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## Update “With-Site-Visit” Reserve Study



### Lakeside Village Federal Way, WA

**Report #: 13297-2**  
**For Period Beginning: January 1, 2012**  
**Expires: December 31, 2012**

**Date Prepared: December 30, 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:

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### 3- Minute Executive Summary

**Association:** Lakeside Village **Assoc. #:** 13297-2  
**Location:** Federal Way, WA  
**# of Units:** 78  
**Report Period:** January 1, 2012 through December 31, 2012

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

<b>Projected Starting Reserve Balance:</b> .....	<b>\$40,000</b>
<b>Fully Funded Reserve Balance:</b> .....	<b>\$510,535</b>
<b>Average Reserve Deficit (Surplus) Per Unit:</b> .....	<b>\$6,033</b>
<b>Percent Funded:</b> .....	<b>7.8%</b>
<b>100% Full Funding 2012 Monthly Reserve Contribution:</b> .....	<b>\$7,154</b>
<b>70% Threshold Monthly Reserve Contribution</b> .....	<b>\$6,573</b>
<b>Baseline Contribution (min to maintain reserves above \$0)</b> .....	<b>\$6,116</b>
<b>Recommended 2012 Special Assessment for Reserves:</b> .....	<b>\$78,000</b>

**Most Recent Reserve Contribution Rate:**..... **\$6,622**

#### *Economic Assumptions:*

**Net Annual “After Tax” Interest Earnings Accruing to Reserves**..... **1.00%**  
**Annual Inflation Rate** ..... **3.00%**

- This is an “Update With-Site-Visit” Reserve Study, based on our prior Report prepared for your 2009 Fiscal Year. The information in this Reserve Study is based on our site inspection on December 2, 2011 and meets or exceeds all requirements of chapter 64.34 RCW, Article 3. This Reserve Study was prepared by a credentialed Reserve Specialist (RS 153).
- Your Reserve Fund is 7.8% 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, we are forced to recommend a One-Time Special Assessment of \$78,000 (\$1,000 each Unit) in FY 2012. Further, our recommendation is to maintain your Reserve contributions to within the 70% to 100% Full Funding level as noted above (Tables and charts herein reflect Full Funding as recommended contribution). Full and 70% contribution rates are designed to achieve objective by the end of our 30-year report scope. See photo pages for detailed component information and the basis of our assumptions

Table 1: Executive Summary

13297-2

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>SITE/GROUNDS</b>				
104 Asphalt - Seal/Repair	5	1	\$23,710	\$24,421
106 Asphalt - Resurface	40	11	\$128,800	\$178,289
124 Metal Pole Lights - Replace	40	11	\$19,250	\$26,647
130 Mailboxes/Structures - Replace	30	2	\$6,500	\$6,896
150 Perimeter Fence, South-Replace Part	3	2	\$3,000	\$3,183
152 Perimeter Fence, West - Replace	20	2	\$14,450	\$15,330
162 Building 3-5 Patio Fences - Replace	18	1	\$27,200	\$28,016
163 Building 1-2 Patio Fences - Replace	18	17	\$17,000	\$28,098
164 Goose Fence - Replace	40	1	\$5,000	\$5,150
172 Cabana Deck - Repair/Replace	20	16	\$5,610	\$9,002
<b>RECREATION</b>				
400 Pool Deck - Resurface	40	11	\$24,000	\$33,222
402 Pool - Resurface	10	1	\$20,000	\$20,600
407 Pool Fence - Replace	30	26	\$6,000	\$12,940
408 Pool Heater - Replace	10	4	\$4,500	\$5,065
420 Spa - One-Time Renovation	N/A	1	\$8,000	\$8,240
422 Spa - Resurface	5	6	\$5,000	\$5,970
424 Spa Heater - Replace	10	2	\$4,000	\$4,244
440 Tennis Court - Resurface	30	2	\$25,000	\$26,523
440 Tennis Court - Seal/Repair	5	7	\$5,000	\$6,149
444 Tennis Court Fence - Replace	40	12	\$7,920	\$11,292
<b>BUILDING EXTERIOR</b>				
500 Elastomeric Decks - Seal/Repair	5	1	\$5,230	\$5,387
502 Vinyl Decks - Repair/Resurface (a)	18	12	\$12,250	\$17,466
502 Vinyl Decks - Repair/Resurface (b)	18	13	\$15,750	\$23,129
502 Vinyl Decks - Repair/Resurface (c)	18	14	\$15,750	\$23,823
502 Vinyl Decks - Repair/Resurface (d)	18	15	\$22,750	\$35,444
502 Vinyl Decks - Repair/Resurface (e)	18	16	\$17,500	\$28,082
502 Vinyl Decks - Repair/Resurface (f)	18	17	\$24,500	\$40,495
506 Indoor/Outdoor Carpet - Replace	12	1	\$5,200	\$5,356
540 Bldg 4, 5 and Cabana - Paint	6	2	\$61,500	\$65,245
541 Building 3 - Paint	6	3	\$37,200	\$40,649
542 Bldg 1, 2 and Carports - Paint	6	5	\$62,000	\$71,875
600 Building 1-4 Roofs - Replace	25	16	\$124,950	\$200,508
602 Building 5 Roof - Replace	25	23	\$34,775	\$68,631
606 Cabana Roof - Replace	25	18	\$9,100	\$15,492
608 Carport Roofs, ~1/3 - Replace (a)	25	16	\$15,900	\$25,515
608 Carport Roofs, ~1/3 - Replace (b)	25	18	\$15,900	\$27,069
608 Carport Roofs, ~1/3 - Replace (c)	25	21	\$15,900	\$29,579

Table 1: Executive Summary

13297-2

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>BUILDING INTERIOR</b>				
700 Cabana Interior Surfaces - Refinish	10	9	\$4,400	\$5,741
702 Cabana Flooring - Replace	10	9	\$5,400	\$7,046
<b>SYSTEMS/EQUIPMENT</b>				
902 Electrical - Repair/Replace	N/A	4	\$48,000	\$54,024
904 Fire Monitoring - One-Time Project	N/A	0	\$85,000	\$0
908 Fire Alarm Panels - Replace	20	20	\$11,250	\$20,319
42 Total Funded Components				

Note: a Useful Life of "N/A" means a one-time expense, not expected to repeat. Cross reference component numbers with photographic inventory appendix. Highlighting denotes projects anticipated to occur in the initial year. A reserve-funding threshold of \$3,000 has been established 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.

### Reserve Study

- Component List
- Reserve Fund Strength
- Recommended Contribs

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 "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, 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 evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

### Reserve Study Types

- Full
- • Update With-Site-Visit
- Update No-Site-Visit

### *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 since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

### *How are Cost Estimates Established?*

Financial projections are based on the average of our Best Case and Worst Case estimates, which are 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

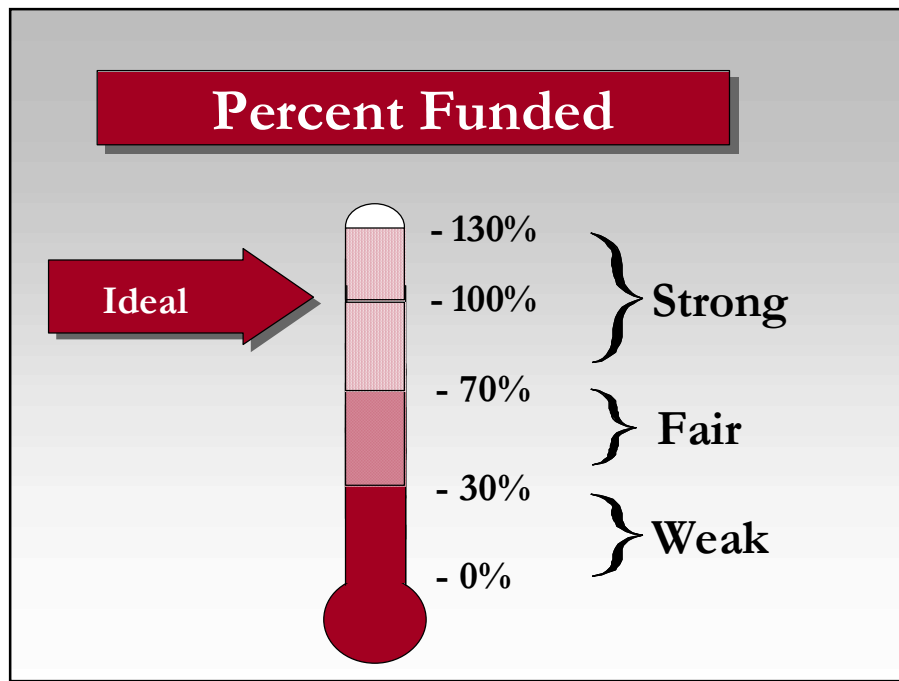


### *How much Reserves are enough?*

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 Board members 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

Our site inspection was conducted to update information that appeared in our prior reserve study prepared for the association's 2009 fiscal year. The component inventory was analyzed for completeness and accuracy. All components were re-inspected and checked for appropriateness for reserve funding using the standard four-part test.

During our site visit on 12.2.2011, we noted current condition, materials, apparent levels of care and maintenance as well as exposure to weather elements. Subsequent research informed us which components were being handled from the operational maintenance budget, not reserves.

Lakeside Village is a condominium community of five wood-framed residential buildings containing 78 units plus the additional Cabana building, built in 1980 and is now approaching 32 years old. Reserve projects completed since our last report have included select exterior painting, roof replacements and deck repair/resurfacing projects, among others. Cabana interior painting was ongoing when we inspected and expected for completion soon. Reserve projects to anticipate in the near term (next five years) include projects such as cyclical exterior painting, elastomeric deck maintenance coatings, indoor/outdoor carpet replacement, asphalt maintenance seal coating/repair, perimeter and patio fence replacements and pool resurfacing among others.

Additionally, a one-time expense to comply with current fire protection code is projected to occur in 2012.

The reader is directed to the attached and detailed Photographic Inventory Appendix (Photo Pages) to gain a comprehensive understanding of the basis of our recommendations for this year's report.

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.

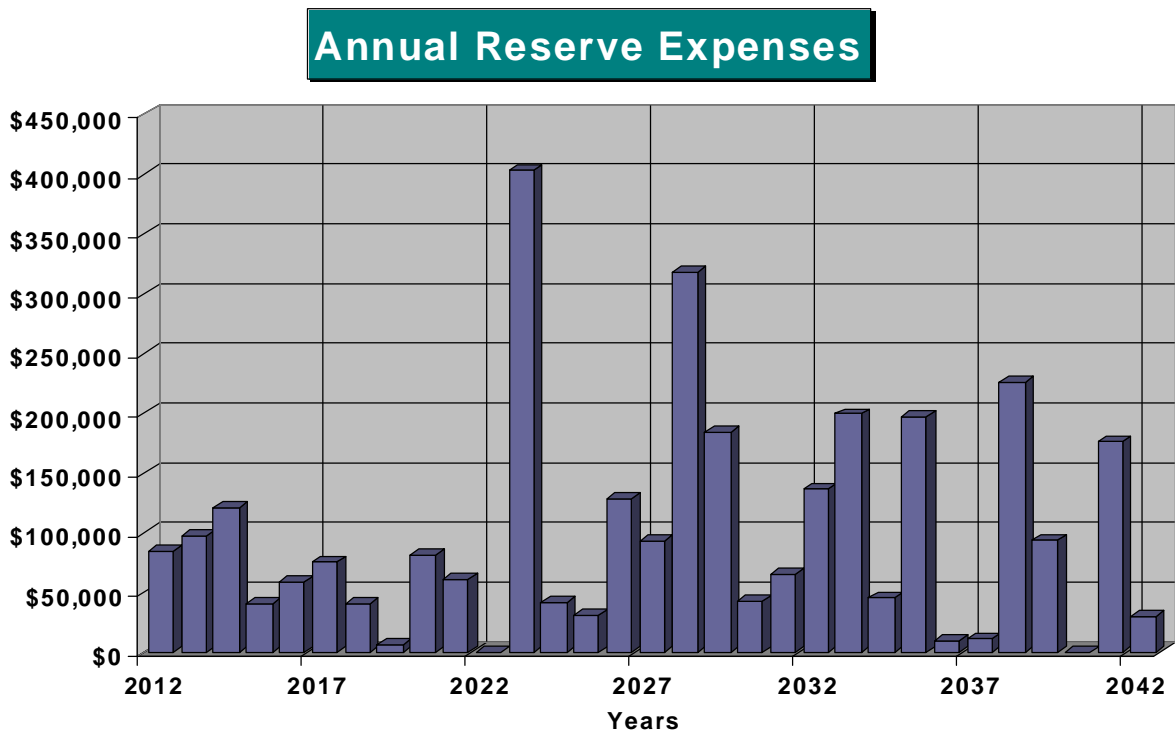


Figure 1

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 \$40,000 as-of the start of your Fiscal Year on January 1, 2012. This is based on your actual balance on 12.12.2012 of \$30,105 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of January 1, 2012, your Fully Funded Balance is computed to be \$510,535 (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 8% Funded. This currently represents a weak status, well below the recommend funding level of between 70%-130% where associations enjoy little risk of deferred maintenance and/or special assessments.

## **Recommended Funding Plan**

Based on your current Percent Funded and your projected cash flow requirements, we are forced to recommend a Special Assessment of \$78,000 in 2012. Additionally, we are recommending Reserve contributions of \$7,154/month this Fiscal Year. This represents only the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

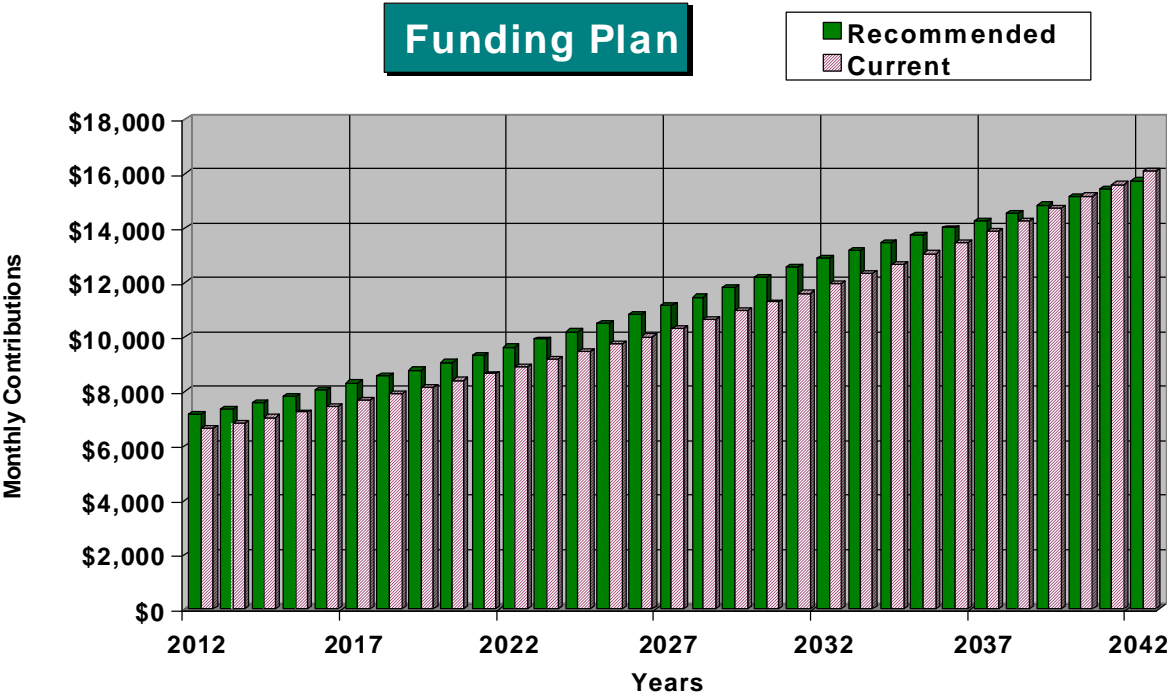


Figure 2

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.

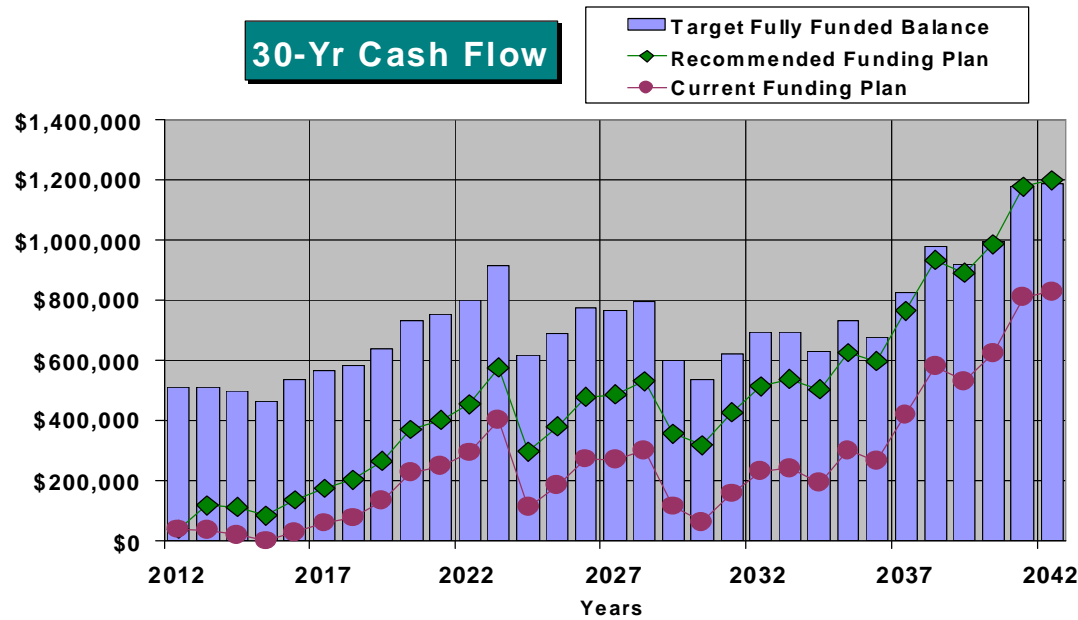


Figure 3

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

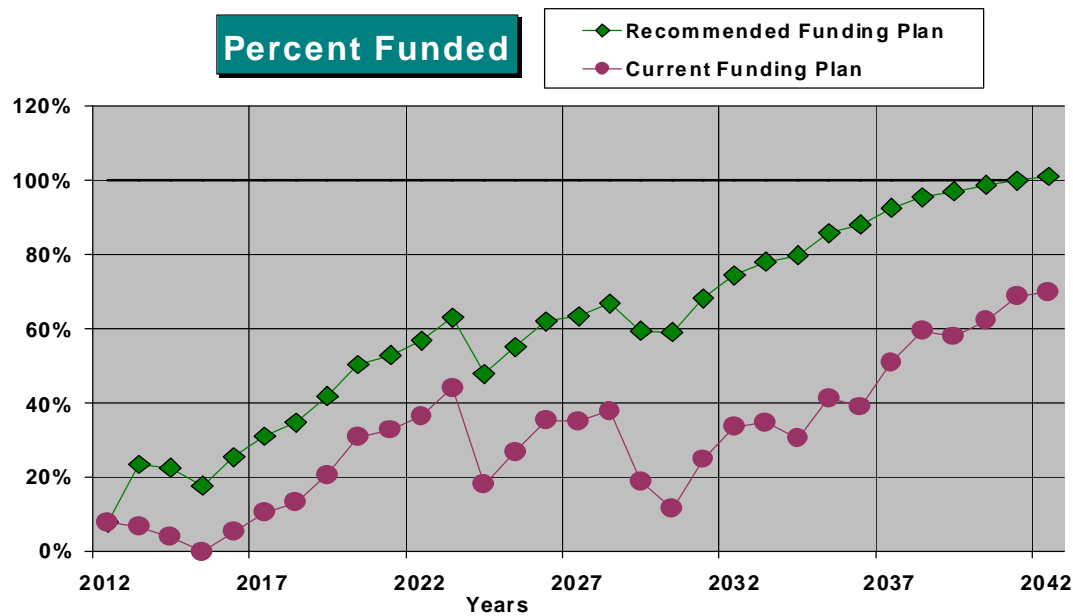


Figure 4

## 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 under funded, 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**
**13297-2**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	Approx 64,400 square feet	5	1	\$21,100	\$26,320
106 Asphalt - Resurface	Approx 64,400 square feet	40	11	\$122,360	\$135,240
124 Metal Pole Lights - Replace	(7) metal, 24'	40	11	\$17,500	\$21,000
130 Mailboxes/Structures - Replace	(82) boxes, (2) structure	30	2	\$6,000	\$7,000
150 Perimeter Fence, South-Replace Part	Approx 640 linear feet	3	2	\$2,800	\$3,200
152 Perimeter Fence, West - Replace	Approx 850 linear feet	20	2	\$13,600	\$15,300
162 Building 3-5 Patio Fences - Replace	Approx 640 linear feet	18	1	\$25,600	\$28,800
163 Building 1-2 Patio Fences - Replace	Approx 400 linear feet	18	17	\$16,000	\$18,000
164 Goose Fence - Replace	Approx 700 linear feet	40	1	\$4,800	\$5,200
172 Cabana Deck - Repair/Replace	Approx 170 square feet	20	16	\$5,100	\$6,120
<b>RECREATION</b>					
400 Pool Deck - Resurface	Approx 1,500 square feet	40	11	\$21,000	\$27,000
402 Pool - Resurface	Approx 600 SF surface	10	1	\$18,000	\$22,000
407 Pool Fence - Replace	Approx 150 linear feet	30	26	\$5,250	\$6,750
408 Pool Heater - Replace	(1) Raypack, gas	10	4	\$4,000	\$5,000
420 Spa - One-Time Renovation	(1) 7' diameter	N/A	1	\$7,500	\$8,500
422 Spa - Resurface	(1) 7' diameter	5	6	\$4,000	\$6,000
424 Spa Heater - Replace	(1) Purex, gas	10	2	\$3,500	\$4,500
440 Tennis Court - Resurface	Approx 7,200 square feet	30	2	\$23,000	\$27,000
440 Tennis Court - Seal/Repair	Approx 7,200 square feet	5	7	\$4,500	\$5,500
444 Tennis Court Fence - Replace	Approx 360 linear feet	40	12	\$7,200	\$8,640
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	Approx 560 square feet	5	1	\$4,420	\$6,040
502 Vinyl Decks - Repair/Resurface (a)	Approx 490 square feet	18	12	\$9,800	\$14,700
502 Vinyl Decks - Repair/Resurface (b)	Approx 630 square feet	18	13	\$12,600	\$18,900
502 Vinyl Decks - Repair/Resurface (c)	Approx 630 square feet	18	14	\$12,600	\$18,900
502 Vinyl Decks - Repair/Resurface (d)	Approx 910 square feet	18	15	\$18,200	\$27,300
502 Vinyl Decks - Repair/Resurface (e)	Approx 700 square feet	18	16	\$14,000	\$21,000
502 Vinyl Decks - Repair/Resurface (f)	Approx 980 square feet	18	17	\$19,600	\$29,400
506 Indoor/Outdoor Carpet - Replace	Approx 270 square yards	12	1	\$4,680	\$5,720
540 Bldg 4, 5 and Cabana - Paint	Approx 32,000 GSF	6	2	\$58,000	\$65,000
541 Building 3 - Paint	Approx 19,000 GSF	6	3	\$34,900	\$39,500
542 Bldg 1, 2 and Carports - Paint	Approx 30,000 GSF	6	5	\$58,000	\$66,000
600 Building 1-4 Roofs - Replace	Approx 35,700 square feet	25	16	\$114,240	\$135,660
602 Building 5 Roof - Replace	Approx 9,500 square feet	25	23	\$32,100	\$37,450
606 Cabana Roof - Replace	Approx 2,600 square feet	25	18	\$8,320	\$9,880
608 Carport Roofs, ~1/3 - Replace (a)	Approx 5,300 square feet	25	16	\$14,840	\$16,960
608 Carport Roofs, ~1/3 - Replace (b)	Approx 5,300 square feet	25	18	\$14,840	\$16,960
608 Carport Roofs, ~1/3 - Replace (c)	Approx 5,300 square feet	25	21	\$14,840	\$16,960

**Table 2: Reserve Component List Detail****13297-2**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	Approx 3,300 square feet	10	9	\$4,200	\$4,600
702 Cabana Flooring - Replace	Approx 120 square yards	10	9	\$4,800	\$6,000
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	Extensive system	N/A	4	\$44,000	\$52,000
904 Fire Monitoring - One-Time Project	Extensive system	N/A	0	\$80,000	\$90,000
908 Fire Alarm Panels - Replace	(5) panels	20	20	\$10,000	\$12,500
42 Total Funded Components					

**Table 3: Contribution and Fund Breakdown****13297-2**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
<b>SITE/GROUNDS</b>						
104 Asphalt - Seal/Repair	5	1	\$23,710	\$18,968	\$0.00	\$281.63
106 Asphalt - Resurface	40	11	\$128,800	\$93,380	\$0.00	\$191.24
124 Metal Pole Lights - Replace	40	11	\$19,250	\$13,956	\$0.00	\$28.58
130 Mailboxes/Structures - Replace	30	2	\$6,500	\$6,067	\$0.00	\$12.87
150 Perimeter Fence, South-Replace Part	3	2	\$3,000	\$1,000	\$0.00	\$59.39
152 Perimeter Fence, West - Replace	20	2	\$14,450	\$13,005	\$0.00	\$42.91
162 Building 3-5 Patio Fences - Replace	18	1	\$27,200	\$25,689	\$0.00	\$89.75
163 Building 1-2 Patio Fences - Replace	18	17	\$17,000	\$944	\$0.00	\$56.09
164 Goose Fence - Replace	40	1	\$5,000	\$4,875	\$0.00	\$7.42
172 Cabana Deck - Repair/Replace	20	16	\$5,610	\$1,122	\$0.00	\$16.66
<b>RECREATION</b>						
400 Pool Deck - Resurface	40	11	\$24,000	\$17,400	\$0.00	\$35.63
402 Pool - Resurface	10	1	\$20,000	\$18,000	\$0.00	\$118.78
407 Pool Fence - Replace	30	26	\$6,000	\$800	\$0.00	\$11.88
408 Pool Heater - Replace	10	4	\$4,500	\$2,700	\$0.00	\$26.73
420 Spa - One-Time Renovation	N/A	1	\$8,000	\$4,000	\$0.00	\$237.56
422 Spa - Resurface	5	6	\$5,000	\$0	\$0.00	\$0.00
424 Spa Heater - Replace	10	2	\$4,000	\$3,200	\$0.00	\$23.76
440 Tennis Court - Resurface	30	2	\$25,000	\$23,333	\$0.00	\$49.49
440 Tennis Court - Seal/Repair	5	7	\$5,000	\$0	\$0.00	\$0.00
444 Tennis Court Fence - Replace	40	12	\$7,920	\$5,544	\$0.00	\$11.76
<b>BUILDING EXTERIOR</b>						
500 Elastomeric Decks - Seal/Repair	5	1	\$5,230	\$4,184	\$0.00	\$62.12
502 Vinyl Decks - Repair/Resurface (a)	18	12	\$12,250	\$4,083	\$0.00	\$40.42
502 Vinyl Decks - Repair/Resurface (b)	18	13	\$15,750	\$4,375	\$0.00	\$51.97
502 Vinyl Decks - Repair/Resurface (c)	18	14	\$15,750	\$3,500	\$0.00	\$51.97
502 Vinyl Decks - Repair/Resurface (d)	18	15	\$22,750	\$3,792	\$0.00	\$75.06
502 Vinyl Decks - Repair/Resurface (e)	18	16	\$17,500	\$1,944	\$0.00	\$57.74
502 Vinyl Decks - Repair/Resurface (f)	18	17	\$24,500	\$1,361	\$0.00	\$80.84
506 Indoor/Outdoor Carpet - Replace	12	1	\$5,200	\$4,767	\$0.00	\$25.74
540 Bldg 4, 5 and Cabana - Paint	6	2	\$61,500	\$41,000	\$0.00	\$608.76
541 Building 3 - Paint	6	3	\$37,200	\$18,600	\$0.00	\$368.22
542 Bldg 1, 2 and Carports - Paint	6	5	\$62,000	\$10,333	\$0.00	\$613.71
600 Building 1-4 Roofs - Replace	25	16	\$124,950	\$44,982	\$0.00	\$296.84
602 Building 5 Roof - Replace	25	23	\$34,775	\$2,782	\$0.00	\$82.61
606 Cabana Roof - Replace	25	18	\$9,100	\$2,548	\$0.00	\$21.62
608 Carport Roofs, ~1/3 - Replace (a)	25	16	\$15,900	\$5,724	\$0.00	\$37.77
608 Carport Roofs, ~1/3 - Replace (b)	25	18	\$15,900	\$4,452	\$0.00	\$37.77
608 Carport Roofs, ~1/3 - Replace (c)	25	21	\$15,900	\$2,544	\$0.00	\$37.77

**Table 3: Contribution and Fund Breakdown****13297-2**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
<b>BUILDING INTERIOR</b>						
700 Cabana Interior Surfaces - Refinish	10	9	\$4,400	\$440	\$0.00	\$26.13
702 Cabana Flooring - Replace	10	9	\$5,400	\$540	\$0.00	\$32.07
<b>SYSTEMS/EQUIPMENT</b>						
902 Electrical - Repair/Replace	N/A	4	\$48,000	\$9,600	\$0.00	\$570.15
904 Fire Monitoring - One-Time Project	N/A	0	\$85,000	\$85,000	\$40,000.00	\$2,672.59
908 Fire Alarm Panels - Replace	20	20	\$11,250	\$0	\$0.00	\$0.00
42 Total Funded Components				\$510,535	\$40,000	\$7,154

**Table 4: 30-Year Reserve Plan Summary****13297-2****Fiscal Year Beginning: 01/01/12****Interest:****1.0%****Inflation:****3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2012	\$40,000	\$510,535	7.8%		Weak	\$85,848	\$78,000	\$798	\$85,000
2013	\$119,646	\$509,185	23.5%		Weak	\$88,423	\$0	\$1,158	\$97,170
2014	\$112,057	\$495,899	22.6%		Weak	\$91,076	\$0	\$973	\$121,420
2015	\$82,687	\$464,848	17.8%		Weak	\$93,808	\$0	\$1,098	\$40,649
2016	\$136,943	\$536,440	25.5%		Weak	\$96,623	\$0	\$1,564	\$59,089
2017	\$176,041	\$566,350	31.1%		Fair	\$99,521	\$0	\$1,890	\$75,353
2018	\$202,099	\$582,647	34.7%		Fair	\$102,507	\$0	\$2,342	\$40,526
2019	\$266,422	\$637,611	41.8%		Fair	\$105,582	\$0	\$3,176	\$6,149
2020	\$369,031	\$732,010	50.4%		Fair	\$108,750	\$0	\$3,843	\$81,707
2021	\$399,917	\$753,864	53.0%		Fair	\$112,012	\$0	\$4,272	\$61,324
2022	\$454,877	\$799,889	56.9%		Fair	\$115,373	\$0	\$5,149	\$0
2023	\$575,398	\$913,056	63.0%		Fair	\$118,834	\$0	\$4,354	\$402,798
2024	\$295,788	\$617,412	47.9%		Fair	\$122,399	\$0	\$3,377	\$41,589
2025	\$379,975	\$687,698	55.3%		Fair	\$126,071	\$0	\$4,296	\$30,766
2026	\$479,576	\$774,079	62.0%		Fair	\$129,853	\$0	\$4,826	\$128,192
2027	\$486,063	\$765,626	63.5%		Fair	\$133,748	\$0	\$5,086	\$93,400
2028	\$531,496	\$795,766	66.8%		Fair	\$137,761	\$0	\$4,436	\$317,571
2029	\$356,122	\$599,015	59.5%		Fair	\$141,894	\$0	\$3,365	\$184,293
2030	\$317,088	\$536,833	59.1%		Fair	\$146,150	\$0	\$3,706	\$42,561
2031	\$424,383	\$622,059	68.2%		Fair	\$150,535	\$0	\$4,694	\$64,880
2032	\$514,732	\$690,242	74.6%		Strong	\$155,051	\$0	\$5,263	\$136,813
2033	\$538,233	\$689,870	78.0%		Strong	\$158,152	\$0	\$5,201	\$199,126
2034	\$502,460	\$628,899	79.9%		Strong	\$161,315	\$0	\$5,632	\$44,933
2035	\$624,475	\$728,621	85.7%		Strong	\$164,541	\$0	\$6,111	\$196,915
2036	\$598,213	\$678,608	88.2%		Strong	\$167,832	\$0	\$6,807	\$9,148
2037	\$763,704	\$824,423	92.6%		Strong	\$171,189	\$0	\$8,477	\$10,888
2038	\$932,482	\$976,866	95.5%		Strong	\$174,613	\$0	\$9,113	\$225,234
2039	\$890,974	\$917,273	97.1%		Strong	\$178,105	\$0	\$9,374	\$93,738
2040	\$984,715	\$995,626	98.9%		Strong	\$181,667	\$0	\$10,805	\$0
2041	\$1,177,187	\$1,177,302	100.0%		Strong	\$185,300	\$0	\$11,871	\$176,271

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****13297-2**

Fiscal Year	2012	2013	2014	2015	2016
Starting Reserve Balance	\$40,000	\$119,646	\$112,057	\$82,687	\$136,943
Annual Reserve Contribution	\$85,848	\$88,423	\$91,076	\$93,808	\$96,623
Planned Special Assessments	\$78,000	\$0	\$0	\$0	\$0
Interest Earnings	\$798	\$1,158	\$973	\$1,098	\$1,564
Total Income	\$204,646	\$209,227	\$204,107	\$177,593	\$235,130
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$24,421	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$6,896	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$0	\$0	\$3,183	\$0	\$0
152 Perimeter Fence, West - Replace	\$0	\$0	\$15,330	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$28,016	\$0	\$0	\$0
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
164 Goose Fence - Replace	\$0	\$5,150	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$20,600	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$0	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$5,065
420 Spa - One-Time Renovation	\$0	\$8,240	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$0	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$4,244	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$26,523	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$0	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$5,387	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (d)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$0	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$0	\$5,356	\$0	\$0	\$0
540 Bldg 4, 5 and Cabana - Paint	\$0	\$0	\$65,245	\$0	\$0
541 Building 3 - Paint	\$0	\$0	\$0	\$40,649	\$0
542 Bldg 1, 2 and Carports - Paint	\$0	\$0	\$0	\$0	\$0
600 Building 1-4 Roofs - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****13297-2**

Fiscal Year	2012	2013	2014	2015	2016
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$0	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$0	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$0
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$0
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$54,024
904 Fire Monitoring - One-Time Project	\$85,000	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$85,000	\$97,170	\$121,420	\$40,649	\$59,089
Ending Reserve Balance:	\$119,646	\$112,057	\$82,687	\$136,943	\$176,041

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****13297-2**

Fiscal Year	2017	2018	2019	2020	2021
Starting Reserve Balance	\$176,041	\$202,099	\$266,422	\$369,031	\$399,917
Annual Reserve Contribution	\$99,521	\$102,507	\$105,582	\$108,750	\$112,012
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,890	\$2,342	\$3,176	\$3,843	\$4,272
Total Income	\$277,452	\$306,948	\$375,180	\$481,623	\$516,201
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$28,311	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$0	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$3,478	\$0	\$0	\$3,800	\$0
152 Perimeter Fence, West - Replace	\$0	\$0	\$0	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
164 Goose Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$0	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
420 Spa - One-Time Renovation	\$0	\$0	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$5,970	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$6,149	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$6,245	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (d)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$0	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$0	\$0	\$0	\$0	\$0
540 Bldg 4, 5 and Cabana - Paint	\$0	\$0	\$0	\$77,906	\$0
541 Building 3 - Paint	\$0	\$0	\$0	\$0	\$48,538
542 Bldg 1, 2 and Carports - Paint	\$71,875	\$0	\$0	\$0	\$0
600 Building 1-4 Roofs - Replace	\$0	\$0	\$0	\$0	\$0



**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****13297-2**

Fiscal Year	2017	2018	2019	2020	2021
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$0	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$0	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$5,741
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$7,046
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
904 Fire Monitoring - One-Time Project	\$0	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$75,353	\$40,526	\$6,149	\$81,707	\$61,324
Ending Reserve Balance:	\$202,099	\$266,422	\$369,031	\$399,917	\$454,877

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****13297-2**

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$454,877	\$575,398	\$295,788	\$379,975	\$479,576
Annual Reserve Contribution	\$115,373	\$118,834	\$122,399	\$126,071	\$129,853
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,149	\$4,354	\$3,377	\$4,296	\$4,826
Total Income	\$575,398	\$698,586	\$421,564	\$510,341	\$614,254
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$32,820	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$178,289	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$26,647	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$0	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$0	\$4,153	\$0	\$0	\$4,538
152 Perimeter Fence, West - Replace	\$0	\$0	\$0	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
164 Goose Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$33,222	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$27,685	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$0	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$6,807
420 Spa - One-Time Renovation	\$0	\$0	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$6,921	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$5,703	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$7,129	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$11,292	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$7,240	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$17,466	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$23,129	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$23,823
502 Vinyl Decks - Repair/Resurface (d)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$0	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$0	\$0	\$0	\$7,636	\$0
540 Bldg 4, 5 and Cabana - Paint	\$0	\$0	\$0	\$0	\$93,024
541 Building 3 - Paint	\$0	\$0	\$0	\$0	\$0
542 Bldg 1, 2 and Carports - Paint	\$0	\$85,822	\$0	\$0	\$0
600 Building 1-4 Roofs - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****13297-2**

Fiscal Year	2022	2023	2024	2025	2026
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$0	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$0	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$0
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$0
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
904 Fire Monitoring - One-Time Project	\$0	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$402,798	\$41,589	\$30,766	\$128,192
Ending Reserve Balance:	\$575,398	\$295,788	\$379,975	\$479,576	\$486,063

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)****13297-2**

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$486,063	\$531,496	\$356,122	\$317,088	\$424,383
Annual Reserve Contribution	\$133,748	\$137,761	\$141,894	\$146,150	\$150,535
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,086	\$4,436	\$3,365	\$3,706	\$4,694
Total Income	\$624,897	\$673,693	\$501,380	\$466,944	\$579,612
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$38,048	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$0	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$0	\$0	\$4,959	\$0	\$0
152 Perimeter Fence, West - Replace	\$0	\$0	\$0	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$47,695
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$28,098	\$0	\$0
164 Goose Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$9,002	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$0	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
420 Spa - One-Time Renovation	\$0	\$0	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$8,024	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$8,264	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$8,393	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (d)	\$35,444	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$28,082	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$40,495	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$0	\$0	\$0	\$0	\$0
540 Bldg 4, 5 and Cabana - Paint	\$0	\$0	\$0	\$0	\$0
541 Building 3 - Paint	\$57,956	\$0	\$0	\$0	\$0
542 Bldg 1, 2 and Carports - Paint	\$0	\$0	\$102,477	\$0	\$0
600 Building 1-4 Roofs - Replace	\$0	\$200,508	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)****13297-2**

Fiscal Year	2027	2028	2029	2030	2031
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$0	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$15,492	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$25,515	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$27,069	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$0	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$7,715
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$9,469
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
904 Fire Monitoring - One-Time Project	\$0	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$93,400	\$317,571	\$184,293	\$42,561	\$64,880
Ending Reserve Balance:	\$531,496	\$356,122	\$317,088	\$424,383	\$514,732

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****13297-2**

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$514,732	\$538,233	\$502,460	\$624,475	\$598,213
Annual Reserve Contribution	\$155,051	\$158,152	\$161,315	\$164,541	\$167,832
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,263	\$5,201	\$5,632	\$6,111	\$6,807
Total Income	\$675,046	\$701,586	\$669,408	\$795,127	\$772,851
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$44,108	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$0	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$5,418	\$0	\$0	\$5,921	\$0
152 Perimeter Fence, West - Replace	\$0	\$0	\$27,688	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
164 Goose Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$37,206	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$0	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$9,148
420 Spa - One-Time Renovation	\$0	\$0	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$9,301	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$7,664	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$9,581	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$9,729	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (d)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$0	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$0	\$0	\$0	\$0	\$0
540 Bldg 4, 5 and Cabana - Paint	\$111,076	\$0	\$0	\$0	\$0
541 Building 3 - Paint	\$0	\$69,203	\$0	\$0	\$0
542 Bldg 1, 2 and Carports - Paint	\$0	\$0	\$0	\$122,362	\$0
600 Building 1-4 Roofs - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****13297-2**

Fiscal Year	2032	2033	2034	2035	2036
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$68,631	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$29,579	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$0
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$0
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
904 Fire Monitoring - One-Time Project	\$0	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$20,319	\$0	\$0	\$0	\$0
Total Expenses	\$136,813	\$199,126	\$44,933	\$196,915	\$9,148
Ending Reserve Balance:	\$538,233	\$502,460	\$624,475	\$598,213	\$763,704

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)****13297-2**

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$763,704	\$932,482	\$890,974	\$984,715	\$1,177,187
Annual Reserve Contribution	\$171,189	\$174,613	\$178,105	\$181,667	\$185,300
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,477	\$9,113	\$9,374	\$10,805	\$11,871
Total Income	\$943,370	\$1,116,209	\$1,078,453	\$1,177,187	\$1,374,359
# Component					
<b>SITE/GROUNDS</b>					
104 Asphalt - Seal/Repair	\$0	\$51,133	\$0	\$0	\$0
106 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
124 Metal Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
130 Mailboxes/Structures - Replace	\$0	\$0	\$0	\$0	\$0
150 Perimeter Fence, South-Replace Part	\$0	\$6,470	\$0	\$0	\$7,070
152 Perimeter Fence, West - Replace	\$0	\$0	\$0	\$0	\$0
162 Building 3-5 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
163 Building 1-2 Patio Fences - Replace	\$0	\$0	\$0	\$0	\$0
164 Goose Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Cabana Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
<b>RECREATION</b>					
400 Pool Deck - Resurface	\$0	\$0	\$0	\$0	\$0
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
407 Pool Fence - Replace	\$0	\$12,940	\$0	\$0	\$0
408 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
420 Spa - One-Time Renovation	\$0	\$0	\$0	\$0	\$0
422 Spa - Resurface	\$0	\$10,783	\$0	\$0	\$0
424 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Resurface	\$0	\$0	\$0	\$0	\$0
440 Tennis Court - Seal/Repair	\$0	\$0	\$11,106	\$0	\$0
444 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDING EXTERIOR</b>					
500 Elastomeric Decks - Seal/Repair	\$0	\$11,279	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (a)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (b)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (c)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (d)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (e)	\$0	\$0	\$0	\$0	\$0
502 Vinyl Decks - Repair/Resurface (f)	\$0	\$0	\$0	\$0	\$0
506 Indoor/Outdoor Carpet - Replace	\$10,888	\$0	\$0	\$0	\$0
540 Bldg 4, 5 and Cabana - Paint	\$0	\$132,630	\$0	\$0	\$0
541 Building 3 - Paint	\$0	\$0	\$82,632	\$0	\$0
542 Bldg 1, 2 and Carports - Paint	\$0	\$0	\$0	\$0	\$146,107
600 Building 1-4 Roofs - Replace	\$0	\$0	\$0	\$0	\$0



**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)****13297-2**

Fiscal Year	2037	2038	2039	2040	2041
602 Building 5 Roof - Replace	\$0	\$0	\$0	\$0	\$0
606 Cabana Roof - Replace	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (a)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (b)	\$0	\$0	\$0	\$0	\$0
608 Carport Roofs, ~1/3 - Replace (c)	\$0	\$0	\$0	\$0	\$0
<b>BUILDING INTERIOR</b>					
700 Cabana Interior Surfaces - Refinish	\$0	\$0	\$0	\$0	\$10,369
702 Cabana Flooring - Replace	\$0	\$0	\$0	\$0	\$12,725
<b>SYSTEMS/EQUIPMENT</b>					
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
904 Fire Monitoring - One-Time Project	\$0	\$0	\$0	\$0	\$0
908 Fire Alarm Panels - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$10,888	\$225,234	\$93,738	\$0	\$176,271
Ending Reserve Balance:	\$932,482	\$890,974	\$984,715	\$1,177,187	\$1,198,088

## 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.