644

The timing and significance of expenses will help the association in establishing investment windows and timelines for adequately saving for anticipated expenses.

Reserve Component List

Common Area Assets

Component	UL	RUL	Qty	Unit	Unit Cost	Total Cost
POOL HOUSE & POOL AREA						
Building Exterior - Pool House, Roof, Replace	25	11	12	Squares	\$750.00	\$9,000
Building Exterior - Pool House, Gutters & Downspouts	25	11	70	LF	\$12.00	\$840
Building Exterior - Pool House, Caulk & Paint	10	3	1	Lump Sum	\$5,500.00	\$5,500
Building Exterior - Pool House, Siding, Replace	40	13	1365	SF	\$18.00	\$24,570
Building Exterior - Pool House, Windows & Doors	10	3	1	Allowance	\$2,325.00	\$2,325
Building Exterior - Pool House, Remodel	20	13	1	Lump Sum	\$25,500.00	\$25,500
Plumbing - Water Heater	15	5	1	Each	\$1,750.00	\$1,750
General Site - Pool, Repair & Resurface	15	0	1	Lump Sum	\$32,000.00	\$32,000
General Site - Pool, Coping, Replace	30	0	180	LF	\$125.00	\$22,500
General Site - Pool, Equipment, Pumps & Filters	5	1	1	Allowance	\$6,025.00	\$6,025
General Site - Pool, Equipment, Heater	15	2	1	Lump Sum	\$7,050.00	\$7,050
GENERAL COMMON AREAS						
General Site - Concrete Sidewalk, 5% Limited Repair	10	0	7050	SF	\$14.00	\$4,935
General Site - Landscape, Tree Felling & Removal	2	0	1	Allowance	\$10,500.00	\$10,500
General Site - Lake, Inspection & Treatment	3	0	1	Allowance	\$15,800.00	\$15,800
General Site - Bridge @ Lake Debra Jane, Replace	50	23	1	Lump Sum	\$60,500.00	\$60,500
General Site - Fence, Chain Link 10'	30	5	370	LF	\$80.00	\$29,600
General Site - Fence, Chain Link 6'	30	5	1030	LF	\$48.00	\$49,440
General Site - Fence, Chain Link 4'	30	15	1290	LF	\$40.00	\$51,600
General Site - Fence, Wood Split Rail	20	5	50	LF	\$35.00	\$1,750
General Site - Gate, Boat Launch, Replace	30	23	1	Lump Sum	\$24,000.00	\$24,000
General Site - Gate, Upper Park Pool, Repair	10	5	1	Allowance	\$1,925.00	\$1,925
General Site - Gate, Lower Park, Repair	3	0	1	Allowance	\$2,175.00	\$2,175
General Site - Paving, Replace @ Lower Park	20	16	1	Lump Sum	\$9,300.00	\$9,300
General Site - Playground, Equipment @ Upper Park	20	6	1	Lump Sum	\$46,500.00	\$46,500
General Site - Playground, Equipment @ Lower Park	20	13	1	Lump Sum	\$18,500.00	\$18,500
General Site - Playground, Surface Material	4	0	1	Lump Sum	\$3,175.00	\$3,175
General Site - Equipment, Seating, Picnic Tables	10	0	1	Allowance	\$2,325.00	\$2,325
General Site - Basketball Court, Color Coat & Repair	8	1	1	Lump Sum	\$6,175.00	\$6,175
General Site - Tennis Court, Color Coat & Repair	8	1	1	Lump Sum	\$12,500.00	\$12,500
General Site - Park Shelters, Maintenance & Repair	10	3	1	Allowance	\$3,500.00	\$3,500
General Site - Signage, Miscellaneous	5	1	1	Allowance	\$1,125.00	\$1,125
General Site - Dog Park	20	14	1	Lump Sum	\$14,800.00	\$14,800

Component Notes

Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study 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.

Reserve Expenses, Years 1-5

Component	2025	2026	2027	2028	2029
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	\$6,010	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$2,541	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$32,000	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$22,500	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$6,206	\$0	\$0	\$0
General Site - Pool, Equipment, Heater	\$0	\$0	\$7,479	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$4,935	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$10,500	\$0	\$11,139	\$0	\$11,818
General Site - Lake, Inspection & Treatment	\$15,800	\$0	\$0	\$17,265	\$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	\$2,175	\$0	\$0	\$2,377	\$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	\$3,175	\$0	\$0	\$0	\$3,573
General Site - Equipment, Seating, Picnic Tables	\$2,325	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$6,360	\$0	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$12,875	\$0	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$3,825	\$0
General Site - Signage, Miscellaneous	\$0	\$1,159	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$93,410	\$26,600	\$18,619	\$32,017	\$15,391

Reserve Expenses, Years 6-10

Component	2030	2031	2032	2033	2034
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
Plumbing - Water Heater	\$2,029	\$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	\$7,194	\$0	\$0	\$0
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	\$0	\$12,538	\$0	\$13,301	\$0
General Site - Lake, Inspection & Treatment	\$0	\$18,866	\$0	\$0	\$20,615
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10'	\$34,315	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6'	\$57,315	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4'	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Split Rail	\$2,029	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$2,232	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$0	\$2,597	\$0	\$0	\$2,838
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$55,523	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$0	\$0	\$4,022	\$0
General Site - Equipment, Seating, Picnic Tables	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$8,057
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$0	\$0	\$16,310
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,343	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$97,918	\$98,062	\$0	\$17,323	\$47,820

Reserve Expenses, Years 11-15

Component	2035	2036	2037	2038	2039
POOL HOUSE & POOL AREA					
Building Exterior - Pool House, Roof, Replace	\$0	\$12,458	\$0	\$0	\$0
Building Exterior - Pool House, Gutters & Downspouts	\$0	\$1,163	\$0	\$0	\$0
Building Exterior - Pool House, Caulk & Paint	\$0	\$0	\$0	\$8,077	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$36,082	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$3,414	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$37,448	\$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	\$8,340	\$0	\$0	\$0
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$6,632	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$14,111	\$0	\$14,970	\$0	\$15,882
General Site - Lake, Inspection & Treatment	\$0	\$0	\$22,527	\$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	\$0	\$0	\$3,101	\$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	\$27,168	\$0
General Site - Playground, Surface Material	\$0	\$0	\$4,527	\$0	\$0
General Site - Equipment, Seating, Picnic Tables	\$3,125	\$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	\$0	\$0	\$5,140	\$0
General Site - Signage, Miscellaneous	\$0	\$1,557	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$22,386
Annual Expenditure	\$23,868	\$23,518	\$45,125	\$117,329	\$38,269

Reserve Expenses, Years 16-20

Component	2040	2041	2042	2043	2044
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
Plumbing - Water Heater	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Repair & Resurface	\$49,855	\$0	\$0	\$0	\$0
General Site - Pool, Coping, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pool, Equipment, Pumps & Filters	\$0	\$9,668	\$0	\$0	\$0
General Site - Pool, Equipment, Heater	\$0	\$0	\$11,653	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$0	\$16,849	\$0	\$17,876	\$0
General Site - Lake, Inspection & Treatment	\$24,616	\$0	\$0	\$26,898	\$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'	\$80,391	\$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	\$2,999	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$3,389	\$0	\$0	\$3,703	\$0
General Site - Paving, Replace @ Lower Park	\$0	\$14,924	\$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	\$5,095	\$0	\$0	\$0
General Site - Equipment, Seating, Picnic Tables	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$0	\$0	\$10,206	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$0	\$0	\$20,661	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$1,805	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$161,250	\$48,342	\$42,520	\$48,477	\$0

Reserve Expenses, Years 21-25

Component	2045	2046	2047	2048	2049
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	\$10,855	\$0
Building Exterior - Pool House, Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Pool House, Windows & Doors	\$0	\$0	\$0	\$4,589	\$0
Building Exterior - Pool House, Remodel	\$0	\$0	\$0	\$0	\$0
Plumbing - Water Heater	\$3,161	\$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	\$11,208	\$0	\$0	\$0
General Site - Pool, Equipment, Heater	\$0	\$0	\$0	\$0	\$0
GENERAL COMMON AREAS					
General Site - Concrete Sidewalk, 5% Limited Repair	\$8,913	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Felling & Removal	\$18,964	\$0	\$20,119	\$0	\$21,344
General Site - Lake, Inspection & Treatment	\$0	\$29,393	\$0	\$0	\$32,118
General Site - Bridge @ Lake Debra Jane, Replace	\$0	\$0	\$0	\$119,402	\$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	\$47,366	\$0
General Site - Gate, Upper Park Pool, Repair	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$0	\$4,046	\$0	\$0	\$4,421
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	\$5,734	\$0	\$0	\$0	\$6,454
General Site - Equipment, Seating, Picnic Tables	\$4,199	\$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	\$0	\$0	\$6,908	\$0
General Site - Signage, Miscellaneous	\$0	\$2,093	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$40,972	\$46,740	\$20,119	\$189,119	\$64,338

Reserve Expenses, Years 26-30

Component	2050	2051	2052	2053	2054
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
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	\$12,993	\$0	\$0	\$0
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	\$0	\$22,644	\$0	\$24,023	\$0
General Site - Lake, Inspection & Treatment	\$0	\$0	\$35,096	\$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	\$3,664	\$0	\$0	\$0	\$0
General Site - Gate, Boat Launch, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Gate, Upper Park Pool, Repair	\$4,031	\$0	\$0	\$0	\$0
General Site - Gate, Lower Park, Repair	\$0	\$0	\$4,831	\$0	\$0
General Site - Paving, Replace @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment @ Upper Park	\$0	\$100,281	\$0	\$0	\$0
General Site - Playground, Equipment @ Lower Park	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Surface Material	\$0	\$0	\$0	\$7,264	\$0
General Site - Equipment, Seating, Picnic Tables	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Color Coat & Repair	\$12,929	\$0	\$0	\$0	\$0
General Site - Tennis Court, Color Coat & Repair	\$26,172	\$0	\$0	\$0	\$0
General Site - Park Shelters, Maintenance & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Miscellaneous	\$0	\$2,426	\$0	\$0	\$0
General Site - Dog Park	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$46,796	\$138,345	\$39,928	\$31,287	\$0

Funding Summary

Recommendations

How much should you contribute to reserves?

● **\$47,064**

Max Contribution, Full Funding

● **\$36,211**

Min Contribution, Baseline Funding

We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward. Any special assessments planned or otherwise factored into the reserve study, are in addition to the contribution amounts above.

How well funded are you?

- Current Balance
\$122,900
 - Fully Funded Target Balance
\$339,232
- Percent Funded
36%



Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

Full Funding Summary

30 Year Projection

Cash Flow Analysis

Year	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2025	\$122,900	\$47,064	\$0	\$249	\$93,410
2026	\$76,803	\$48,476	\$0	\$219	\$26,600
2027	\$98,898	\$49,930	\$0	\$286	\$18,619
2028	\$130,496	\$51,428	\$0	\$351	\$32,017
2029	\$150,257	\$52,971	\$0	\$423	\$15,391
2030	\$188,259	\$54,560	\$0	\$416	\$97,918
2031	\$145,317	\$56,197	\$0	\$311	\$98,062
2032	\$103,763	\$57,882	\$0	\$332	\$0
2033	\$161,977	\$59,619	\$0	\$458	\$17,323
2034	\$204,731	\$61,407	\$0	\$529	\$47,820
2035	\$218,847	\$63,250	\$0	\$596	\$23,868
2036	\$258,825	\$65,147	\$0	\$699	\$23,518
2037	\$301,153	\$67,102	\$0	\$780	\$45,125
2038	\$323,910	\$69,115	\$0	\$750	\$117,329
2039	\$276,446	\$71,188	\$0	\$732	\$38,269
2040	\$310,097	\$73,324	\$0	\$665	\$161,250
2041	\$222,837	\$75,523	\$0	\$591	\$48,342
2042	\$250,610	\$77,789	\$0	\$671	\$42,520
2043	\$286,550	\$80,123	\$0	\$756	\$48,477
2044	\$318,952	\$82,526	\$0	\$901	\$0
2045	\$402,379	\$85,002	\$0	\$1,061	\$40,972
2046	\$447,470	\$87,552	\$0	\$1,170	\$46,740
2047	\$489,452	\$90,179	\$0	\$1,311	\$20,119
2048	\$560,824	\$92,884	\$0	\$1,282	\$189,119
2049	\$465,871	\$95,671	\$0	\$1,204	\$64,338
2050	\$498,407	\$98,541	\$0	\$1,311	\$46,796
2051	\$551,463	\$101,497	\$0	\$1,333	\$138,345
2052	\$515,948	\$104,542	\$0	\$1,371	\$39,928
2053	\$581,933	\$107,678	\$0	\$1,550	\$31,287
2054	\$659,874	\$110,909	\$0	\$1,788	\$0

Performance Targets

Fully Funded Balance	Percentage Funded
\$339,232	36%
\$288,742	27%
\$306,619	32%
\$334,352	39%
\$350,247	43%
\$384,909	49%
\$336,808	43%
\$288,353	36%
\$340,721	48%
\$378,128	54%
\$386,597	57%
\$421,382	61%
\$459,004	66%
\$476,976	68%
\$422,637	65%
\$449,666	69%
\$352,449	63%
\$370,272	68%
\$396,337	72%
\$418,811	76%
\$493,706	82%
\$530,516	84%
\$564,416	87%
\$628,736	89%
\$522,959	89%
\$544,637	92%
\$587,202	94%
\$538,981	96%
\$592,983	98%
\$659,874	100%

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

Baseline Funding Summary

30 Year Projection

Cash Flow Analysis

Year	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2025	\$122,900	\$36,211	\$0	\$236	\$93,410
2026	\$65,937	\$37,297	\$0	\$178	\$26,600
2027	\$76,813	\$38,416	\$0	\$217	\$18,619
2028	\$96,827	\$39,569	\$0	\$252	\$32,017
2029	\$104,630	\$40,756	\$0	\$293	\$15,391
2030	\$130,288	\$41,978	\$0	\$256	\$97,918
2031	\$74,604	\$43,238	\$0	\$118	\$98,062
2032	\$19,898	\$44,535	\$0	\$105	\$0
2033	\$64,539	\$45,871	\$0	\$197	\$17,323
2034	\$93,284	\$47,247	\$0	\$232	\$47,820
2035	\$92,943	\$48,665	\$0	\$263	\$23,868
2036	\$118,003	\$50,124	\$0	\$328	\$23,518
2037	\$144,938	\$51,628	\$0	\$370	\$45,125
2038	\$151,811	\$53,177	\$0	\$299	\$117,329
2039	\$87,959	\$54,772	\$0	\$241	\$38,269
2040	\$104,703	\$56,416	\$0	\$131	\$161,250
2041	\$0	\$58,108	\$0	\$12	\$48,342
2042	\$9,778	\$59,851	\$0	\$46	\$42,520
2043	\$27,156	\$61,647	\$0	\$84	\$48,477
2044	\$40,411	\$63,496	\$0	\$180	\$0
2045	\$104,087	\$65,401	\$0	\$291	\$40,972
2046	\$128,807	\$67,363	\$0	\$348	\$46,740
2047	\$149,778	\$69,384	\$0	\$436	\$20,119
2048	\$199,479	\$71,466	\$0	\$352	\$189,119
2049	\$82,178	\$73,609	\$0	\$217	\$64,338
2050	\$91,666	\$75,818	\$0	\$265	\$46,796
2051	\$120,953	\$78,092	\$0	\$227	\$138,345
2052	\$60,927	\$80,435	\$0	\$203	\$39,928
2053	\$101,638	\$82,848	\$0	\$319	\$31,287
2054	\$153,517	\$85,334	\$0	\$490	\$0

Performance Targets

Fully Funded Balance	Percentage Funded
\$339,232	36%
\$288,742	23%
\$306,619	25%
\$334,352	29%
\$350,247	30%
\$384,909	34%
\$336,808	22%
\$288,353	7%
\$340,721	19%
\$378,128	25%
\$386,597	24%
\$421,382	28%
\$459,004	32%
\$476,976	32%
\$422,637	21%
\$449,666	23%
\$352,449	0%
\$370,272	3%
\$396,337	7%
\$418,811	10%
\$493,706	21%
\$530,516	24%
\$564,416	27%
\$628,736	32%
\$522,959	16%
\$544,637	17%
\$587,202	21%
\$538,981	11%
\$592,983	17%
\$659,874	23%

Baseline Funding establishes a goal of maintaining a reserve account balance above zero dollars throughout the study period. This plan provides a minimal reserve cash at or above zero dollars, but leaves no contingency to address unanticipated outcomes.

Current Funding Summary

30 Year Projection

Cash Flow Analysis

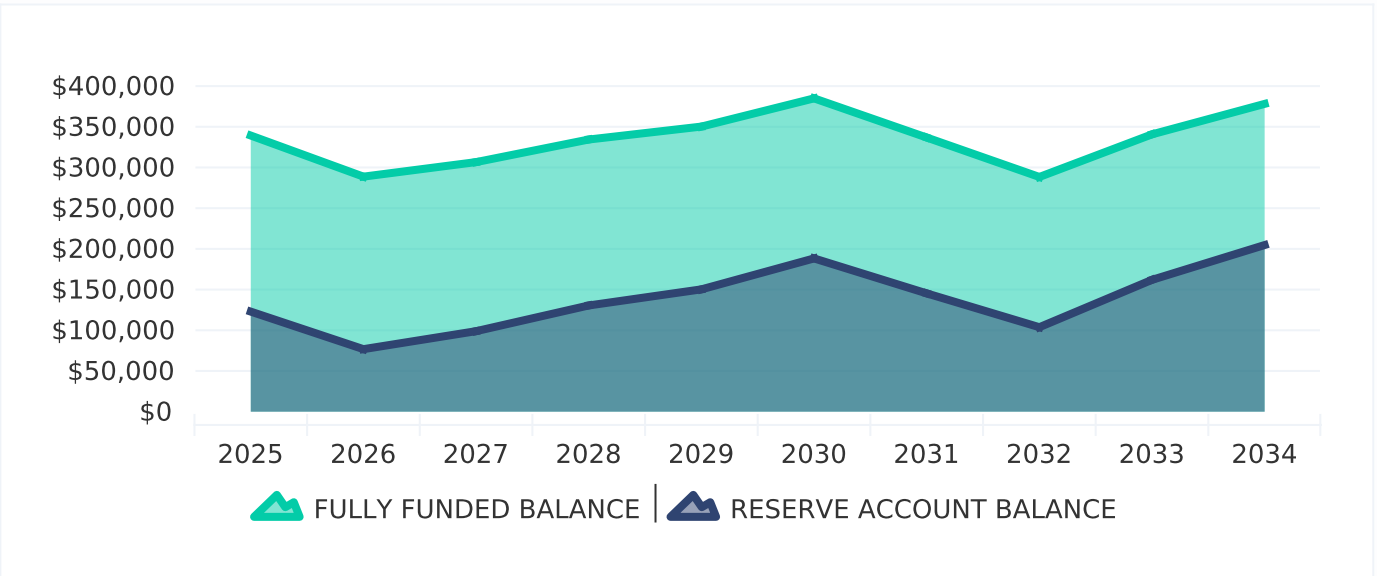
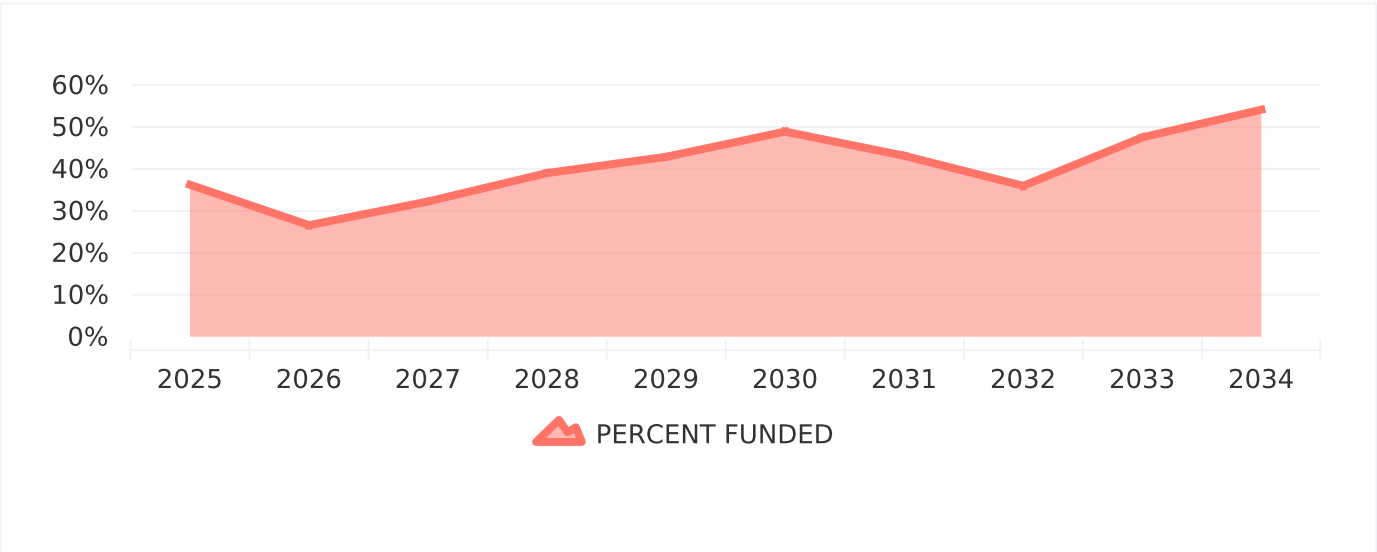
Year	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2025	\$122,900	\$30,000	\$0	\$228	\$93,410
2026	\$59,718	\$30,900	\$0	\$155	\$26,600
2027	\$64,173	\$31,827	\$0	\$177	\$18,619
2028	\$77,558	\$32,782	\$0	\$195	\$32,017
2029	\$78,518	\$33,765	\$0	\$219	\$15,391
2030	\$97,111	\$34,778	\$0	\$164	\$97,918
2031	\$34,135	\$35,822	\$0	\$8	\$98,062
2032	-\$28,097	\$36,896	\$0	\$0	\$0
2033	\$8,799	\$38,003	\$0	\$48	\$17,323
2034	\$29,527	\$39,143	\$0	\$63	\$47,820
2035	\$20,913	\$40,317	\$0	\$73	\$23,868
2036	\$37,435	\$41,527	\$0	\$116	\$23,518
2037	\$55,560	\$42,773	\$0	\$136	\$45,125
2038	\$53,344	\$44,056	\$0	\$42	\$117,329
2039	-\$19,887	\$45,378	\$0	\$0	\$38,269
2040	-\$12,778	\$46,739	\$0	\$0	\$161,250
2041	-\$127,288	\$48,141	\$0	\$0	\$48,342
2042	-\$127,489	\$49,585	\$0	\$0	\$42,520
2043	-\$120,423	\$51,073	\$0	\$0	\$48,477
2044	-\$117,827	\$52,605	\$0	\$0	\$0
2045	-\$65,222	\$54,183	\$0	\$0	\$40,972
2046	-\$52,010	\$55,809	\$0	\$0	\$46,740
2047	-\$42,941	\$57,483	\$0	\$0	\$20,119
2048	-\$5,577	\$59,208	\$0	\$0	\$189,119
2049	-\$135,488	\$60,984	\$0	\$0	\$64,338
2050	-\$138,843	\$62,813	\$0	\$0	\$46,796
2051	-\$122,825	\$64,698	\$0	\$0	\$138,345
2052	-\$196,473	\$66,639	\$0	\$0	\$39,928
2053	-\$169,762	\$68,638	\$0	\$0	\$31,287
2054	-\$132,411	\$70,697	\$0	\$0	\$0

Performance Targets

Fully Funded Balance	Percentage Funded
\$339,232	36%
\$288,742	21%
\$306,619	21%
\$334,352	23%
\$350,247	22%
\$384,909	25%
\$336,808	10%
\$288,353	0%
\$340,721	3%
\$378,128	8%
\$386,597	5%
\$421,382	9%
\$459,004	12%
\$476,976	11%
\$422,637	0%
\$449,666	0%
\$352,449	0%
\$370,272	0%
\$396,337	0%
\$418,811	0%
\$493,706	0%
\$530,516	0%
\$564,416	0%
\$628,736	0%
\$522,959	0%
\$544,637	0%
\$587,202	0%
\$538,981	0%
\$592,983	0%
\$659,874	0%

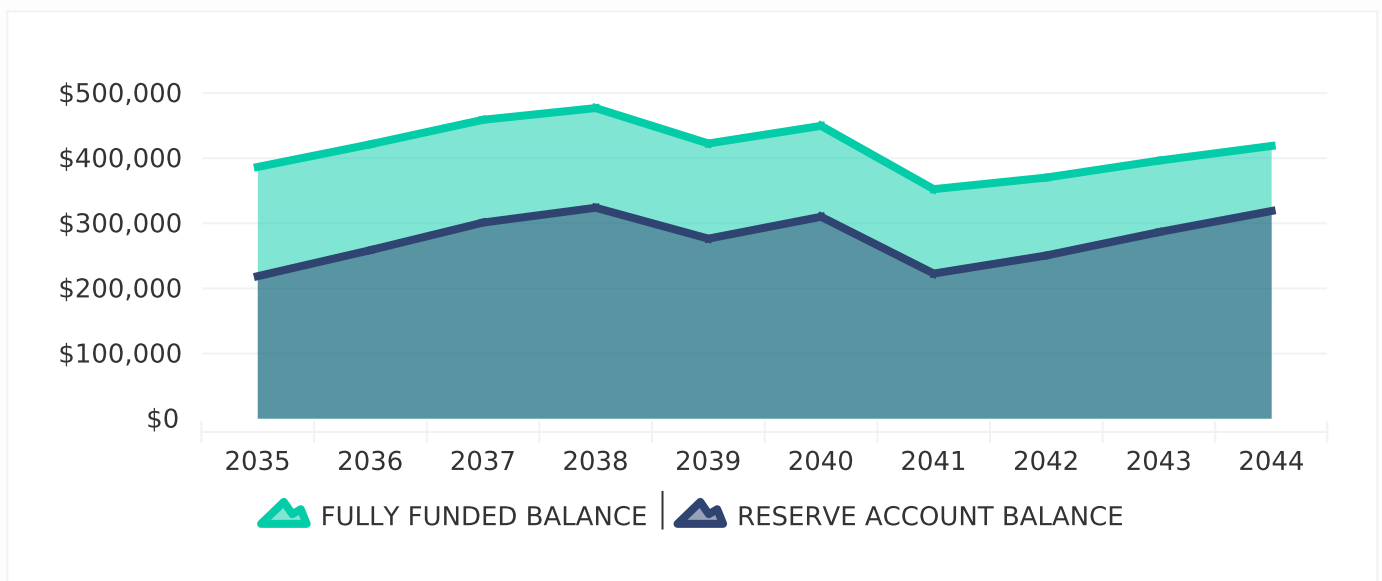
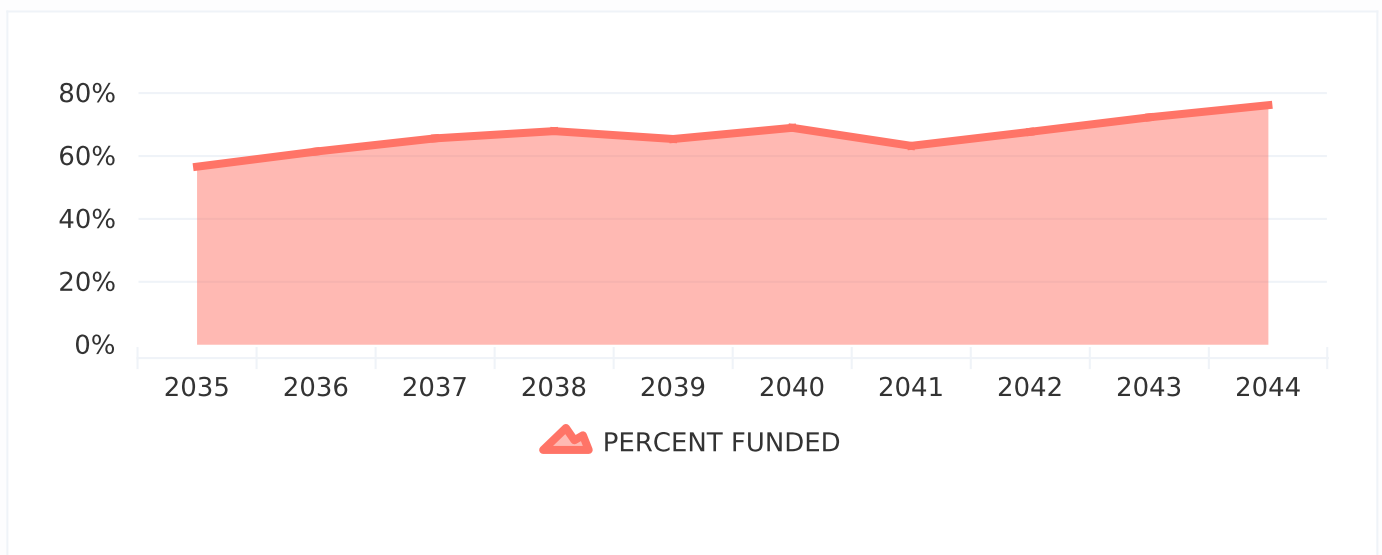
Full Funding Plan, Years 1-10

YEAR 1-10	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance	\$339,232	\$288,742	\$306,619	\$334,352	\$350,247	\$384,909	\$336,808	\$288,353	\$340,721	\$378,128
Percentage Funded (%)	36%	27%	32%	39%	43%	49%	43%	36%	48%	54%
Beginning Balance	\$122,900	\$76,803	\$98,898	\$130,496	\$150,257	\$188,259	\$145,317	\$103,763	\$161,977	\$204,731
Reserve Contribution	\$47,064	\$48,476	\$49,930	\$51,428	\$52,971	\$54,560	\$56,197	\$57,882	\$59,619	\$61,407
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	\$249	\$219	\$286	\$351	\$423	\$416	\$311	\$332	\$458	\$529
Reserve Expenditures	\$93,410	\$26,600	\$18,619	\$32,017	\$15,391	\$97,918	\$98,062	\$0	\$17,323	\$47,820
ENDING BALANCE	\$76,803	\$98,898	\$130,496	\$150,257	\$188,259	\$145,317	\$103,763	\$161,977	\$204,731	\$218,847



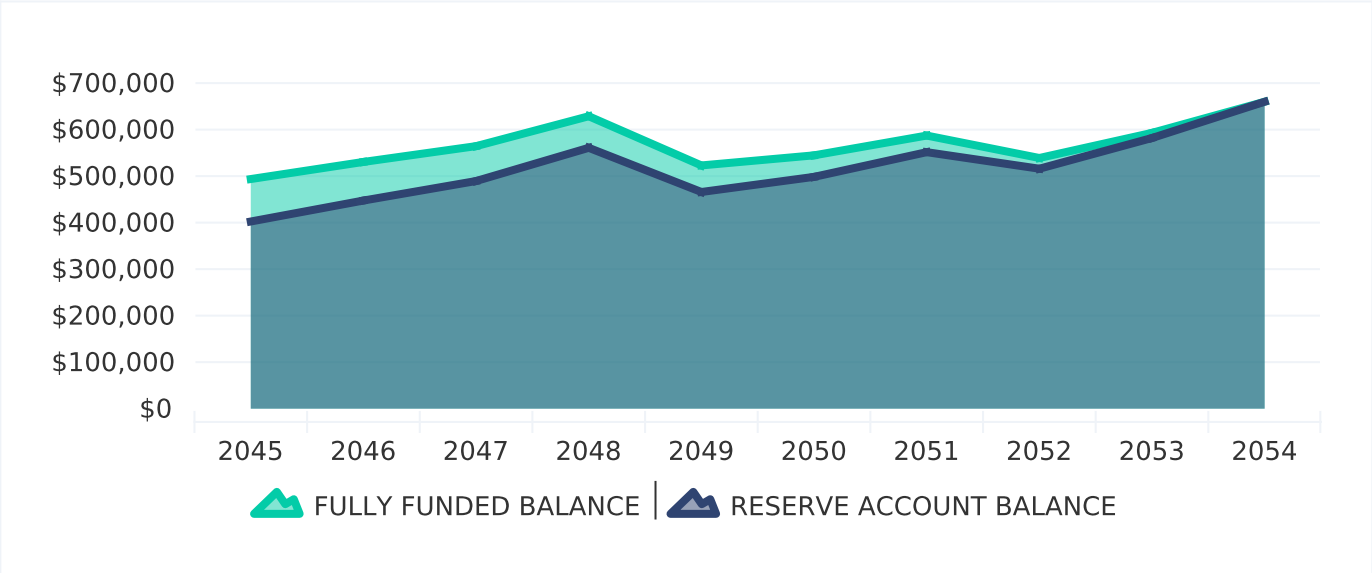
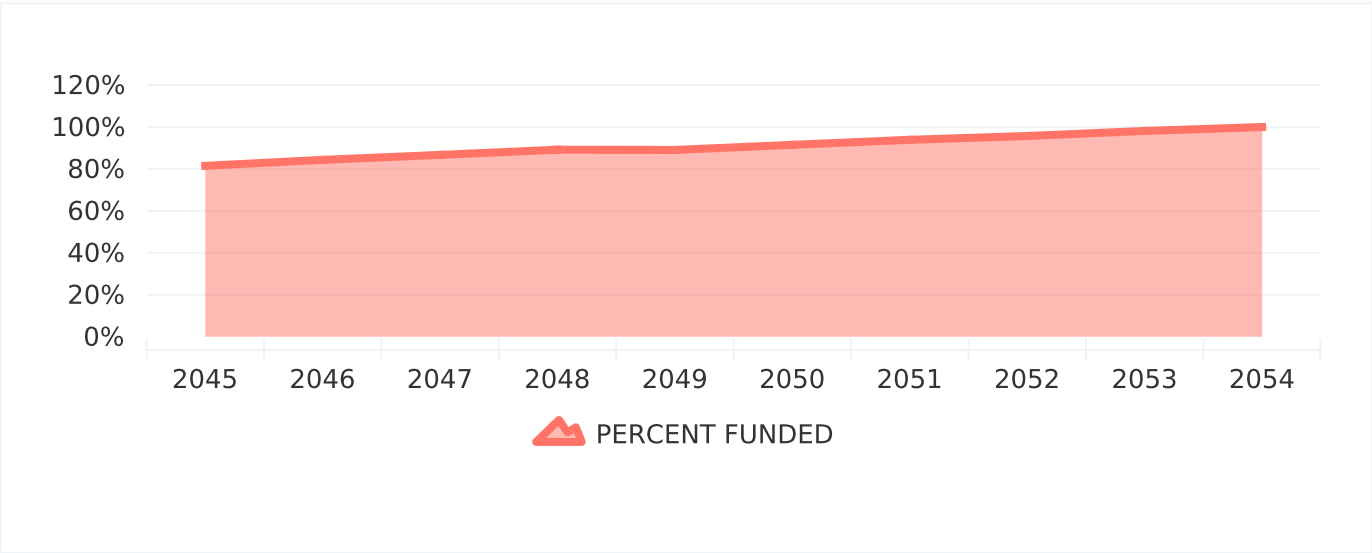
Full Funding Plan, Years 11-20

YEAR 11-20	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Fully Funded Balance	\$386,597	\$421,382	\$459,004	\$476,976	\$422,637	\$449,666	\$352,449	\$370,272	\$396,337	\$418,811
Percentage Funded (%)	57%	61%	66%	68%	65%	69%	63%	68%	72%	76%
Beginning Balance	\$218,847	\$258,825	\$301,153	\$323,910	\$276,446	\$310,097	\$222,837	\$250,610	\$286,550	\$318,952
Reserve Contribution	\$63,250	\$65,147	\$67,102	\$69,115	\$71,188	\$73,324	\$75,523	\$77,789	\$80,123	\$82,526
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	\$596	\$699	\$780	\$750	\$732	\$665	\$591	\$671	\$756	\$901
Reserve Expenditures	\$23,868	\$23,518	\$45,125	\$117,329	\$38,269	\$161,250	\$48,342	\$42,520	\$48,477	\$0
ENDING BALANCE	\$258,825	\$301,153	\$323,910	\$276,446	\$310,097	\$222,837	\$250,610	\$286,550	\$318,952	\$402,379



Full Funding Plan, Years 21-30

YEAR 21-30	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Fully Funded Balance	\$493,706	\$530,516	\$564,416	\$628,736	\$522,959	\$544,637	\$587,202	\$538,981	\$592,983	\$659,874
Percentage Funded (%)	82%	84%	87%	89%	89%	92%	94%	96%	98%	100%
Beginning Balance	\$402,379	\$447,470	\$489,452	\$560,824	\$465,871	\$498,407	\$551,463	\$515,948	\$581,933	\$659,874
Reserve Contribution	\$85,002	\$87,552	\$90,179	\$92,884	\$95,671	\$98,541	\$101,497	\$104,542	\$107,678	\$110,909
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	\$1,061	\$1,170	\$1,311	\$1,282	\$1,204	\$1,311	\$1,333	\$1,371	\$1,550	\$1,788
Reserve Expenditures	\$40,972	\$46,740	\$20,119	\$189,119	\$64,338	\$46,796	\$138,345	\$39,928	\$31,287	\$0
ENDING BALANCE	\$447,470	\$489,452	\$560,824	\$465,871	\$498,407	\$551,463	\$515,948	\$581,933	\$659,874	\$772,571



Reserve study law.



Who needs a reserve study?

All unit owner associations.*

How often do you need to update a reserve study?

A reserve study must be prepared annually. An updated reserve study must be prepared at least every third year by a reserve professional and based upon a visual site inspection conducted by the reserve study professional.

You can read more at the following:

Washington Uniform Common Interest Ownership Act
RCW 64.90
<https://app.leg.wa.gov/RCW/default.aspx?cite=64.90>

Condominium Act.
RCW 64.34
<https://app.leg.wa.gov/RCW/default.aspx?cite=64.34>

Homeowners' Association Act.
RCW 64.38
<https://app.leg.wa.gov/RCW/default.aspx?cite=64.38>

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*There are exceptions for certain associations.

Disclosures

General.

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.

The accuracy of the reserve study is also dependent on the accuracy and completeness of the information provided to the Reserve Specialist. The Reserve Specialist shall not be liable for inaccuracies in the reserve study attributable to incomplete or incorrect information provided to its representatives. Material issues, if not disclosed, can cause a distortion of the association's situation. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

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. All our reserve studies are prepared by or under the direct supervision of a Community Association Institute certified Reserve Specialist (RS Cert. #185).

Disclosures

Preventive Maintenance.

Assessment of Current Maintenance Practices. Our reserve study begins with an analysis of existing maintenance practices. This assessment helps in identifying any current strategies that are effective, as well as areas where improvements or changes are needed. The reserve study outlines a long-term maintenance strategy that is proactive rather than reactive. This strategy is designed to extend the life of community assets, reduce the likelihood of unexpected failures, and manage maintenance-related expenses effectively.

Budgeting for Preventive Maintenance. A critical component of the reserve study is the financial planning for preventive maintenance. This includes estimating the costs associated with regular upkeep and the allocation of funds to ensure that these activities can be carried out without financial strain.

Impact on Reserve Funding. The integration of preventive maintenance planning within the reserve study aims to optimize reserve funding. By maintaining assets regularly and efficiently, we anticipate a reduction in sudden, costly repairs, thus positively impacting the reserve fund balance over time.

Review and Adjustments. Recognizing that maintenance needs can evolve, our preventive maintenance plan is subject to regular reviews and adjustments. This ensures that the plan remains relevant and effective in light of new technologies, changing regulations, and the aging of our assets.

Limitation of Liability.

Scope of Services. The Reserve Specialist has been engaged to conduct a reserve study. The Reserve Study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Compliance with Reserve Study Standards. The Reserve Specialist is committed to performing all aspects of the reserve study in accordance with the established reserve study standards and applicable professional guidelines. This includes adhering to recognized methodologies for assessing the condition of common area components, estimating life cycles and replacement costs, and formulating funding plans.

Limitation of Liability. It is hereby disclosed that the Reserve Specialist shall incur no civil liability for any claims, losses, damages, or expenses related to the performance of the physical or financial portions of the reserve study, provided that these services are performed in accordance with the prevailing reserve study standards and professional guidelines.

Basis for Limitation. This limitation of liability is premised on the understanding that the Reserve Specialist's role is to provide assessments and recommendations based on the information available and prevailing professional standards. These assessments and recommendations are subject to the inherent limitations of forecasting future events and conditions.

Terms and definitions.

Adequate Reserves. A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements. Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling). A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund. To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Common Area. The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Community Association. A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components. The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Component Inventory. The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

Terms and definitions.

Component Method (also known as Straight Line). A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

Condition Assessment. The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age. The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis. The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded. 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB). An indicator against which the actual (or projected) reserve balance can be compared. 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, and then summed for an association total.

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

Example: For a component with a \$10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be \$4,000.

Fund Status. The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals. The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Terms and definitions.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance. It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan.

An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles.

A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year. The first fiscal year in the financial analysis or funding plan.

Life Estimates. The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost. The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance. Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of "replacement" but may pass the defining test of a reserve component and be appropriate for reserve funding.

Maintenance types are categorized below:

Preventive Maintenance. Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance. Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Terms and definitions.

Corrective Maintenance. Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded. The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

Periodic Structural Inspection. Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation. The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Preventive Maintenance Schedule. A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL). Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost. The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance. Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Terms and definitions.

Reserve Study. A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider. An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm. A company that prepares reserve studies as one of its primary business activities.

Responsible Charge. A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals' performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Site Visit. A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Terms and definitions.

Special Assessment. A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System. The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Useful Life (UL). The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates. The task of estimating the current repair or replacement costs for the reserve components.

*Terms and definitions from the 2023 Community Association Institutes Reserve Study Standards.

Client Supplied Information

In developing the report we are reliant on client data and any information provided by the association's representative regarding financial, physical, quantity, maintenance, or historical issues. The reserve study is a reflection of the information provided and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records. Below we have outlined the detail provided as part of this reserve study.



Correspondence.

Discussions with the association's representative(s):

- N/A



Documents received.

We received the following from the association:

- Reserve Study Group's 'Request for Information' form, outlining the Association's current financial and project information.

What to do after you receive the study.

After completing a reserve study, several important next steps need to be taken to ensure that the findings and recommendations are effectively implemented. These steps involve communicating the results, developing an action plan, and monitoring progress. Here's an explanation of the next steps after completing a reserve study:

● **Communicate the Findings**

The first crucial step is to communicate the findings to all relevant stakeholders, including the association board, managers, and homeowners. Transparent and clear communication is essential to ensure that everyone understands the importance of the study and the implications for the community.

○ **Develop an Action Plan**

The action plan should prioritize the necessary maintenance, repairs, and replacements, taking into account the urgency, estimated costs, and available funding.

○ **Allocate Sufficient Funds**

To implement the action plan effectively, it is crucial to allocate sufficient funds to the reserve fund. This may involve adjusting annual contributions, exploring additional funding sources, or revising the reserve fund investment strategy.

○ **Execute Maintenance and Repairs**

This involves scheduling regular maintenance tasks, conducting repairs as recommended, and replacing components when they reach the end of their useful life. Associations should work with qualified contractors and vendors to ensure that the work is performed to the required standards.

○ **Monitor and Review Progress**

The final step is to establish a system for monitoring and reviewing the progress of the action plan. Regularly assess the implementation of the plan, track the completion of tasks, and review any changes or updates that may be required.



www.reservestudygroup.com