

**Washington Office**  
505 South 336<sup>th</sup> St., Ste 620  
Federal Way, WA 98003

TEL 253/661-5437  
FAX 253/661-5430  
arwa@reservestudy.com  
www.reservestudy.com



**Corporate Office**  
Calabasas, CA

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San Francisco, CA  
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## “Full” Reserve Study



### North Shore Terrace Newport, OR

**Report #: 22568-0**  
**For Period Beginning: January 1, 2012**  
**Expires: December 31, 2012**

**Date Prepared: November 8, 2011**



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## **Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

**W**ith respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

**In this Report, you will find...**

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

### **More Questions?**

Visit our website at [www.ReserveStudy.com](http://www.ReserveStudy.com) or call us at:

866.900.2792

The logo for Association Reserves features the word "ASSOCIATION" in a serif font above a large, stylized "AR" monogram. To the right of the monogram, the word "RESERVES" is written in a smaller serif font. A green swoosh graphic is positioned behind the text.

**ASSOCIATION  
AR  
RESERVES**

*Est. 1986*

*Reserve Studies for Community Associations*

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## 3- Minute Executive Summary

Association: North Shore Terrace Assoc. #: 22568-0  
Location: Newport, OR  
# of Units: 32  
Report Period: January 1, 2012 through December 31, 2012

### Results as-of 1/1/2012:

Projected Starting Reserve Balance: .....	\$23,976
Fully Funded Reserve Balance: .....	\$433,725
Average Reserve Deficit (Surplus) Per Unit:.....	\$12,805
Percent Funded: .....	5.5%
100% Full Funding 2012 Monthly Reserve Contribution: .....	\$4,800
Recommended 2012 Special Assessment for Reserves:.....	\$40,000
Most Recent Reserve Contribution Rate:.....	\$4,800

### Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 0.50%  
Annual Inflation Rate ..... 3.00%

- The information in this Reserve Study is based on our site inspection on October 13, 2011 and was prepared by a credentialed Reserve Specialist (RS).
- Your Reserve Fund is currently 5.5% Funded. Comparatively, the 70-130% level is where associations statistically enjoy fiscal stability with low risk of special assessment and/or deferred maintenance.
- Based on this starting point and your anticipated future expenses, our recommendation is to maintain your Monthly Reserve Contributions pf \$4,800 with nominal annual increases (see Tables 4 & 5 herein), and implement a special assessment in 2012 of \$40,000.
- See photo pages for detailed component information and the basis of our assumptions.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>Site / Grounds</b>				
110 Site Stairs - Repair/Replace	25	7	\$2,250	\$2,767
120 Asphalt - Resurface	35	18	\$45,150	\$76,865
121 Asphalt - Seal/Repair/Stripe	7	4	\$7,525	\$8,469
140 Bldg 66 Wood Fence - Replace	20	0	\$8,250	\$14,900
140 Bldg 76 Wood Fence - Replace	20	0	\$5,500	\$9,934
140 Bldg 85 Wood Fence - Replace	20	5	\$4,125	\$4,782
140 Bldg 86 Wood Fence - Replace	20	1	\$8,500	\$8,755
140 Bldg 96 A-D Wood Fence - Replace	20	2	\$4,000	\$4,244
140 Bldg 96 E-H Wood Fence - Replace	20	4	\$3,500	\$3,939
160 Pole Lights - Replace	25	7	\$4,500	\$5,534
205 Mailboxes - Replace	20	4	\$8,750	\$9,848
<b>Building Exterior</b>				
500 Bldg 66 Roof - Replace	25	19	\$32,940	\$57,760
500 Bldg 76 Roof - Replace	25	18	\$32,940	\$56,078
500 Bldg 85 Roof - Replace	25	10	\$10,350	\$13,910
500 Bldg 86 Roof - Replace	25	18	\$25,810	\$43,940
500 Bldg 96 A-D Roof - Replace	25	8	\$12,715	\$16,107
500 Bldg 96 E-H Roof - Replace	25	9	\$20,125	\$26,259
508 Bldg 66 Skylights - Replace	30	0	\$2,800	\$6,796
508 Bldg 76 Skylights - Replace	30	0	\$2,800	\$6,796
508 Bldg 85 Skylights - Replace	30	3	\$4,800	\$5,245
508 Bldg 86 Skylights - Replace	30	1	\$14,400	\$14,832
508 Bldg 96 A-D Skylights - Replace	30	1	\$10,400	\$10,712
508 Bldg 96 E-H Skylights - Replace	30	1	\$11,200	\$11,536
510 Bldg 66 Gutters/Dwnspts - Replace	36	12	\$4,210	\$6,002
510 Bldg 76 Gutters/Dwnspts - Replace	36	13	\$4,210	\$6,183
510 Bldg 85 Gutters/Dwnspts - Replace	36	21	\$3,600	\$6,697
510 Bldg 86 Gutters/Dwnspts - Replace	36	11	\$4,500	\$6,229
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	36	18	\$4,080	\$6,946
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	36	20	\$3,000	\$5,418
515 Bldg 86 Chimney Covers & Flue Caps	30	19	\$5,400	\$9,469
525 Bldg 66 - Paint/Caulk	10	0	\$12,985	\$17,451
525 Bldg 76 - Paint/Caulk	10	0	\$12,985	\$17,451
525 Bldg 85 - Paint/Caulk	10	3	\$7,000	\$7,649
525 Bldg 86 - N & E Paint/Caulk	10	8	\$3,500	\$4,434
525 Bldg 86 - S & W Paint/Caulk	10	2	\$6,075	\$6,445
525 Bldg 96 A-D - Paint/Caulk	10	5	\$11,770	\$13,645
525 Bldg 96 E-H - Paint/Caulk	10	1	\$7,175	\$7,390
535 Bldg. 66 Windows,Sliders - Replace	30	10	\$35,000	\$47,037
535 Bldg. 76 Windows,Sliders - Replace	30	10	\$35,000	\$47,037
535 Bldg. 85 Windows,Sliders - Replace	30	17	\$32,350	\$53,470
535 Bldg. 86 Windows,Sliders - Replace	30	9	\$31,230	\$40,748
535 Bldg. 96 A-D Wndws,Slids - Replace	30	15	\$31,230	\$48,655

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
535 Bldg. 96 E-H Wndws,Sldrs - Replace	30	16	\$36,200	\$58,090
540 Decks - Clean/Seal	2	0	\$5,895	\$6,254
545 Bldg 66 Decks - Repair/Replace	20	0	\$24,750	\$44,701
545 Bldg 76 Decks - Repair/Replace	20	0	\$24,750	\$44,701
545 Bldg 85 Decks - Repair/Replace	20	18	\$33,600	\$57,202
545 Bldg 86 Decks - Repair/Replace	20	18	\$7,500	\$12,768
545 Bldg 96 A-D Decks - Repair/Replace	20	2	\$18,000	\$19,096
545 Bldg 96 E-H Decks - Repair/Replace	20	4	\$16,350	\$18,402

<b>Systems</b>				
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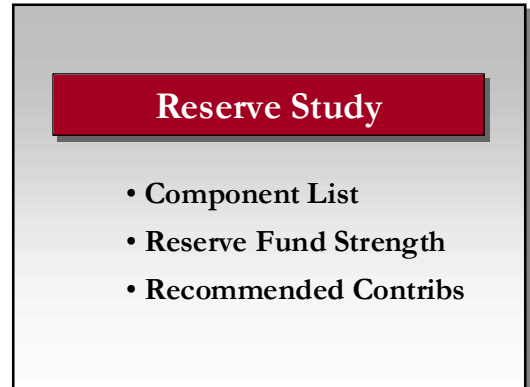
930 Sewer Pumps - Replace	15	13	\$3,700	\$5,434
51 Total Funded Components				

**Note: Cross reference component numbers with photographic inventory appendix. Highlighting denotes projects anticipated to occur in the initial year. A reserve-funding threshold of \$2,000 is suggested for your association (expenses below this level expected to be factored within operating budget).**

## Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

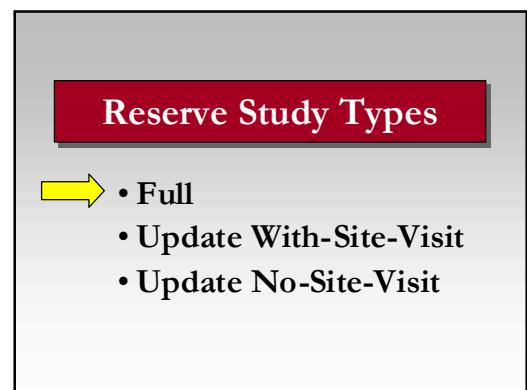
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

## Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



### *Which Physical Assets are Covered by Reserves?*

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve

#### **Reserve Components**

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

### *How are Useful Life and Remaining Useful Life established?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

### *How are Cost Estimates Established?*

In this order...

- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

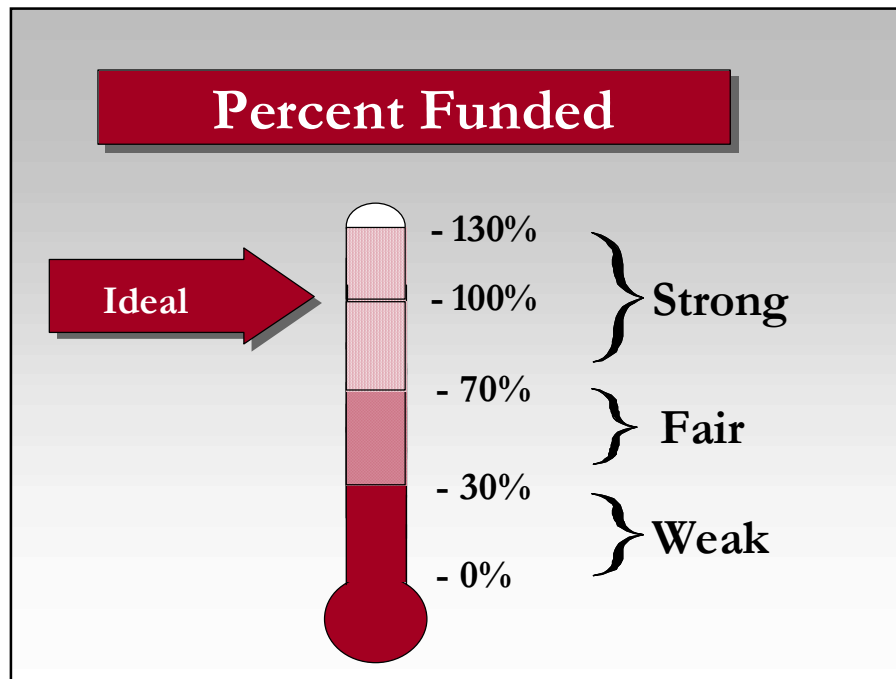


### *How much Reserves are enough?*

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

*How much should we contribute?*

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Boardmembers to recommend to their association.

**Funding Principles**

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

*What is our Recommended Funding Goal?*

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

**Funding Goals**

- Full Funding
- Threshold Funding
- Baseline Funding

## Site Inspection Notes

During our site visit on October 13, 2011, we started with a brief meeting with board representative Al Gilhuly. We then started the site inspection beginning with the asphalt and general common areas. We visually inspected all the buildings and visible common elements. We were able to see representative samples of some decks up close.

During our site inspection we compiled a photographic inventory, noting material types, current condition, apparent levels of care and maintenance, exposure to weather elements, etc... Follow up research was conducted with association management and key vendors.

The association has replaced much of the original engineered wood siding with fiber-cement. Buildings 66 & 76 were reportedly overlaid with fiber-cement. Watch those buildings closely and investigate forensically if any signs of internal moisture appear. There is currently fungal growth at the window frame at entry between 66 A & B - see photo pages for additional detail. Protecting the building envelope should be viewed as the association's top priority.



### Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.

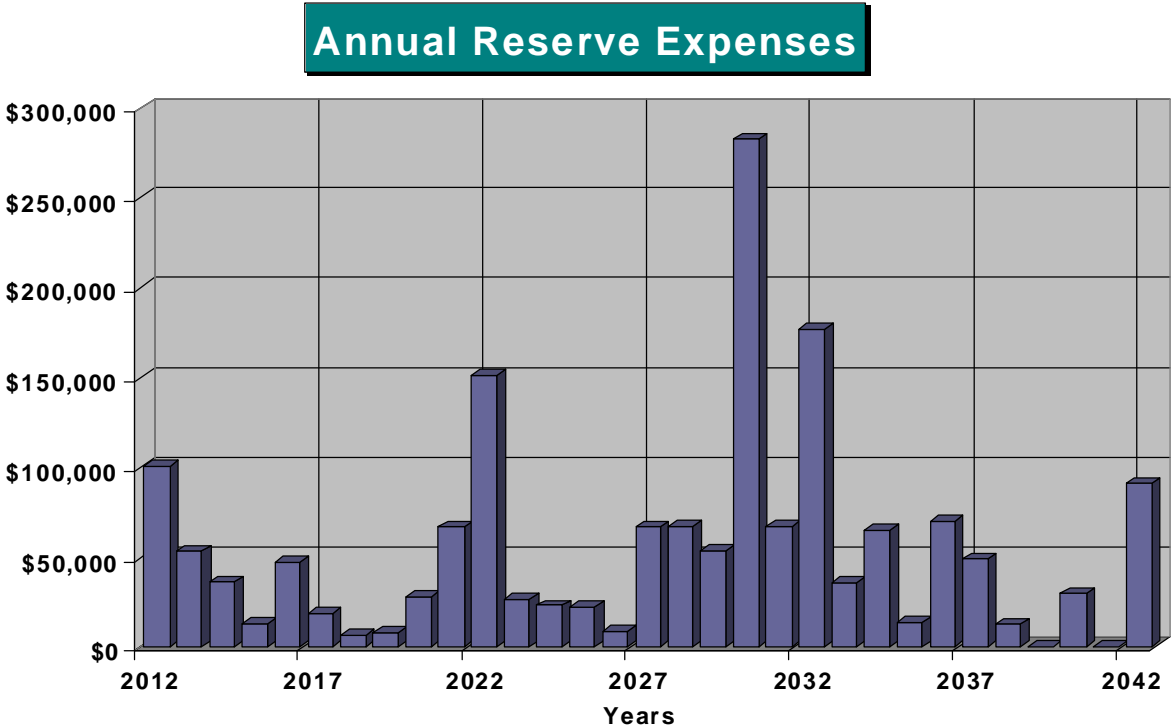


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$23,976 as-of the start of your Fiscal Year on January 1, 2012. As of January 1, 2012, your Fully Funded Balance is computed to be \$433,725 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 6% Funded.

### Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$4,800/month this Fiscal Year and a one-time special assessment of \$40,000. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

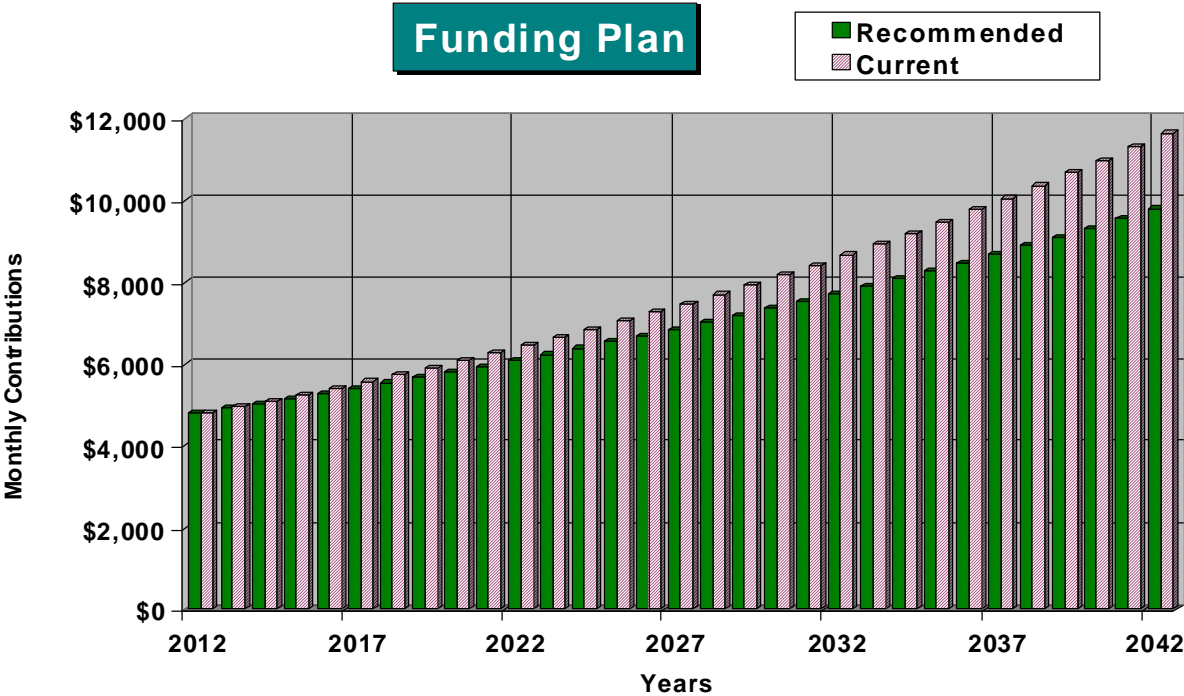


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

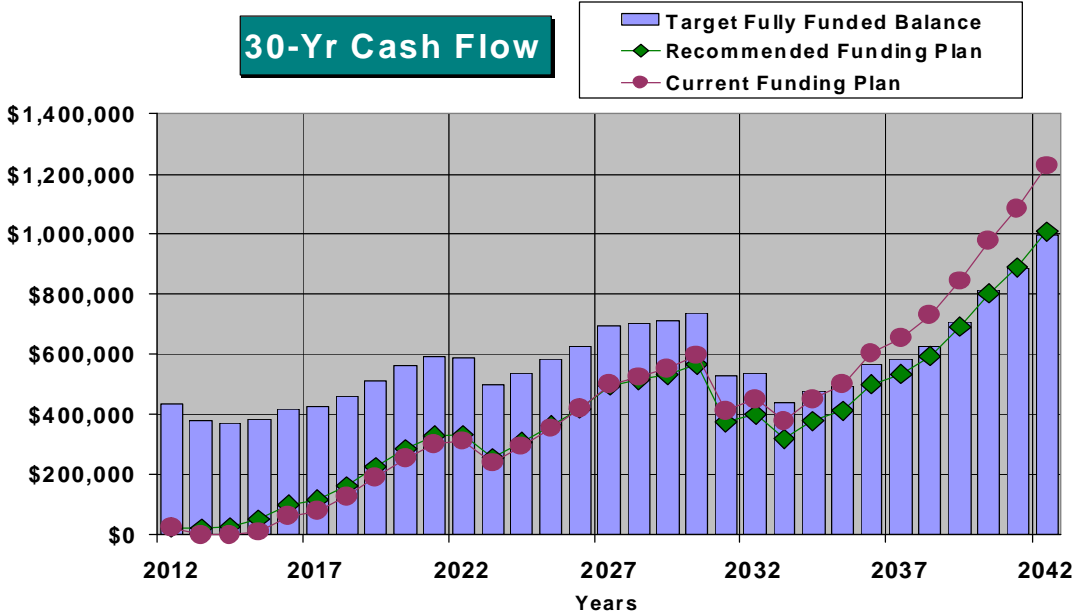


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

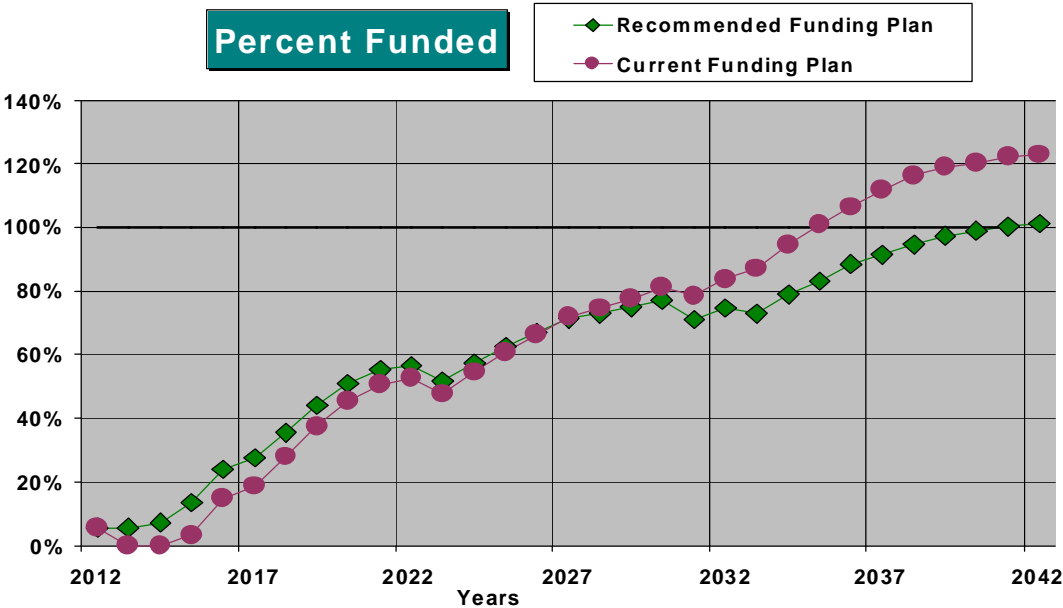


Figure 4

## Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail**

**22568-0**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>Site / Grounds</b>					
110 Site Stairs - Repair/Replace	(1) wood stair set	25	7	\$2,000	\$2,500
120 Asphalt - Resurface	Approx 30,100 GSF	35	18	\$39,130	\$51,170
121 Asphalt - Seal/Repair/Stripe	Approx 30,100 GSF	7	4	\$6,020	\$9,030
140 Bldg 66 Wood Fence - Replace	~ (330) linear feet	20	0	\$6,600	\$9,900
140 Bldg 76 Wood Fence - Replace	~ (220) linear feet	20	0	\$4,400	\$6,600
140 Bldg 85 Wood Fence - Replace	~(165) linear feet	20	5	\$3,300	\$4,950
140 Bldg 86 Wood Fence - Replace	~ (340) linear feet	20	1	\$6,800	\$10,200
140 Bldg 96 A-D Wood Fence - Replace	~(160) linear feet	20	2	\$3,200	\$4,800
140 Bldg 96 E-H Wood Fence - Replace	~(140) linear feet	20	4	\$2,800	\$4,200
160 Pole Lights - Replace	(9) plastic pole lts	25	7	\$3,600	\$5,400
205 Mailboxes - Replace	(7) stands	20	4	\$7,700	\$9,800
<b>Building Exterior</b>					
500 Bldg 66 Roof - Replace	Approx 14,640 square feet	25	19	\$29,280	\$36,600
500 Bldg 76 Roof - Replace	Approx 11,475 square feet	25	18	\$29,280	\$36,600
500 Bldg 85 Roof - Replace	Approx 4,600 square feet	25	10	\$9,200	\$11,500
500 Bldg 86 Roof - Replace	Approx 11,470 square feet	25	18	\$22,940	\$28,680
500 Bldg 96 A-D Roof - Replace	Approx 5,650 square feet	25	8	\$11,300	\$14,130
500 Bldg 96 E-H Roof - Replace	Approx 8,945 square feet	25	9	\$17,890	\$22,360
508 Bldg 66 Skylights - Replace	Approx (7) skylights	30	0	\$2,100	\$3,500
508 Bldg 76 Skylights - Replace	Approx (7) skylights	30	0	\$2,100	\$3,500
508 Bldg 85 Skylights - Replace	Approx (12) skylights	30	3	\$3,600	\$6,000
508 Bldg 86 Skylights - Replace	*Approx (36) skylights	30	1	\$10,800	\$18,000
508 Bldg 96 A-D Skylights - Replace	Approx (26) skylights	30	1	\$7,800	\$13,000
508 Bldg 96 E-H Skylights - Replace	Approx (28) skylights	30	1	\$8,400	\$14,000
510 Bldg 66 Gutters/Dwnspts - Replace	Approx 710 linear feet	36	12	\$3,550	\$4,870
510 Bldg 76 Gutters/Dwnspts - Replace	Approx 710 linear feet	36	13	\$3,550	\$4,870
510 Bldg 85 Gutters/Dwnspts - Replace	Approx 600 linear feet	36	21	\$3,000	\$4,200
510 Bldg 86 Gutters/Dwnspts - Replace	Approx 750 linear feet	36	11	\$3,750	\$5,250
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	Approx 680 linear feet	36	18	\$3,400	\$4,760
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	Approx 500 linear feet	36	20	\$2,500	\$3,500
515 Bldg 86 Chimney Covers & Flue Caps	(6) caps / hoods	30	19	\$4,800	\$6,000
525 Bldg 66 - Paint/Caulk	Approx 7,420 GSF	10	0	\$11,130	\$14,840
525 Bldg 76 - Paint/Caulk	Approx 7,420 GSF	10	0	\$11,130	\$14,840
525 Bldg 85 - Paint/Caulk	Approx 4,000 GSF	10	3	\$6,000	\$8,000
525 Bldg 86 - N & E Paint/Caulk	~2,000 of 5,470 GSF	10	8	\$3,000	\$4,000
525 Bldg 86 - S & W Paint/Caulk	~3,470 of 5,470 GSF	10	2	\$5,210	\$6,940
525 Bldg 96 A-D - Paint/Caulk	Approx 5,230 GSF	10	5	\$10,460	\$13,080
525 Bldg 96 E-H - Paint/Caulk	Approx 4,100 GSF	10	1	\$6,150	\$8,200
535 Bldg. 66 Windows,Sliders - Replace	(30) windows (7) sliders	30	10	\$28,000	\$42,000
535 Bldg. 76 Windows,Sliders - Replace	(30) windows (7) sliders	30	10	\$28,000	\$42,000
535 Bldg. 85 Windows,Sliders - Replace	(23) windows (8) sldrs	30	17	\$25,700	\$39,000
535 Bldg. 86 Windows,Sliders - Replace	(29) windows (6) sldrs	30	9	\$27,480	\$34,980



**Table 2: Reserve Component List Detail**

**22568-0**

# Component	Quantity	Useful Life	Rem.	Best Cost	Current
			Useful Life		Worst Cost
535 Bldg. 96 A-D Wndws,Sldrs - Replace	(20) windows (8) sldrs	30	15	\$27,480	\$34,980
535 Bldg. 96 E-H Wndws,Sldrs - Replace	(20) windows (12) sldrs	30	16	\$28,400	\$44,000
540 Decks - Clean/Seal	Approx 4,715 square feet	2	0	\$4,715	\$7,075
545 Bldg 66 Decks - Repair/Replace	Approx 1,100 GSF	20	0	\$22,000	\$27,500
545 Bldg 76 Decks - Repair/Replace	Approx 1,100 GSF	20	0	\$22,000	\$27,500
545 Bldg 85 Decks - Repair/Replace	Approx 1,120 GSF	20	18	\$28,000	\$39,200
545 Bldg 86 Decks - Repair/Replace	Approx 250 GSF	20	18	\$6,250	\$8,750
545 Bldg 96 A-D Decks - Repair/Replace	Approx 600 square feet	20	2	\$15,000	\$21,000
545 Bldg 96 E-H Decks - Repair/Replace	Approx 545 square feet	20	4	\$13,625	\$19,075
<b>Systems</b>					
930 Sewer Pumps - Replace	(2) pumps	15	13	\$3,200	\$4,200
51 Total Funded Components					

**Table 3: Contribution and Fund Breakdown****22568-0**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
<b>Site / Grounds</b>						
110 Site Stairs - Repair/Replace	25	7	\$2,250	\$1,620	\$0.00	\$12.40
120 Asphalt - Resurface	35	18	\$45,150	\$21,930	\$0.00	\$177.75
121 Asphalt - Seal/Repair/Stripe	7	4	\$7,525	\$3,225	\$0.00	\$148.13
140 Bldg 66 Wood Fence - Replace	20	0	\$8,250	\$8,250	\$0.00	\$56.84
140 Bldg 76 Wood Fence - Replace	20	0	\$5,500	\$5,500	\$0.00	\$37.89
140 Bldg 85 Wood Fence - Replace	20	5	\$4,125	\$3,094	\$0.00	\$28.42
140 Bldg 86 Wood Fence - Replace	20	1	\$8,500	\$8,075	\$0.00	\$58.56
140 Bldg 96 A-D Wood Fence - Replace	20	2	\$4,000	\$3,600	\$0.00	\$27.56
140 Bldg 96 E-H Wood Fence - Replace	20	4	\$3,500	\$2,800	\$0.00	\$24.11
160 Pole Lights - Replace	25	7	\$4,500	\$3,240	\$0.00	\$24.80
205 Mailboxes - Replace	20	4	\$8,750	\$7,000	\$0.00	\$60.28
<b>Building Exterior</b>						
500 Bldg 66 Roof - Replace	25	19	\$32,940	\$7,906	\$0.00	\$181.56
500 Bldg 76 Roof - Replace	25	18	\$32,940	\$9,223	\$0.00	\$181.56
500 Bldg 85 Roof - Replace	25	10	\$10,350	\$6,210	\$0.00	\$57.05
500 Bldg 86 Roof - Replace	25	18	\$25,810	\$7,227	\$0.00	\$142.26
500 Bldg 96 A-D Roof - Replace	25	8	\$12,715	\$8,646	\$0.00	\$70.08
500 Bldg 96 E-H Roof - Replace	25	9	\$20,125	\$12,880	\$0.00	\$110.92
508 Bldg 66 Skylights - Replace	30	0	\$2,800	\$2,800	\$0.00	\$12.86
508 Bldg 76 Skylights - Replace	30	0	\$2,800	\$2,800	\$0.00	\$12.86
508 Bldg 85 Skylights - Replace	30	3	\$4,800	\$4,320	\$0.00	\$22.05
508 Bldg 86 Skylights - Replace	30	1	\$14,400	\$13,920	\$0.00	\$66.14
508 Bldg 96 A-D Skylights - Replace	30	1	\$10,400	\$10,053	\$0.00	\$47.77
508 Bldg 96 E-H Skylights - Replace	30	1	\$11,200	\$10,827	\$0.00	\$51.44
510 Bldg 66 Gutters/Dwnspts - Replace	36	12	\$4,210	\$2,807	\$0.00	\$16.11
510 Bldg 76 Gutters/Dwnspts - Replace	36	13	\$4,210	\$2,690	\$0.00	\$16.11
510 Bldg 85 Gutters/Dwnspts - Replace	36	21	\$3,600	\$1,500	\$0.00	\$13.78
510 Bldg 86 Gutters/Dwnspts - Replace	36	11	\$4,500	\$3,125	\$0.00	\$17.22
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	36	18	\$4,080	\$2,040	\$0.00	\$15.62
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	36	20	\$3,000	\$1,333	\$0.00	\$11.48
515 Bldg 86 Chimney Covers & Flue Caps	30	19	\$5,400	\$1,980	\$0.00	\$24.80
525 Bldg 66 - Paint/Caulk	10	0	\$12,985	\$12,985	\$12,985.00	\$178.93
525 Bldg 76 - Paint/Caulk	10	0	\$12,985	\$12,985	\$5,096.00	\$178.93
525 Bldg 85 - Paint/Caulk	10	3	\$7,000	\$4,900	\$0.00	\$96.46
525 Bldg 86 - N & E Paint/Caulk	10	8	\$3,500	\$700	\$0.00	\$48.23
525 Bldg 86 - S & W Paint/Caulk	10	2	\$6,075	\$4,860	\$0.00	\$83.71
525 Bldg 96 A-D - Paint/Caulk	10	5	\$11,770	\$5,885	\$0.00	\$162.18
525 Bldg 96 E-H - Paint/Caulk	10	1	\$7,175	\$6,458	\$0.00	\$98.87
535 Bldg. 66 Windows,Sliders - Replace	30	10	\$35,000	\$23,333	\$0.00	\$160.76
535 Bldg. 76 Windows,Sliders - Replace	30	10	\$35,000	\$23,333	\$0.00	\$160.76
535 Bldg. 85 Windows,Sliders - Replace	30	17	\$32,350	\$14,018	\$0.00	\$148.59
535 Bldg. 86 Windows,Sliders - Replace	30	9	\$31,230	\$21,861	\$0.00	\$143.44

**Table 3: Contribution and Fund Breakdown****22568-0**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
535 Bldg. 96 A-D Wndws,Sldrs - Replace	30	15	\$31,230	\$15,615	\$0.00	\$143.44
535 Bldg. 96 E-H Wndws,Sldrs - Replace	30	16	\$36,200	\$16,893	\$0.00	\$166.27
540 Decks - Clean/Seal	2	0	\$5,895	\$5,895	\$5,895.00	\$406.15
545 Bldg 66 Decks - Repair/Replace	20	0	\$24,750	\$24,750	\$0.00	\$170.52
545 Bldg 76 Decks - Repair/Replace	20	0	\$24,750	\$24,750	\$0.00	\$170.52
545 Bldg 85 Decks - Repair/Replace	20	18	\$33,600	\$3,360	\$0.00	\$231.49
545 Bldg 86 Decks - Repair/Replace	20	18	\$7,500	\$750	\$0.00	\$51.67
545 Bldg 96 A-D Decks - Repair/Replace	20	2	\$18,000	\$16,200	\$0.00	\$124.01
545 Bldg 96 E-H Decks - Repair/Replace	20	4	\$16,350	\$13,080	\$0.00	\$112.65
<b>Systems</b>						
930 Sewer Pumps - Replace	15	13	\$3,700	\$493	\$0.00	\$33.99
51 Total Funded Components				\$433,725	\$23,976	\$4,800

**Table 4: 30-Year Reserve Plan Summary**

**22568-0**

**Fiscal Year Beginning: 01/01/12**

<b>Interest: 0.5%</b>	<b>Inflation: 3.0%</b>
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2012	\$23,976	\$433,725	5.5%	Weak	\$57,600	\$40,000	\$112	\$100,715
2013	\$20,973	\$378,880	5.5%	Weak	\$58,982	\$0	\$120	\$53,225
2014	\$26,850	\$372,381	7.2%	Weak	\$60,398	\$0	\$196	\$36,039
2015	\$51,405	\$384,497	13.4%	Weak	\$61,848	\$0	\$380	\$12,894
2016	\$100,738	\$421,958	23.9%	Weak	\$63,332	\$0	\$545	\$47,294
2017	\$117,321	\$426,287	27.5%	Weak	\$64,852	\$0	\$704	\$18,427
2018	\$164,451	\$461,690	35.6%	Fair	\$66,408	\$0	\$973	\$7,039
2019	\$224,793	\$511,133	44.0%	Fair	\$68,002	\$0	\$1,276	\$8,302
2020	\$285,770	\$562,044	50.8%	Fair	\$69,634	\$0	\$1,536	\$28,008
2021	\$328,932	\$595,508	55.2%	Fair	\$71,305	\$0	\$1,659	\$67,007
2022	\$334,890	\$591,172	56.6%	Fair	\$73,017	\$0	\$1,483	\$150,808
2023	\$258,582	\$501,794	51.5%	Fair	\$74,769	\$0	\$1,417	\$26,577
2024	\$308,191	\$539,139	57.2%	Fair	\$76,564	\$0	\$1,679	\$23,069
2025	\$363,364	\$582,709	62.4%	Fair	\$78,401	\$0	\$1,963	\$21,896
2026	\$421,832	\$630,328	66.9%	Fair	\$80,283	\$0	\$2,293	\$8,917
2027	\$495,491	\$694,325	71.4%	Strong	\$82,209	\$0	\$2,521	\$66,993
2028	\$513,229	\$702,051	73.1%	Strong	\$84,182	\$0	\$2,614	\$67,550
2029	\$532,475	\$711,113	74.9%	Strong	\$86,203	\$0	\$2,751	\$53,470
2030	\$567,959	\$736,676	77.1%	Strong	\$88,272	\$0	\$2,359	\$282,604
2031	\$375,986	\$528,777	71.1%	Strong	\$90,390	\$0	\$1,942	\$67,229
2032	\$401,089	\$538,309	74.5%	Strong	\$92,560	\$0	\$1,798	\$177,207
2033	\$318,240	\$436,739	72.9%	Strong	\$94,781	\$0	\$1,742	\$35,857
2034	\$378,906	\$479,655	79.0%	Strong	\$97,056	\$0	\$1,979	\$65,090
2035	\$412,851	\$495,751	83.3%	Strong	\$99,385	\$0	\$2,283	\$13,815
2036	\$500,705	\$567,206	88.3%	Strong	\$101,770	\$0	\$2,589	\$70,121
2037	\$534,942	\$584,933	91.5%	Strong	\$104,213	\$0	\$2,819	\$49,036
2038	\$592,938	\$627,098	94.6%	Strong	\$106,714	\$0	\$3,207	\$12,713
2039	\$690,146	\$710,194	97.2%	Strong	\$109,275	\$0	\$3,732	\$0
2040	\$803,154	\$811,199	99.0%	Strong	\$111,898	\$0	\$4,230	\$29,960
2041	\$889,321	\$886,766	100.3%	Strong	\$114,583	\$0	\$4,744	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**

**22568-0**

Fiscal Year	2012	2013	2014	2015	2016
Starting Reserve Balance	\$23,976	\$20,973	\$26,850	\$51,405	\$100,738
Annual Reserve Contribution	\$57,600	\$58,982	\$60,398	\$61,848	\$63,332
Planned Special Assessments	\$40,000	\$0	\$0	\$0	\$0
Interest Earnings	\$112	\$120	\$196	\$380	\$545
<b>Total Income</b>	<b>\$121,688</b>	<b>\$80,075</b>	<b>\$87,444</b>	<b>\$113,633</b>	<b>\$164,615</b>
# Component					
<b>Site / Grounds</b>					
110 Site Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair/Stripe	\$0	\$0	\$0	\$0	\$8,469
140 Bldg 66 Wood Fence - Replace	\$8,250	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$5,500	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$8,755	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$4,244	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$3,939
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$9,848
<b>Building Exterior</b>					
500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 85 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 66 Skylights - Replace	\$2,800	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$2,800	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$5,245	\$0
508 Bldg 86 Skylights - Replace	\$0	\$14,832	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$10,712	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$11,536	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$0
525 Bldg 66 - Paint/Caulk	\$12,985	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$12,985	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$7,649	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$6,445	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****22568-0**

Fiscal Year	2012	2013	2014	2015	2016
525 Bldg 96 A-D - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$7,390	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
540 Decks - Clean/Seal	\$5,895	\$0	\$6,254	\$0	\$6,635
545 Bldg 66 Decks - Repair/Replace	\$24,750	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$24,750	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$19,096	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$18,402
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$100,715</b>	<b>\$53,225</b>	<b>\$36,039</b>	<b>\$12,894</b>	<b>\$47,294</b>
Ending Reserve Balance:	\$20,973	\$26,850	\$51,405	\$100,738	\$117,321

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)**

**22568-0**

Fiscal Year	2017	2018	2019	2020	2021
Starting Reserve Balance	\$117,321	\$164,451	\$224,793	\$285,770	\$328,932
Annual Reserve Contribution	\$64,852	\$66,408	\$68,002	\$69,634	\$71,305
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$704	\$973	\$1,276	\$1,536	\$1,659
<b>Total Income</b>	<b>\$182,878</b>	<b>\$231,832</b>	<b>\$294,071</b>	<b>\$356,940</b>	<b>\$401,897</b>

# Component

**Site / Grounds**

110 Site Stairs - Repair/Replace	\$0	\$0	\$2,767	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair/Stripe	\$0	\$0	\$0	\$0	\$0
140 Bldg 66 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$4,782	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$5,534	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0

**Building Exterior**

500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 85 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$16,107	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$26,259
508 Bldg 66 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 86 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$0
525 Bldg 66 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$4,434	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****22568-0**

Fiscal Year	2017	2018	2019	2020	2021
525 Bldg 96 A-D - Paint/Caulk	\$13,645	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$40,748
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
540 Decks - Clean/Seal	\$0	\$7,039	\$0	\$7,468	\$0
545 Bldg 66 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$18,427</b>	<b>\$7,039</b>	<b>\$8,302</b>	<b>\$28,008</b>	<b>\$67,007</b>
Ending Reserve Balance:	\$164,451	\$224,793	\$285,770	\$328,932	\$334,890



**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**

**22568-0**

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$334,890	\$258,582	\$308,191	\$363,364	\$421,832
Annual Reserve Contribution	\$73,017	\$74,769	\$76,564	\$78,401	\$80,283
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,483	\$1,417	\$1,679	\$1,963	\$2,293
<b>Total Income</b>	<b>\$409,390</b>	<b>\$334,768</b>	<b>\$386,433</b>	<b>\$443,728</b>	<b>\$504,407</b>
# Component					
<b>Site / Grounds</b>					
110 Site Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair/Stripe	\$0	\$10,416	\$0	\$0	\$0
140 Bldg 66 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
<b>Building Exterior</b>					
500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 85 Roof - Replace	\$13,910	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 66 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 86 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$6,002	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$6,183	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$6,229	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$0
525 Bldg 66 - Paint/Caulk	\$17,451	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$17,451	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$10,280	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$8,661	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****22568-0**

Fiscal Year	2022	2023	2024	2025	2026
525 Bldg 96 A-D - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$9,932	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$47,037	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$47,037	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
540 Decks - Clean/Seal	\$7,922	\$0	\$8,405	\$0	\$8,917
545 Bldg 66 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$5,434	\$0
<b>Total Expenses</b>	<b>\$150,808</b>	<b>\$26,577</b>	<b>\$23,069</b>	<b>\$21,896</b>	<b>\$8,917</b>
Ending Reserve Balance:	\$258,582	\$308,191	\$363,364	\$421,832	\$495,491

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**

**22568-0**

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$495,491	\$513,229	\$532,475	\$567,959	\$375,986
Annual Reserve Contribution	\$82,209	\$84,182	\$86,203	\$88,272	\$90,390
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,521	\$2,614	\$2,751	\$2,359	\$1,942
<b>Total Income</b>	<b>\$580,221</b>	<b>\$600,025</b>	<b>\$621,428</b>	<b>\$658,590</b>	<b>\$468,318</b>

# Component

**Site / Grounds**

110 Site Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$76,865	\$0
121 Asphalt - Seal/Repair/Stripe	\$0	\$0	\$0	\$12,811	\$0
140 Bldg 66 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0

**Building Exterior**

500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$57,760
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$56,078	\$0
500 Bldg 85 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$43,940	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 66 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 86 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$6,946	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$9,469
525 Bldg 66 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$5,959	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**

**22568-0**

Fiscal Year	2027	2028	2029	2030	2031
525 Bldg 96 A-D - Paint/Caulk	\$18,337	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$53,470	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$48,655	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$58,090	\$0	\$0	\$0
540 Decks - Clean/Seal	\$0	\$9,460	\$0	\$10,036	\$0
545 Bldg 66 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$57,202	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$12,768	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$66,993</b>	<b>\$67,550</b>	<b>\$53,470</b>	<b>\$282,604</b>	<b>\$67,229</b>
Ending Reserve Balance:	\$513,229	\$532,475	\$567,959	\$375,986	\$401,089

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**

**22568-0**

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$401,089	\$318,240	\$378,906	\$412,851	\$500,705
Annual Reserve Contribution	\$92,560	\$94,781	\$97,056	\$99,385	\$101,770
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,798	\$1,742	\$1,979	\$2,283	\$2,589
<b>Total Income</b>	<b>\$495,447</b>	<b>\$414,764</b>	<b>\$477,941</b>	<b>\$514,520</b>	<b>\$605,064</b>
# Component					
<b>Site / Grounds</b>					
110 Site Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair/Stripe	\$0	\$0	\$0	\$0	\$0
140 Bldg 66 Wood Fence - Replace	\$14,900	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$9,934	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$15,813	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$7,664	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$7,115
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$17,787
<b>Building Exterior</b>					
500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 85 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 66 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 86 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$6,697	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$5,418	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$0
525 Bldg 66 - Paint/Caulk	\$23,452	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$23,452	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$13,815	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$11,640	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****22568-0**

Fiscal Year	2032	2033	2034	2035	2036
525 Bldg 96 A-D - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$13,348	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
540 Decks - Clean/Seal	\$10,647	\$0	\$11,295	\$0	\$11,983
545 Bldg 66 Decks - Repair/Replace	\$44,701	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$44,701	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$34,490	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$33,236
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$177,207</b>	<b>\$35,857</b>	<b>\$65,090</b>	<b>\$13,815</b>	<b>\$70,121</b>
Ending Reserve Balance:	\$318,240	\$378,906	\$412,851	\$500,705	\$534,942

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)**

**22568-0**

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$534,942	\$592,938	\$690,146	\$803,154	\$889,321
Annual Reserve Contribution	\$104,213	\$106,714	\$109,275	\$111,898	\$114,583
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,819	\$3,207	\$3,732	\$4,230	\$4,744
<b>Total Income</b>	<b>\$641,974</b>	<b>\$702,859</b>	<b>\$803,154</b>	<b>\$919,282</b>	<b>\$1,008,648</b>

# Component

<b>Site / Grounds</b>					
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110 Site Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair/Stripe	\$15,756	\$0	\$0	\$0	\$0
140 Bldg 66 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 76 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 85 Wood Fence - Replace	\$8,637	\$0	\$0	\$0	\$0
140 Bldg 86 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 A-D Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
140 Bldg 96 E-H Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0

<b>Building Exterior</b>					
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500 Bldg 66 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 76 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 85 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 86 Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 A-D Roof - Replace	\$0	\$0	\$0	\$0	\$0
500 Bldg 96 E-H Roof - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 66 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 76 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 85 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 86 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 A-D Skylights - Replace	\$0	\$0	\$0	\$0	\$0
508 Bldg 96 E-H Skylights - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 66 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 76 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 85 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 86 Gutters/Dwnspts - Replace	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 A-D Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
510 Bldg 96 E-H Gutters/Dwnspts - Rplc	\$0	\$0	\$0	\$0	\$0
515 Bldg 86 Chimney Covers & Flue Caps	\$0	\$0	\$0	\$0	\$0
525 Bldg 66 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 76 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 85 - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
525 Bldg 86 - N & E Paint/Caulk	\$0	\$0	\$0	\$8,008	\$0
525 Bldg 86 - S & W Paint/Caulk	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)**

**22568-0**

Fiscal Year	2037	2038	2039	2040	2041
525 Bldg 96 A-D - Paint/Caulk	\$24,644	\$0	\$0	\$0	\$0
525 Bldg 96 E-H - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
535 Bldg. 66 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 76 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 85 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 86 Windows, Sliders - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 A-D Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
535 Bldg. 96 E-H Wndws, Sldrs - Replace	\$0	\$0	\$0	\$0	\$0
540 Decks - Clean/Seal	\$0	\$12,713	\$0	\$13,487	\$0
545 Bldg 66 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 76 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 85 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 86 Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 A-D Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
545 Bldg 96 E-H Decks - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>Systems</b>					
930 Sewer Pumps - Replace	\$0	\$0	\$0	\$8,465	\$0
<b>Total Expenses</b>	<b>\$49,036</b>	<b>\$12,713</b>	<b>\$0</b>	<b>\$29,960</b>	<b>\$0</b>
Ending Reserve Balance:	\$592,938	\$690,146	\$803,154	\$889,321	\$1,008,648



## Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW 64.34.382:

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.

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area)
<b>GSY</b>	Gross Square Yards (area)
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)

**Effective Age:** The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

**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 benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

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

**Inflation:** Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

**Interest:** Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

**Percent Funded:** The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life:** The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

**Useful Life:** The estimated time, in years, that a common area component can be expected to serve its intended function.

## Photographic Inventory Appendix

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common area maintenance, repair & replacement responsibility
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential costs; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.