



ACCURATE RESERVE PROFESSIONALS, LLC

159 Basin Street # 147
Ephrata, WA 98823-1855
(509) 765-6601

www accuratereserves.com

Level I – FULL Reserve Study Report **For Fiscal Year Beginning January 1, 2023**



Sample Condo

Your Town, WA

January 4, 2023





Reserve Study Summary for Sample Condo

50 Units

For Fiscal Year Beginning January 1, 2023

Overview	
Starting Reserve Balance	\$595,000
Fully Funded Balance	\$800,732
Percent Funded	74%
Reserve Fund Strength (Weak, Fair or Strong)	Strong
Total Surplus or (Deficit) of Reserve Funding	\$(205,732)
Surplus or (Deficit) on a Per Unit Average Basis***	\$(4,115)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	\$95,800
Current Special Assessment, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	Yes
Reserve Study Funding Plan Options Beginning January 1, 2023	
100% Full Funding Contribution Rate, Annually	\$108,000
70% Threshold Funding Contribution Rate, Annually	\$88,500
Baseline Funding Contribution Rate, Annually	\$48,900
Recommended Annual Special Assessment	n/a

Study Description & Assumptions

This is a Level I Full reserve study. As part of this report, a site visit was performed on June 6, 2022. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

Sample Condo consists of 50 condominium units within 25 duplex buildings located in Your Town, WA. It was constructed in approximately 2008.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of \$88,500 to \$108,000 in 2023.

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 Condo
Component List**

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair	5		4	\$3,200
1005	Asphalt - Repair & Sealcoat	5		3	\$22,000
1015	Asphalt - Overlay	40	-2	23	\$220,000
1065	Mailboxes - Replace	25		10	\$12,000
1070	Wood Fence - Replace	20	-1	4	\$10,575
1075	Wood Fence - Repair & Stain	5		4	\$2,820
1135	Landscape - Refurbish	3		0	\$2,500
1145	Trees - Trim/Remove	3		0	\$1,500
1155	Irrigation System - Repair	5		1	\$1,500
1160	Drainage System - Maintain	Unfunded			
1175	Pole Lights - Replace	Unfunded			
Building Exterior					
4000	Composition Roof - Replace	30		15	\$219,000
4025	Skylights - Replace	30		15	\$35,000
4030	Chimney Caps & Covers - Replace	30		15	\$40,000
4035	Gutters/Downspouts - Replace	30		15	\$41,500
4040	Fiber-Cement Siding - Replace	50		35	\$1,055,250
4065	Exterior Surfaces - Repair & Paint	10		5	\$201,000
4068	Exterior Lights - Replace	25		10	\$14,250
4070	Windows/Sliders - Replace	Unfunded			
4075	Exterior Doors - Replace	Unfunded			
4085	Garage Doors - Replace	Unfunded			
4115	Traffic Coated Decks & Porches - Repair & Coat	5		0	\$39,500
4130	Metal Deck Rail - Replace	50		35	\$163,875
Equipment & Mechanical					
5000	Electrical System - Repair/Replace	Unfunded			
5005	Plumbing System - Repair/Replace	Unfunded			
Professional					
6000	Building Envelope Investigation	10		8	\$5,500
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.

Sample



Annual Expenditure Charts

Sample

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 deterioration 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 Condo
Your Town, WA
Year By Year Spread Sheet

ID	Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Grounds											
1000	Concrete - Repair					3,602					4,175
1005	Asphalt - Repair & Sealcoat				24,040					27,869	
1015	Asphalt - Overlay										
1065	Mailboxes - Replace										
1070	Wood Fence - Replace					11,902					
1075	Wood Fence - Repair & Stain					3,174					3,679
1135	Landscape - Refurbish	2,500			2,732			2,985			3,262
1145	Trees - Trim/Remove	1,500			1,639			1,791			1,957
1155	Irrigation System - Repair		1,545					1,791			
1160	Drainage System - Maintain	<i>Unfunded</i>									
1175	Pole Lights - Replace	<i>Unfunded</i>									
Grounds Total:		4,000	1,545		28,411	18,678		6,567		27,869	13,074
Building Exterior											
4000	Composition Roof - Replace										
4025	Skylights - Replace										
4030	Chimney Caps & Covers - Replace										
4035	Gutters/Downspouts - Replace										
4040	Fiber-Cement Siding - Replace										
4065	Exterior Surfaces - Repair & Paint						233,014				
4068	Exterior Lights - Replace										
4070	Windows/Sliders - Replace	<i>Unfunded</i>									
4075	Exterior Doors - Replace	<i>Unfunded</i>									
4085	Garage Doors - Replace	<i>Unfunded</i>									
4115	Traffic Coated Decks & Porches - Repair & Coat	39,500					45,791				
4130	Metal Deck Rail - Replace										
Building Exterior Total:		39,500					278,805				
Equipment & Mechanical											
5000	Electrical System - Repair/Replace	<i>Unfunded</i>									
5005	Plumbing System - Repair/Replace	<i>Unfunded</i>									

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Professional										
6000 Building Envelope Investigation									6,967	
6005 Reserve Study - Annual Update									<i>Unfunded</i>	
Professional Total:									6,967	
Year Total:	43,500	1,545		28,411	18,678	278,805	6,567		34,836	13,074

Sample

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Grounds										
1000 Concrete - Repair					4,840					5,611
1005 Asphalt - Repair & Sealcoat				32,308					37,454	
1015 Asphalt - Overlay										
1065 Mailboxes - Replace	16,127									
1070 Wood Fence - Replace										
1075 Wood Fence - Repair & Stain					4,266					4,945
1135 Landscape - Refurbish			3,564			3,895			4,256	
1145 Trees - Trim/Remove			2,139			2,337			2,554	
1155 Irrigation System - Repair		2,076					2,407			
1160 Drainage System - Maintain	<i>Unfunded</i>									
1175 Pole Lights - Replace	<i>Unfunded</i>									
Grounds Total:	16,127	2,076	5,703	32,308	9,106	6,232	2,407		44,263	10,556
Building Exterior										
4000 Composition Roof - Replace						341,195				
4025 Skylights - Replace						54,529				
4030 Chimney Caps & Covers - Replace						62,319				
4035 Gutters/Downspouts - Replace						64,656				
4040 Fiber-Cement Siding - Replace										
4065 Exterior Surfaces - Repair & Paint						313,151				
4068 Exterior Lights - Replace	19,151									
4070 Windows/Sliders - Replace	<i>Unfunded</i>									
4075 Exterior Doors - Replace	<i>Unfunded</i>									
4085 Garage Doors - Replace	<i>Unfunded</i>									
4115 Traffic Coated Decks & Porches - Repair & Coat	53,085					61,540				
4130 Metal Deck Rail - Replace										
Building Exterior Total:	72,236					897,389				
Equipment & Mechanical										
5000 Electrical System - Repair/Replace	<i>Unfunded</i>									
5005 Plumbing System - Repair/Replace	<i>Unfunded</i>									

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Professional										
6000 Building Envelope Investigation									9,363	
6005 Reserve Study - Annual Update									<i>Unfunded</i>	
Professional Total:									9,363	
Year Total:	88,363	2,076	5,703	32,308	9,106	903,621	2,407		53,627	10,556

Sample

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID	Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Grounds											
1000	Concrete - Repair					6,505					7,541
1005	Asphalt - Repair & Sealcoat				43,419					50,334	
1015	Asphalt - Overlay				434,189						
1065	Mailboxes - Replace										
1070	Wood Fence - Replace					21,497					
1075	Wood Fence - Repair & Stain					5,732					6,646
1135	Landscape - Refurbish		4,651			5,082			5,553		
1145	Trees - Trim/Remove		2,790			3,049			3,332		
1155	Irrigation System - Repair		2,790					3,235			
1160	Drainage System - Maintain										
1175	Pole Lights - Replace										
			<i>Unfunded</i>								
			<i>Unfunded</i>								
Grounds Total:			10,232		477,608	41,865		3,235	8,885	50,334	14,187
Building Exterior											
4000	Composition Roof - Replace										
4025	Skylights - Replace										
4030	Chimney Caps & Covers - Replace										
4035	Gutters/Downspouts - Replace										
4040	Fiber-Cement Siding - Replace										
4065	Exterior Surfaces - Repair & Paint						420,849				
4068	Exterior Lights - Replace										
4070	Windows/Sliders - Replace										
4075	Exterior Doors - Replace										
4085	Garage Doors - Replace										
4115	Traffic Coated Decks & Porches - Repair & Coat				71,341			82,704			
4130	Metal Deck Rail - Replace										
Building Exterior Total:			71,341				503,554				
Equipment & Mechanical											
5000	Electrical System - Repair/Replace										
5005	Plumbing System - Repair/Replace										

Sample

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Professional										
6000 Building Envelope Investigation									12,584	
6005 Reserve Study - Annual Update									<i>Unfunded</i>	
Professional Total:									12,584	
Year Total:	71,341	10,232		477,608	41,865	503,554	3,235	8,885	62,918	14,187

Sample

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Landscape - Refurbish	2,500
Trees - Trim/Remove	1,500
Traffic Coated Decks & Porches - Repair & Coat	39,500
Total for 2023	\$43,500
Replacement Year 2024	
Irrigation System - Repair	1,545
Total for 2024	\$1,545
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Landscape - Refurbish	2,732
Trees - Trim/Remove	1,639
Asphalt - Repair & Sealcoat	24,040
Total for 2026	\$28,411
Replacement Year 2027	
Concrete - Repair	3,602
Wood Fence - Repair & Stain	3,174
Wood Fence - Replace	11,902
Total for 2027	\$18,678
Replacement Year 2028	
Traffic Coated Decks & Porches - Repair & Coat	45,791
Exterior Surfaces - Repair & Paint	233,014
Total for 2028	\$278,805
Replacement Year 2029	
Landscape - Refurbish	2,985
Trees - Trim/Remove	1,791
Irrigation System - Repair	1,791
Total for 2029	\$6,567

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Asphalt - Repair & Sealcoat	27,869
Building Envelope Investigation	6,967
Total for 2031	\$34,836
Replacement Year 2032	
Landscape - Refurbish	3,262
Trees - Trim/Remove	1,957
Concrete - Repair	4,175
Wood Fence - Repair & Stain	3,679
Total for 2032	\$13,074
Replacement Year 2033	
Traffic Coated Decks & Porches - Repair & Coat	53,085
Exterior Lights - Replace	19,151
Mailboxes - Replace	16,127
Total for 2033	\$88,363
Replacement Year 2034	
Irrigation System - Repair	2,076
Total for 2034	\$2,076
Replacement Year 2035	
Landscape - Refurbish	3,564
Trees - Trim/Remove	2,139
Total for 2035	\$5,703
Replacement Year 2036	
Asphalt - Repair & Sealcoat	32,308
Total for 2036	\$32,308
Replacement Year 2037	
Concrete - Repair	4,840

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2037 continued...	
Wood Fence - Repair & Stain	4,266
Total for 2037	\$9,106
Replacement Year 2038	
Landscape - Refurbish	3,895
Trees - Trim/Remove	2,337
Traffic Coated Decks & Porches - Repair & Coat	61,540
Exterior Surfaces - Repair & Paint	313,151
Chimney Caps & Covers - Replace	62,319
Composition Roof - Replace	341,195
Gutters/Downspouts - Replace	64,656
Skylights - Replace	54,529
Total for 2038	\$903,621
Replacement Year 2039	
Irrigation System - Repair	2,407
Total for 2039	\$2,407
<i>No Replacement in 2040</i>	
Replacement Year 2041	
Landscape - Refurbish	4,256
Trees - Trim/Remove	2,554
Asphalt - Repair & Sealcoat	37,454
Building Envelope Investigation	9,363
Total for 2041	\$53,627
Replacement Year 2042	
Concrete - Repair	5,611
Wood Fence - Repair & Stain	4,945
Total for 2042	\$10,556
Replacement Year 2043	
Traffic Coated Decks & Porches - Repair & Coat	71,341
Total for 2043	\$71,341

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2044	
Landscape - Refurbish	4,651
Trees - Trim/Remove	2,790
Irrigation System - Repair	2,790
Total for 2044	\$10,232
 <i>No Replacement in 2045</i>	
Replacement Year 2046	
Asphalt - Repair & Sealcoat	43,419
Asphalt - Overlay	434,189
Total for 2046	\$477,608
Replacement Year 2047	
Landscape - Refurbish	5,082
Trees - Trim/Remove	3,049
Concrete - Repair	6,505
Wood Fence - Repair & Stain	5,732
Wood Fence - Replace	21,497
Total for 2047	\$41,865
Replacement Year 2048	
Traffic Coated Decks & Porches - Repair & Coat	82,704
Exterior Surfaces - Repair & Paint	420,849
Total for 2048	\$503,554
Replacement Year 2049	
Irrigation System - Repair	3,235
Total for 2049	\$3,235
Replacement Year 2050	
Landscape - Refurbish	5,553
Trees - Trim/Remove	3,332
Total for 2050	\$8,885

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2051	
Asphalt - Repair & Sealcoat	50,334
Building Envelope Investigation	12,584
Total for 2051	\$62,918
Replacement Year 2052	
Concrete - Repair	7,541
Wood Fence - Repair & Stain	6,646
Total for 2052	\$14,187

Sample

**Sample Condo
Deterioration Summary**

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1000	Concrete - Repair	5	\$3,200	\$640
1005	Asphalt - Repair & Sealcoat	5	\$22,000	\$4,400
1015	Asphalt - Overlay	40	\$220,000	\$5,500
1065	Mailboxes - Replace	25	\$12,000	\$480
1070	Wood Fence - Replace	20	\$10,575	\$529
1075	Wood Fence - Repair & Stain	5	\$2,820	\$564
1135	Landscape - Refurbish	3	\$2,500	\$833
1145	Trees - Trim/Remove	3	\$1,500	\$500
1155	Irrigation System - Repair	5	\$1,500	\$300
1160	Drainage System - Maintain	Unfunded		
1175	Pole Lights - Replace	Unfunded		
4000	Composition Roof - Replace	30	\$219,000	\$7,300
4025	Skylights - Replace	30	\$35,000	\$1,167
4030	Chimney Caps & Covers - Replace	30	\$40,000	\$1,333
4035	Gutters/Downspouts - Replace	30	\$41,500	\$1,383
4040	Fiber-Cement Siding - Replace	50	\$1,055,250	\$21,105
4065	Exterior Surfaces - Repair & Paint	10	\$201,000	\$20,100
4068	Exterior Lights - Replace	25	\$14,250	\$570
4070	Windows/Sliders - Replace	Unfunded		
4075	Exterior Doors - Replace	Unfunded		
4085	Garage Doors - Replace	Unfunded		
4115	Traffic Coated Decks & Porches - Repair & Coat	5	\$39,500	\$7,900
4130	Metal Deck Rail - Replace	50	\$163,875	\$3,278
5000	Electrical System - Repair/Replace	Unfunded		
5005	Plumbing System - Repair/Replace	Unfunded		
6000	Building Envelope Investigation	10	\$5,500	\$550
6005	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				<u>\$78,432</u>



Full Funding Model

Sample

The data within this section represents the 100% 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 Condo
Your Town, WA
Full Funding Model Summary

Report Date	January 1, 2023
Account Number	12345
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$595,000

Full Funding Model

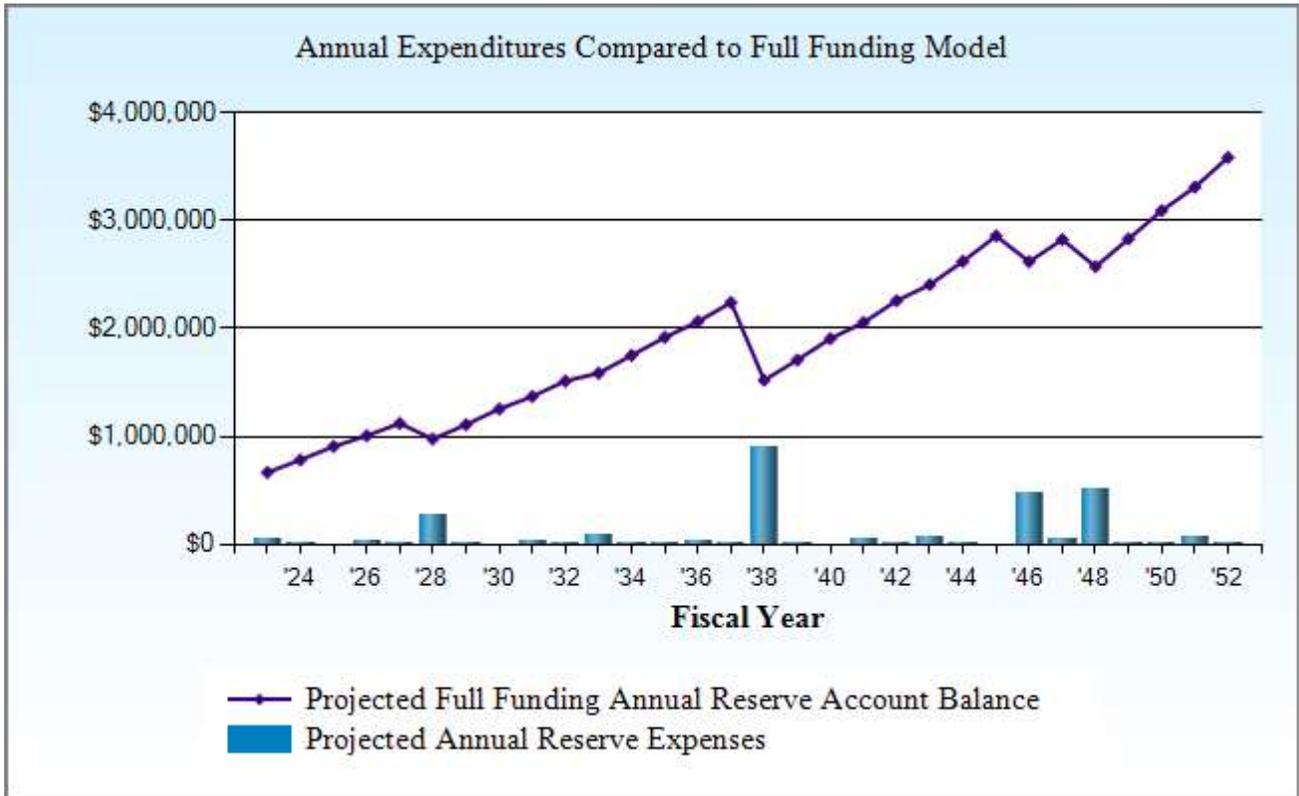
Sample

Full Funding Model Summary of Calculations	
Required Annual Contribution	\$108,000.00
<i>\$2,160.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$6,595.00</u>
Total Annual Allocation to Reserves	\$114,595.00
<i>\$2,291.90 per unit annually</i>	

**Sample Condo
Full Funding Model Projection**

Beginning Balance: \$595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	2,090,970	108,000	6,595	43,500	666,095	861,061	77%
2024	2,153,699	111,240	7,758	1,545	783,548	968,846	81%
2025	2,218,310	114,577	8,981		907,106	1,083,963	84%
2026	2,284,859	118,015	9,967	28,411	1,006,677	1,175,852	86%
2027	2,353,405	121,555	11,096	18,678	1,120,650	1,283,149	87%
2028	2,424,007	125,202	9,670	278,805	976,716	1,128,471	87%
2029	2,496,728	128,958	10,991	6,567	1,110,098	1,252,379	89%
2030	2,571,629	132,826	12,429		1,255,353	1,389,672	90%
2031	2,648,778	136,811	13,573	34,836	1,370,902	1,498,194	92%
2032	2,728,242	140,916	14,987	13,074	1,513,731	1,635,469	93%
2033	2,810,089	145,143	15,705	88,363	1,586,216	1,702,488	93%
2034	2,894,391	149,497	17,336	2,076	1,750,974	1,863,662	94%
2035	2,981,223	153,982	18,993	5,703	1,918,245	2,029,303	95%
2036	3,070,660	158,602	20,445	32,308	2,064,985	2,175,978	95%
2037	3,162,780	163,360	22,192	9,106	2,241,431	2,354,524	95%
2038	3,257,663	168,260	15,061	903,621	1,521,131	1,620,755	94%
2039	3,355,393	173,308	16,920	2,407	1,708,953	1,797,013	95%
2040	3,456,055	178,508	18,875		1,906,335	1,984,941	96%
2041	3,559,736	183,863	20,366	53,627	2,056,937	2,127,292	97%
2042	3,666,529	189,379	22,358	10,556	2,258,117	2,322,418	97%
2043	3,776,524	195,060	23,818	71,341	2,405,654	2,465,054	98%
2044	3,889,820	200,912	25,963	10,232	2,622,297	2,679,305	98%
2045	4,006,515	206,939	28,292		2,857,529	2,915,048	98%
2046	4,126,710	213,147	25,931	477,608	2,618,999	2,669,999	98%
2047	4,250,511	219,542	27,967	41,865	2,824,642	2,871,196	98%
2048	4,378,027	226,128	25,472	503,554	2,572,689	2,607,818	99%
2049	4,509,368	232,912	28,024	3,235	2,830,389	2,856,940	99%
2050	4,644,649	239,899	30,614	8,885	3,092,017	3,112,943	99%
2051	4,783,988	247,096	32,762	62,918	3,308,957	3,326,356	99%
2052	4,927,508	254,509	35,493	14,187	3,584,773	3,601,909	100%



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

Sample



70% Threshold Funding Model

Sample

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 100% 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 Condo
 Your Town, WA
70% Funding Model Summary

Report Date	January 1, 2023
Account Number	12345
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$595,000

70% Funding Model

Sample

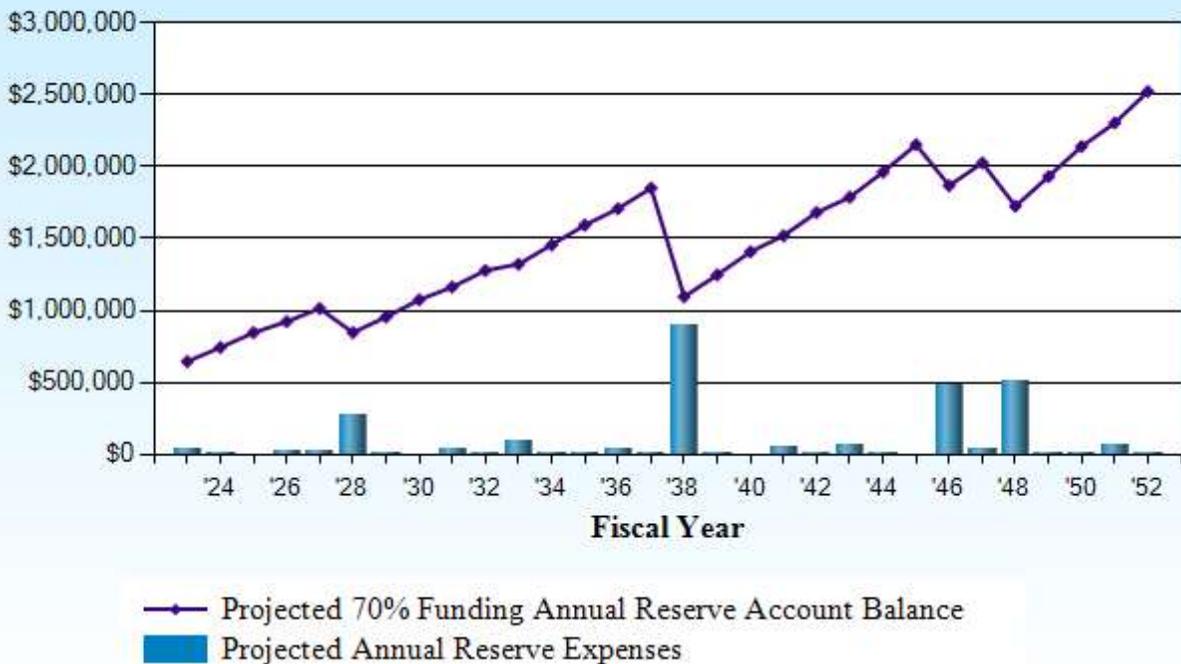
70% Funding Model Summary of Calculations	
Required Annual Contribution	\$88,500.00
<i>\$1,770.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$6,400.00</u>
Total Annual Allocation to Reserves	<u>\$94,900.00</u>
<i>\$1,898.00 per unit annually</i>	

**Sample Condo
70% Funding Model Projection**

Beginning Balance: \$595,000

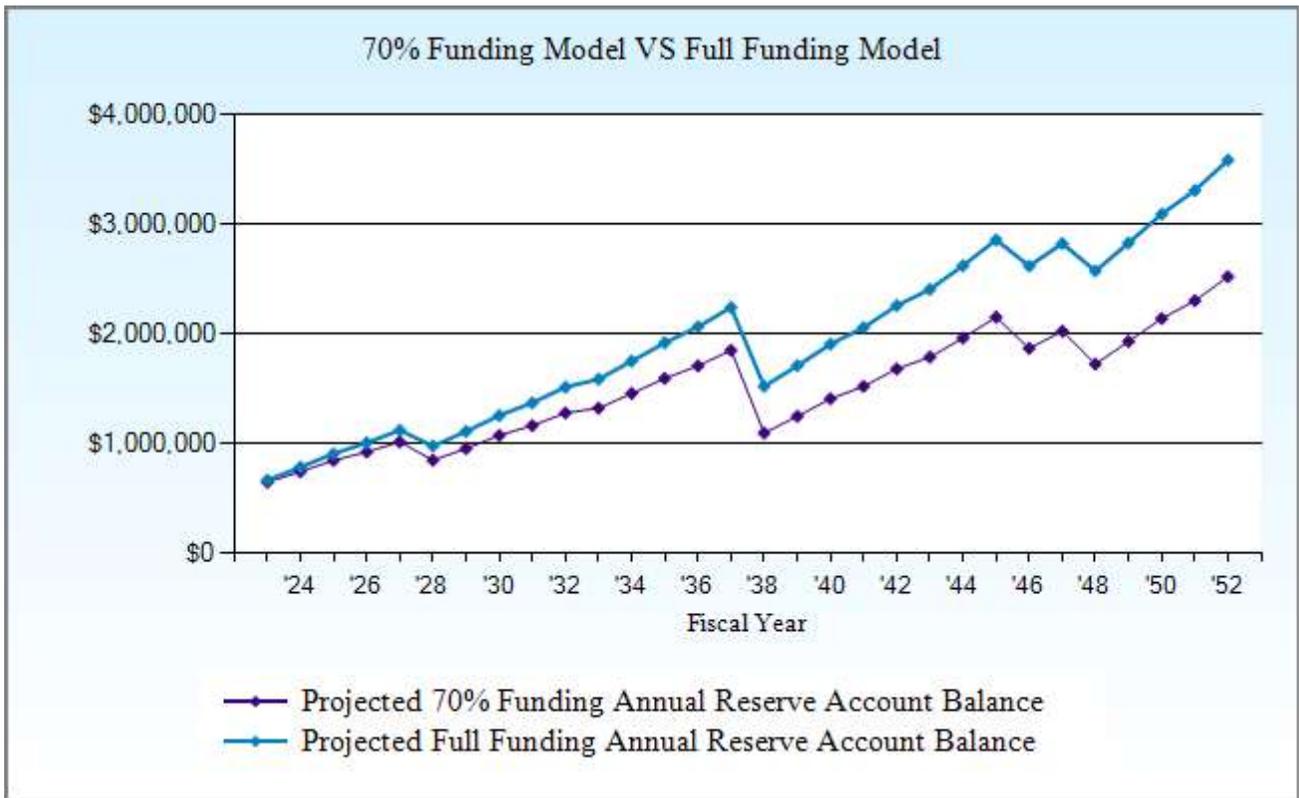
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	2,090,970	88,500	6,400	43,500	646,400	861,061	75%
2024	2,153,699	91,155	7,360	1,545	743,370	968,846	77%
2025	2,218,310	93,890	8,373		845,632	1,083,963	78%
2026	2,284,859	96,706	9,139	28,411	923,067	1,175,852	79%
2027	2,353,405	99,608	10,040	18,678	1,014,037	1,283,149	79%
2028	2,424,007	102,596	8,378	278,805	846,205	1,128,471	75%
2029	2,496,728	105,674	9,453	6,567	954,765	1,252,379	76%
2030	2,571,629	108,844	10,636		1,074,245	1,389,672	77%
2031	2,648,778	112,109	11,515	34,836	1,163,033	1,498,194	78%
2032	2,728,242	115,472	12,654	13,074	1,278,086	1,635,469	78%
2033	2,810,089	118,937	13,087	88,363	1,321,746	1,702,488	78%
2034	2,894,391	122,505	14,422	2,076	1,456,597	1,863,662	78%
2035	2,981,223	126,180	15,771	5,703	1,592,844	2,029,303	78%
2036	3,070,660	129,965	16,905	32,308	1,707,407	2,175,978	78%
2037	3,162,780	133,864	18,322	9,106	1,850,487	2,354,524	79%
2038	3,257,663	137,880	10,847	903,621	1,095,593	1,620,755	68%
2039	3,355,393	142,017	12,352	2,407	1,247,555	1,797,013	69%
2040	3,456,055	146,277	13,938		1,407,770	1,984,941	71%
2041	3,559,736	150,665	15,048	53,627	1,519,857	2,127,292	71%
2042	3,666,529	155,185	16,645	10,556	1,681,131	2,322,418	72%
2043	3,776,524	159,841	17,696	71,341	1,787,327	2,465,054	73%
2044	3,889,820	164,636	19,417	10,232	1,961,148	2,679,305	73%
2045	4,006,515	169,575	21,307		2,152,031	2,915,048	74%
2046	4,126,710	174,662	18,491	477,608	1,867,576	2,669,999	70%
2047	4,250,511	179,902	20,056	41,865	2,025,669	2,871,196	71%
2048	4,378,027	185,299	17,074	503,554	1,724,489	2,607,818	66%
2049	4,509,368	190,858	19,121	3,235	1,931,233	2,856,940	68%
2050	4,644,649	196,584	21,189	8,885	2,140,122	3,112,943	69%
2051	4,783,988	202,482	22,797	62,918	2,302,482	3,326,356	69%
2052	4,927,508	208,556	24,969	14,187	2,521,820	3,601,909	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.

Sample



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

Sample



Baseline Funding Model

Sample

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 Condo
Your Town, WA
Baseline Funding Model Summary

Report Date	January 1, 2023
Account Number	12345
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	50

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$595,000

Baseline Funding Model

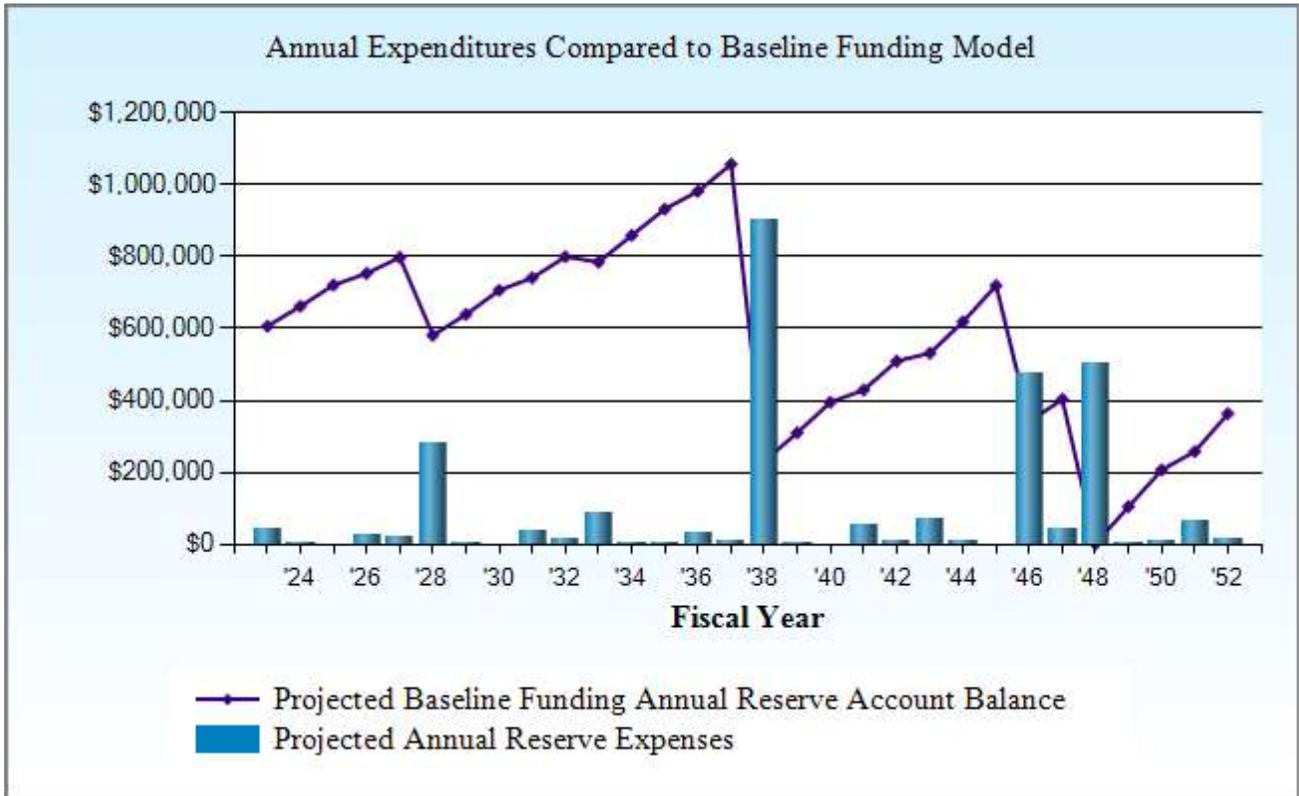
Sample

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$48,900.00
<i>\$978.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$6,004.00</u>
Total Annual Allocation to Reserves	\$54,904.00
<i>\$1,098.08 per unit annually</i>	

**Sample Condo
Baseline Funding Model Projection**

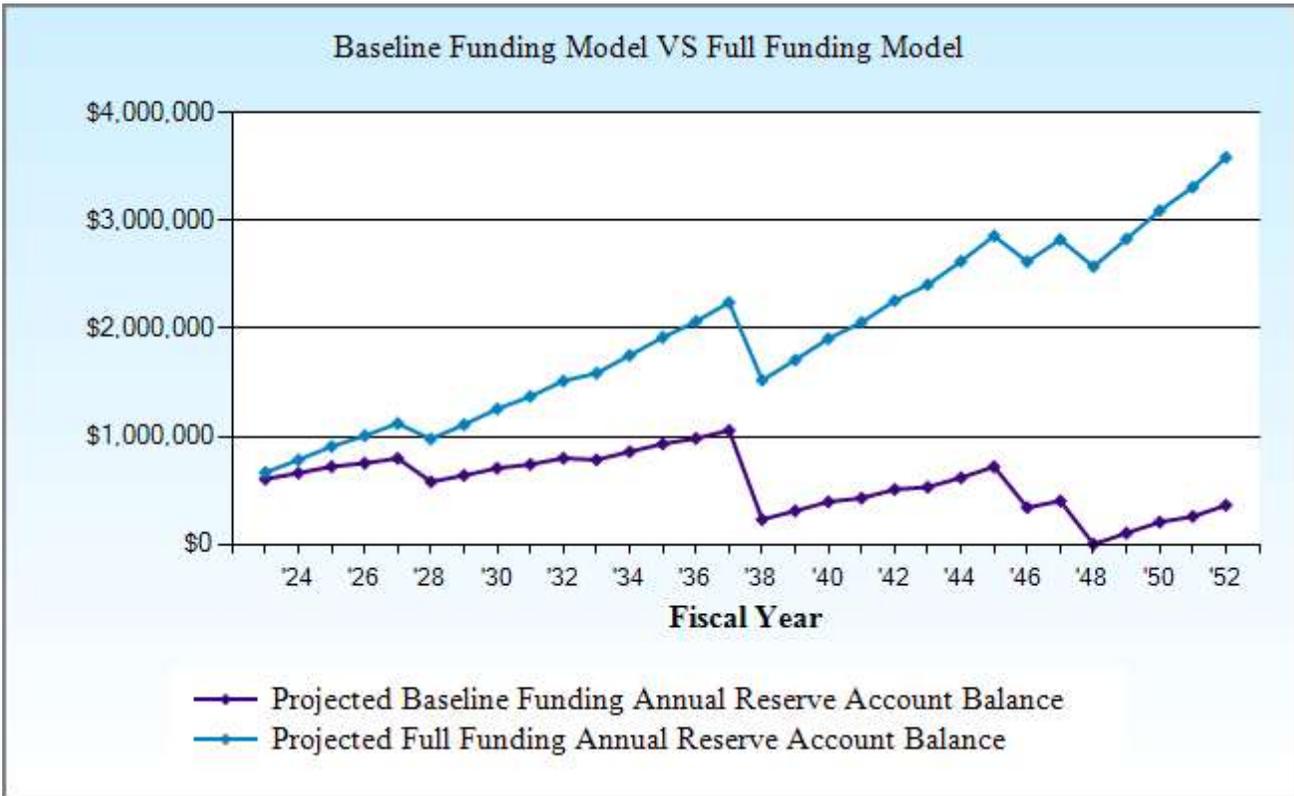
Beginning Balance: \$595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	2,090,970	48,900	6,004	43,500	606,404	861,061	70%
2024	2,153,699	50,367	6,552	1,545	661,778	968,846	68%
2025	2,218,310	51,878	7,137		720,793	1,083,963	66%
2026	2,284,859	53,434	7,458	28,411	753,274	1,175,852	64%
2027	2,353,405	55,037	7,896	18,678	797,530	1,283,149	62%
2028	2,424,007	56,689	5,754	278,805	581,168	1,128,471	52%
2029	2,496,728	58,389	6,330	6,567	639,319	1,252,379	51%
2030	2,571,629	60,141	6,995		706,455	1,389,672	51%
2031	2,648,778	61,945	7,336	34,836	740,899	1,498,194	49%
2032	2,728,242	63,803	7,916	13,074	799,545	1,635,469	49%
2033	2,810,089	65,718	7,769	88,363	784,669	1,702,488	46%
2034	2,894,391	67,689	8,503	2,076	858,785	1,863,662	46%
2035	2,981,223	69,720	9,228	5,703	932,029	2,029,303	46%
2036	3,070,660	71,811	9,715	32,308	981,248	2,175,978	45%
2037	3,162,780	73,966	10,461	9,106	1,056,569	2,354,524	45%
2038	3,257,663	76,185	2,291	903,621	231,424	1,620,755	14%
2039	3,355,393	78,470	3,075	2,407	310,562	1,797,013	17%
2040	3,456,055	80,824	3,914		395,300	1,984,941	20%
2041	3,559,736	83,249	4,249	53,627	429,172	2,127,292	20%
2042	3,666,529	85,746	5,044	10,556	509,406	2,322,418	22%
2043	3,776,524	88,319	5,264	71,341	531,647	2,465,054	22%
2044	3,889,820	90,968	6,124	10,232	618,507	2,679,305	23%
2045	4,006,515	93,697	7,122		719,327	2,915,048	25%
2046	4,126,710	96,508	3,382	477,608	341,610	2,669,999	13%
2047	4,250,511	99,404	3,991	41,865	403,139	2,871,196	14%
2048	4,378,027	102,386	20	503,554	1,991	2,607,818	0%
2049	4,509,368	105,457	1,042	3,235	105,256	2,856,940	4%
2050	4,644,649	108,621	2,050	8,885	207,042	3,112,943	7%
2051	4,783,988	111,880	2,560	62,918	258,563	3,326,356	8%
2052	4,927,508	115,236	3,596	14,187	363,209	3,601,909	10%



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

Sample



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

Sample



Current Funding Model

Sample

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 Condo
Your Town, WA
Current Assessment Funding Model Summary

Report Date	January 1, 2023
Account Number	12345
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	50

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$595,000

Current Assessment Funding Model

Sample

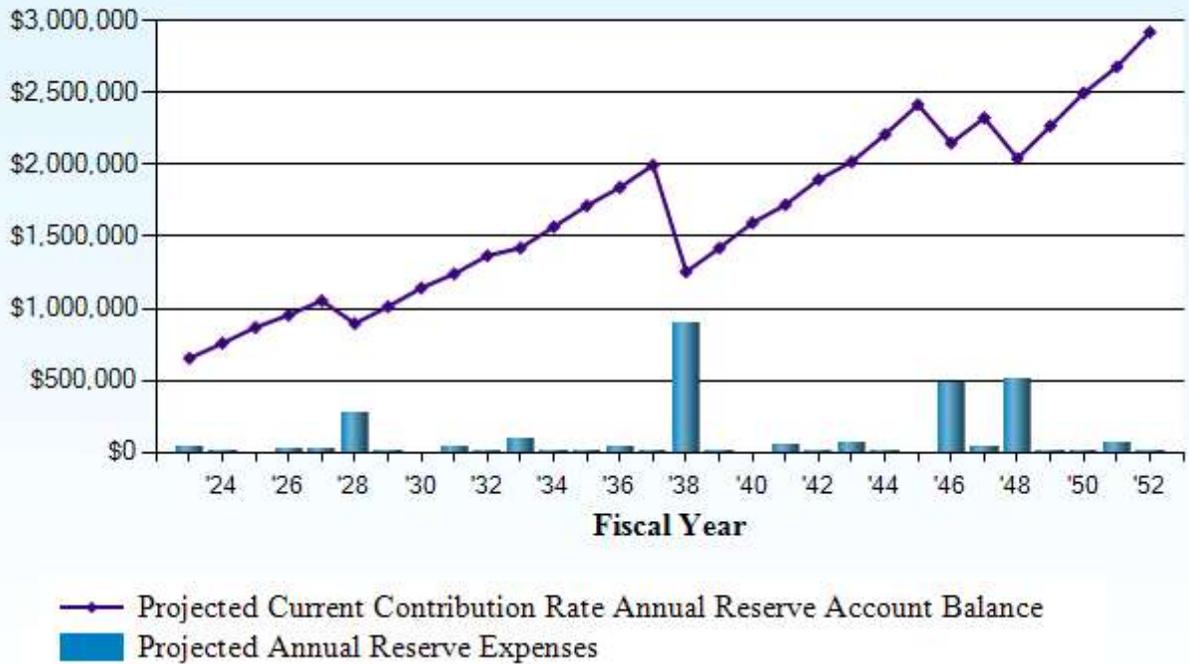
Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	\$95,800.00
<i>\$1,916.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$6,473.00</u>
Total Annual Allocation to Reserves	<u>\$102,273.00</u>
<i>\$2,045.46 per unit annually</i>	

**Sample Condo
Current Assessment Funding Model Projection**

Beginning Balance: \$595,000

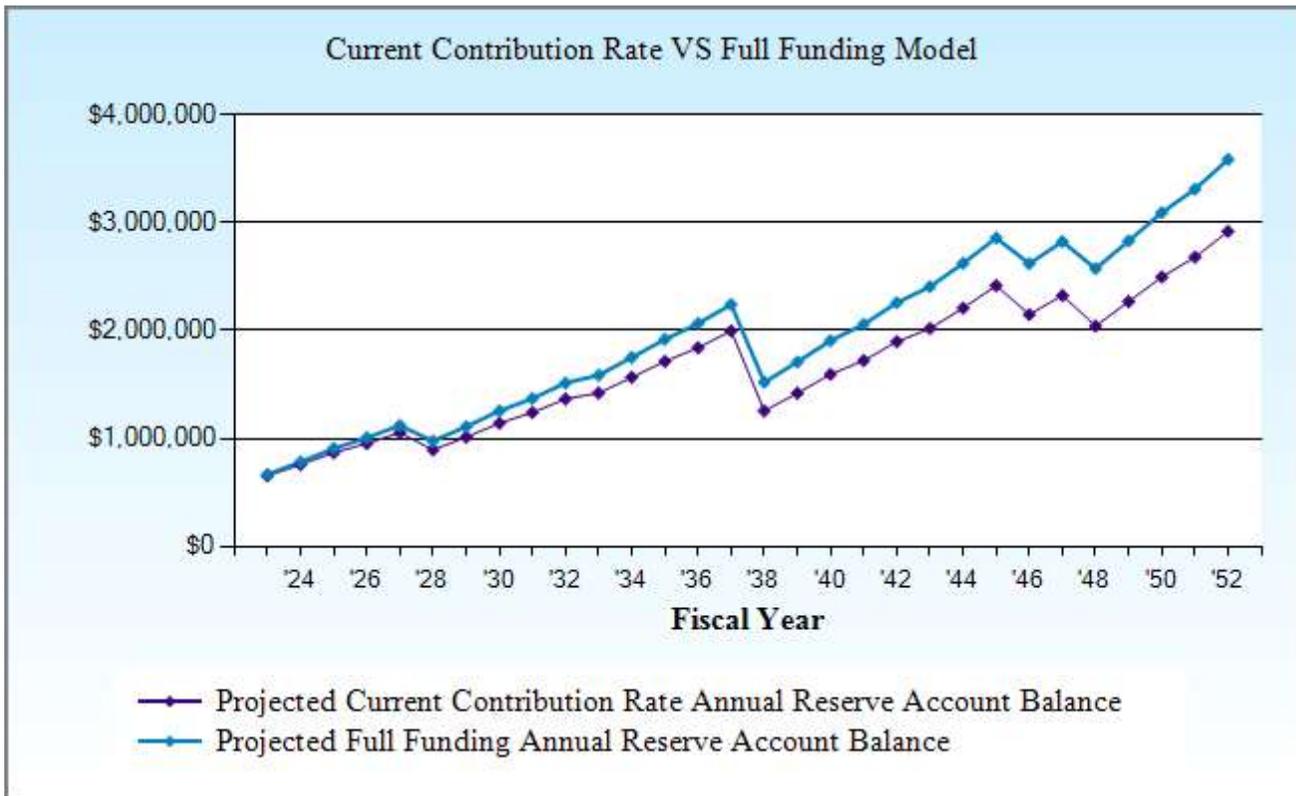
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	2,090,970	95,800	6,473	43,500	653,773	861,061	76%
2024	2,153,699	98,674	7,509	1,545	758,411	968,846	78%
2025	2,218,310	101,634	8,600		868,646	1,083,963	80%
2026	2,284,859	104,683	9,449	28,411	954,367	1,175,852	81%
2027	2,353,405	107,824	10,435	18,678	1,053,948	1,283,149	82%
2028	2,424,007	111,058	8,862	278,805	895,063	1,128,471	79%
2029	2,496,728	114,390	10,029	6,567	1,012,915	1,252,379	81%
2030	2,571,629	117,822	11,307		1,142,044	1,389,672	82%
2031	2,648,778	121,357	12,286	34,836	1,240,850	1,498,194	83%
2032	2,728,242	124,997	13,528	13,074	1,366,302	1,635,469	84%
2033	2,810,089	128,747	14,067	88,363	1,420,753	1,702,488	83%
2034	2,894,391	132,610	15,513	2,076	1,566,799	1,863,662	84%
2035	2,981,223	136,588	16,977	5,703	1,714,661	2,029,303	84%
2036	3,070,660	140,686	18,230	32,308	1,841,269	2,175,978	85%
2037	3,162,780	144,906	19,771	9,106	1,996,840	2,354,524	85%
2038	3,257,663	149,253	12,425	903,621	1,254,897	1,620,755	77%
2039	3,355,393	153,731	14,062	2,407	1,420,283	1,797,013	79%
2040	3,456,055	158,343	15,786		1,594,412	1,984,941	80%
2041	3,559,736	163,093	17,039	53,627	1,720,917	2,127,292	81%
2042	3,666,529	167,986	18,783	10,556	1,897,131	2,322,418	82%
2043	3,776,524	173,025	19,988	71,341	2,018,803	2,465,054	82%
2044	3,889,820	178,216	21,868	10,232	2,208,655	2,679,305	82%
2045	4,006,515	183,563	23,922		2,416,140	2,915,048	83%
2046	4,126,710	189,070	21,276	477,608	2,148,878	2,669,999	80%
2047	4,250,511	194,742	23,018	41,865	2,324,772	2,871,196	81%
2048	4,378,027	200,584	20,218	503,554	2,042,020	2,607,818	78%
2049	4,509,368	206,601	22,454	3,235	2,267,840	2,856,940	79%
2050	4,644,649	212,799	24,718	8,885	2,496,472	3,112,943	80%
2051	4,783,988	219,183	26,527	62,918	2,679,265	3,326,356	81%
2052	4,927,508	225,759	28,908	14,187	2,919,746	3,601,909	81%

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.

Sample



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

Sample

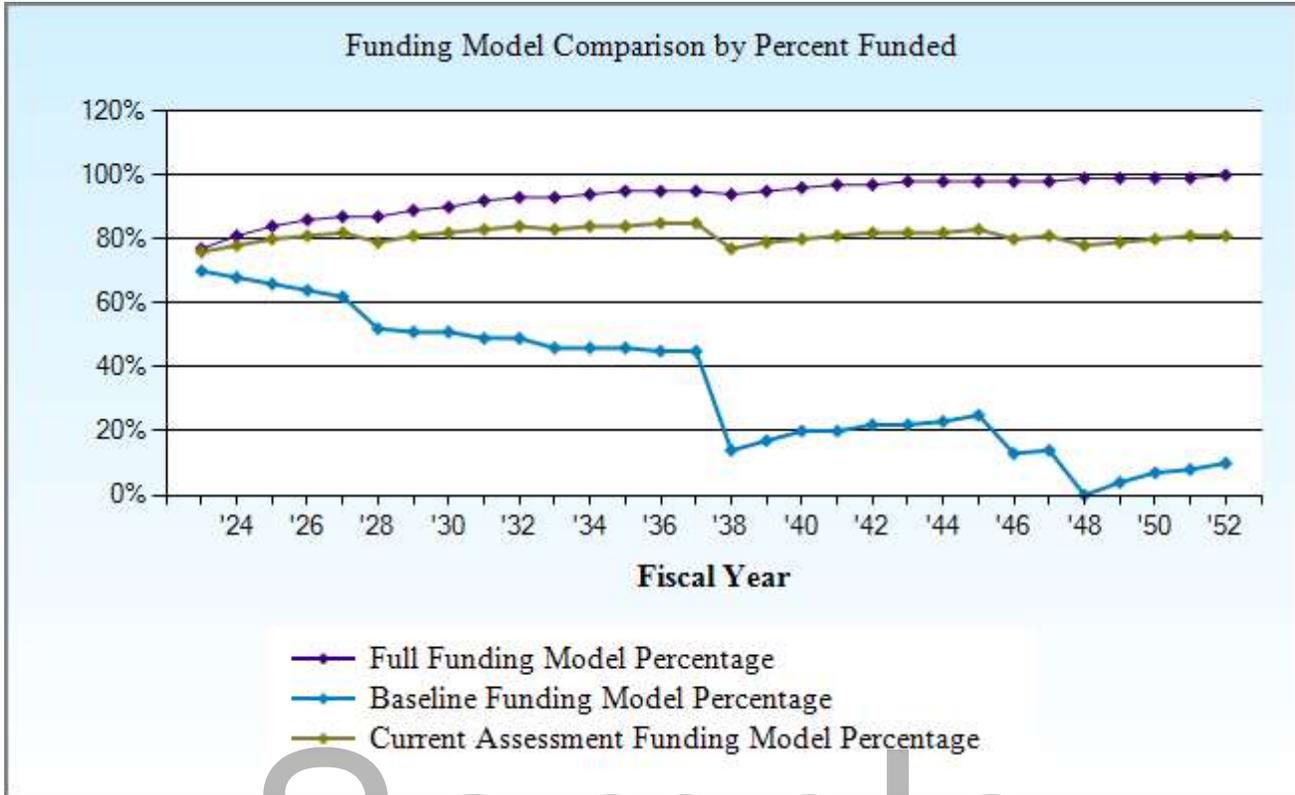


Comparison Charts

Sample

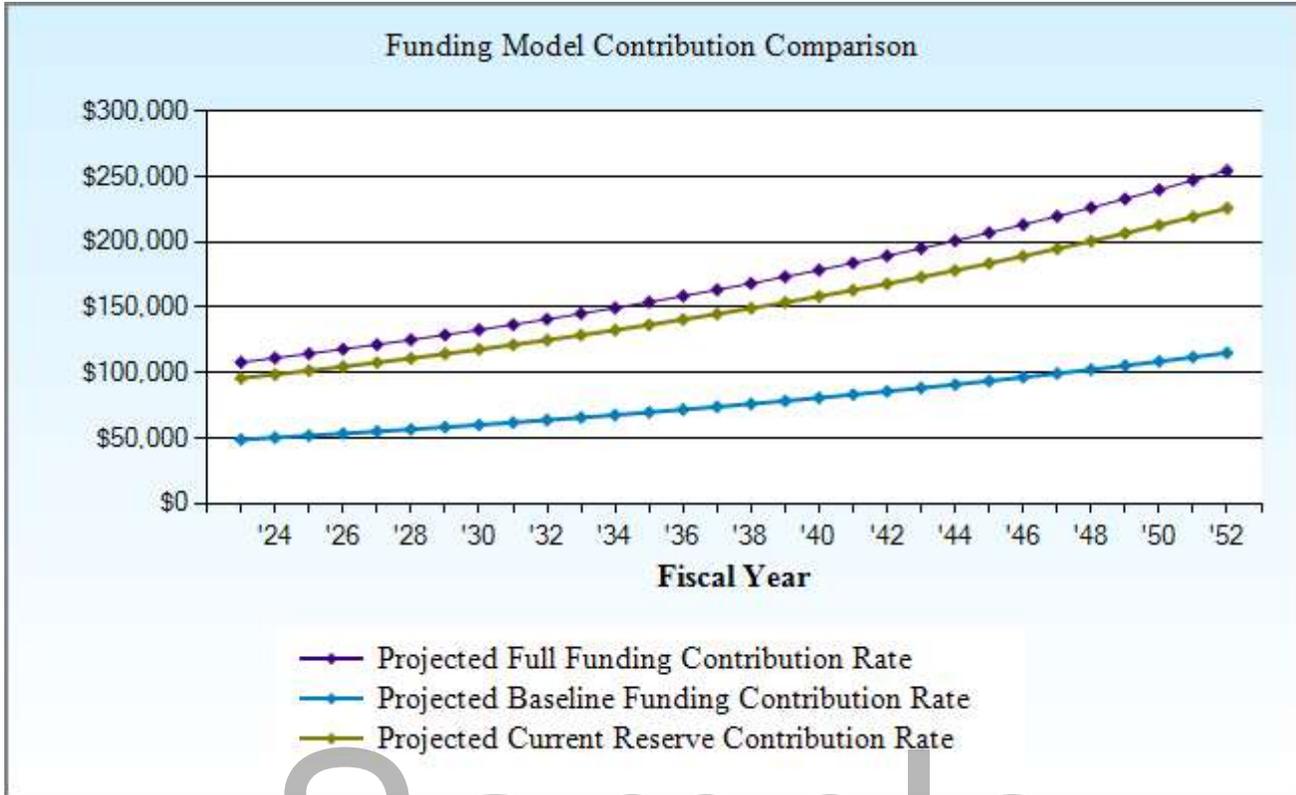
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included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

**Sample Condo
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 Condo
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

Sample

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 and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

**Sample Condo
Index of Funded Components**

Asset ID	Description	Replacement	Page
1000	Concrete - Repair	2027	43
1005	Asphalt - Repair & Sealcoat	2026	44
1015	Asphalt - Overlay	2046	45
1065	Mailboxes - Replace	2033	46
1070	Wood Fence - Replace	2027	47
1075	Wood Fence - Repair & Stain	2027	48
1135	Landscape - Refurbish	2023	49
1145	Trees - Trim/Remove	2023	50
1155	Irrigation System - Repair	2024	51
1160	Drainage System - Maintain	2023	52
1175	Pole Lights - Replace	2023	53
4000	Composition Roof - Replace	2038	54
4025	Skylights - Replace	2038	56
4030	Chimney Caps & Covers - Replace	2038	57
4035	Gutters/Downspouts - Replace	2038	58
4040	Fiber-Cement Siding - Replace	2058	59
4065	Exterior Surfaces - Repair & Paint	2028	61
4068	Exterior Lights - Replace	2033	62
4070	Windows/Sliders - Replace	2023	63
4075	Exterior Doors - Replace	2023	64
4085	Garage Doors - Replace	2023	65
4115	Traffic Coated Decks & Porches - Repair & Coat	2023	66
4130	Metal Deck Rail - Replace	2058	68
5000	Electrical System - Repair/Replace	2023	69
5005	Plumbing System - Repair/Replace	2023	70
6000	Building Envelope Investigation	2031	71
6005	Reserve Study - Annual Update	2023	73
	Total Funded Assets	19	
	Total Unfunded Assets	<u>8</u>	
	Total Assets	27	

**Sample Condo
Detail Report by Category**

Concrete - Repair - 2027

Asset ID	1000	1 Allowance	@ \$3,200.00
		Asset Actual Cost	\$3,200.00
		Percent Replacement	100%
		Future Cost	\$3,601.63
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2027		
Remaining Life	4		



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

Cost Source: Client cost history

Location: Curbs and sidewalks throughout community

Component History: Repairs 2022 \$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 Condo
Detail Report by Category**

Asphalt - Repair & Sealcoat - 2026

		55,000 GSF	@ \$0.40
Asset ID	1005	Asset Actual Cost	\$22,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$24,039.99
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	3		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Client cost history, adjusted for inflation

Location: Parking areas and driving lane

Component History: Reportedly sealed 2021 \$21,200

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-stripping 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 Condo
Detail Report by Category**

Asphalt - Overlay - 2046

		55,000 GSF	@ \$4.00
Asset ID	1015	Asset Actual Cost	\$220,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$434,189.03
Placed in Service	January 2008		
Useful Life	40		
Adjustment	-2		
Replacement Year	2046		
Remaining Life	23		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Parking areas and driving lane

Component History: Reportedly original to ~ 2008 construction

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 Condo
Detail Report by Category**

Mailboxes - Replace - 2033

			4 Cluster Boxes @ \$3,000.00
Asset ID	1065	Asset Actual Cost	\$12,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$16,127.00
Placed in Service	January 2008		
Useful Life	25		
Replacement Year	2033		
Remaining Life	10		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to parking areas

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 Condo
Detail Report by Category**

Wood Fence - Replace - 2027

		235 LF	@ \$45.00
Asset ID	1070	Asset Actual Cost	\$10,575.00
		Percent Replacement	100%
	Grounds	Future Cost	\$11,902.26
Placed in Service	January 2008		
Useful Life	20		
Adjustment	-1		
Replacement Year	2027		
Remaining Life	4		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: None known

Deterioration was observed in areas of wood fencing. 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. The American Fence Association has an excellent fencing resource available through its website: [American Fence Association](http://www.americanfenceassociation.com)

**Sample Condo
Detail Report by Category**

Wood Fence - Repair & Stain - 2027

		235 LF	@ \$12.00
Asset ID	1075	Asset Actual Cost	\$2,820.00
		Percent Replacement	100%
	Grounds	Future Cost	\$3,173.93
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2027		
Remaining Life	4		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors. Cost assumes that both sides of fence will be stained.

Cost Source: Client cost history

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

Component History: Stained 2022 \$2,800

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 Condo
Detail Report by Category**

Landscape - Refurbish - 2023

		1 Allowance	@ \$2,500.00
Asset ID	1135	Asset Actual Cost	\$2,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$2,500.00
Placed in Service	January 2019		
Useful Life	3		
Replacement Year	2023		
Remaining Life	0		



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final 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 Condo
Detail Report by Category**

Trees - Trim/Remove - 2023

Asset ID	1145	1 Allowance	@ \$1,500.00	
		Asset Actual Cost	\$1,500.00	
		Percent Replacement	100%	
	Grounds	Future Cost	\$1,500.00	
Placed in Service	January 2020			
Useful Life	3			
Replacement Year	2023			
Remaining Life	0			



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final 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 Condo
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	\$1,545.00
Placed in Service	January 2019			
Useful Life	5			
Replacement Year	2024			
Remaining Life	1			



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final 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 Condo
Detail Report by Category**

Drainage System - Maintain

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



Location: Common area drainage

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 Condo
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 parking areas

Component History: Original to ~ 2008 construction

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

**Sample Condo
Detail Report by Category**

Composition Roof - Replace - 2038

		36,500 GSF	@ \$6.00
Asset ID	4000	Asset Actual Cost	\$219,000.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$341,194.86
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	15		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

The average useful life of a composition shingle roof can vary based on the quality of installation, quality of shingle product, underlayment, flashings and general site conditions (exposure to high winds, etc.). The useful life above is for financial planning purposes; have your roof evaluated by your roofing vendor or an independent roofing consultant as the roof nears the end of its useful life to narrow down an exact time frame for replacement.

As routine maintenance, have your roof inspected regularly by a qualified roofing contractor. Inspection schedules typically include in the spring, fall, and following significant wind events. Signs of roof failure include loss of granulation (typically identified by granule build up in gutters), curling and/or buckling of shingles, and loss of shingles during weather events. Clean roof regularly to remove any tree debris and treat for moss as needed. Keep gutters clean to ensure proper drainage and install heat tape in colder climates to prevent ice damming. Crickets installed at any chimney to roof interfaces help to divert water and prevent water damage.

**Sample Condo
Detail Report by Category**

Composition Roof - Replace continued...

At the time of replacement, we strongly urge the association to utilize an independent roofing or building envelope consultant to oversee the project and ensure that proper installation techniques are followed. Many associations are tempted to phase large projects such as roof replacement; we strongly urge the association to perform any roof replacement projects at the same time, when possible, as the association is likely to achieve better pricing and thus an overall cost savings by doing so.

The National Roofing Contractors Association has resources available on its website, including videos pertaining to roof maintenance, through the following link: [National Roofing Contractors Association](#)

Additional resources are available on the Western States Roofing Contractors Association through the following link: [Western States Roofing Contractors Association](#)

Sample

**Sample Condo
Detail Report by Category**

Skylights - Replace - 2038

		50 Each	@ \$700.00
Asset ID	4025	Asset Actual Cost	\$35,000.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$54,528.86
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	15		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

The average useful life of a skylight is 20-30 years. Skylights are best replaced in conjunction with roofing cycles for both cost efficiencies and best weatherproofing practices. Inspect skylights regularly as part of twice annual roof inspections and repair as needed. Proper flashings are imperative to preventing water leaks around skylights. Handle individual replacements in between larger replacement projects as an operating expense.

**Sample Condo
Detail Report by Category**

Chimney Caps & Covers - Replace - 2038

		50 Each	@ \$800.00
Asset ID	4030	Asset Actual Cost	\$40,000.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$62,318.70
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	15		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

It is a best practice to replace chimney caps in conjunction with roofing cycles for cost efficiencies. As routine maintenance, inspect caps as part of twice yearly roof inspections and repair/replace as needed in between larger replacement cycles. Cost of chimney cap and cover replacement can vary widely, especially if custom fabrication is necessary. Funding allowances are based on a mid-range funding allowance.

**Sample Condo
Detail Report by Category**

Gutters/Downspouts - Replace - 2038

		4,150 LF	@ \$10.00
Asset ID	4035	Asset Actual Cost	\$41,500.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$64,655.65
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	15		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of building roofs

Component History: Reportedly original to ~ 2008 construction

Regular cleaning of gutters and downspouts is imperative to maintaining function and preventing water damage. Clean twice per year, in the fall and spring, and immediately following any large wind events. In cold climates, install heat tape to prevent ice dams from forming. Inspect during twice yearly roof inspections and repair as needed. Ensure downspouts are securely mounted to building and drain away from building foundation.

Plan to replace gutters and downspouts in conjunction with roof replacement cycles for cost efficiencies.

**Sample Condo
Detail Report by Category**

Fiber-Cement Siding - Replace - 2058

Asset ID	4040	50,250 GSF	@ \$21.00
		Asset Actual Cost	\$1,055,250.00
		Percent Replacement	100%
		Future Cost	\$2,969,328.35
	Building Exterior		
Placed in Service	January 2008		
Useful Life	50		
Replacement Year	2058		
Remaining Life	35		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls

Component History: Reportedly original to ~ 2008 construction

The typical average useful life of fiber-cement siding is approximately 50 years. The actual useful life is dependent on a number of factors including, but not limited to, quality of product, proper flashings and sealants, weather exposure, as well as routine maintenance and paint cycles. Fiber-cement siding is typically installed with wood trim which is highly reliant on regular paint cycles for protection from the elements. Failure to proactively keep siding and wood trim painted and caulked/sealed may result in accelerated deterioration of siding system and trim and/or increased repair costs with each paint cycle. Siding installed over a rain screen system is optimal. Siding should be butted against trim and sealed, as installation under trim provides opportunity for water intrusion.

While the exterior of the siding is the most visible, siding is actually a multi-layered system. The siding is the primary defense against water intrusion within the structure of the building, however the weather resistive barrier (WRB) behind the siding also helps keep any water that penetrates the siding from reaching the structure of the building. In some cases, the exterior siding may be in good visual condition, however the WRB may have deteriorated necessitating siding replacement. As a

**Sample Condo
Detail Report by Category**

Fiber-Cement Siding - Replace continued...

result, it is best to plan for roughly 50 year cycles of siding replacement. As the useful life of the siding nears zero, perform an intrusive building envelope investigation to determine the exact condition of the siding and underlayment, and whether any hidden damages may be present.

The cost allowances within this component factor architectural details and professional project management for the siding replacement project. It is imperative that these professionals are engaged for the duration of this project to ensure that proper flashings and weatherproofing techniques are utilized. When possible, it is best to combine window replacement with the siding project for best weatherproofing practices. Cost allowances assume replacement of the siding and WRB only; hidden damages and structural repairs are not predictable and may substantially increase the cost of the project.

Sample

**Sample Condo
Detail Report by Category**

Exterior Surfaces - Repair & Paint - 2028

		50,250 GSF	@ \$4.00
Asset ID	4065	Asset Actual Cost	\$201,000.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$233,014.09
Placed in Service	January 2018		
Useful Life	10		
Replacement Year	2028		
Remaining Life	5		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls, trim, etc.

Component History: Painted 2018 \$185,800

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons. The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](#)

**Sample Condo
Detail Report by Category**

Exterior Lights - Replace - 2033

		150 Each	@ \$95.00
Asset ID	4068	Asset Actual Cost	\$14,250.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$19,150.81
Placed in Service	January 2008		
Useful Life	25		
Replacement Year	2033		
Remaining Life	10		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, quality of fixture selected and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls

Component History: Reportedly original to ~ 2008 construction

It is beyond the scope of a reserve study to test lighting, therefore no testing was conducted as part of this report. No problems reported by client. Plan for regular cycles of fixture replacement to maintain function and aesthetics, best timed to occur in conjunction with exterior paint cycles for cost efficiencies. Funding allowances factor replacement with mid-range fixture as cost can vary widely based on quality of fixture chosen. Funding includes professional installation of fixtures, however extensive wiring/electrical work may increase cost. Inspect fixtures regularly, clean as needed and replace bulbs. Some utility companies offer rebates for installation of energy efficient fixtures; check with your local utility company prior to replacement to see if any rebates are available in your area.

**Sample Condo
Detail Report by Category**

Windows/Sliders - Replace

Asset ID	4070	300 Each	
		Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Building Exterior			
Placed in Service	January 2008		
No Useful Life			



Location: Exterior building walls

Component History: Majority original to ~ 2008 construction, spot replacements by owners

Client reports that windows and sliding glass doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

**Sample Condo
Detail Report by Category**

Exterior Doors - Replace

Asset ID	4075	100 Each	
		Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Building Exterior		
No Useful Life	January 2008		



Location: Unit entry doors & deck storage closet doors

Component History: Reportedly original to ~ 2008 construction

Client reports that exterior doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

Sample

**Sample Condo
Detail Report by Category**

Garage Doors - Replace

Asset ID	4085	50 Each	
		Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Building Exterior		
No Useful Life	January 2008		



Location: Garage at each individual unit

Component History: Majority reportedly original to ~ 2008 construction

Client reports that garage doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

**Sample Condo
Detail Report by Category**

Traffic Coated Decks & Porches - Repair & Coat - 2023

		3,950 GSF	@ \$10.00
Asset ID	4115	Asset Actual Cost	\$39,500.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$39,500.00
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2023		
Remaining Life	0		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Elevated decks and landings throughout association

Component History: Reportedly recoated 2018 \$28,500

Traffic coated decks are typically comprised of a coating system using three or more layers including a base coat, an aggregate for anti-slip properties and a top coat. The top coat must be periodically reapplied in order to maintain the weatherproofing capabilities of the coating system. Many associations attempt to postpone recoating because the decks “look ok”, however top coat deterioration is the result of UV exposure and foot traffic and cannot typically be seen with the naked eye. It is a best practice to routinely, and proactively, recoat decks at regular cycles. Failure to regularly reapply top coat may result in damage to other layers of the coating, requiring stripping and complete reapplication of the coating system, and/or damage to the wood structure of the deck.

Use caution when cleaning decks to prevent damage to coating. Encourage residents to elevate planters above the deck surface by placing them on feet and installing protectors on patio furniture legs. Keep drains clear and free flowing, if present, and do not place items such as carpeting, AstroTurf, etc. over the deck surface.

**Sample Condo
Detail Report by Category**

Traffic Coated Decks & Porches - Repair & Coat continued...

Funding allowances here factor recoating of decks with a small allowance for repairs as needed. Track actual expenses and update future reserve studies as needed.

Hidden damages and deterioration which could have been prevented through proper deck maintenance and periodic repairs is one of the most common surprise expenses experienced by associations, therefore proactive deck maintenance is absolutely imperative to avoiding future unexpected (and preventable) costs.

Pacific Polymers, a leading manufacturer of elastomeric deck coatings, has answers to many Frequently Asked Questions on their website through the following link: [Pacific Polymers FAQ](#)

Sample

**Sample Condo
Detail Report by Category**

Metal Deck Rail - Replace - 2058

		1,425 LF	@ \$115.00
Asset ID	4130	Asset Actual Cost	\$163,875.00
		Percent Replacement	100%
	Building Exterior	Future Cost	\$461,121.71
Placed in Service	January 2008		
Useful Life	50		
Replacement Year	2058		
Remaining Life	35		



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entry stairs and elevated decks

Component History: Reportedly original to ~ 2008 construction

We did not test railings for structural integrity as this is beyond the scope of a reserve study. The average useful life of deck railings is approximately 40-50 years. There is no predictable basis to expect regular cycles of paint at these railings as the powder coated finish is expected to have a long useful life (documents provided by client indicate that railings have a 10 year warranty on the finish). Inspect regularly, repair and touch up paint as needed through the annual operating budget. The preferred method for installation of deck railings is mounting through the front of the fascia board, as opposed to through the top of the deck surface. Installation through the top of the deck surfaces increases opportunities for water to penetrate into the structure of the deck, risking decay and hidden damages.

**Sample Condo
Detail Report by Category**

Electrical System - Repair/Replace

Asset ID	5000	1 Allowance	
		Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Equipment & Mechanical			
Placed in Service	January 2008		
No Useful Life			



Location: Common area electrical

Component History: No history reported

No problems reported of electrical system at the time of this report. Evaluation of electrical components is beyond the scope of a reserve study; if problems are suspected, consult with a qualified electrician immediately. Generally, if installed without defect, there is no predictable basis to expect complete replacement of electrical system within the scope of this report therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area electrical panels and equipment. Contact a qualified electrician if breakers routinely trip or fuses regularly blow, or if you notice a sizzling sound or a burning odor. Ensure that electrical plugs near wet locations (restrooms, exterior building walls, outdoor parking garages, etc.) are Ground-Fault Circuit Interrupters (GFCI).

Individual unit electrical systems may be the responsibility of the unit owner; consult with your governing documents accordingly.

**Sample Condo
Detail Report by Category**

Plumbing System - Repair/Replace

Asset ID	5005	1 Allowance	
		Asset Actual Cost	
		Percent Replacement	100%
Equipment & Mechanical		Future Cost	
Placed in Service	January 2008		
No Useful Life			



Location: Common area plumbing

Component History: Exterior faucet repairs 2020 \$11,850

No problems reported of plumbing system at the time of this report. Evaluation of plumbing systems is beyond the scope of a reserve study; if problems are suspected, consult with a qualified plumber. Generally, if installed without defect, there is no predictable basis to expect complete replacement of plumbing system within the scope of this report, therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area plumbing and equipment. Contact a qualified plumber if you are experiencing low water pressure, discoloration and/or leaks. Protect exposed lines from freezing temperatures.

Some governing documents may make plumbing which serves an individual unit that unit's responsibility to maintain, repair and replace. Consult your governing documents accordingly.

Some plumbing systems are known to have deficiencies which may become more prevalent over time. These systems may include galvanized plumbing installed in older buildings, and CPVC lines installed in newer buildings. If you have not done so already, consult with a plumber to inspect and evaluate the plumbing system at your association to determine whether the system will require eventual replacement. Plumbing system renovations can be very costly, therefore it is best to determine this information early for financial planning purposes.

Annual testing of any backflow devices installed on your system is typically required by local municipalities. These devices are generally installed on water supply lines at irrigation systems, fire sprinkler systems, etc. The American Backflow Prevention Association has resources available on their website including information about backflow testing and a list of certified testers through the following link: [American Backflow Prevention Association](#)

**Sample Condo
Detail Report by Category**

Building Envelope Investigation - 2031

Asset ID	6000	1 Investigation	@ \$5,500.00	
		Asset Actual Cost	\$5,500.00	
		Percent Replacement	100%	
		Future Cost	\$6,967.24	
	Professional			
Placed in Service	January 2021			
Useful Life	10			
Replacement Year	2031			
Remaining Life	8			



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

Cost Source: Client cost history

Location: Exterior building envelope

Component History: 2021 \$5,500

A reserve study site visit conducts a limited visual review for budgetary purposes only and does not include any invasive testing or structural evaluation. As a result, periodic building envelope investigations are strongly recommended to ensure that building envelope components are performing as designed and to help identify the potential for hidden damages early, thus reducing the risk of unanticipated repair costs. When performed prior to exterior work such as siding and window replacement, a building envelope investigation also helps determine the extent of hidden damages, if any, so the association is not surprised by a significant increase in costs after the project starts. Building envelope investigations should be performed after being turned over from the developer, at 5-10 year intervals thereafter based on building age and individual needs, and prior to performing large exterior envelope projects. Some governing documents may require annual envelope investigations; we recommend reviewing your association's governing documents for any requirements unique to your association.

A building envelope investigation typically involves two professional parties, an architect or an engineer and a general contractor. The architect or engineer identifies areas of concerns at the

**Sample Condo
Detail Report by Category**

Building Envelope Investigation continued...

building and the general contractor removes portions of the building exterior to assist the architect or engineer in identifying whether hidden damages exist. Moisture test readings are also generally performed during this process. Following the physical site visit, the architect or engineer will provide the association with a report detailing the results of their findings including photographs. Some reports may also include a summary of recommendations for repairs. If significant repair needs are identified at your building, the architect or engineer can usually be engaged to assist with drafting the official scope of work and bidding out the project to ensure that vendors correctly bid the project based on the scope of work. We strongly recommend that the architect or engineer's services be engaged for professional project management during any repairs done as the result of the envelope investigation to ensure that proper weatherproofing techniques are used to reduce the risk of future water intrusion.

The cost of a building envelope investigation can vary significantly based on the scope of work, including the number of openings done at the building and the extent of the invasive testing. We have used a mid-range funding allowance for financial planning purposes.

Sample

**Sample Condo
Detail Report by Category**

Reserve Study - Annual Update

Asset ID	6005	1 Annual Asset Actual Cost	
		Percent Replacement	100%
	Professional	Future Cost	
Placed in Service	January 2023		
No Useful Life			



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

Component History: 2023 FULL

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be 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). Some governing documents may also require that the study be updated annually. 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.

Key:

FULL = Level 1 Full Reserve Study

WSV = Level 2 With-Site-Visit Reserve Study

NSV = Level 3 No-Site-Visit Reserve Study

PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

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.

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

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	The reserve study must provide a funding plan addressing these principles: <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.

Sample

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 or structural evaluation 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 approximate 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

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

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."

Sample