



**2017  
RESERVE STUDY  
SAMPLE CONDOMINIUM ASSOCIATION**

Seattle, WA 98104  
Financial Year 01.2017–12.2017  
Level 1 | Full Reserve Study



## A New Strategy for Reserve Funding.

Our reserve study approach is simple. We provide you the 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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Funding programs and strategies that are available to the Association.



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## EXECUTIVE SUMMARY

### PROPERTY SUMMARY

ASSOCIATION NAME	Sample Condominium Association
LOCATION	Seattle, WA 98104
YEAR CONSTRUCTED	2015
NUMBER OF UNITS	100
FINANCIAL YEAR	2017 (January 1, 2017 - December 31, 2017)
REPORT LEVEL	Level 1 Full Study with Site Visit

### RESERVE FUND

PROJECTED STARTING BALANCE <sup>1</sup>	\$103,613
FULL FUNDED BALANCE, IDEAL	\$163,017
PERCENT FUNDED <sup>2</sup>	64%
INTEREST EARNED	1.00%
INFLATION RATE <sup>3</sup>	3.00%

### RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$87,753
FULL FUNDING, MAXIMUM CONTRIBUTION	\$198,866
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$100,617
SPECIAL ASSESSMENT	\$0

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

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

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



## KEY INSIGHTS

**\$103,613**

RESERVE ACCOUNT  
BALANCE

**\$87,753**

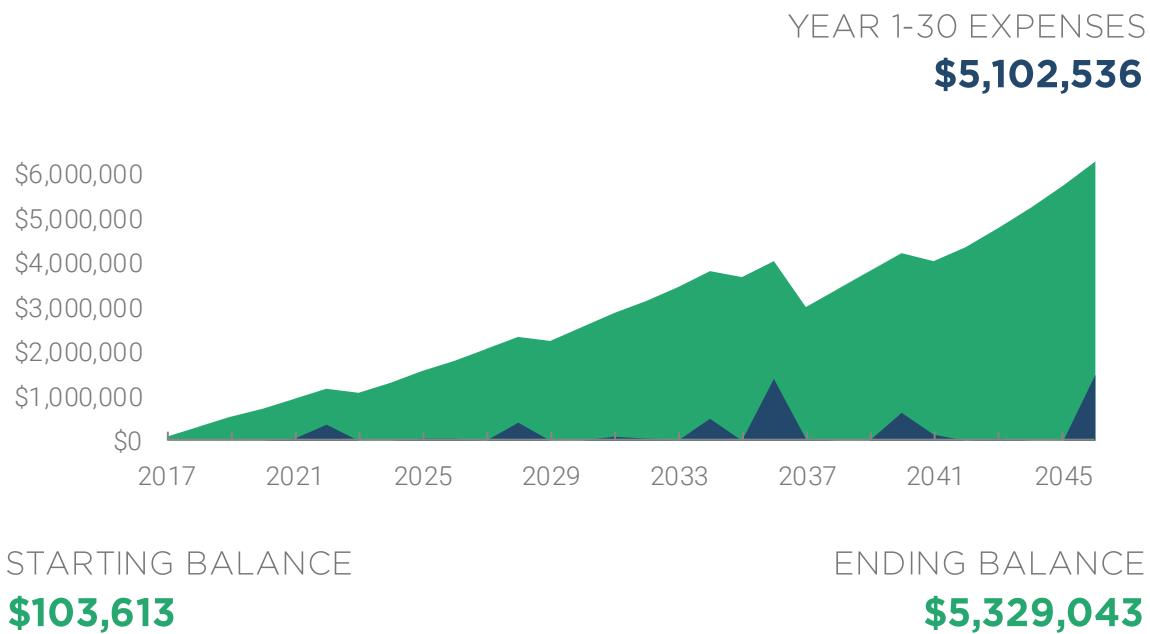
ANNUAL RESERVE  
CONTRIBUTION

**\$5,102,536**

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.



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.

**\$100,617**

MINIMUM  
BASELINE FUNDING

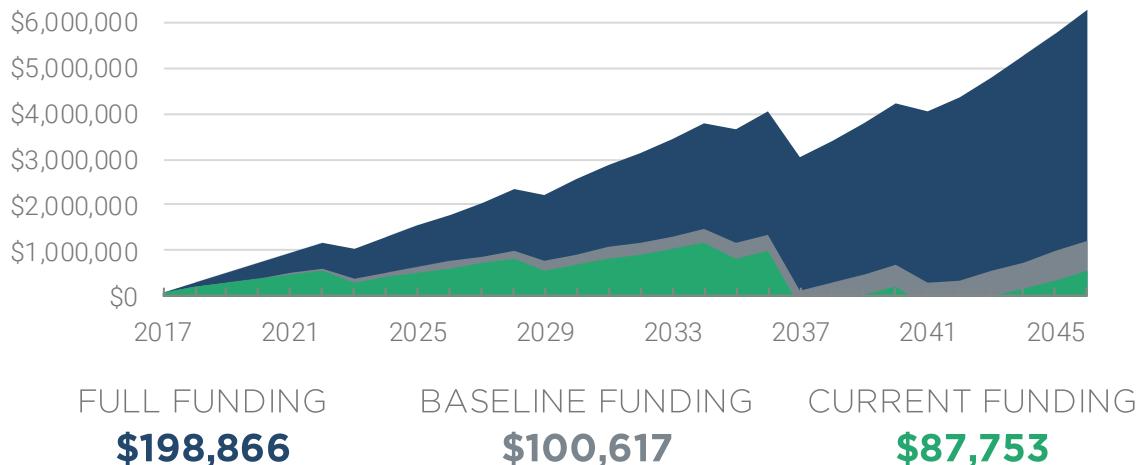
**\$198,866**

MAXIMUM  
FULL FUNDING

**\$87,753**  
CURRENT FUNDING

## 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 the contributions highlighted by an inflationary rate of 3.00% annually.



## FULL FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2017	\$163,017	64%	\$103,613	\$198,866	\$0	\$2,030	\$0	\$304,509
2018	\$335,814	91%	\$304,509	\$204,832	\$0	\$4,069	\$0	\$513,410
2019	\$518,833	99%	\$513,410	\$210,977	\$0	\$6,115	\$14,853	\$715,649
2020	\$697,233	103%	\$715,649	\$217,306	\$0	\$8,243	\$0	\$941,198
2021	\$901,626	104%	\$941,198	\$223,825	\$0	\$10,438	\$18,590	\$1,156,871
2022	\$1,098,508	105%	\$1,156,871	\$230,540	\$0	\$11,026	\$339,088	\$1,059,349
2023	\$976,854	108%	\$1,059,349	\$237,456	\$0	\$11,781	\$0	\$1,308,586
2024	\$1,206,649	108%	\$1,308,586	\$244,580	\$0	\$14,223	\$17,218	\$1,550,170
2025	\$1,431,619	108%	\$1,550,170	\$251,917	\$0	\$16,673	\$17,735	\$1,801,025
2026	\$1,669,000	108%	\$1,801,025	\$259,475	\$0	\$19,180	\$25,465	\$2,054,215
2027	\$1,911,922	107%	\$2,054,215	\$267,259	\$0	\$21,878	\$0	\$2,343,352
2028	\$2,194,933	107%	\$2,343,352	\$275,277	\$0	\$22,785	\$404,888	\$2,236,526
2029	\$2,076,169	108%	\$2,236,526	\$283,535	\$0	\$23,783	\$0	\$2,543,844
2030	\$2,377,849	107%	\$2,543,844	\$292,041	\$0	\$26,899	\$0	\$2,862,783
2031	\$2,695,762	106%	\$2,862,783	\$300,802	\$0	\$29,816	\$63,101	\$3,130,301
2032	\$2,965,616	106%	\$3,130,301	\$309,826	\$0	\$32,743	\$21,812	\$3,451,059
2033	\$3,293,712	105%	\$3,451,059	\$319,121	\$0	\$36,106	\$0	\$3,806,286
2034	\$3,661,965	104%	\$3,806,286	\$328,695	\$0	\$37,190	\$503,292	\$3,668,879
2035	\$3,530,958	104%	\$3,668,879	\$338,556	\$0	\$38,382	\$0	\$4,045,816
2036	\$3,922,738	103%	\$4,045,816	\$348,712	\$0	\$35,190	\$1,402,409	\$3,027,309
2037	\$2,890,365	105%	\$3,027,309	\$359,174	\$0	\$31,943	\$25,286	\$3,393,139
2038	\$3,254,290	104%	\$3,393,139	\$369,949	\$0	\$35,781	\$0	\$3,798,869
2039	\$3,664,276	104%	\$3,798,869	\$381,047	\$0	\$39,894	\$0	\$4,219,810
2040	\$4,095,932	103%	\$4,219,810	\$392,479	\$0	\$41,136	\$604,904	\$4,048,521
2041	\$3,927,138	103%	\$4,048,521	\$404,253	\$0	\$41,753	\$150,766	\$4,343,760
2042	\$4,230,983	103%	\$4,343,760	\$416,381	\$0	\$45,520	\$0	\$4,805,660
2043	\$4,709,473	102%	\$4,805,660	\$428,872	\$0	\$50,050	\$30,192	\$5,254,390
2044	\$5,181,766	101%	\$5,254,390	\$441,738	\$0	\$54,753	\$0	\$5,750,881
2045	\$5,710,190	101%	\$5,750,881	\$454,990	\$0	\$59,784	\$0	\$6,265,655
2046	\$6,265,655	100%	\$6,265,655	\$468,640	\$0	\$57,685	\$1,462,937	\$5,329,043



## BASELINE FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2017	\$163,017	64%	\$103,613	\$100,617	\$0	\$1,539	\$0	\$205,770
2018	\$335,814	61%	\$205,770	\$103,636	\$0	\$2,576	\$0	\$311,981
2019	\$518,833	60%	\$311,981	\$106,745	\$0	\$3,579	\$14,853	\$407,453
2020	\$697,233	58%	\$407,453	\$109,947	\$0	\$4,624	\$0	\$522,025
2021	\$901,626	58%	\$522,025	\$113,246	\$0	\$5,694	\$18,590	\$622,374
2022	\$1,098,508	57%	\$622,374	\$116,643	\$0	\$5,112	\$339,088	\$405,041
2023	\$976,854	41%	\$405,041	\$120,142	\$0	\$4,651	\$0	\$529,834
2024	\$1,206,649	44%	\$529,834	\$123,747	\$0	\$5,831	\$17,218	\$642,194
2025	\$1,431,619	45%	\$642,194	\$127,459	\$0	\$6,971	\$17,735	\$758,888
2026	\$1,669,000	45%	\$758,888	\$131,283	\$0	\$8,118	\$25,465	\$872,824
2027	\$1,911,922	46%	\$872,824	\$135,221	\$0	\$9,404	\$0	\$1,017,450
2028	\$2,194,933	46%	\$1,017,450	\$139,278	\$0	\$8,846	\$404,888	\$760,686
2029	\$2,076,169	37%	\$760,686	\$143,456	\$0	\$8,324	\$0	\$912,466
2030	\$2,377,849	38%	\$912,466	\$147,760	\$0	\$9,863	\$0	\$1,070,089
2031	\$2,695,762	40%	\$1,070,089	\$152,193	\$0	\$11,146	\$63,101	\$1,170,328
2032	\$2,965,616	39%	\$1,170,328	\$156,759	\$0	\$12,378	\$21,812	\$1,317,653
2033	\$3,293,712	40%	\$1,317,653	\$161,461	\$0	\$13,984	\$0	\$1,493,098
2034	\$3,661,965	41%	\$1,493,098	\$166,305	\$0	\$13,246	\$503,292	\$1,169,357
2035	\$3,530,958	33%	\$1,169,357	\$171,294	\$0	\$12,550	\$0	\$1,353,202
2036	\$3,922,738	34%	\$1,353,202	\$176,433	\$0	\$7,402	\$1,402,409	\$134,627
2037	\$2,890,365	5%	\$134,627	\$181,726	\$0	\$2,128	\$25,286	\$293,196
2038	\$3,254,290	9%	\$293,196	\$187,178	\$0	\$3,868	\$0	\$484,242
2039	\$3,664,276	13%	\$484,242	\$192,793	\$0	\$5,806	\$0	\$682,842
2040	\$4,095,932	17%	\$682,842	\$198,577	\$0	\$4,797	\$604,904	\$281,311
2041	\$3,927,138	7%	\$281,311	\$204,534	\$0	\$3,082	\$150,766	\$338,161
2042	\$4,230,983	8%	\$338,161	\$210,670	\$0	\$4,435	\$0	\$553,267
2043	\$4,709,473	12%	\$553,267	\$216,991	\$0	\$6,467	\$30,192	\$746,532
2044	\$5,181,766	14%	\$746,532	\$223,500	\$0	\$8,583	\$0	\$978,615
2045	\$5,710,190	17%	\$978,615	\$230,205	\$0	\$10,937	\$0	\$1,219,757
2046	\$6,265,655	19%	\$1,219,757	\$237,111	\$0	\$6,068	\$1,462,937	\$0



## CURRENT FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2017	\$163,017	64%	\$103,613	\$87,753	\$0	\$1,475	\$0	\$192,841
2018	\$335,814	57%	\$192,841	\$90,386	\$0	\$2,380	\$0	\$285,607
2019	\$518,833	55%	\$285,607	\$93,097	\$0	\$3,247	\$14,853	\$367,099
2020	\$697,233	53%	\$367,099	\$95,890	\$0	\$4,150	\$0	\$467,139
2021	\$901,626	52%	\$467,139	\$98,767	\$0	\$5,072	\$18,590	\$552,388
2022	\$1,098,508	50%	\$552,388	\$101,730	\$0	\$4,337	\$339,088	\$319,367
2023	\$976,854	33%	\$319,367	\$104,782	\$0	\$3,718	\$0	\$427,867
2024	\$1,206,649	35%	\$427,867	\$107,925	\$0	\$4,732	\$17,218	\$523,306
2025	\$1,431,619	37%	\$523,306	\$111,163	\$0	\$5,700	\$17,735	\$622,434
2026	\$1,669,000	37%	\$622,434	\$114,498	\$0	\$6,670	\$25,465	\$718,136
2027	\$1,911,922	38%	\$718,136	\$117,933	\$0	\$7,771	\$0	\$843,840
2028	\$2,194,933	38%	\$843,840	\$121,471	\$0	\$7,021	\$404,888	\$567,443
2029	\$2,076,169	27%	\$567,443	\$125,115	\$0	\$6,300	\$0	\$698,858
2030	\$2,377,849	29%	\$698,858	\$128,868	\$0	\$7,633	\$0	\$835,359
2031	\$2,695,762	31%	\$835,359	\$132,734	\$0	\$8,702	\$63,101	\$913,695
2032	\$2,965,616	31%	\$913,695	\$136,716	\$0	\$9,711	\$21,812	\$1,038,311
2033	\$3,293,712	32%	\$1,038,311	\$140,818	\$0	\$11,087	\$0	\$1,190,216
2034	\$3,661,965	33%	\$1,190,216	\$145,042	\$0	\$10,111	\$503,292	\$842,077
2035	\$3,530,958	24%	\$842,077	\$149,394	\$0	\$9,168	\$0	\$1,000,638
2036	\$3,922,738	26%	\$1,000,638	\$153,875	\$0	\$3,764	\$1,402,409	-\$244,132
2037	\$2,890,365	0%	-\$244,132	\$158,492	\$0	\$0	\$25,286	-\$110,926
2038	\$3,254,290	0%	-\$110,926	\$163,246	\$0	\$0	\$0	\$52,321
2039	\$3,664,276	1%	\$52,321	\$168,144	\$0	\$1,364	\$0	\$221,828
2040	\$4,095,932	5%	\$221,828	\$173,188	\$0	\$60	\$604,904	-\$209,828
2041	\$3,927,138	0%	-\$209,828	\$178,384	\$0	\$0	\$150,766	-\$182,211
2042	\$4,230,983	0%	-\$182,211	\$183,735	\$0	\$0	\$0	\$1,525
2043	\$4,709,473	0%	\$1,525	\$189,247	\$0	\$811	\$30,192	\$161,390
2044	\$5,181,766	3%	\$161,390	\$194,925	\$0	\$2,589	\$0	\$358,904
2045	\$5,710,190	6%	\$358,904	\$200,773	\$0	\$4,593	\$0	\$564,269
2046	\$6,265,655	9%	\$564,269	\$206,796	\$0	\$0	\$1,462,937	-\$691,872



## METHODOLOGY

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

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

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

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

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

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

The financial analysis evaluates the condition of the Association's reserve fund in relation to its income and anticipated expenses. It appraises the adequacy of the reserve fund, and associated



member contributions, against the current and future expenditures of the Association. To adequately forecast these expenditures over the 30-year projection period, current costs, projected inflation, and interest rates must be established. Recommendations are then provided to establish a reserve fund that addresses anticipated expenses, without having to resort to special assessments.

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

## PHYSICAL ANALYSIS

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

### Site Inspection

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

### Reserve Components

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

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



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

### **Component Useful Life**

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

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

### **Component Remaining Useful Life**

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

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

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



## FINANCIAL ANALYSIS

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

### Recommended Funding Rate

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

### Fully Funded Balance

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

### Percent Funded

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

### Reserve Component Cost

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



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

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

### **Inflation Rate**

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

### **Interest Rate**

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

### **Current Reserve Fund Balance**

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

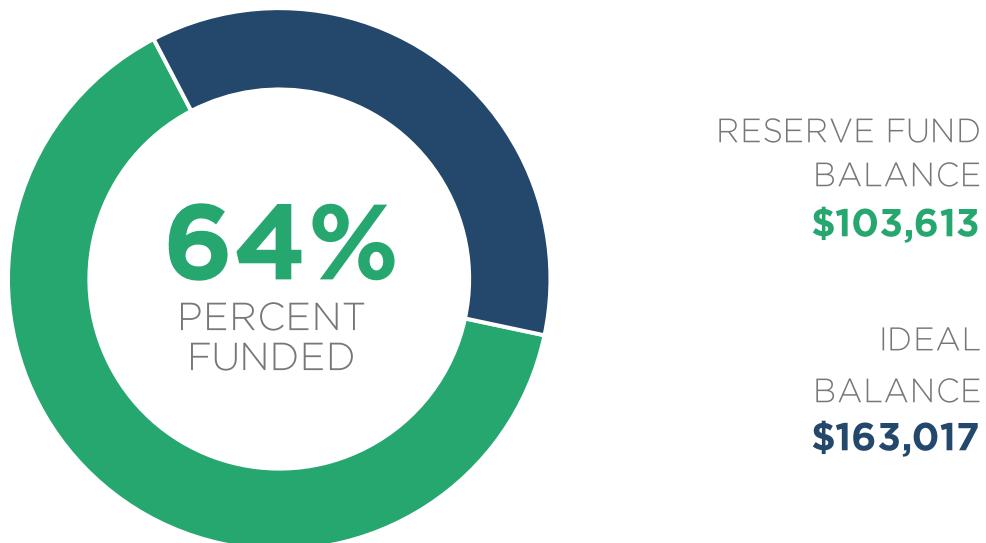


## FINANCIAL ANALYSIS

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

### Percent Funded

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



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.

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.

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### **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.

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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	Current Fully Funded Balance
Roof - Asphalt Shingle	20	19	856	Squares	\$460.00	\$393,760	\$19,688
Roof - Gutters & Downspouts	20	19	14,750	LF	\$6.75	\$99,563	\$4,978
Building Exterior - Clean, Caulk & Paint	6	5	1	Lump Sum	\$270,000.00	\$270,000	\$45,000
Building Exterior - Siding, Fiber Cement	35	34	151,000	SF	\$12.50	\$1,887,500	\$53,929
Building Exterior - Brick [Repair]	6	5	1	Allowance	\$8,500.00	\$8,500	\$1,417
Building Exterior - Deck, Surface [Replace]	20	19	9,170	SF	\$25.00	\$229,250	\$11,463
Building Exterior - Deck, Metal Railings	30	29	1,840	LF	\$80.00	\$147,200	\$4,907
Building Exterior - Light Fixture, Wall Mount	18	17	100	Each	\$120.00	\$12,000	\$667
General Site - Asphalt Seal Coat, Striping & Repair	5	4	57,500	SF	\$0.23	\$13,225	\$2,645
General Site - Asphalt Overlay	30	29	57,500	SF	\$2.25	\$129,375	\$4,313
General Site - Concrete, Sidewalk Repair [2% Replace]	5	4	20,575	SF	\$8.00	\$3,292	\$658
General Site - Drainage, Detention Vault [Maintain]	3	2	1	Allowance	\$5,000.00	\$5,000	\$1,667
General Site - Fence, Wood Split-Rail	20	19	1,280	LF	\$15.75	\$20,160	\$1,008
General Site - Fence, Wood Privacy	25	24	1,250	LF	\$32.00	\$40,000	\$1,600
General Site - Fence, Wood [Stain]	3	2	1	Lump Sum	\$6,000.00	\$6,000	\$2,000
General Site - Fence, Chain Link	25	24	120	LF	\$45.00	\$5,400	\$216
General Site - Landscape, Irrigation	3	2	1	Allowance	\$3,000.00	\$3,000	\$1,000
General Site - Playground, Playscape	20	19	1	Each	\$28,000.00	\$28,000	\$1,400
General Site - Playground, Swing	20	19	1	Each	\$2,000.00	\$2,000	\$100
General Site - Basketball Court, Equipment	15	14	1	Each	\$3,200.00	\$3,200	\$213
General Site - Retaining Walls [Review]	10	9	1	Allowance	\$3,000.00	\$3,000	\$300
Site Fixtures - Mailboxes, Cluster Box Units	25	24	7	Each	\$1,750.00	\$12,250	\$490
Site Fixtures - Seating, Bench	20	19	5	Each	\$800.00	\$4,000	\$200
Site Fixtures - Seating, Picnic Table	20	19	3	Each	\$1,175.00	\$3,525	\$176
Site Fixtures - Security Gate	30	29	4	Each	\$5,250.00	\$21,000	\$700
Site Fixtures - Security Gate, Operator	8	7	4	Each	\$3,500.00	\$14,000	\$1,750
Site Fixtures - Security Gate, Access Control	15	14	2	Each	\$4,000.00	\$8,000	\$533
<b>TOTALS</b>						\$3,372,200	\$163,017



## RESERVE EXPENSES 1-10 YEARS

Component	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Roof - Asphalt Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0	\$313,004	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Brick [Repair]	\$0	\$0	\$0	\$0	\$0	\$9,854	\$0	\$0	\$0	\$0
Building Exterior - Deck, Surface [Replace]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck, Metal Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Light Fixture, Wall Mount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt Seal Coat, Striping & Repair	\$0	\$0	\$0	\$0	\$14,885	\$0	\$0	\$0	\$0	\$17,256
General Site - Asphalt Overlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Sidewalk Repair [2% Replace]	\$0	\$0	\$0	\$0	\$3,705	\$0	\$0	\$0	\$0	\$4,295
General Site - Drainage, Detention Vault [Maintain]	\$0	\$0	\$5,305	\$0	\$0	\$5,796	\$0	\$0	\$6,334	\$0
General Site - Fence, Wood Split-Rail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Privacy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood [Stain]	\$0	\$0	\$6,365	\$0	\$0	\$6,956	\$0	\$0	\$7,601	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Irrigation	\$0	\$0	\$3,183	\$0	\$0	\$3,478	\$0	\$0	\$3,800	\$0
General Site - Playground, Playscape	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Swing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Retaining Walls [Review]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,914
Site Fixtures - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Seating, Bench	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate, Operator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,218	\$0	\$0
Site Fixtures - Security Gate, Access Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$0	\$0	\$14,853	\$0	\$18,590	\$339,088	\$0	\$17,218	\$17,735	\$25,465

YEARS 1 THROUGH 10



## RESERVE EXPENSES 11-20 YEARS

Component	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Roof - Asphalt Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$690,461
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$174,583
Building Exterior - Clean, Caulk & Paint	\$0	\$373,743	\$0	\$0	\$0	\$0	\$0	\$446,269	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Brick [Repair]	\$0	\$11,766	\$0	\$0	\$0	\$0	\$0	\$14,049	\$0	\$0
Building Exterior - Deck, Surface [Replace]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$401,991
Building Exterior - Deck, Metal Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Light Fixture, Wall Mount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,834	\$0	\$0
General Site - Asphalt Seal Coat, Striping & Repair	\$0	\$0	\$0	\$0	\$20,004	\$0	\$0	\$0	\$0	\$23,190
General Site - Asphalt Overlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Sidewalk Repair [2% Replace]	\$0	\$0	\$0	\$0	\$4,979	\$0	\$0	\$0	\$0	\$5,773
General Site - Drainage, Detention Vault [Maintain]	\$0	\$6,921	\$0	\$0	\$7,563	\$0	\$0	\$8,264	\$0	\$0
General Site - Fence, Wood Split-Rail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,351
General Site - Fence, Wood Privacy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood [Stain]	\$0	\$8,305	\$0	\$0	\$9,076	\$0	\$0	\$9,917	\$0	\$0
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Irrigation	\$0	\$4,153	\$0	\$0	\$4,538	\$0	\$0	\$4,959	\$0	\$0
General Site - Playground, Playscape	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,098
General Site - Playground, Swing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,507
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$4,840	\$0	\$0	\$0	\$0	\$0
General Site - Retaining Walls [Review]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,261
Site Fixtures - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Seating, Bench	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,014
Site Fixtures - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,181
Site Fixtures - Security Gate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate, Operator	\$0	\$0	\$0	\$0	\$0	\$21,812	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate, Access Control	\$0	\$0	\$0	\$0	\$12,101	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$0	\$404,888	\$0	\$0	\$63,101	\$21,812	\$0	\$503,292	\$0	\$1,402,409

YEARS 11 THROUGH 20



## RESERVE EXPENSES 21-30 YEARS

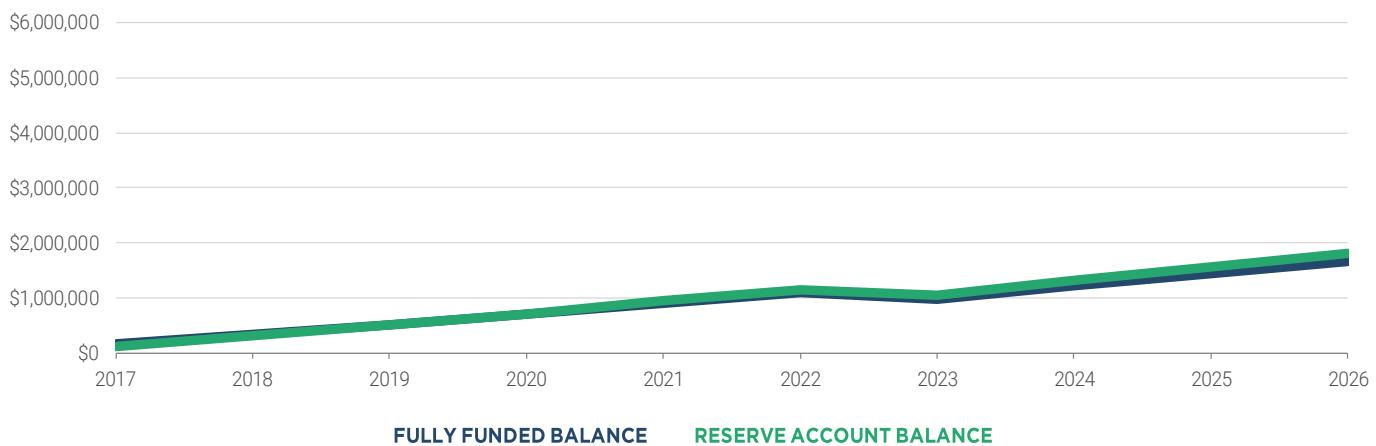
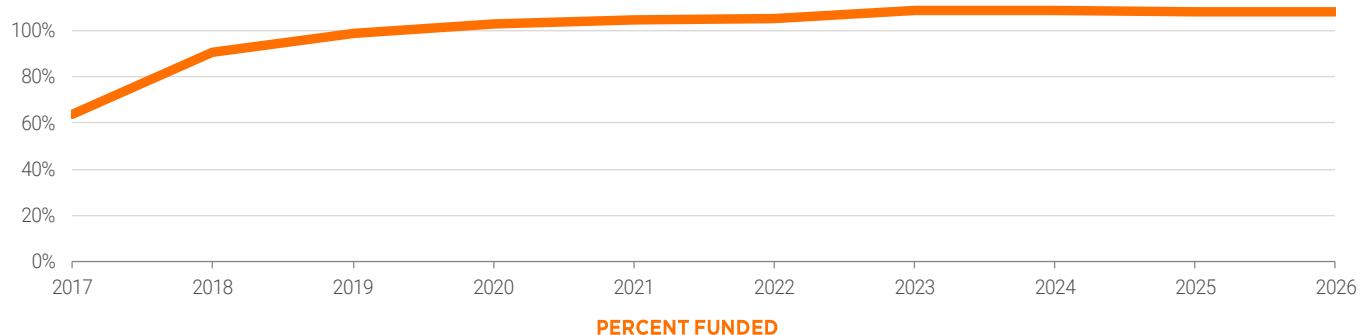
Component	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Roof - Asphalt Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roof - Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$532,868	\$0	\$0	\$0	\$0	\$0	\$636,273
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Brick [Repair]	\$0	\$0	\$0	\$16,775	\$0	\$0	\$0	\$0	\$0	\$20,031
Building Exterior - Deck, Surface [Replace]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck, Metal Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$346,886
Building Exterior - Light Fixture, Wall Mount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt Seal Coat, Striping & Repair	\$0	\$0	\$0	\$0	\$26,884	\$0	\$0	\$0	\$0	\$31,166
General Site - Asphalt Overlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$304,881
General Site - Concrete, Sidewalk Repair [2% Replace]	\$0	\$0	\$0	\$0	\$6,692	\$0	\$0	\$0	\$0	\$7,758
General Site - Drainage, Detention Vault [Maintain]	\$9,031	\$0	\$0	\$9,868	\$0	\$0	\$10,783	\$0	\$0	\$11,783
General Site - Fence, Wood Split-Rail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood Privacy	\$0	\$0	\$0	\$0	\$81,312	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Wood [Stain]	\$10,837	\$0	\$0	\$11,842	\$0	\$0	\$12,940	\$0	\$0	\$14,139
General Site - Fence, Chain Link	\$0	\$0	\$0	\$0	\$10,977	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Irrigation	\$5,418	\$0	\$0	\$5,921	\$0	\$0	\$6,470	\$0	\$0	\$7,070
General Site - Playground, Playscape	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Swing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,541
General Site - Retaining Walls [Review]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,070
Site Fixtures - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$24,902	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Seating, Bench	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,488
Site Fixtures - Security Gate, Operator	\$0	\$0	\$0	\$27,630	\$0	\$0	\$0	\$0	\$0	\$0
Site Fixtures - Security Gate, Access Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,853
Annual Expenditure	\$25,286	\$0	\$0	\$604,904	\$150,766	\$0	\$30,192	\$0	\$0	\$1,462,937

YEARS 21 THROUGH 30



## FULL FUNDING PLAN 1-10 YEARS

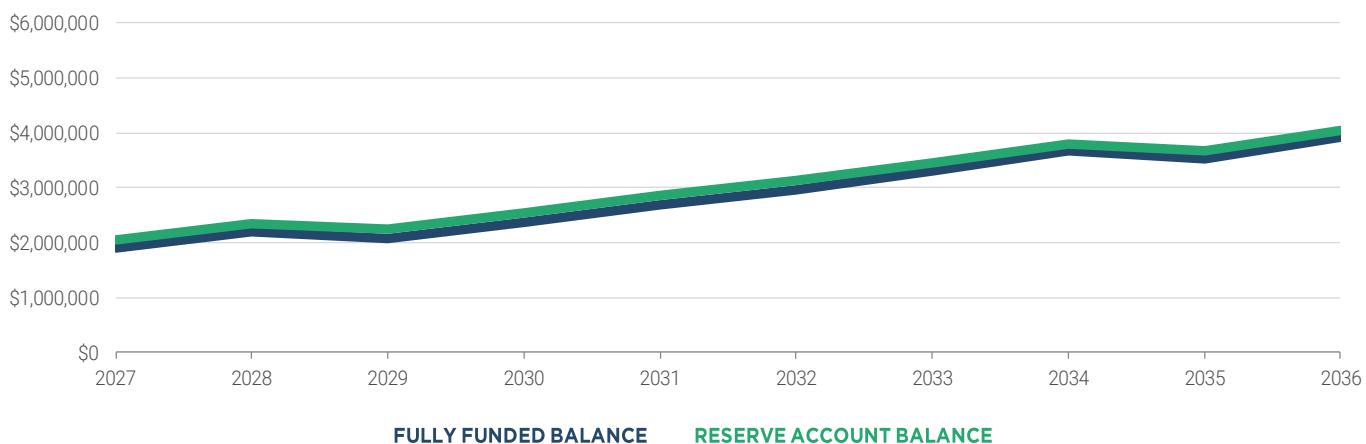
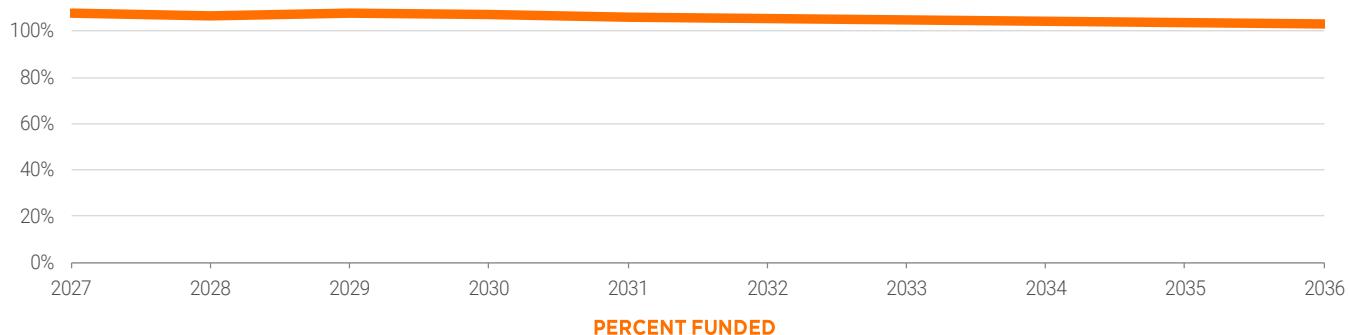
YEAR 1 - 10	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Fully Funded Balance	\$163,017	\$335,814	\$518,833	\$697,233	\$901,626	\$1,098,508	\$976,854	\$1,206,649	\$1,431,619	\$1,669,000
Percentage Funded (%)	64%	91%	99%	103%	104%	105%	108%	108%	108%	108%
Beginning Balance	\$103,613	\$304,509	\$513,410	\$715,649	\$941,198	\$1,156,871	\$1,059,349	\$1,308,586	\$1,550,170	\$1,801,025
Reserve Contribution	\$198,866	\$204,832	\$210,977	\$217,306	\$223,825	\$230,540	\$237,456	\$244,580	\$251,917	\$259,475
Avg Unit Contribution (mth)	\$165.72	\$170.69	\$175.81	\$181.09	\$186.52	\$192.12	\$197.88	\$203.82	\$209.93	\$216.23
Contribution Increase (%)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment										
Interest Earned	\$2,030	\$4,069	\$6,115	\$8,243	\$10,438	\$11,026	\$11,781	\$14,223	\$16,673	\$19,180
Reserve Expenditures	\$0	\$0	\$14,853	\$0	\$18,590	\$339,088	\$0	\$17,218	\$17,735	\$25,465
ENDING BALANCE	\$304,509	\$513,410	\$715,649	\$941,198	\$1,156,871	\$1,059,349	\$1,308,586	\$1,550,170	\$1,801,025	\$2,054,215





## FULL FUNDING PLAN 11-20 YEARS

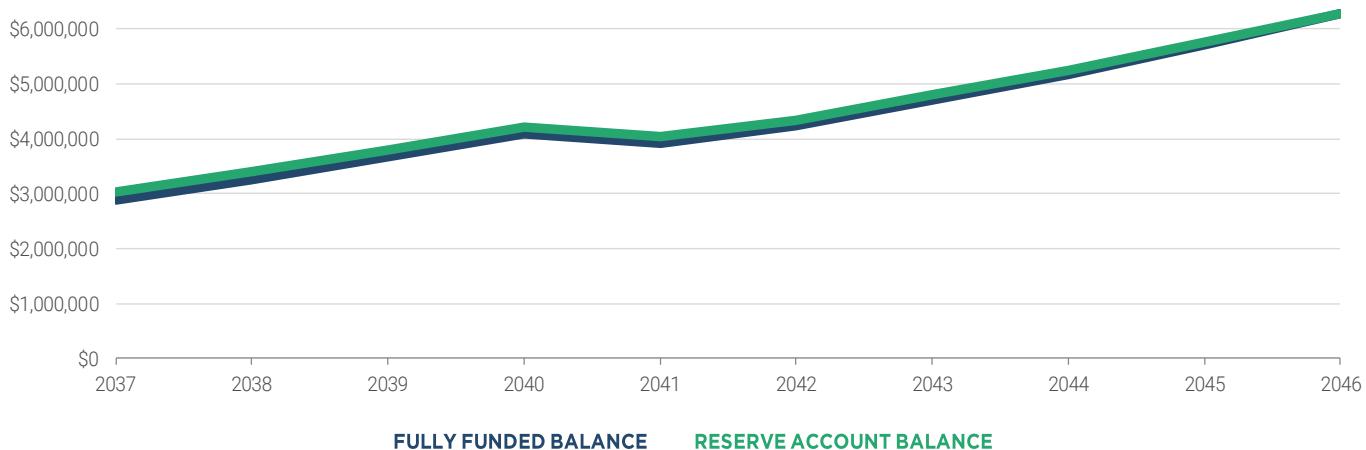
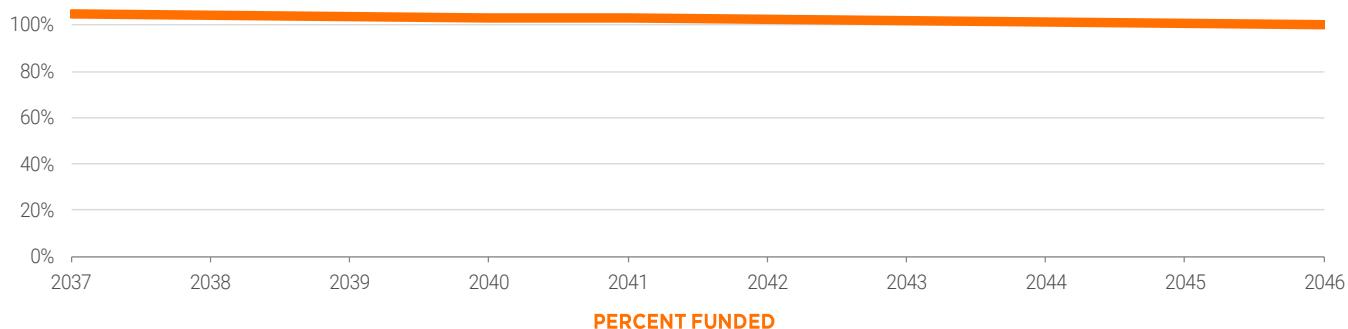
YEAR 11 - 20	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Fully Funded Balance	\$1,911,922	\$2,194,933	\$2,076,169	\$2,377,849	\$2,695,762	\$2,965,616	\$3,293,712	\$3,661,965	\$3,530,958	\$3,922,738
Percentage Funded (%)	107%	107%	108%	107%	106%	106%	105%	104%	104%	103%
Beginning Balance	\$2,054,215	\$2,343,352	\$2,236,526	\$2,543,844	\$2,862,783	\$3,130,301	\$3,451,059	\$3,806,286	\$3,668,879	\$4,045,816
Reserve Contribution	\$267,259	\$275,277	\$283,535	\$292,041	\$300,802	\$309,826	\$319,121	\$328,695	\$338,556	\$348,712
Avg Unit Contribution (mth)	\$222.72	\$229.40	\$236.28	\$243.37	\$250.67	\$258.19	\$265.93	\$273.91	\$282.13	\$290.59
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment										
Interest Earned	\$21,878	\$22,785	\$23,783	\$26,899	\$29,816	\$32,743	\$36,106	\$37,190	\$38,382	\$35,190
Reserve Expenditures	\$0	\$404,888	\$0	\$0	\$63,101	\$21,812	\$0	\$503,292	\$0	\$1,402,409
ENDING BALANCE	\$2,343,352	\$2,236,526	\$2,543,844	\$2,862,783	\$3,130,301	\$3,451,059	\$3,806,286	\$3,668,879	\$4,045,816	\$3,027,309





## FULL FUNDING PLAN 21-30 YEARS

YEAR 21 - 30	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Fully Funded Balance	\$2,890,365	\$3,254,290	\$3,664,276	\$4,095,932	\$3,927,138	\$4,230,983	\$4,709,473	\$5,181,766	\$5,710,190	\$6,265,655
Percentage Funded (%)	105%	104%	104%	103%	103%	103%	102%	101%	101%	100%
Beginning Balance	\$3,027,309	\$3,393,139	\$3,798,869	\$4,219,810	\$4,048,521	\$4,343,760	\$4,805,660	\$5,254,390	\$5,750,881	\$6,265,655
Reserve Contribution	\$359,174	\$369,949	\$381,047	\$392,479	\$404,253	\$416,381	\$428,872	\$441,738	\$454,990	\$468,640
Avg Unit Contribution (mth)	\$299.31	\$308.29	\$317.54	\$327.07	\$336.88	\$346.98	\$357.39	\$368.12	\$379.16	\$390.53
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment										
Interest Earned	\$31,943	\$35,781	\$39,894	\$41,136	\$41,753	\$45,520	\$50,050	\$54,753	\$59,784	\$57,685
Reserve Expenditures	\$25,286	\$0	\$0	\$604,904	\$150,766	\$0	\$30,192	\$0	\$0	\$1,462,937
ENDING BALANCE	\$3,393,139	\$3,798,869	\$4,219,810	\$4,048,521	\$4,343,760	\$4,805,660	\$5,254,390	\$5,750,881	\$6,265,655	\$5,329,043





## PHYSICAL ANALYSIS

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*This section of the report provides specific information regarding the physical condition of the property and common area assets. The data that follows is a result of the visual [non-intrusive] site review.*

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### SITE INSPECTION

An on-site field survey was conducted to assess the general condition of the property and its reserve components. The survey was visual in nature, and no destructive or invasive testing was conducted. Observations were recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements were also substantiated as part of the inspection. Due to the general and non-invasive nature of the site inspection, RSG cannot comment on components and conditions not visible to the naked eye.

### COMPONENT INVENTORY

The component inventory summarizes associated costs of each reserve component, and additionally highlights those components which require further review. The inventory provides a visual reference point for understanding the Association's common area responsibilities.



## COMPONENT INVENTORY

The following inventory summarizes the key data points of each reserve component funded through the Association's reserves. The list of components is unique to the Association and may serve as a general guide in determining the current condition and level of care needed to adequately maintain each component.

### Understanding the Component Inventory

The information is intended to visually simplify and summarize the key points of information on a component by component basis.

#### General Site - Asphalt Overlay



The orange badge highlights reserve components that are significant in nature, accounting for more than 5% of the Association's total reserve funding budget. The Association should give greater consideration to the maintenance and ongoing review of these particular items.



## Roof - Asphalt Shingle

A photograph of a two-story house showing the upper portion of the exterior. The roof is covered in dark grey asphalt shingles. The siding is light-colored horizontal vinyl or wood-grain panels. A window with white blinds is visible on the upper level. In the top right corner of the image, there is an orange hexagonal graphic containing the text "SIGNIFICANT ASSET" in white, bold, uppercase letters.

Current Cost <b>\$393,760</b>	Estimated Quantity <b>856</b> Squares	Work Required <b>Replace</b>	Action Required <b>2036</b>
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## Roof - Gutters & Downspouts

A photograph focusing on the roofline of a house. It shows the edge of a light-colored horizontal siding wall meeting a dark grey shingled roof. Two white downspouts are visible, one on each side of the roofline, connected to a gutter system. The background shows more of the house's exterior and a clear sky.

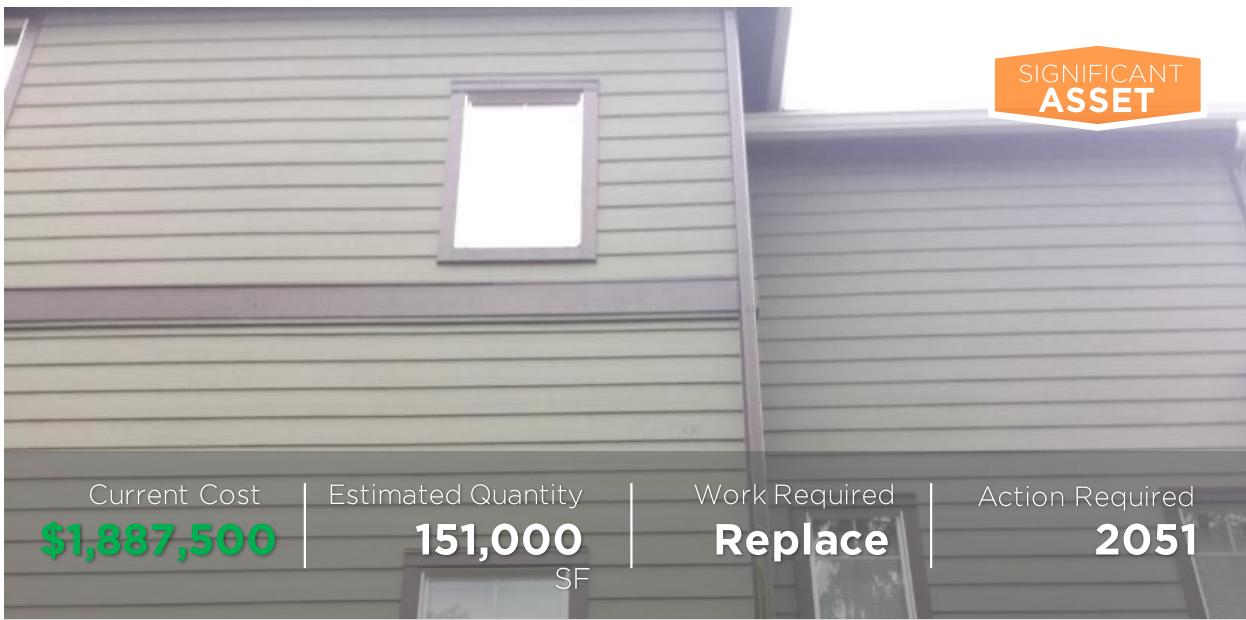
Current Cost <b>\$99,563</b>	Estimated Quantity <b>14,750</b> LF	Work Required <b>Replace</b>	Action Required <b>2036</b>
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### Building Exterior - Clean, Caulk & Paint



### Building Exterior - Siding, Fiber Cement





### Building Exterior - Brick [Repair]

A close-up photograph of a red brick wall. The mortar between the bricks is heavily discolored and eroded, particularly in the center where a large rectangular area of brick has been removed or severely damaged. A white repair material is visible at the bottom of the hole. To the right, a portion of a dark wooden door is visible.

Current Cost	Estimated Quantity	Work Required	Action Required
<b>\$8,500</b>	1 Allowance	<b>Repair</b>	<b>2022</b>

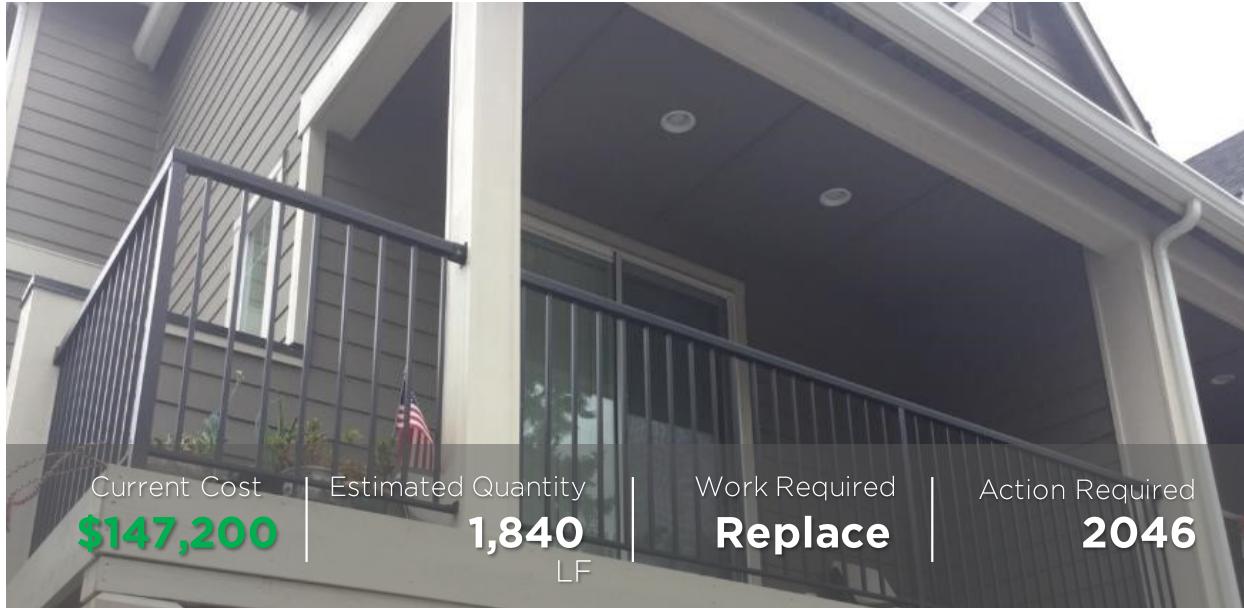
### Building Exterior - Deck, Surface [Replace]

A photograph looking up from underneath a wooden deck. The deck boards are dark brown and appear to be made of treated lumber. Below them, a network of light-colored wooden joists and a support structure made of vertical studs and horizontal beams are visible against a dark background, likely a garage floor or concrete wall.

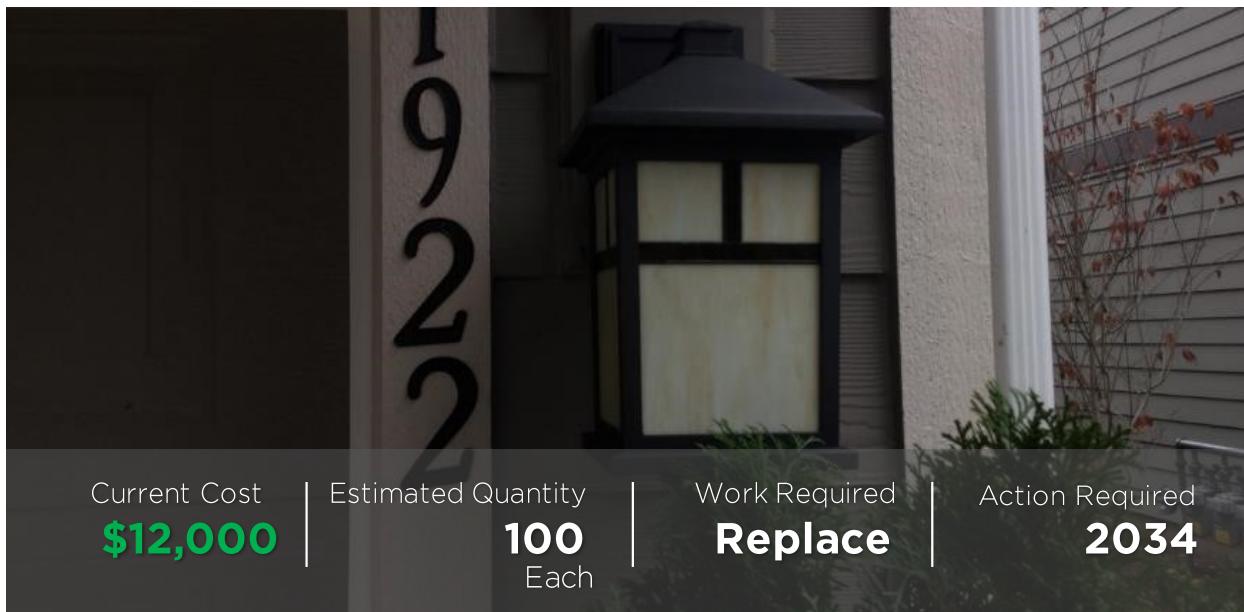
Current Cost	Estimated Quantity	Work Required	Action Required
<b>\$229,250</b>	9,170 SF	<b>Replace</b>	<b>2036</b>



## Building Exterior - Deck, Metal Railings



## Building Exterior - Light Fixture, Wall Mount





### General Site - Asphalt Seal Coat, Striping & Repair



Current Cost	Estimated Quantity	Work Required	Action Required
<b>\$13,225</b>	<b>57,500</b> SF	<b>Repair</b>	<b>2021</b>

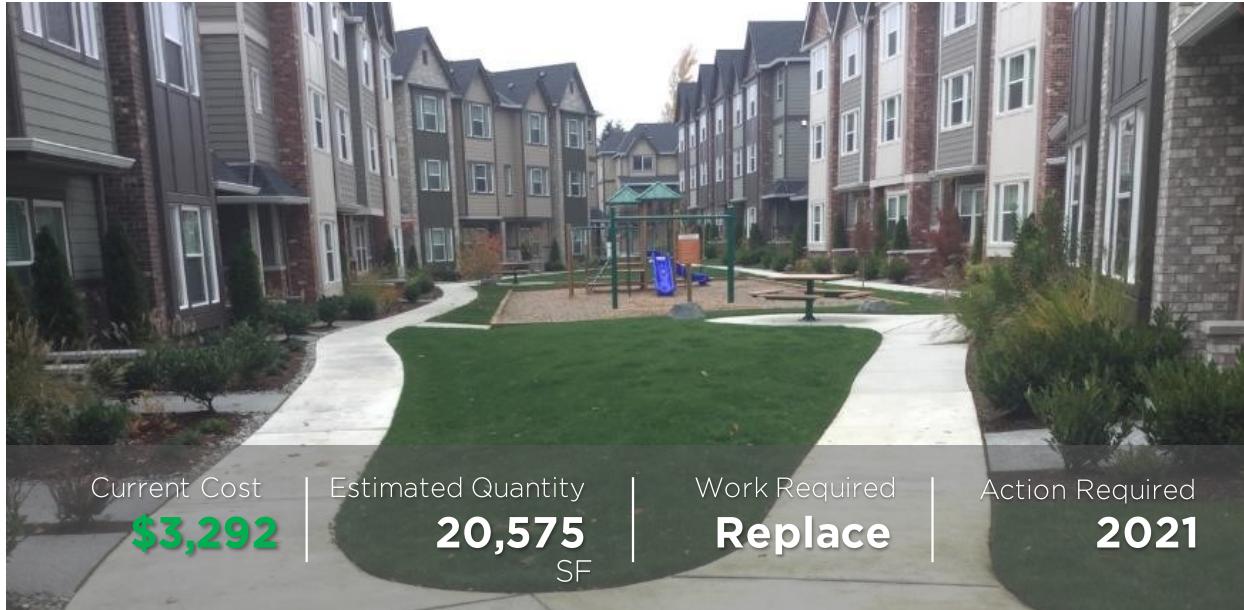
### General Site - Asphalt Overlay



Current Cost	Estimated Quantity	Work Required	Action Required
<b>\$129,375</b>	<b>57,500</b> SF	<b>Overlay</b>	<b>2046</b>



### General Site - Concrete, Sidewalk Repair [2% Replace]



### General Site - Drainage, Detention Vault [Maintain]

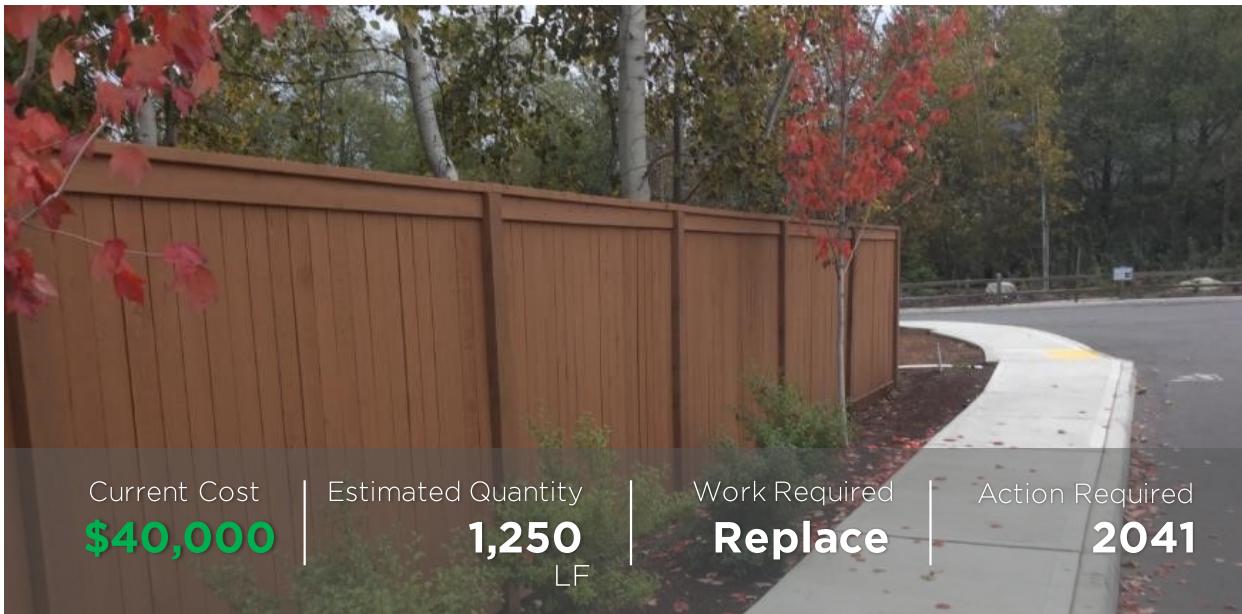




### General Site - Fence, Wood Split-Rail

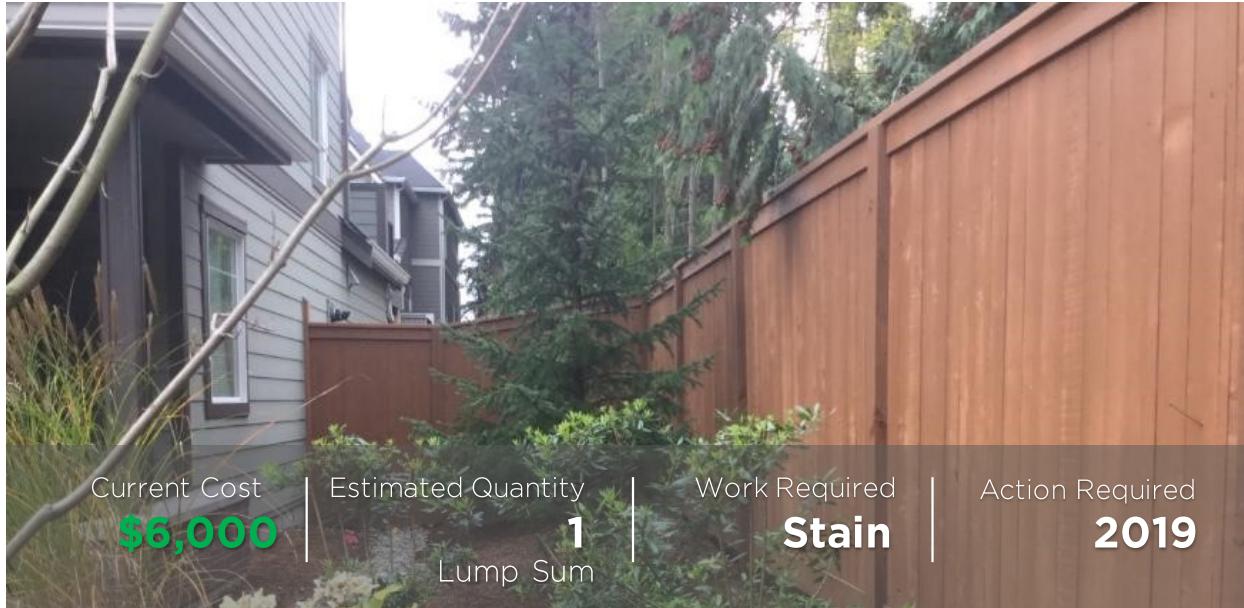


### General Site - Fence, Wood Privacy



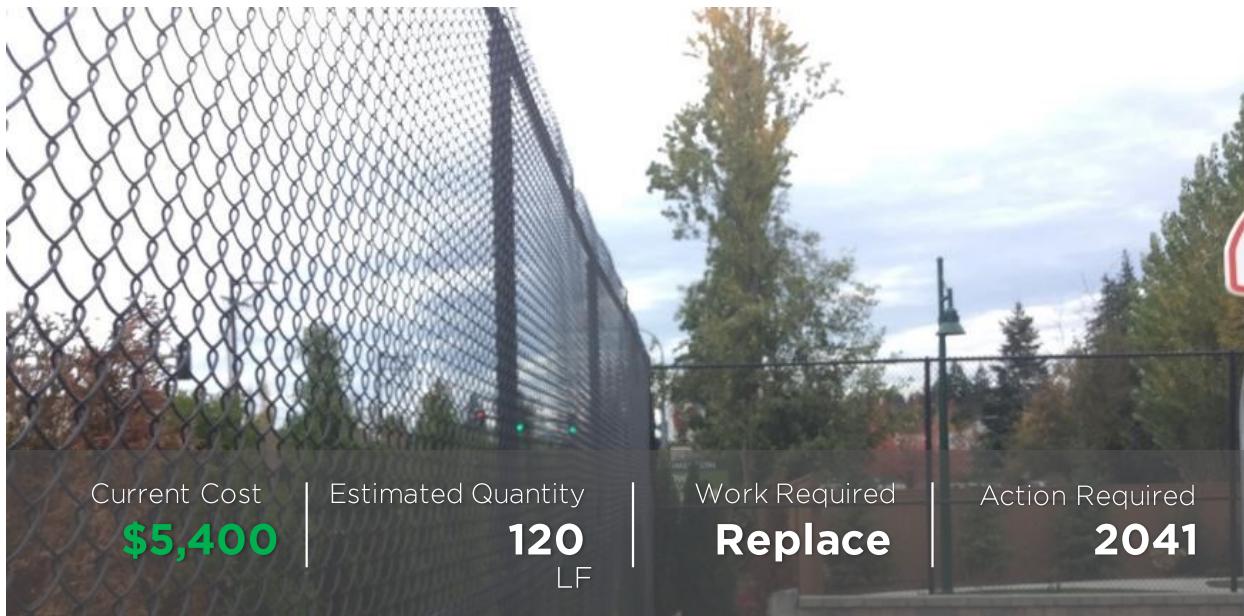


### General Site - Fence, Wood [Stain]

A photograph showing a long, vertical-grained wooden fence running along the back of a residential property. To the left, a portion of a grey-sided house is visible, along with some landscaping including shrubs and a garden hose. The fence appears to be in good condition.

Current Cost <b>\$6,000</b>	Estimated Quantity <b>1</b> Lump Sum	Work Required <b>Stain</b>	Action Required <b>2019</b>
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### General Site - Fence, Chain Link

A photograph of a chain-link fence stretching across a property. In the background, there are trees and a street sign. The fence looks relatively new or well-maintained.

Current Cost <b>\$5,400</b>	Estimated Quantity <b>120</b> LF	Work Required <b>Replace</b>	Action Required <b>2041</b>
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### General Site - Landscape, Irrigation



Current Cost <b>\$3,000</b>	Estimated Quantity 1 Allowance	Work Required <b>Repair</b>	Action Required <b>2019</b>
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### General Site - Playground, Playscape



Current Cost <b>\$28,000</b>	Estimated Quantity 1 Each	Work Required <b>Replace</b>	Action Required <b>2036</b>
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### General Site - Playground, Swing



Current Cost <b>\$2,000</b>	Estimated Quantity 1 Each	Work Required <b>Replace</b>	Action Required <b>2036</b>
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### General Site - Basketball Court, Equipment



Current Cost <b>\$3,200</b>	Estimated Quantity 1 Each	Work Required <b>Replace</b>	Action Required <b>2031</b>
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## General Site - Retaining Walls [Review]



## Site Fixtures - Mailboxes, Cluster Box Units

Current Cost  
**\$12,250**

Estimated Quantity  
**7** Each

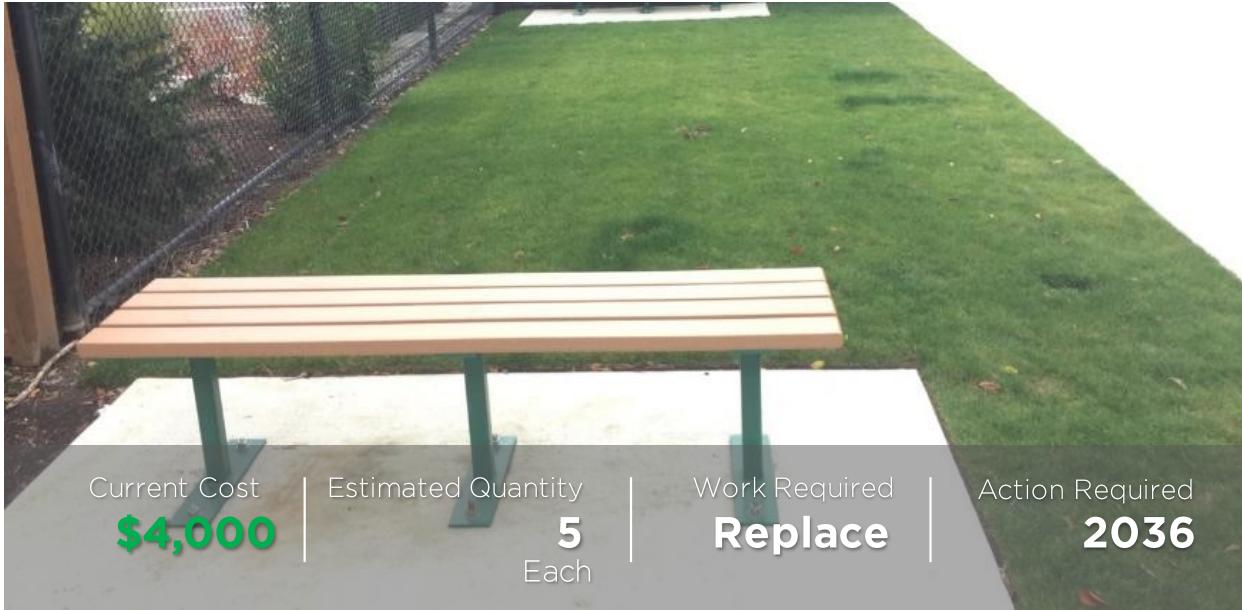
Work Required  
**Replace**

Action Required -  
**2041**

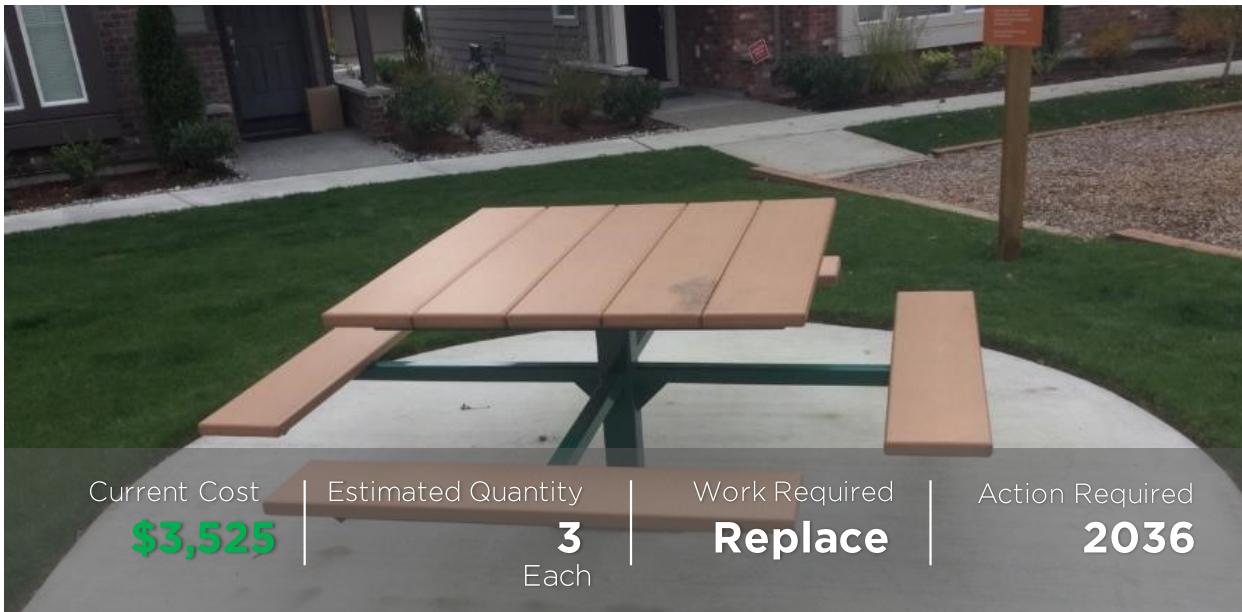
A photograph of two beige cluster mailbox units with multiple compartments. The unit on the left is labeled 'D' and the one on the right is labeled 'B'. Both units are located in front of a house with a brick facade and white trim. Below the photograph is a horizontal bar divided into four sections by vertical lines. The first section contains the text 'Current Cost' and '\$12,250' in green. The second section contains 'Estimated Quantity' and '7 Each'. The third section contains 'Work Required' and 'Replace'. The fourth section contains 'Action Required -' and '2041'.



## Site Fixtures - Seating, Bench



## Site Fixtures - Seating, Picnic Table





## Site Fixtures - Security Gate



## Site Fixtures - Security Gate, Operator





## Site Fixtures - Security Gate, Access Control

Current Cost <b>\$8,000</b>	Estimated Quantity <b>2</b> Each	Work Required <b>Replace</b>	Action Required <b>2031</b>



## 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.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.



## 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 = Current Cost x Effective Age / 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  
LF = Linear Foot

SY = Square Yard  
SQUARE = 100 Square Feet (Roofing)

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