



ACCURATE RESERVE PROFESSIONALS, LLC

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Level I – FULL Reserve Study Report **For Fiscal Year Beginning January 1, 2021**



Sample HOA

Your Town, WA **September 27, 2021**





Reserve Study Summary for Sample HOA

50 Units
For Fiscal Year Beginning January 1, 2021

Starting Reserve Balance	\$132,000
Fully Funded Reserve Balance	\$147,566
Percent Funded	89%
Total Surplus or (Deficit) of Reserve Funding	(\$15,566)
Surplus or (Deficit) on a Per Unit Average Basis ***	(\$311)
Current Annual Reserve Contribution Rate	\$16,800
Current Annual Special Assessment	n/a
100% Full Funding Contribution Rate, Annually	\$19,725
70% Funding Contribution Rate, Annually.....	\$18,050
Baseline Funding Contribution Rate, Annually	\$16,500
Recommended Annual Special Assessment.....	n/a
Reserve Fund Strength (Weak, Fair or Strong)	Strong
Is the Current Contribution Rate Within Range Provided by Study?	Yes

Study Description & Assumptions

This is a Level I Full reserve study. As part of this report, a site visit was performed on December 1, 2020. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes and other outside factors are not included.

Property Description

Sample HOA consists of 50 single family homes located in Your Town, WA. It was constructed in approximately 2008.

Recommended Funding Plan

We recommend that the association increase its annual reserve contributions to \$18,050 to \$19,725 per year in 2021.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

**Sample HOA
Component List**

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair	5		2	\$3,200
1005	Asphalt - Repair & Sealcoat	5		0	\$13,750
1015	Asphalt - Overlay	30	-2	15	\$151,250
1035	Asphalt Path - Repair & Seal	5		0	\$9,600
1040	Asphalt Path - Overlay	40	-2	25	\$112,000
1065	Mailboxes - Replace	25		12	\$7,000
1070	Wood Fence - Replace	20	-2	5	\$8,225
1075	Wood Fence - Repair & Stain	5		0	\$1,410
1135	Landscape - Refurbish	3		1	\$2,500
1145	Trees - Trim/Remove	3		2	\$1,500
1155	Irrigation System - Repair	5		3	\$1,500
1160	Drainage System - Maintain	Unfunded			
1175	Pole Lights - Replace	Unfunded			
Professional					
6005	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at [National Reserve Study Standards](#) and an explanation of the NRSS is available at [NRSS Explanation](#).

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- **Level I Full** – This is the initial report prepared by the association. This report includes a site visit, in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in all other reports going forward.
- **Level II With-Site-Visit** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- **Level III No-Site-Visit** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- **Level IV Preliminary, Community Not Yet Constructed** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a four-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. The second and third parts of the test go hand in hand; the item must have a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and it must have a predictable remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a \$100,000 annual budget would have a \$1,000 reserve funding threshold.

One consideration that is not included within the NRSS four-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as an association installing a swimming pool when one was not previously present. Repurposing of an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs \$30,000 to replace, the association would save \$1,000 per year so that it would have the \$30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need \$2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved \$1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they

contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.



Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a depreciation summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

Sample HOA
Your Town, WA
Spread Sheet

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Grounds										
Asphalt - Overlay										
Asphalt - Repair & Sealcoat	13,750					15,940				
Asphalt Path - Overlay										
Asphalt Path - Repair & Seal	9,600					11,129				
Concrete - Repair			3,395					3,936		
Drainage System - Maintain	<i>Unfunded</i>									
Irrigation System - Repair				1,639					1,900	
Landscape - Refurbish		2,575			2,814			3,075		
Mailboxes - Replace										
Pole Lights - Replace	<i>Unfunded</i>									
Trees - Trim/Remove			1,591			1,739			1,900	
Wood Fence - Repair & Stain	1,410					1,635				
Wood Fence - Replace						9,535				
Grounds Total:	24,760	2,575	4,986	1,639	2,814	39,978		7,010	3,800	
Professional										
Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:	24,760	2,575	4,986	1,639	2,814	39,978		7,010	3,800	

**Sample HOA
Your Town, WA
Spread Sheet**

Description	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Grounds										
Asphalt - Overlay						235,643				
Asphalt - Repair & Sealcoat	18,479					21,422				
Asphalt Path - Overlay										
Asphalt Path - Repair & Seal	12,902					14,956				
Concrete - Repair			4,562					5,289		
Drainage System - Maintain	<i>Unfunded</i>									
Irrigation System - Repair				2,203					2,554	
Landscape - Refurbish	3,360			3,671			4,012			4,384
Mailboxes - Replace			9,980							
Pole Lights - Replace	<i>Unfunded</i>									
Trees - Trim/Remove		2,076			2,269			2,479		
Wood Fence - Repair & Stain	1,895					2,197				
Wood Fence - Replace										
Grounds Total:	36,635	2,076	14,543	5,874	2,269	274,218	4,012	7,768	2,554	4,384
Professional										
Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:	36,635	2,076	14,543	5,874	2,269	274,218	4,012	7,768	2,554	4,384

Sample HOA
Your Town, WA
Spread Sheet

Description	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Grounds										
Asphalt - Overlay										
Asphalt - Repair & Sealcoat	24,834					28,789				
Asphalt Path - Overlay						234,503				
Asphalt Path - Repair & Seal	17,339					20,100				
Concrete - Repair			6,132					7,108		
Drainage System - Maintain	<i>Unfunded</i>									
Irrigation System - Repair				2,960					3,432	
Landscape - Refurbish			4,790			5,234			5,720	
Mailboxes - Replace										
Pole Lights - Replace	<i>Unfunded</i>									
Trees - Trim/Remove	2,709			2,960			3,235			3,535
Wood Fence - Repair & Stain	2,547					2,952				
Wood Fence - Replace						17,221				
Grounds Total:	47,428		10,922	5,921		308,801	3,235	7,108	9,152	3,535
Professional										
Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:	47,428		10,922	5,921		308,801	3,235	7,108	9,152	3,535

Sample HOA
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2021	
Asphalt - Repair & Sealcoat	13,750
Asphalt Path - Repair & Seal	9,600
Wood Fence - Repair & Stain	1,410
Total for 2021	\$24,760
Replacement Year 2022	
Landscape - Refurbish	2,575
Total for 2022	\$2,575
Replacement Year 2023	
Trees - Trim/Remove	1,591
Concrete - Repair	3,395
Total for 2023	\$4,986
Replacement Year 2024	
Irrigation System - Repair	1,639
Total for 2024	\$1,639
Replacement Year 2025	
Landscape - Refurbish	2,814
Total for 2025	\$2,814
Replacement Year 2026	
Trees - Trim/Remove	1,739
Asphalt - Repair & Sealcoat	15,940
Asphalt Path - Repair & Seal	11,129
Wood Fence - Repair & Stain	1,635
Wood Fence - Replace	9,535
Total for 2026	\$39,978
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Landscape - Refurbish	3,075

Sample HOA
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2028 continued...</i>	
Concrete - Repair	3,936
Total for 2028	<u>\$7,010</u>
Replacement Year 2029	
Trees - Trim/Remove	1,900
Irrigation System - Repair	1,900
Total for 2029	<u>\$3,800</u>
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Landscape - Refurbish	3,360
Asphalt - Repair & Sealcoat	18,479
Asphalt Path - Repair & Seal	12,902
Wood Fence - Repair & Stain	1,895
Total for 2031	<u>\$36,635</u>
Replacement Year 2032	
Trees - Trim/Remove	2,076
Total for 2032	<u>\$2,076</u>
Replacement Year 2033	
Concrete - Repair	4,562
Mailboxes - Replace	9,980
Total for 2033	<u>\$14,543</u>
Replacement Year 2034	
Landscape - Refurbish	3,671
Irrigation System - Repair	2,203
Total for 2034	<u>\$5,874</u>
Replacement Year 2035	
Trees - Trim/Remove	2,269
Total for 2035	<u>\$2,269</u>

Sample HOA
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2036	
Asphalt - Repair & Sealcoat	21,422
Asphalt Path - Repair & Seal	14,956
Wood Fence - Repair & Stain	2,197
Asphalt - Overlay	235,643
Total for 2036	\$274,218
Replacement Year 2037	
Landscape - Refurbish	4,012
Total for 2037	\$4,012
Replacement Year 2038	
Trees - Trim/Remove	2,479
Concrete - Repair	5,289
Total for 2038	\$7,768
Replacement Year 2039	
Irrigation System - Repair	2,554
Total for 2039	\$2,554
Replacement Year 2040	
Landscape - Refurbish	4,384
Total for 2040	\$4,384
Replacement Year 2041	
Trees - Trim/Remove	2,709
Asphalt - Repair & Sealcoat	24,834
Asphalt Path - Repair & Seal	17,339
Wood Fence - Repair & Stain	2,547
Total for 2041	\$47,428
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Landscape - Refurbish	4,790

Sample HOA
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2043 continued...</i>	
Concrete - Repair	6,132
Total for 2043	<u>\$10,922</u>
Replacement Year 2044	
Trees - Trim/Remove	2,960
Irrigation System - Repair	2,960
Total for 2044	<u>\$5,921</u>
<i>No Replacement in 2045</i>	
Replacement Year 2046	
Landscape - Refurbish	5,234
Asphalt - Repair & Sealcoat	28,789
Asphalt Path - Repair & Seal	20,100
Wood Fence - Repair & Stain	2,952
Wood Fence - Replace	17,221
Asphalt Path - Overlay	234,503
Total for 2046	<u>\$308,801</u>
Replacement Year 2047	
Trees - Trim/Remove	3,235
Total for 2047	<u>\$3,235</u>
Replacement Year 2048	
Concrete - Repair	7,108
Total for 2048	<u>\$7,108</u>
Replacement Year 2049	
Landscape - Refurbish	5,720
Irrigation System - Repair	3,432
Total for 2049	<u>\$9,152</u>
Replacement Year 2050	
Trees - Trim/Remove	3,535
Total for 2050	<u>\$3,535</u>

**Sample HOA
Deterioration Summary**

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1015	Asphalt - Overlay	30	\$151,250	\$5,042
1005	Asphalt - Repair & Sealcoat	5	\$13,750	\$2,750
1040	Asphalt Path - Overlay	40	\$112,000	\$2,800
1035	Asphalt Path - Repair & Seal	5	\$9,600	\$1,920
1000	Concrete - Repair	5	\$3,200	\$640
1160	Drainage System - Maintain	Unfunded		
1155	Irrigation System - Repair	5	\$1,500	\$300
1135	Landscape - Refurbish	3	\$2,500	\$833
1065	Mailboxes - Replace	25	\$7,000	\$280
1175	Pole Lights - Replace	Unfunded		
6005	Reserve Study - Annual Update	Unfunded		
1145	Trees - Trim/Remove	3	\$1,500	\$500
1075	Wood Fence - Repair & Stain	5	\$1,410	\$282
1070	Wood Fence - Replace	20	\$8,225	\$411
Total Annual Deterioration of Association Assets				<u>\$15,758</u>



Full Funding Model

The data within this section represents the full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

Sample HOA
Your Town, WA
Full Funding Model Summary

Report Date	January 1, 2021
Account Number	12345
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2021 Beginning Balance	\$132,000

Full Funding Model

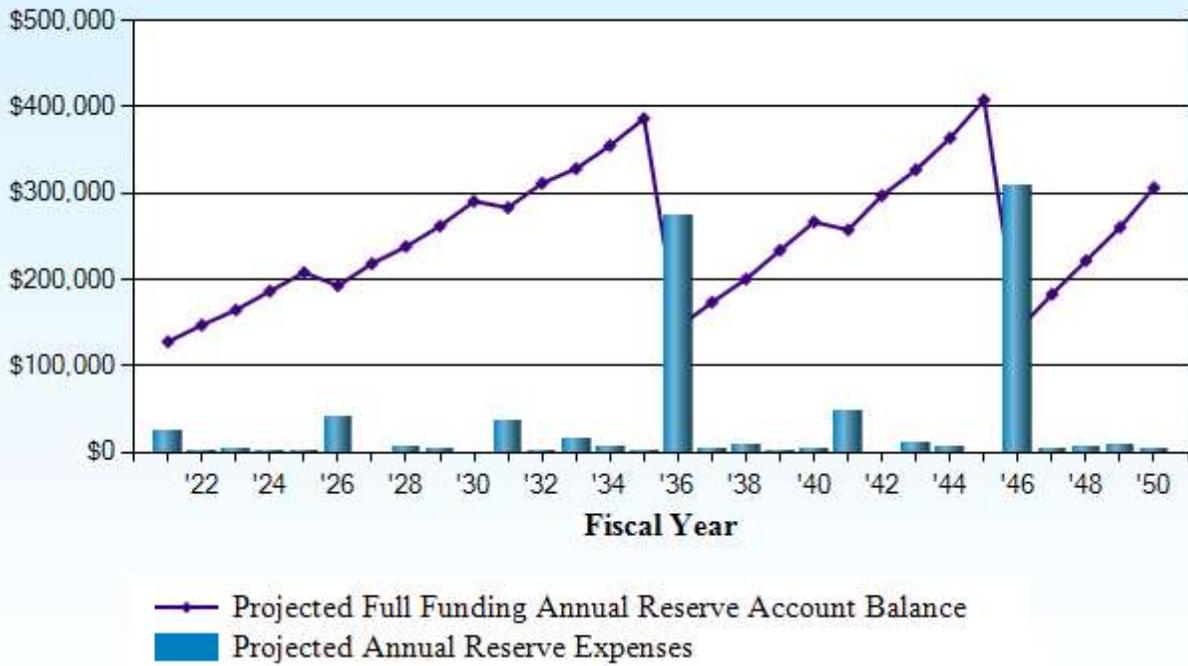
Full Funding Model Summary of Calculations	
Required Annual Contribution	\$19,725.00
<i>\$394.50 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,269.65</u>
Total Annual Allocation to Reserves	<u>\$20,994.65</u>
<i>\$419.89 per unit annually</i>	

**Sample HOA
Full Funding Model Projection**

Beginning Balance: \$132,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	311,935	19,725	1,270	24,760	128,235	143,291	89%
2022	321,293	20,317	1,460	2,575	147,436	162,242	91%
2023	330,932	20,926	1,634	4,986	165,010	179,798	92%
2024	340,860	21,554	1,849	1,639	186,774	201,862	93%
2025	351,086	22,201	2,062	2,814	208,223	223,929	93%
2026	361,618	22,867	1,911	39,978	193,023	208,892	92%
2027	372,467	23,553	2,166		218,741	235,164	93%
2028	383,641	24,259	2,360	7,010	238,350	255,603	93%
2029	395,150	24,987	2,595	3,800	262,132	280,580	93%
2030	407,004	25,737	2,879		290,748	310,857	94%
2031	419,215	26,509	2,806	36,635	283,427	304,964	93%
2032	431,791	27,304	3,087	2,076	311,742	335,165	93%
2033	444,745	28,123	3,253	14,543	328,575	354,128	93%
2034	458,087	28,967	3,517	5,874	355,185	383,305	93%
2035	471,830	29,836	3,828	2,269	386,579	417,809	93%
2036	485,985	30,731	1,431	274,218	144,523	173,422	83%
2037	500,564	31,653	1,722	4,012	173,886	200,783	87%
2038	515,581	32,602	1,987	7,768	200,707	225,883	89%
2039	531,048	33,580	2,317	2,554	234,051	257,920	91%
2040	546,980	34,588	2,643	4,384	266,898	289,869	92%
2041	563,389	35,626	2,551	47,428	257,646	279,303	92%
2042	580,291	36,694	2,943		297,284	318,159	93%
2043	597,700	37,795	3,242	10,922	327,399	347,845	94%
2044	615,631	38,929	3,604	5,921	364,011	384,515	95%
2045	634,100	40,097	4,041		408,149	429,354	95%
2046	653,123	41,300	1,406	308,801	142,054	158,153	90%
2047	672,716	42,539	1,814	3,235	183,172	194,570	94%
2048	692,898	43,815	2,199	7,108	222,077	229,139	97%
2049	713,685	45,129	2,581	9,152	260,635	263,722	99%
2050	735,095	46,483	3,036	3,535	306,620	306,243	100%

Annual Expenditures Compared to Full Funding Model



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.



70% Threshold Funding Model

The data within this section represents the 70% threshold funding model. In this model the association aims to become 70% funded over the 30 year scope of the report. While the full funding model in the prior section features the lowest risk of a special assessment, this 70% model provides an alternate option for associations that do not wish to fund reserves to 100% but wish to actively mitigate the risk of a special assessment by funding reserves to a level in which the risk of a special assessment is still relatively low.

Sample HOA
 Your Town, WA
70% Funding Model Summary

Report Date	January 1, 2021
Account Number	12345
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2021 Beginning Balance	\$132,000

70% Funding Model

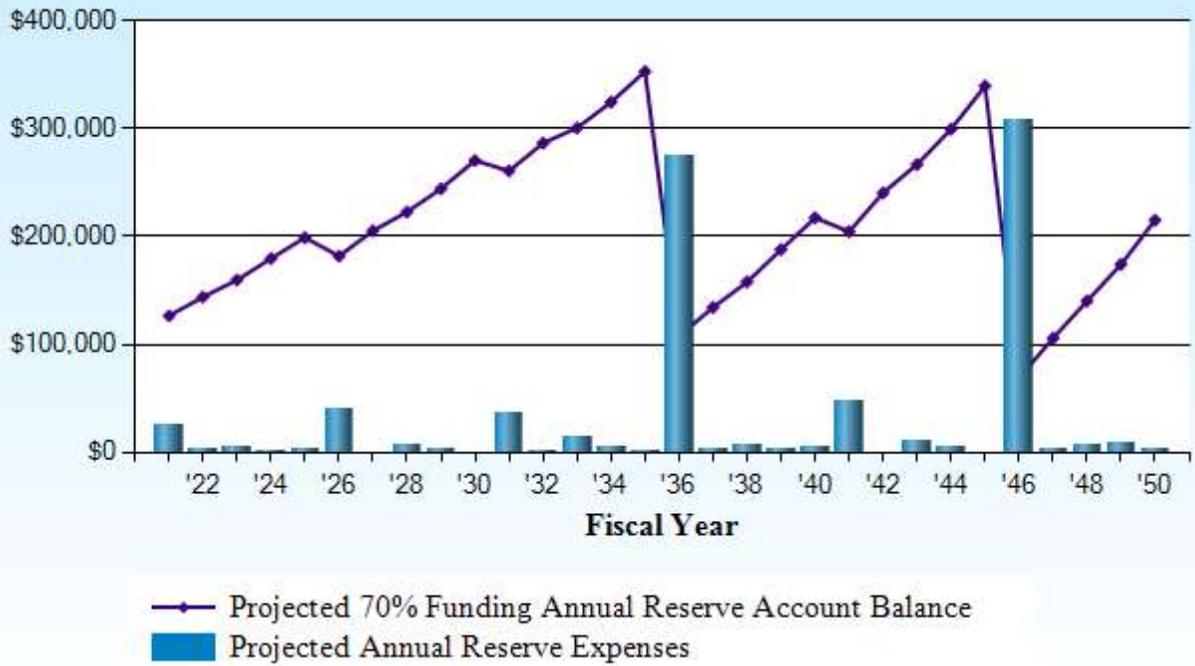
70% Funding Model Summary of Calculations	
Required Annual Contribution	\$18,050.00
<i>\$361.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,252.90</u>
Total Annual Allocation to Reserves	<u>\$19,302.90</u>
<i>\$386.06 per unit annually</i>	

**Sample HOA
70% Funding Model Projection**

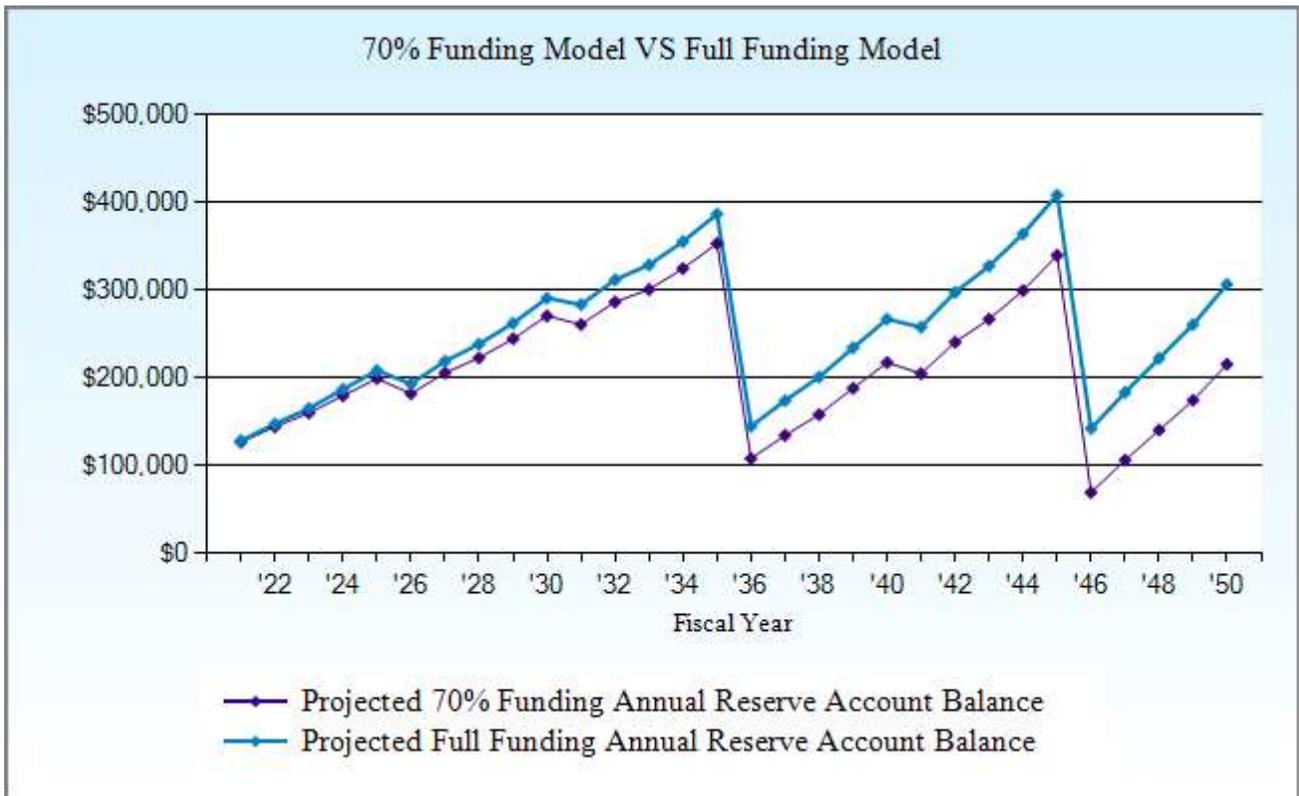
Beginning Balance: \$132,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	311,935	18,050	1,253	24,760	126,543	143,291	88%
2022	321,293	18,591	1,426	2,575	143,985	162,242	89%
2023	330,932	19,149	1,581	4,986	159,729	179,798	89%
2024	340,860	19,724	1,778	1,639	179,592	201,862	89%
2025	351,086	20,315	1,971	2,814	199,065	223,929	89%
2026	361,618	20,925	1,800	39,978	181,812	208,892	87%
2027	372,467	21,553	2,034		205,399	235,164	87%
2028	383,641	22,199	2,206	7,010	222,793	255,603	87%
2029	395,150	22,865	2,419	3,800	244,277	280,580	87%
2030	407,004	23,551	2,678		270,506	310,857	87%
2031	419,215	24,258	2,581	36,635	260,710	304,964	85%
2032	431,791	24,985	2,836	2,076	286,455	335,165	85%
2033	444,745	25,735	2,976	14,543	300,624	354,128	85%
2034	458,087	26,507	3,213	5,874	324,470	383,305	85%
2035	471,830	27,302	3,495	2,269	352,998	417,809	84%
2036	485,985	28,121	1,069	274,218	107,970	173,422	62%
2037	500,564	28,965	1,329	4,012	134,253	200,783	67%
2038	515,581	29,834	1,563	7,768	157,882	225,883	70%
2039	531,048	30,729	1,861	2,554	187,917	257,920	73%
2040	546,980	31,651	2,152	4,384	217,336	289,869	75%
2041	563,389	32,600	2,025	47,428	204,533	279,303	73%
2042	580,291	33,578	2,381		240,493	318,159	76%
2043	597,700	34,586	2,642	10,922	266,798	347,845	77%
2044	615,631	35,623	2,965	5,921	299,466	384,515	78%
2045	634,100	36,692	3,362		339,519	429,354	79%
2046	653,123	37,793	685	308,801	69,196	158,153	44%
2047	672,716	38,926	1,049	3,235	105,936	194,570	54%
2048	692,898	40,094	1,389	7,108	140,312	229,139	61%
2049	713,685	41,297	1,725	9,152	174,182	263,722	66%
2050	735,095	42,536	2,132	3,535	215,315	306,243	70%

Annual Expenditures Compared to 70% Funding Model



This chart compares the projected yearly reserve balance within the 70% Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the 70% Funding model and the Full Funding model.



Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

Sample HOA
Your Town, WA
Baseline Funding Model Summary

Report Date	January 1, 2021
Account Number	12345
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2021 Beginning Balance	\$132,000

Baseline Funding Model

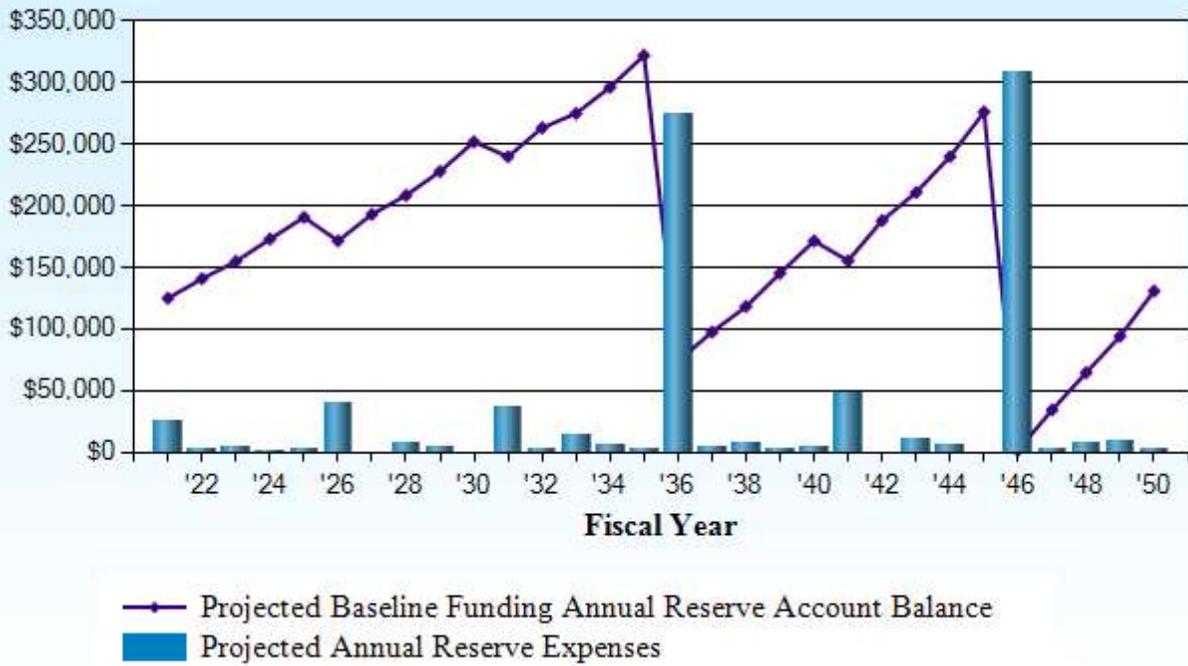
Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$16,500.00
<i>\$330.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,237.40</u>
Total Annual Allocation to Reserves	<u>\$17,737.40</u>
<i>\$354.75 per unit annually</i>	

**Sample HOA
Baseline Funding Model Projection**

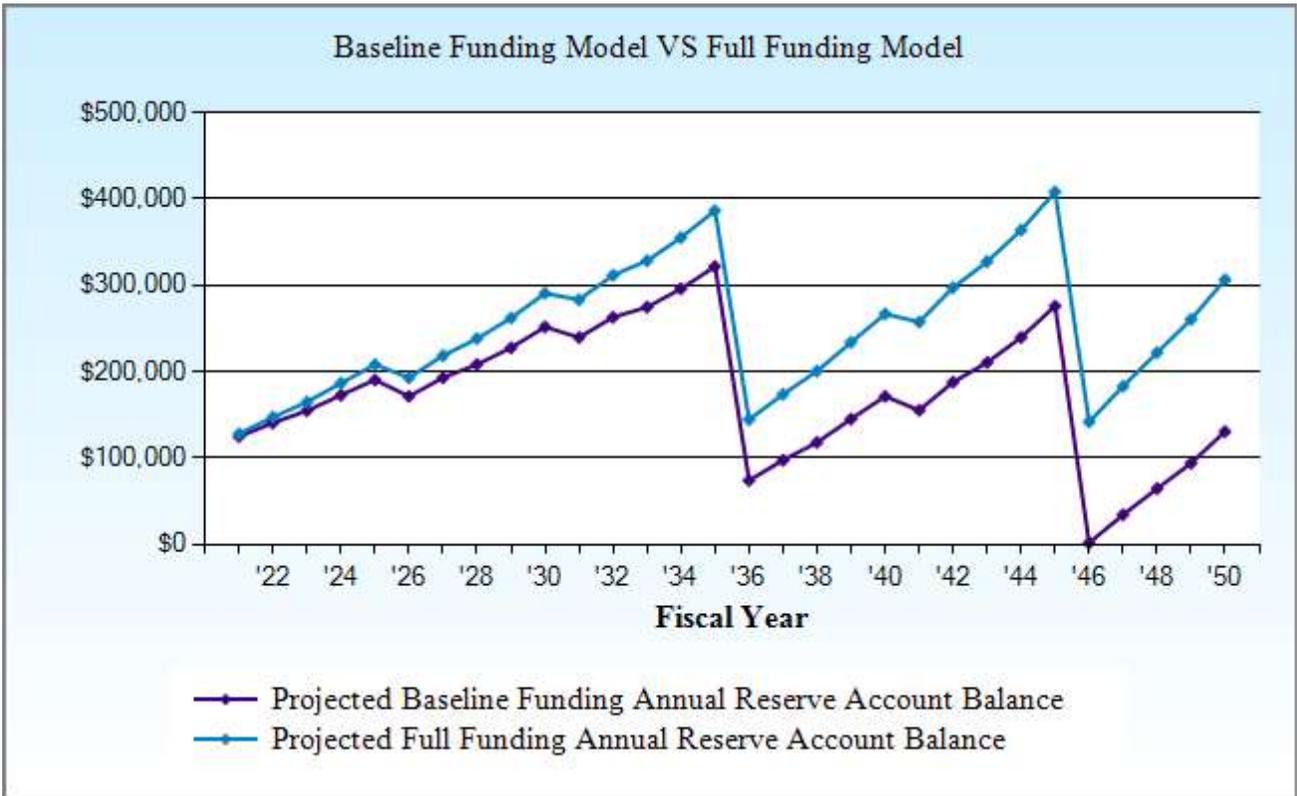
Beginning Balance: \$132,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	311,935	16,500	1,237	24,760	124,977	143,291	87%
2022	321,293	16,995	1,394	2,575	140,791	162,242	87%
2023	330,932	17,505	1,533	4,986	154,843	179,798	86%
2024	340,860	18,030	1,712	1,639	172,946	201,862	86%
2025	351,086	18,571	1,887	2,814	190,590	223,929	85%
2026	361,618	19,128	1,697	39,978	171,438	208,892	82%
2027	372,467	19,702	1,911		193,052	235,164	82%
2028	383,641	20,293	2,063	7,010	208,398	255,603	82%
2029	395,150	20,902	2,255	3,800	227,754	280,580	81%
2030	407,004	21,529	2,493		251,776	310,857	81%
2031	419,215	22,175	2,373	36,635	239,688	304,964	79%
2032	431,791	22,840	2,605	2,076	263,056	335,165	78%
2033	444,745	23,525	2,720	14,543	274,759	354,128	78%
2034	458,087	24,231	2,931	5,874	296,047	383,305	77%
2035	471,830	24,958	3,187	2,269	321,923	417,809	77%
2036	485,985	25,706	734	274,218	74,146	173,422	43%
2037	500,564	26,478	966	4,012	97,578	200,783	49%
2038	515,581	27,272	1,171	7,768	118,252	225,883	52%
2039	531,048	28,090	1,438	2,554	145,226	257,920	56%
2040	546,980	28,933	1,698	4,384	171,473	289,869	59%
2041	563,389	29,801	1,538	47,428	155,384	279,303	56%
2042	580,291	30,695	1,861		187,940	318,159	59%
2043	597,700	31,616	2,086	10,922	210,720	347,845	61%
2044	615,631	32,564	2,374	5,921	239,737	384,515	62%
2045	634,100	33,541	2,733		276,011	429,354	64%
2046	653,123	34,547	18	308,801	1,775	158,153	1%
2047	672,716	35,584	341	3,235	34,465	194,570	18%
2048	692,898	36,651	640	7,108	64,648	229,139	28%
2049	713,685	37,751	932	9,152	94,180	263,722	36%
2050	735,095	38,883	1,295	3,535	130,824	306,243	43%

Annual Expenditures Compared to Baseline Funding Model



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.



Current Funding Model

The data within this section represents the association's current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association's funding goals over time.

Sample HOA
Your Town, WA
Current Assessment Funding Model Summary

Report Date	January 1, 2021
Account Number	12345
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	50

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
2021 Beginning Balance	\$132,000

Current Assessment Funding Model

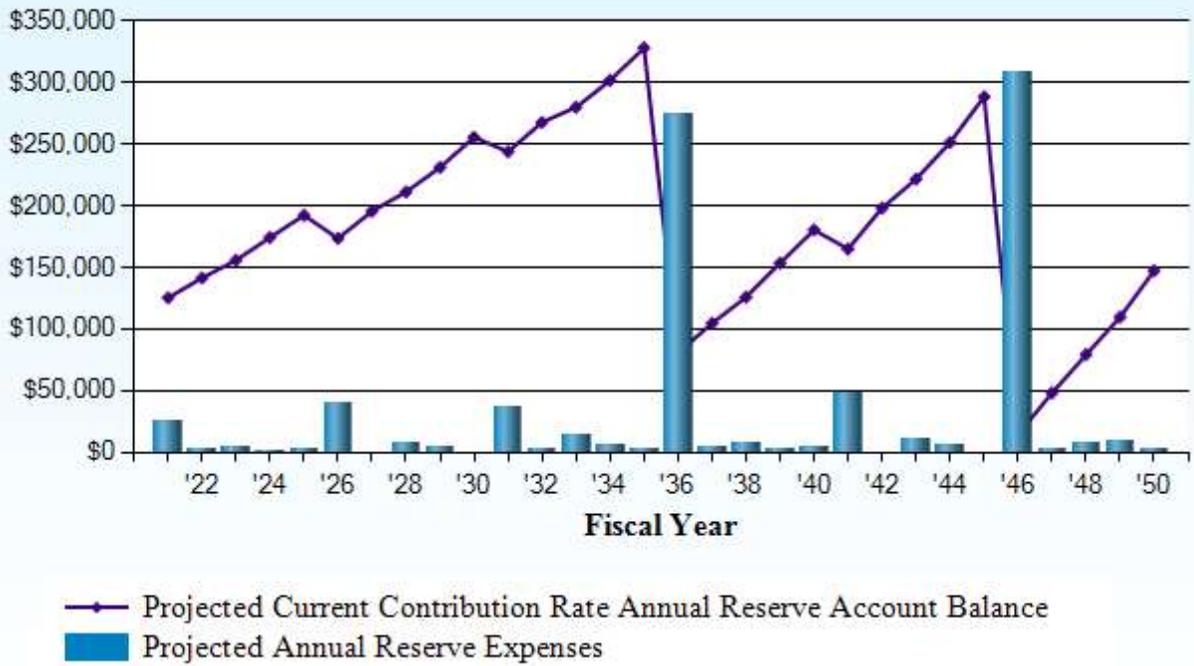
Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	\$16,800.00
<i>\$336.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,240.40</u>
Total Annual Allocation to Reserves	<u>\$18,040.40</u>
<i>\$360.81 per unit annually</i>	

**Sample HOA
Current Assessment Funding Model Projection**

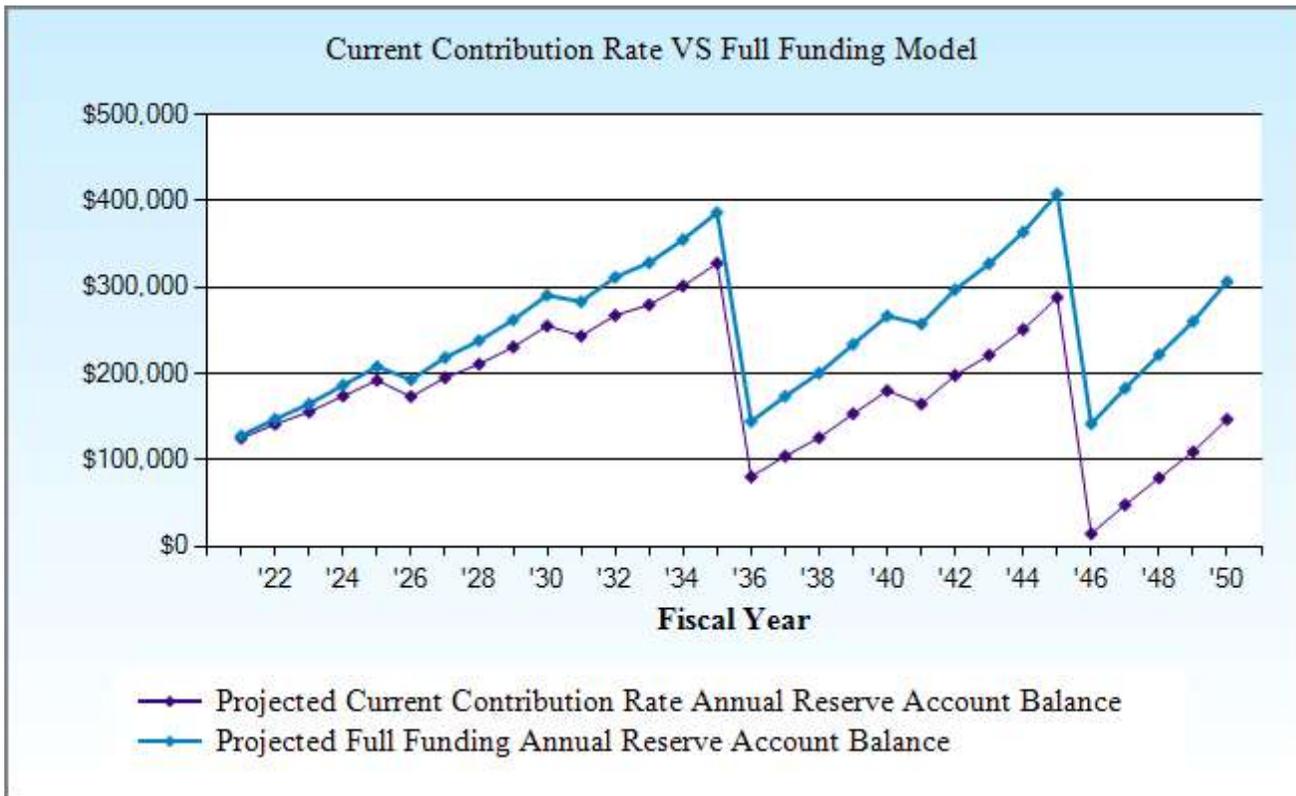
Beginning Balance: \$132,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	311,935	16,800	1,240	24,760	125,280	143,291	87%
2022	321,293	17,304	1,400	2,575	141,409	162,242	87%
2023	330,932	17,823	1,542	4,986	155,789	179,798	87%
2024	340,860	18,358	1,725	1,639	174,233	201,862	86%
2025	351,086	18,909	1,903	2,814	192,231	223,929	86%
2026	361,618	19,476	1,717	39,978	173,446	208,892	83%
2027	372,467	20,060	1,935		195,441	235,164	83%
2028	383,641	20,662	2,091	7,010	211,184	255,603	83%
2029	395,150	21,282	2,287	3,800	230,952	280,580	82%
2030	407,004	21,920	2,529		255,401	310,857	82%
2031	419,215	22,578	2,413	36,635	243,757	304,964	80%
2032	431,791	23,255	2,649	2,076	267,585	335,165	80%
2033	444,745	23,953	2,770	14,543	279,765	354,128	79%
2034	458,087	24,671	2,986	5,874	301,548	383,305	79%
2035	471,830	25,412	3,247	2,269	327,937	417,809	78%
2036	485,985	26,174	799	274,218	80,692	173,422	47%
2037	500,564	26,959	1,036	4,012	104,676	200,783	52%
2038	515,581	27,768	1,247	7,768	125,922	225,883	56%
2039	531,048	28,601	1,520	2,554	153,489	257,920	60%
2040	546,980	29,459	1,786	4,384	180,350	289,869	62%
2041	563,389	30,343	1,633	47,428	164,897	279,303	59%
2042	580,291	31,253	1,961		198,111	318,159	62%
2043	597,700	32,191	2,194	10,922	221,574	347,845	64%
2044	615,631	33,156	2,488	5,921	251,297	384,515	65%
2045	634,100	34,151	2,854		288,303	429,354	67%
2046	653,123	35,175	147	308,801	14,824	158,153	9%
2047	672,716	36,231	478	3,235	48,298	194,570	25%
2048	692,898	37,318	785	7,108	79,293	229,139	35%
2049	713,685	38,437	1,086	9,152	109,664	263,722	42%
2050	735,095	39,590	1,457	3,535	147,177	306,243	48%

Annual Expenditures Compared to Current Reserve Contributions



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenditures anticipated within that year.



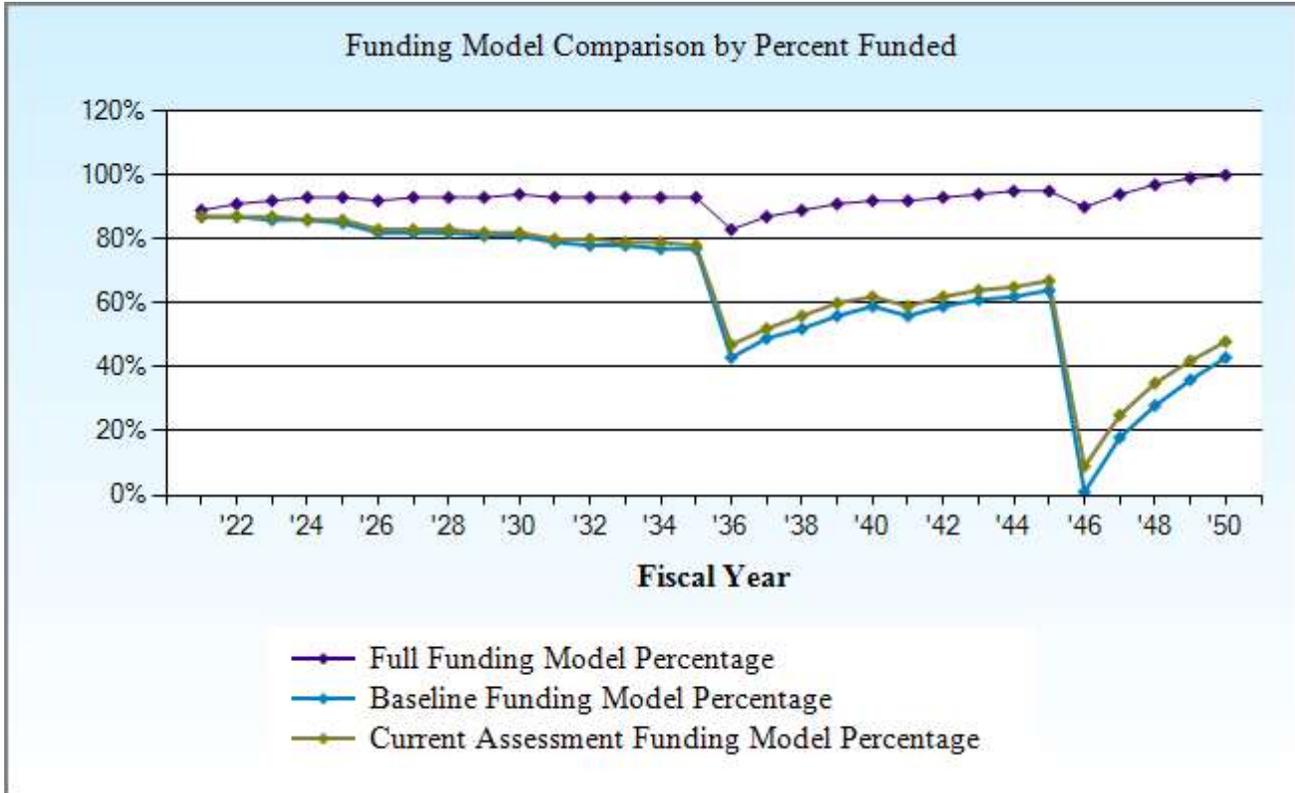
This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.



Comparison Charts

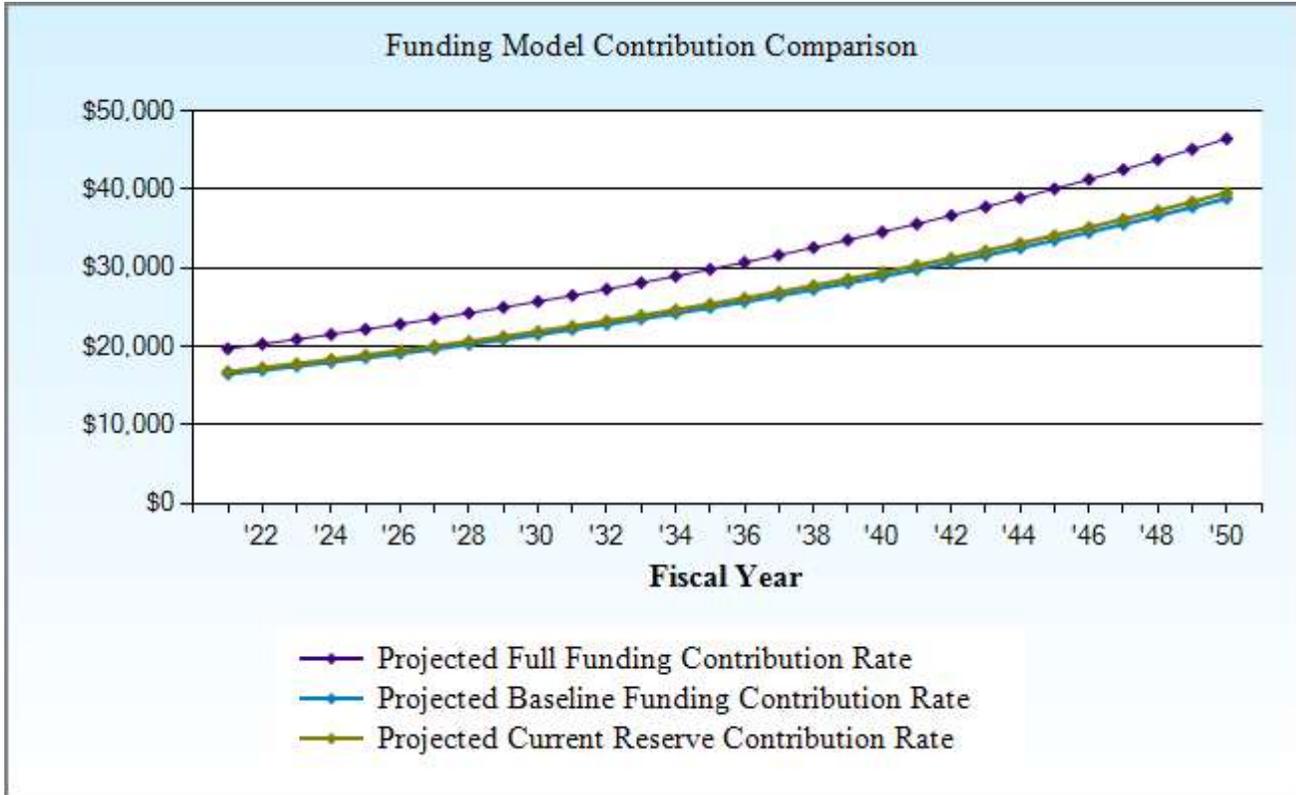
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

**Sample HOA
Funding Model Comparison by Percent Funded**



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

**Sample HOA
Funding Model Assessment Comparison Chart**



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.



Component Detail Report

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life, cost breakdowns and maintenance recommendations, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features photographs of the components.

**Sample HOA
Asset Index**

Asset ID	Description	Replacement	Page
1000	Concrete - Repair	2023	43
1005	Asphalt - Repair & Sealcoat	2021	40
1015	Asphalt - Overlay	2036	39
1035	Asphalt Path - Repair & Seal	2021	42
1040	Asphalt Path - Overlay	2046	41
1065	Mailboxes - Replace	2033	47
1070	Wood Fence - Replace	2026	51
1075	Wood Fence - Repair & Stain	2021	50
1135	Landscape - Refurbish	2022	46
1145	Trees - Trim/Remove	2023	49
1155	Irrigation System - Repair	2024	45
1160	Drainage System - Maintain	2021	44
1175	Pole Lights - Replace	2021	48
6005	Reserve Study - Annual Update	2021	53
	Total Funded Assets	11	
	Total Unfunded Assets	<u>3</u>	
	Total Assets	14	

**Sample HOA
Detail Report by Category**

Asphalt - Overlay - 2036

		55,000 GSF	@ \$2.75
Asset ID	1015	Asset Actual Cost	\$151,250.00
		Percent Replacement	100%
	Grounds	Future Cost	\$235,642.57
Placed in Service	January 2008		
Useful Life	30		
Adjustment	-2		
Replacement Year	2036		
Remaining Life	15		



Cost Range: The allowance included here is an average allowance based on a cost range of \$2.50 to \$3.00/SF.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Private asphalt roads throughout community.

Component History: None known

Asphalt appeared generally intact, with local cracks and tree root uplift observed in areas.

The average useful life of asphalt can range significantly based on several factors including, but not limited to, quality of initial installation, traffic levels and type, proximity of tree roots, frequency of proactive repairs and frequency of seal coat or chip seal application. Typically asphalt is initially installed 2-4 inches in depth and resurfacing involves grinding down the top 1-2 inches and overlaying a new layer of asphalt. This is typically performed at 20-40 year intervals depending on the unique site conditions of the property and levels of proactive maintenance. Asphalt resurfacing is often one of the larger expenses experienced by an association, especially if the association is responsible for private roads, therefore proactive maintenance and sealing to prolong the useful life of the asphalt is a best practice.

**Sample HOA
Detail Report by Category**

Asphalt - Repair & Sealcoat - 2021

		55,000 GSF	@ \$0.25
Asset ID	1005	Asset Actual Cost	\$13,750.00
		Percent Replacement	100%
	Grounds	Future Cost	\$13,750.00
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	0		



Cost Range: The allowance included here is an average allowance based on a cost range of \$0.20 to \$0.30/SF.

Location: Private asphalt roads throughout community

Cost Source: Accurate Reserve Professionals, LLC Database

Component History: Reportedly sealed 2016 \$8,650

Asphalt seal coat appeared generally deteriorated, with peeling and flaking observed in areas.

Regular cycles of seal coating are recommended to prevent water from penetrating the asphalt surface. We typically recommend that asphalt seal coat is applied at 5 year intervals, however areas of high traffic or water movement (such as on a slope) may require more frequent applications. Failure to regularly apply asphalt seal coat is likely to reduce the overall useful life of asphalt. Repairing asphalt and sealing cracks prior to seal coat application is imperative, and an allowance for repairs is included within the funding in this report. Repair costs can vary significantly based on scope, therefore costs may vary from the allowances included herein. Costs also factor re-striping asphalt following seal coat application.

The Washington State Department of Transportation has published a report detailing asphalt seal coats and techniques for application, which can be found here: [Washington DOT Recommendations](#)

**Sample HOA
Detail Report by Category**

Asphalt Path - Overlay - 2046

		32,000 GSF	@ \$3.50
Asset ID	1040	Asset Actual Cost	\$112,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$234,503.13
Placed in Service	January 2008		
Useful Life	40		
Adjustment	-2		
Replacement Year	2046		
Remaining Life	25		



Cost Range: The allowance included here is an average allowance based on a cost range of \$3.00 to \$4.00/SF.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Path within community park.

Component History: None known

Asphalt path appeared generally intact, with no major damage or deterioration observed.

The average useful life of asphalt can range significantly based on several factors including, but not limited to, quality of initial installation, proximity of tree roots, frequency of proactive repairs and frequency of seal coat or chip seal application. Typically, resurfacing involves grinding down the top 1-2 inches and overlaying a new layer of asphalt. This is generally performed at 20-40 year intervals depending on the unique site conditions of the property and levels of proactive maintenance. Resurfacing asphalt paths is typically more expensive than resurfacing roadways and parking areas due to more difficult access, etc., therefore proactively maintaining asphalt through regular cycles of seal coat to prolong the useful life is a best practice.

**Sample HOA
Detail Report by Category**

Asphalt Path - Repair & Seal - 2021

		32,000 GSF	@ \$0.30
Asset ID	1035	Asset Actual Cost	\$9,600.00
		Percent Replacement	100%
	Grounds	Future Cost	\$9,600.00
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	0		



Cost Range: The allowance included here is an average allowance based on a cost range of \$0.25 to \$0.35/SF.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Path within community park

Component History: Reportedly sealed 2016 ~ \$8,800

Regular cycles of seal coat application are recommended at asphalt pathways to prevent water from penetrating the asphalt surface. We typically recommend that asphalt seal coat is applied at 5 year intervals. Failure to regularly apply asphalt seal coat is likely to reduce the overall useful life of asphalt. Repairing asphalt and sealing cracks prior to seal coat application is imperative, and an allowance for repairs is included within the funding in this report. Repair costs can vary significantly based on scope, therefore costs may vary from the allowances included herein.

The Washington State Department of Transportation has published a report detailing asphalt seal coats and techniques for application, which can be found here: [Washington DOT Recommendations](#)

**Sample HOA
Detail Report by Category**

Concrete - Repair - 2023

Asset ID	1000	1 Allowance	@ \$3,200.00	
		Asset Actual Cost	\$3,200.00	
		Percent Replacement	100%	
	Grounds	Future Cost	\$3,394.88	
Placed in Service	January 2018			
Useful Life	5			
Replacement Year	2023			
Remaining Life	2			



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Client Cost History

Location: Curbs and sidewalks throughout community

Component History: Repairs 2018 \$3,200

Concrete appeared generally intact, with no major damage or deterioration observed.

Typically, concrete surfaces have a predictable useful life which exceeds the scope of this report, however we have included a rotating funding allowance for periodic repairs and spot replacements. Because this is a rotating component, the date in service represents the approximate last repair date.

Inspect and repair concrete as needed through annual operating budget. Clean periodically to remove stains and organic debris, and repair any trip hazards (defined as ¼" or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) immediately.

Some jurisdictions make sidewalks along public roads the responsibility of the adjacent property owner to maintain, repair and replace. We recommend consulting with your local municipality to confirm responsibility if your governing documents are not clear on this matter.

The Portland Cement Association has extensive resources available regarding concrete and cement products on its website: [Portland Cement](http://www.portlandcement.org)

**Sample HOA
Detail Report by Category**

Drainage System - Maintain

Asset ID	1160	1 System	
		Asset Actual Cost	
		Percent Replacement	100%
	Grounds	Future Cost	
Placed in Service	January 2008		
No Useful Life			



Location: Throughout common area roads and landscaping

Component History: No major projects known

It is beyond the scope of a reserve study to assess the design, quality and/or function of the stormwater drainage system, however no problems reported by client as of this report. When properly installed with no known defects or deficiencies, there is no predictable basis to expect maintenance, repair or replacement of the drainage system within the scope of this report, therefore no reserve funding included.

Common stormwater system components include gutters, ditches, catch basins and control facilities. Catch basins are the drains commonly found in asphalt or concrete surfaces and consist of a metal grate with a compartment below ground. Water gathers inside the compartment and is then drained through an outlet pipe. Often, sediment removal is required within the compartment structure. This is typically done using a vactor truck. The frequency at which sediment removal is required varies by location and is dependent on numerous factors. We recommend assessing the sediment levels in your catch basins every 1-2 years and cleaning as-needed through the annual operating budget.

The Washington State Department of Ecology has extensive resources available pertaining to stormwater systems and stormwater management, including manuals specific to both Western Washington and Eastern Washington: [Washington Department of Ecology Stormwater Manuals](#)

**Sample HOA
Detail Report by Category**

Irrigation System - Repair - 2024

			1 Allowance	@ \$1,500.00
Asset ID	1155		Asset Actual Cost	\$1,500.00
			Percent Replacement	100%
	Grounds		Future Cost	\$1,639.09
Placed in Service	January 2019			
Useful Life	5			
Replacement Year	2024			
Remaining Life	3			



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Throughout common area landscape.

Component History: Repairs 2019 \$1,200

It is beyond the scope of a reserve study to assess the design, quality and/or function of an irrigation system, however no problems related to irrigation system reported at the time of this report. Irrigation systems typically consist of three main components; timer(s), underground water distribution lines (generally constructed of PVC) and spray heads. The United States Golf Association suggests complete replacement of irrigation systems at 25-30 years of age, as lines can become brittle over time and parts obsolete.

Regularly inspect your system and consult with your landscape vendor to determine the condition of your specific system. There is no information available to indicate that full replacement of system is required within this report, therefore a rotating allowance has been included for periodic larger repairs. Cost can vary widely based on scope of work, therefore track actual expenses and update future reserve studies as needed. Proper winterization is key to prevent damage from frozen lines. Handle smaller repairs such as head replacement (typically done in the spring upon system start-up) through the annual operating budget. Because this is a rotating component, the date in service represents the approximate last repair date.

**Sample HOA
Detail Report by Category**

Landscape - Refurbish - 2022

		1 Allowance	@ \$2,500.00
Asset ID	1135	Asset Actual Cost	\$2,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$2,575.00
Placed in Service	January 2019		
Useful Life	3		
Replacement Year	2022		
Remaining Life	1		



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Throughout association common area grounds.

Component History: Shrub replacement 2019 \$450

Typically, landscape maintenance is handled through the operating budget however this component factors an allowance for larger periodic landscaping projects outside the scope of the annual maintenance contract. Actual costs may vary significantly based on scope of work, therefore track actual expenses, as well as frequency, and update future reserve studies as needed. Irrigation work, tree trimming and bark/mulch replacement are handled as separate components within this report, if applicable.

Because this is a rotating component, the date in service represents the approximate last landscape renovation date.

**Sample HOA
Detail Report by Category**

Mailboxes - Replace - 2033

Asset ID	1065	4 Cluster Boxes	@ \$1,750.00
		Asset Actual Cost	\$7,000.00
		Percent Replacement	100%
		Future Cost	\$9,980.33
Placed in Service	January 2008		
Useful Life	25		
Replacement Year	2033		
Remaining Life	12		



Cost Range: The allowance included here is an average allowance based on a cost range of \$1,500 to \$2,000 per cluster unit.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways within community.

Component History: 2008 manufacture date

Plan to replace mailboxes at roughly 20-25 year cycles. Inspect, clean and repair as needed utilizing operating funds. Most common causes for premature replacement is damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

**Sample HOA
Detail Report by Category**

Pole Lights - Replace

Asset ID	1175	5 Each	
		Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Grounds		
No Useful Life	January 2008		



Location: Adjacent to private roadways

Component History: Original to ~ 2008 construction

Our source reported that pole lights are the responsibility of the local municipality to maintain, repair and replace, therefore no reserve funding included.

**Sample HOA
Detail Report by Category**

Trees - Trim/Remove - 2023

			1 Allowance	@ \$1,500.00
Asset ID	1145		Asset Actual Cost	\$1,500.00
			Percent Replacement	100%
	Grounds		Future Cost	\$1,591.35
Placed in Service	January 2020			
Useful Life	3			
Replacement Year	2023			
Remaining Life	2			



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Client Cost History

Location: Trees throughout community landscape.

Component History: Tree trimming 2020 \$1,450

Prior to performing any tree trimming, removal or replacement, we strongly urge the association to consult with an arborist to assess the condition of the trees and to assist the association in formulating a tree maintenance plan. Typically, some minor tree work is included within an annual landscape maintenance contract, however many communities require a rotating allowance for larger tree projects. Cost may vary significantly from the allowance included here depending on the scope of work; track actual project costs and timeframes and adjust future reserve studies as needed.

**Sample HOA
Detail Report by Category**

Wood Fence - Repair & Stain - 2021

		235 LF	@ \$6.00
Asset ID	1075	Asset Actual Cost	\$1,410.00
		Percent Replacement	100%
	Grounds	Future Cost	\$1,410.00
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	0		



Cost Range: The allowance included here is an average allowance based on a cost range of \$5 to \$7 per lineal foot.

Cost Source: Inflated Client Cost History

Location: Partial perimeter of community, primarily along N and NW perimeters.

Component History: Stained 2016 \$1,200

Regular cycles of staining of wood fencing are recommended, typically at 5 year intervals. A semi-transparent or solid bodied stain typically yield the best results aesthetically as paint is prone to peel over time and may require additional prep work prior to each paint cycle, resulting in increased costs. In addition to the aesthetic benefit of staining the fence, stain also provides water repellency and may help extend the useful life of the fence. Ensure that fence is adequately cleaned prior to stain application and adjust irrigation systems as needed to limit contact with fence, as direct contact will result in deterioration and discoloration of stain in those areas.

**Sample HOA
Detail Report by Category**

Wood Fence - Replace - 2026

		235 LF	@ \$35.00
Asset ID	1070	Asset Actual Cost	\$8,225.00
		Percent Replacement	100%
	Grounds	Future Cost	\$9,535.03
Placed in Service	January 2008		
Useful Life	20		
Adjustment	-2		
Replacement Year	2026		
Remaining Life	5		



Cost Range: The allowance included here is an average allowance based on a cost range of \$30 to \$40 per LF.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Partial perimeter of community, primarily along N and NW perimeters.

Component History: None known

Wood fence appeared intact, with no major damage or deterioration observed.

The typical useful life of wood fence ranges from 15 to 25 years depending on multiple factors including, but not limited to, the thickness and quality of wood at the time of installation, exposure to the elements and regular cycles of paint/stain. According to the American Fence Association, cedar posts should be inserted directly into the ground and not mounted in concrete to avoid premature decay. Pressure treated pine posts may be set in concrete as the chemical treatment will help prevent decay. Ensure that vegetation is trimmed back from fencing and that soil does not touch the bottom of the fence to prevent premature decay. Adjust irrigation systems as needed to limit contact with fence.

Inspect and repair fence through the annual operating budget in between larger replacement cycles. It is strongly recommended that wood fences are regularly stained to prolong the useful life of the fencing, and for the aesthetic benefits that stain affords.

**Sample HOA
Detail Report by Category**

Wood Fence - Replace continued...

The American Fence Association has an excellent fencing resource available through its website:
[American Fence Association](#)

**Sample HOA
Detail Report by Category**

Reserve Study - Annual Update

Asset ID	6005	1 Annual Asset Actual Cost	
Placed in Service	Professional	Percent Replacement	100%
No Useful Life	January 2021	Future Cost	



**Time for your annual
update, contact us today!**

Location: Common and limited common elements within association

Component History: 2021 Full reserve study

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies are updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards published by Community Associations Institute, dated 03/2018. A link to the full National Reserve Study Standards document can be found here: [National Reserve Study Standards](#)

ALLOWANCE (QUANTITY)	When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.
ALLOWANCE (COST)	When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be \$4.00 per square foot to \$6.00 per square foot.
CAPITAL IMPROVEMENTS	Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
CASH FLOW METHOD	A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
COMPONENT	The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.
COMPONENT INVENTORY	The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
COMPONENT METHOD	A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.
CY	Cubic yards.
EFFECTIVE AGE	The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS

The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED

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

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

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

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

FUND STATUS

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

FUNDING GOALS

Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.
- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN

An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES	<p>The reserve study must provide a funding plan addressing these principles:</p> <ul style="list-style-type: none"> • Sufficient funds when required. • Stable contribution rate over the years. • Equitable contribution rate over the years. • Fiscally responsible.
GSF	Gross square feet.
GSY	Gross square yards.
LIFE & VALUATION ESTIMATES	The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.
LF	Lineal feet.
PERCENT FUNDED	The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan in light of the association’s risk tolerance.
PHYSICAL ANALYSIS	The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.
REMAINING USEFUL LIFE (RUL)	Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.
REPLACEMENT COST	The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).
RESERVE BALANCE	Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.
RESERVE PROVIDER	An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.
RESERVE STUDY	A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major

common area expenditures. The reserve study consists of two parts: the physical analysis and the financial analysis.

SPECIAL ASSESSMENT

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

USEFUL LIFE (UL)

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute.

As of the date of this report, there are no known conflicts of interest involving Accurate Reserve Professionals, LLC and the client for which this report was prepared.

Any site visit work performed in the process of preparing this report was done through a limited visual review and included a sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and Accurate Reserve Professionals, LLC cannot guarantee the accuracy of this report.

All known reserve components are included within this report. Any components which are unfunded are notated within the inventory appendix. There are no known material issues excluded from this report which would affect the data provided.

Any information provided by client regarding financial, physical, quantity, or historical issues is deemed reliable by Accurate Reserve Professionals, LLC and is assembled within this report for the association's use. This information is not validated by Accurate Reserve Professionals, LLC and this report is not for the purpose of performing an audit, quality/forensics analysis or a background check of the client's historical records.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

Information provided about current and prior reserve projects will be considered reliable. Any site inspection is not considered a project audit or quality inspection for these projects.

Reserve studies are for budgetary purposes only and are based on limited information. Accurate Reserve Professionals, LLC does not guarantee the accuracy of the information and client may not be able to fully rely on the final figures in the report, due to a variety of factors outside of Accurate Reserve Professionals, LLC's control, including but not limited to reliance on information provided by client, hidden damages, latent defects, economical factors, environmental factors, deferred maintenance, third party information, and other such factors.

Washington State Client Disclosures

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

"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."

Washington State Client Disclosure for Clients Under RCW 64.90.550

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement."