



Ponderosa Pines Property OA

La Pine, OR

Level I Reserve Study (With Site Inspection)

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Report Version: Draft1

Reserve Data Analyst

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Component Details Index

Total Component Count: 18

Asset ID	Component	Page#
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Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained by following the links in the Knowledge Base pages of this reserve study and in our Reserve Study Guidebook available at the following link:



www.reservedataanalyst.com/guidebook

To navigate this study more easily, we recommend printing out the Table of Contents page(s) and the Component Detail Index page(s) at the front of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Details Index pages when navigating.

Within this reserve study you will find:

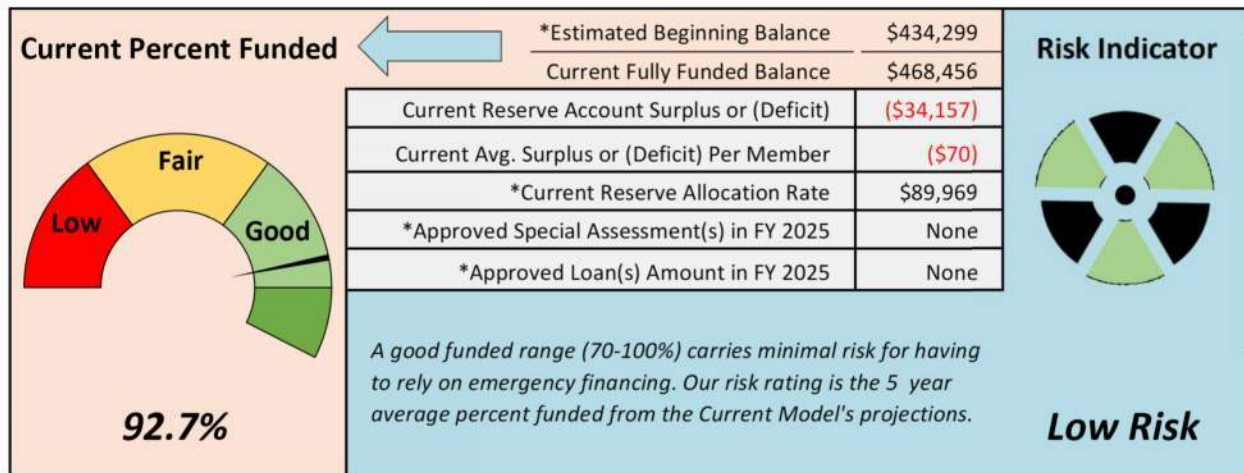
- ➔ Knowledge Base Pages - A list of common questions that a typical reader of our reserve study will have (e.g., cost, inflation, useful life), as well as links to additional information on the topics.
- ➔ The Component List - A list of the components (i.e., assets) that are reportedly the Client's responsibility along with their respective costs, quantity, useful life, remaining useful life, etc.
- ➔ Annual Projected Expenditures - A timeline of the estimated dates that we recommend fully allocating money to the repair/replacement projects. (Annual Expenditures Chart & Annual Expenditure List)
- ➔ Funding Model Projections - Various funding models with different goals in mind and comments about the particular funding model goal.
- ➔ Component Detail Pages - These pages have more in depth information for each component. Prior replacement history, component specific comments and reasoning for implementing different funding scenarios or functions in our software (e.g., delay funding, repeat limit, adjustments to age) can be found here. This sections is best navigated by utilizing the Component Details Index.

One of the main points we like to make clear to a reader of this reserve study is that recommendations for the allocation rates of the different funding models (excluding Client provided models) are only for the initial year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the mathematical models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that the recommendations for the first fiscal year in the study are based on current cost and current useful life estimates, which we typically have lots of good data on, as opposed to future cost and future useful life projections which again are educated guesses.

Importance of Updates : From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables that will usually change over time. More frequent updates (preferably annually) to this study help to incorporate changes to these variables as they occur each fiscal year so revisions to the recommendations are less significant than if updates are done infrequently.

Organization Name	Ponderosa Pines Property OA
Organization Location	La Pine, OR
*Contributing Members	490
Approximate Year of Construction	1970
*Fiscal Year Time Period	January 1st - December 31st
Level of Service	Level I Reserve Study (With Site Inspection)
Prepared for Fiscal Year	2025
Last On-Site Inspection Date	August 28, 2024
Inflation Rate for Projections	3.50%
*Rate of Return (APR) for Account Balances	2.50%
*Tax Rate on Interest Earned	30.00%
Funding Plan Method	Inflation Adjusted Pooled Cash Flow Method

Reserve Account Summary

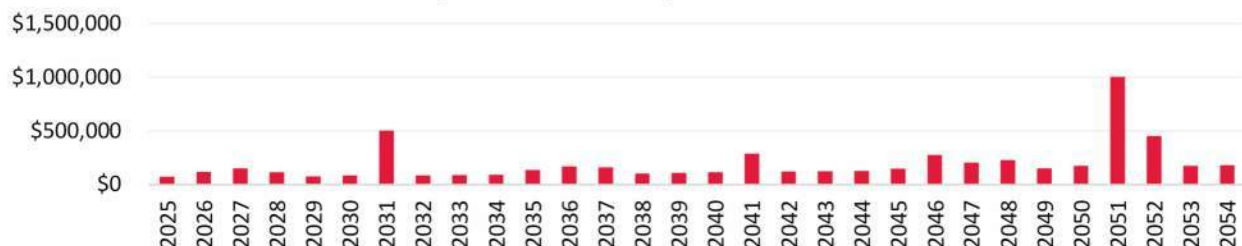


Reserve Allocation Rates & Year-End % Funded - 5 Year Summary

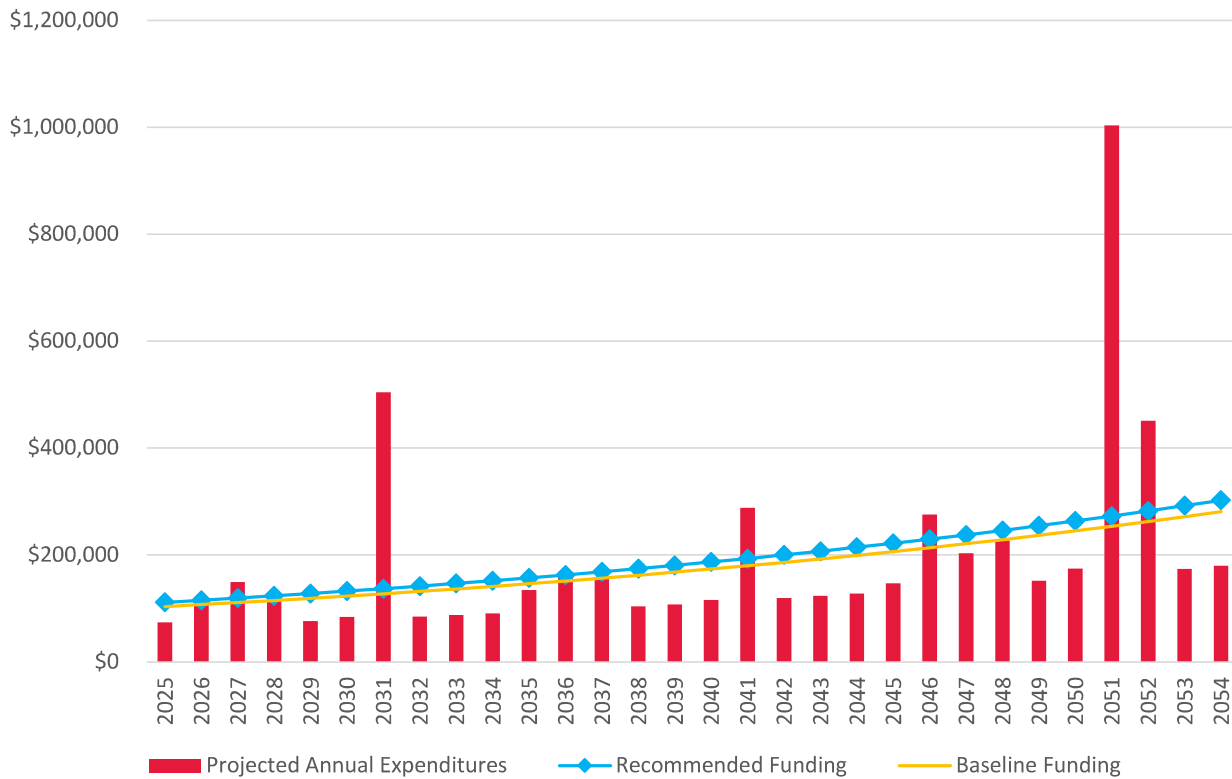
	100% Funded		Recommended		Baseline		Current		
2025	\$147,000	100.1%	\$111,500	93.1%	\$103,650	91.6%	\$89,969	88.9%	2025
2026	\$116,000	100.1%	\$115,403	92.9%	\$107,278	89.8%	\$93,118	84.3%	2026
2027	\$120,060	100.2%	\$119,442	92.5%	\$111,032	87.5%	\$96,377	78.7%	2027
2028	\$124,262	100.3%	\$123,622	92.6%	\$114,919	86.0%	\$99,750	74.4%	2028
2029	\$128,611	100.3%	\$127,949	93.2%	\$118,941	85.6%	\$103,241	72.3%	2029
	~ 100% funded at end of each fiscal year.		Achieve 100% funded within projections.		Account stays above \$0 for projections.		Current allocation rate has been supplied by the Client.		

* Data supplied by the Client. Any year end negative percent funded (if applicable) has not been shown.

Projected Annual Expenditures



Projected Annual Expenditures Chart



The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later. A breakdown of what projects are included in each years' projected expenditures can be found in the Projected Annual Expenditures List in this reserve study (page number in Table of Contents).

One of the greatest challenges when planning for reserve budgeting is creating and implementing a funding model that is stable and fair while also adequate to cover reserve project expenditures that are typically infrequent and erratic. This is particularly true for reserve accounts that drop to low levels of funding; there will be a need to catch up the reserve account to a more suitable level while also being as fair and stable as possible as time progresses.

We have created numerous funding models with various goals in mind; the above models (Recommended & Baseline) adhere to the principle of having stability going forward in time while also covering the projected annual reserve expenditures. Their respective annual allocation rates (lines on the chart) are shown compared to the annual reserve expenditures (columns on the chart) within the timeframe of the projections. Note the relative stableness of the annual funding model allocation rates versus the infrequent and erratic nature of the reserve expenditures.

What is a Reserve Study?

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the "Percent Funded" calculation.

The Reserve Analyst develops funding models the adhere to some basic principles:

- ➡ Distribute the costs as fairly as possible over time.
- ➡ Have stable budgets over time (i.e., limiting large fluctuations from one
- ➡ Limit the risk of reliance on emergency financing or having to defer overdue projects.

A Reserve Study is an independent assessment of the reserve account and is **not** the Budget.

This study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. This report should reflect the replacement dates of the components utilizing typical or historical records for the useful lives & costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age and in updates to this report.

Should the Client decide to make budgeting decisions such as deferring projects (typically due to a lack of funds) and that appear to be overdue carries its own risk with relation to scenarios like higher project costs later and marketability issues.

How Much Should We Reserve?

There is no right or wrong answer to the question of "How Much Should We Reserve?" as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them.

In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



About Percent Funded

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:



www.reservedataanalyst.com/pf

About the Fully Funded Balance

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of "How much should be in a reserve account at a specific point in time?" When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:



www.reservedataanalyst.com/ffb

Calculating Inflation in the Reserve Study

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:



www.reservedataanalyst.com/inf

Component Useful Life Estimates

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:



www.reservedataanalyst.com/ul

Determining Component Project Costs

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- Client invoices, bids, estimates
- Our in-house database that is based on the collection of many Client invoices, bids, and estimates.
- Cost manuals that, when used correctly, are very accurate for

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you...

... will find that there is a large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:



www.reservedataanalyst.com/cost

National Reserve Study Standards

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:



What Components to Include in the Study?

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- It's not already covered in the Operating Budget.
- The component has a limited life expectancy.
- The component has a reasonably defined remaining useful life.
- As required by local statutes.

When to Complete Reserve Projects?

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is not a "to do list"; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects. If something fails earlier than projected then replace it, if it lasts longer (as determined by your component specific ...

... Vendor) then take their advice as they are experts in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study.

Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations.

A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to a variety of factors that come into play when delaying reserve projects (e.g., inflation, collateral damage).

Ongoing Component Maintenance

While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual Operating Budget.

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSMeans provides a free link to common building and site component items to inspect.



www.reservedataanalyst.com/rsmeans

Recommendations Versus Projections

In the reserve study the Reserve Analyst's recommendations for the allocation rates of the different funding models apply only to the year the reserve study is being developed for. All projections in the study are future educated guesses with assumptions about a significant number of variables (e.g., inflation rate, financial, component useful life, component remaining useful life, proper maintenance, etc.).

Projections can be accurate or extremely inaccurate based on these assumptions; because of this we do not suggest giving much consideration to projections in the decision making for overall reserve budgeting. This may sound counter-intuitive, but this is due to recommendations for the allocation rates, in the initial year of the study, being based on predominantly current known factors (e.g., current costs, current inflation, current maintenance practices) versus projections which are based on future assumptions to a variety of variables (e.g., future costs, future inflation rates, and future maintenance practices). Follow the below link to our website to learn more about recommendations versus projections.



www.reservedataanalyst.com/projections

You Have a Reserve Study Now What?

Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just "deal with it later"...

... We have found those that are most successful with reserve budgeting goals typically follow these simple rules when creating and implementing a reserve budget.

Actionable

Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents?

Comprehensive

Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - What do we want to accomplish? Why is this goal important? Who is involved? When is this goal set to occur?

Equitable

Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it.

This often means that transitioning to a more stable financial track will take years of smaller goals being obtained.

Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.

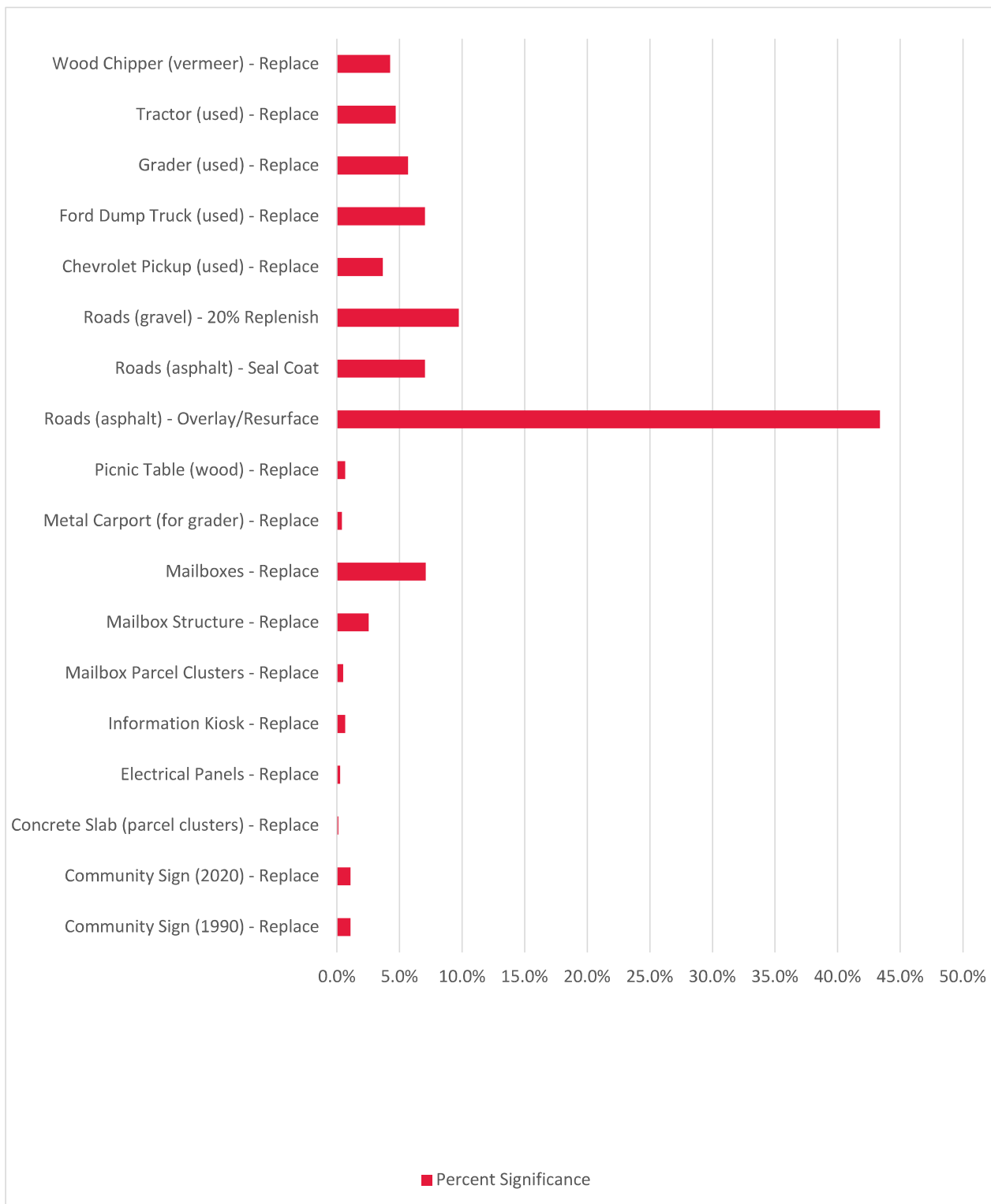


www.reservedataanalyst.com/ace

Version: Draft1

ID	Component Description	Install/Delay Year	Replace Year	Useful Life (UL)	Adjustment	Remaining UL	Quantity	Qty. Type	Cost Per Qty.	% Replace	Current Cost	% Significance
										Totals:	\$681,714	100%
>> Site Components <<												
7651	Community Sign (1990) - Replace	1990	2025	25	0		1 ea		\$7,500.00	100.0%	\$7,500	1.1%
7650	Community Sign (2020) - Replace	2020	2045	25	20		1 ea		\$7,500.00	100.0%	\$7,500	1.1%
2210	Concrete Slab (parcel clusters) - Replace	2016	2066	50	41		32 sf		\$28.00	100.0%	\$896	0.1%
2990	Electrical Panels - Replace	2011	2046	35	21		1 ea		\$1,850.00	100.0%	\$1,850	0.3%
4991	Information Kiosk - Replace	2000	2030	30	5		1 ea		\$4,500.00	100.0%	\$4,500	0.7%
4960	Mailbox Parcel Clusters - Replace	2016	2041	25	16		2 ea		\$1,750.00	100.0%	\$3,500	0.5%
4990	Mailbox Structure - Replace	2011	2046	35	21		300 sf		\$58.00	100.0%	\$17,400	2.6%
5000	Mailboxes - Replace	2011	2041	30	16		484 ea		\$100.00	100.0%	\$48,400	7.1%
7610	Metal Carport (for grader) - Replace	2010	2040	30	15		1 ea		\$2,750.00	100.0%	\$2,750	0.4%
6660	Picnic Table (wood) - Replace	2008	2028	20	3		6 ea		\$750.00	100.0%	\$4,500	0.7%
1140	Roads (asphalt) - Overlay/Resurface	2010	2031	20	1	6	184,800 sf		\$1.60	100.0%	\$295,680	43.4%
1160	Roads (asphalt) - Seal Coat	2021	2026	5	1		184,800 sf		\$0.26	100.0%	\$48,048	7.0%
4250	Roads (gravel) - 20% Replenish	2024	2025	1	0		1,510,000 sf		\$0.22	20.0%	\$66,440	9.7%
>> Vehicle & Equipment Components <<												
2911	Chevrolet Pickup (used) - Replace	1997	2027	25	5	2	1 ea		\$25,000.00	100.0%	\$25,000	3.7%
2910	Ford Dump Truck (used) - Replace	1999	2027	25	3	2	1 ea		\$48,000.00	100.0%	\$48,000	7.0%
2914	Grader (used) - Replace	2022	2037	15		12	1 ea		\$38,750.00	100.0%	\$38,750	5.7%
2912	Tractor (used) - Replace	2008	2028	20		3	1 ea		\$32,000.00	100.0%	\$32,000	4.7%
2913	Wood Chipper (vermeer) - Replace	2023	2035	12		10	1 ea		\$29,000.00	100.0%	\$29,000	4.3%

Component % Significance



The above chart illustrates the current cost breakdown (by percent) of the Component that are included in the mathematical models. Special attention should be given to those components which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Funding Model Projections and the Expenditure Spreadsheet elements of this study for the projected timeline of expected expenditures.

Excluded Components

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

Not Client's Responsibility

The below components are reportedly not the Client's responsibility per their interpretation of their governing documents. Note that the Reserve Analyst does not interpret governing documents and has excluded items based on the Client's request and their interpretation of their own governing documents. If there is ambiguity or questions as to what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney.

- > Utility Main Lines - Water Corporation's Responsibility
- > Utility Lateral Lines - Water Corporation & Lot Owner's Responsibility
- > All Water System Components (e.g., pipes, towers, pumps) - Water Corporation Responsibility
- > Fire Hydrants - Water Corporation's Responsibility
- > Emergency Exit Road Maintenance - Lot Owner's Responsibility (reportedly outside of Ponderosa Pines HOA Plat)
- > Culverts at Driveways (if present) - Lot Owner's Responsibility
- > All Fencing at Lots - Lot Owner's Responsibility
- > All Storage & Parking Building - Water Corporation's Responsibility

Operating Account Expenses

The below components are reportedly paid for from the Operating Account and have not been included in this reserve study.

- > Asphalt Crack Sealing - Complete annually as needed.
- > Gravel Road Repairs/Grading/Drainage (reportedly completed by in-house personnel)
- > Ongoing Landscaping (minimal square footage)
- > Tree Care & Hazardous Tree Removal
- > Fire Mitigation
- > Road Name Signs & Road Signage
- > Rail Fence at Mailboxes (81 linear feet)
- > Tractor/Vehicle Peripherals (e.g., drag, blade, chains)
- > Tractor/Vehicle Repairs & Maintenance
- > Workshop Tools
- > Fuel Tank & Pump (installed by in-house personnel)

Maintenance & Inspections

The Client stated that they have been working with the Vendors for ongoing maintenance of components. Note that a lack of ongoing maintenance at any point in the past or future can significantly reduce the useful life of components. It is assumed that all proper maintenance has and will be completed per the component specific Vendor's recommendations (unless otherwise noted). It is assumed all inspections will be completed per local statute and are assumed to be paid for from the operational account, as reported by the Client (unless otherwise noted).

Gravel Road Cost Estimates

It has been reported to us that the Ponderosa Pines community relies on in-house personnel for a significant amount of gravel road work. The scope of work for the gravel roads in this reserve study is for replenishment of gravel only and cost estimates are based on materials only (delivered to the site). It has been reported to us that all other expenses related to the gravel roads (e.g., spreading gravel, grading surfaces, drainage) is done by in-house personnel.

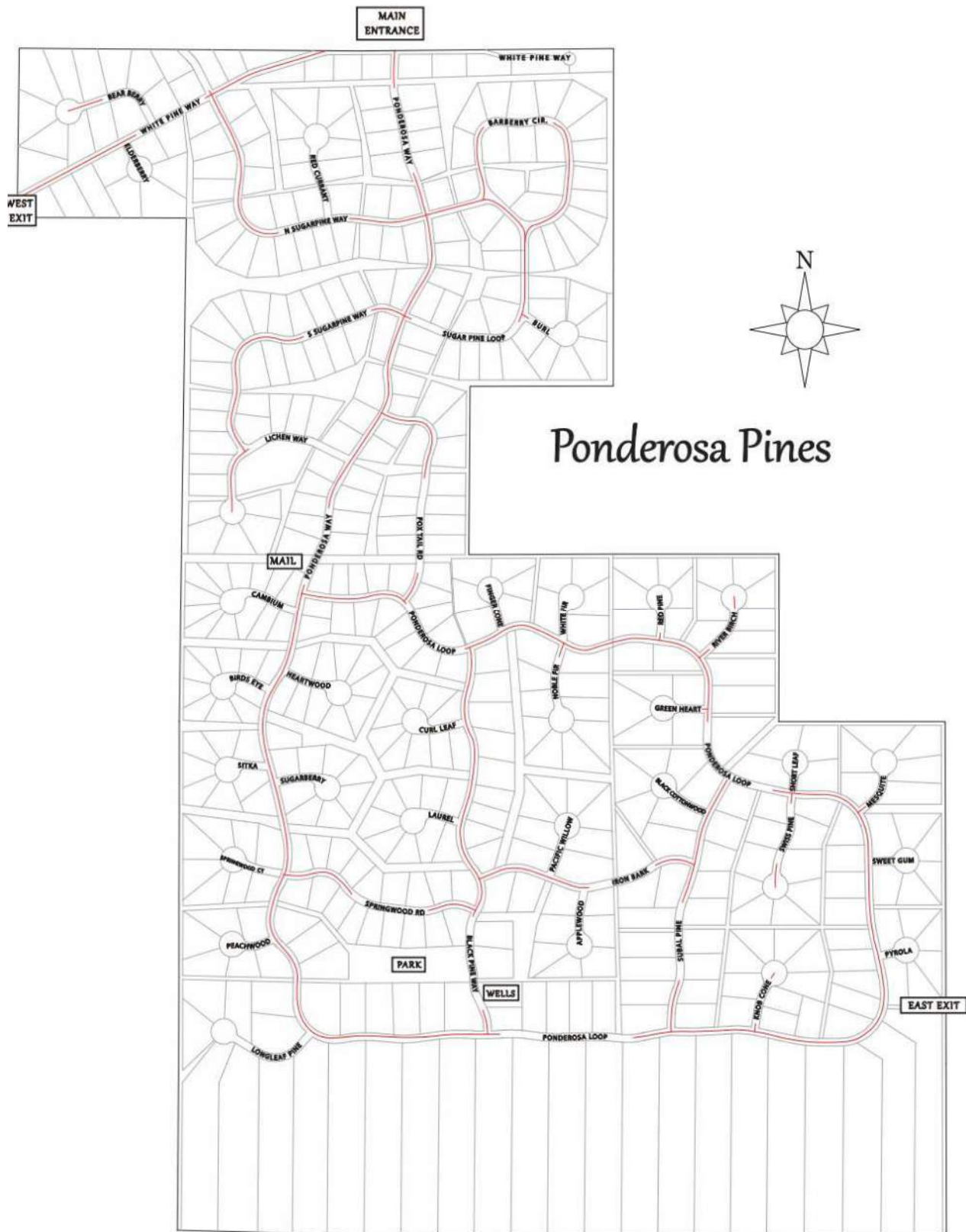
Road Chip Seal Comments

The Client stated that a chip seal was completed on a portion of Ponderosa Loop in fiscal year 2021 for an approximate cost of \$84,000. They have requested that no further chip seals or seal coats be included in the reserve budget as there is no desire to fund for this component in the future. We have included this area of gravel roads in gravel road replenishment measurement in this reserve study and assume no chip seals will be completed in the future.

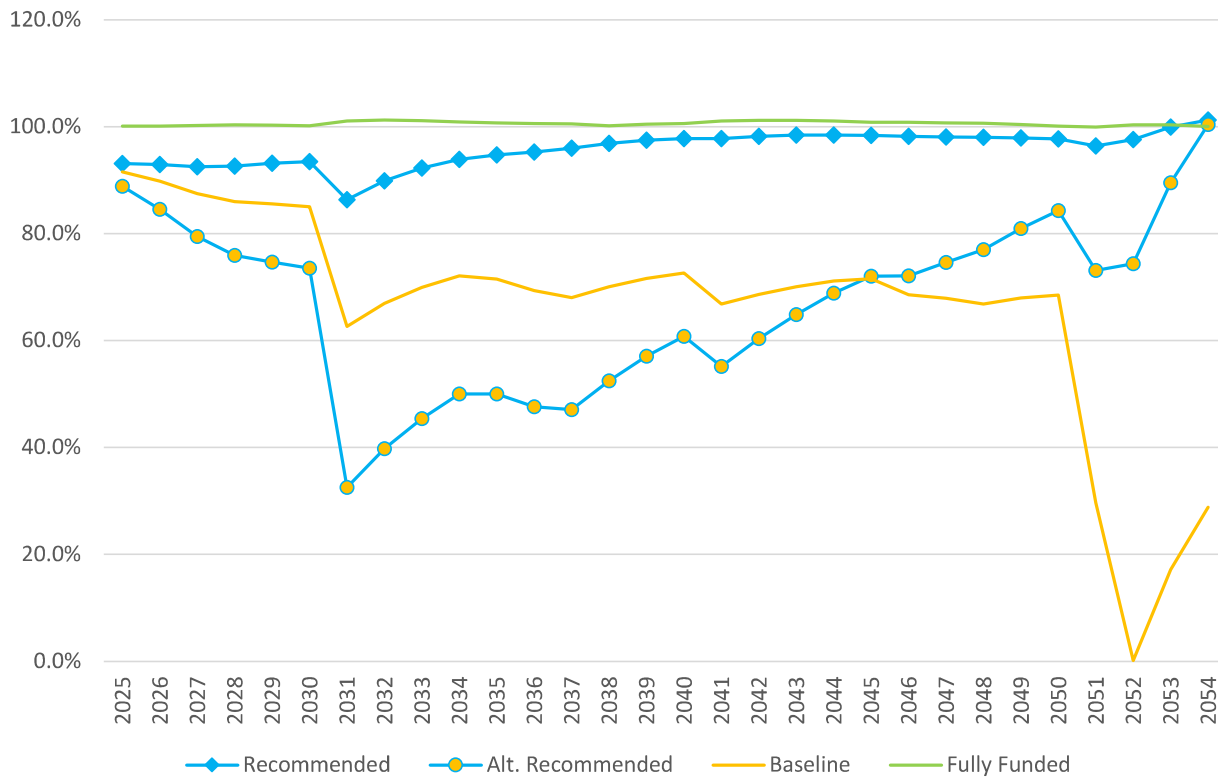
Comments on Reserve Data Analyst's Software Functions

Utilizing software that is mathematically accurate, and which is also adaptable is an extremely important part of completing a reserve study. With so many scenarios we encounter having flexible software helps us to create comprehensive and adaptable reserve studies. Typically comments will be made in the Component Details sections of this reserve study when a components fully funded balance or projected allocation/replace date has been altered utilizing one of our software functions. To learn more about our software functions please visit our [blog post](http://www.reservedataanalyst.com/blog/software-functions/) about our proprietary software and its functions:

www.reservedataanalyst.com/blog/software-functions/



Percent Funded Chart



The above chart compares the funding models by the percentage funded levels over the timeframe of the projections, as calculated at the end of each fiscal year.

The **Recommended Funding Model** increases the Client's reserve account Percent Funded Level to 100% funding within the timeframe of the projections in this report. Once this 100% funded level is reached it is a good indicator that the reserve account is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow. It simply has a goal of guiding the reserve account to a 100% funded level within the timeframe of projections.

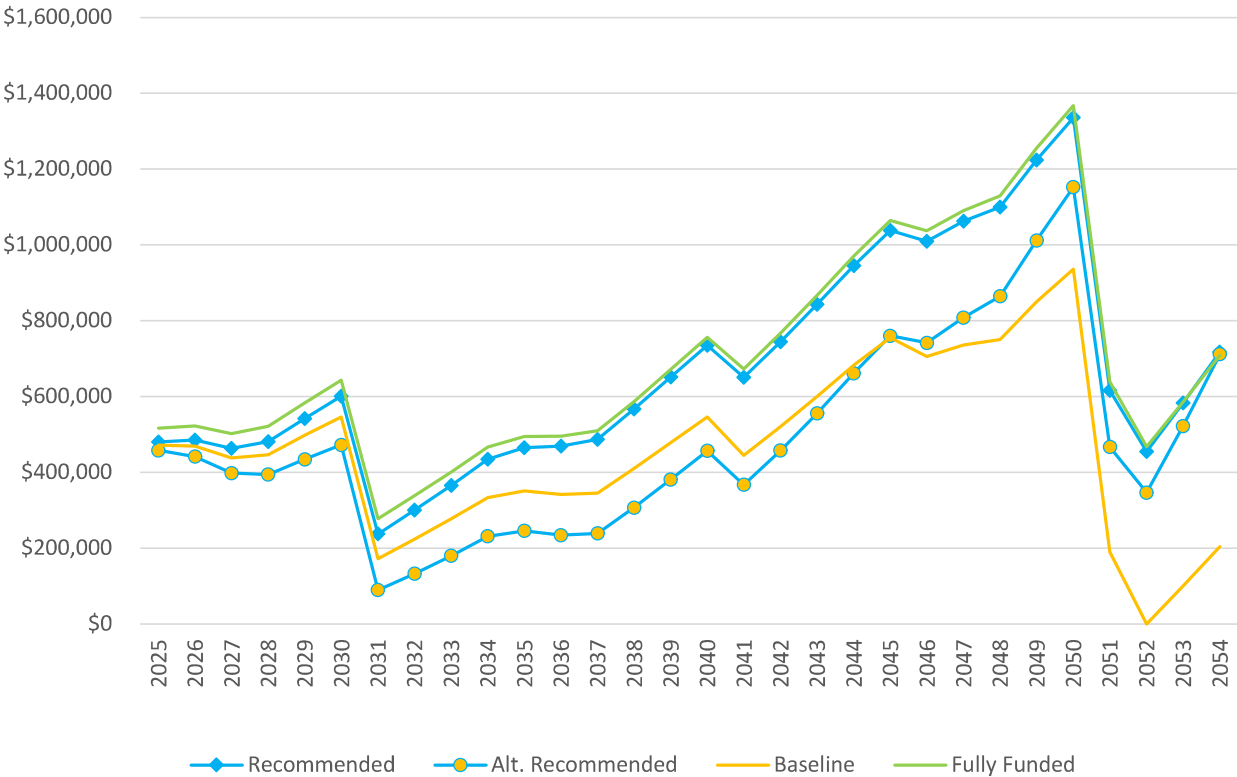
The **Alt. Recommended Funding Model** has been included (if applicable) as an alternative to the regular Recommended Model (which utilizes an annual reserve contribution percentage increase rate that is similar to the inflation rate). This alternative model has a goal of reaching 100% funded by the end of a 30-year period but starts with a higher or lower reserve allocation rate and increases at a significantly higher or lower annual percentage increase (i.e., the annual reserve allocation percentage change is significantly higher or lower than the projected inflation rate) until the reserve account reaches the 100% funded level by the end of the 30-years of projections.

The **Baseline Funding Model** has a goal of only keeping the reserve account cash positive within the timeframe of the projections (i.e., at some point within the timeframe of the projections the reserve account is depleted to near \$0). This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The **Fully Funded Model** has a goal of maintaining the reserve account to a minimum of 100% Funded in each year of the projections. This model minimizes risk for reliance on emergency financing and deferred maintenance and places the reserve account on a low-risk path for budgeting of future reserve expenditures.

The **Current Funding Model** (if included here) is based on the reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct.

Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the timeframe covered in in the projections. Projected reserve account balances (funding model lines) will often have large fluctuations from year to year due to projects occurring in any given year.

There is often an incorrect perception that the reserve account funds grow and just "sit" in the reserve account indefinitely. In actuality the reserve funds should be allowed to accumulate over time so that there are adequate funds when the reserve projects are projected to occur. The math for the fully funded balance and projections does not simply end at the 30-year timeframe of projections in this reserve study.

Example: Reserve funds that are projected to be in the reserve account at the end of year 30 of the study are for projected reserve projects in fiscal years 31, 32, 33, 34, etc. Often a peak expense year (one or numerous large reserve projects) will fall outside of the 30-year projections so it may appear to a reader of this study that these funds are "extra" when in fact they are needed for projections that are simply not visible due to the printout stopping at a 30-year timeframe.

The model that departs from this "building reserves" philosophy, by definition, is the Baseline Funding Model which ignores all expenses past the 30-year timeframe of the reserve study (like they simply do not exist) and is the reason it typically indicates a much lower needed reserve allocation rate and reserve account balance. **However**, in updates to the study as these projected reserve projects do begin to fall within the 30-year snapshot they will need to be funded for, often requiring significant increases to the reserve account allocation rate. It is one of the reasons the Baseline Model is a high risk model that would be extremely difficult follow (especially for communities past 20 years of age) for any significant period of time.

Full Funded Model

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of the projections. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year will have a higher allocation rate than subsequent years if the reserve account is underfunded and requires a cash injection to elevate the reserve account to a 100% funded track.

While being at a 100% funded level is considered ideal it has been our experience that it is frequently not realistic due to a lack of funds that would need to be deposited into the reserve account to elevate it to a 100% funded level in the initial year of the projections. The initial year allocation percentage increase/decrease is the change from the Client provided current reserve allocation amount.

	Total Asset Cost	Allocation Rate	Allocation % Change	Net Interest	Special Assess/Loan	Annual Expenditures	Year End Account Balance	Year End FFB	Year End % Funded
2025	\$705,574	\$147,000	63.4%	\$8,879		\$73,940	\$516,238	\$515,696	100.1%
2026	\$730,269	\$116,000	-21.1%	\$8,990		\$118,495	\$522,733	\$522,234	100.1%
2027	\$755,828	\$120,060	3.5%	\$8,635		\$149,372	\$502,056	\$500,932	100.2%
2028	\$782,282	\$124,262	3.5%	\$8,963		\$114,131	\$521,150	\$519,385	100.3%
2029	\$809,662	\$128,611	3.5%	\$10,037		\$76,241	\$583,557	\$581,866	100.3%
2030	\$838,001	\$133,113	3.5%	\$11,067		\$84,254	\$643,482	\$642,552	100.1%
2031	\$867,331	\$134,000	0.7%	\$4,782		\$504,201	\$278,064	\$275,182	101.0%
2032	\$897,687	\$138,690	3.5%	\$5,814		\$84,530	\$338,037	\$333,932	101.2%
2033	\$929,106	\$143,544	3.5%	\$6,897		\$87,489	\$400,989	\$396,458	101.1%
2034	\$961,625	\$148,568	3.5%	\$8,033		\$90,551	\$467,039	\$462,951	100.9%
2035	\$995,282	\$153,768	3.5%	\$8,508		\$134,628	\$494,688	\$491,275	100.7%
2036	\$1,030,117	\$159,150	3.5%	\$8,517		\$167,149	\$495,206	\$492,230	100.6%
2037	\$1,066,171	\$164,720	3.5%	\$8,767		\$158,949	\$509,744	\$507,193	100.5%
2038	\$1,103,487	\$170,485	3.5%	\$10,086		\$103,909	\$586,406	\$585,325	100.2%
2039	\$1,142,109	\$181,000	6.2%	\$11,548		\$107,546	\$671,407	\$668,304	100.5%
2040	\$1,182,083	\$187,335	3.5%	\$12,999		\$115,917	\$755,824	\$751,607	100.6%
2041	\$1,223,455	\$193,892	3.5%	\$11,571		\$288,514	\$672,772	\$665,483	101.1%
2042	\$1,266,276	\$200,678	3.5%	\$13,199		\$119,238	\$767,411	\$758,062	101.2%
2043	\$1,310,596	\$207,702	3.5%	\$14,905		\$123,412	\$866,606	\$856,306	101.2%
2044	\$1,356,467	\$214,971	3.5%	\$16,692		\$127,731	\$970,538	\$960,499	101.0%
2045	\$1,403,943	\$222,495	3.5%	\$18,303		\$147,125	\$1,064,212	\$1,055,491	100.8%
2046	\$1,453,081	\$230,283	3.5%	\$17,834		\$275,424	\$1,036,904	\$1,028,495	100.8%
2047	\$1,503,939	\$238,342	3.5%	\$18,757		\$203,431	\$1,090,571	\$1,082,807	100.7%
2048	\$1,556,577	\$246,684	3.5%	\$19,428		\$227,097	\$1,129,586	\$1,122,535	100.6%
2049	\$1,611,057	\$255,318	3.5%	\$21,581		\$151,704	\$1,254,781	\$1,249,976	100.4%
2050	\$1,667,444	\$264,255	3.5%	\$23,525		\$174,738	\$1,367,823	\$1,366,619	100.1%
2051	\$1,725,805	\$263,000	-0.5%	\$10,982		\$1,003,254	\$638,551	\$638,711	100.0%
2052	\$1,786,208	\$272,205	3.5%	\$8,044		\$451,100	\$467,700	\$465,998	100.4%
2053	\$1,848,725	\$281,732	3.5%	\$10,069		\$174,084	\$585,417	\$583,465	100.3%
2054	\$1,913,431	\$291,593	3.5%	\$12,195		\$180,177	\$709,027	\$708,584	100.1%

Beginning Balance: \$434,299

Annual Inflation Rate: 3.50%

Interest Rate: 2.50%

Recommended Funding Model

We have developed a funding plan which will help steer the reserve account into a high funded range within the 30-year projection timeframe. This Recommended Funding Model requires the Client allocate the recommended allocation amount into the reserve account with annual increases thereafter to offset inflationary factors.

This Recommended Funding Plan Considers 4 Basic Principles; there are adequate reserves when needed, the budget should remain stable but increasing to offset inflationary factors, the costs are fairly distributed over time, and the funding plan must allow the Client to be fiscally responsible.

Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow (especially if the reserve account is currently significantly underfunded). It simply has a goal of having the reserve account reach 100% funded by the end of a 30-year period. An "ideal" model to follow would be the 100% funded model as this model has the reserve account funded to a minimum 100% funded level each year of the study and there would be low risk for reliance on special assessments and/or loans even if unexpected occurrences came to fruition.

	Total Asset Cost	Allocation Rate	Allocation % Change	Net Interest	Special Assess/Loan	Annual Expenditures	Year End Account Balance	Year End FFB	Year End % Funded
2025	\$705,574	\$111,500	23.9%	\$8,258		\$73,940	\$480,116	\$515,696	93.1%
2026	\$730,269	\$115,403	3.5%	\$8,348		\$118,495	\$485,372	\$522,234	92.9%
2027	\$755,828	\$119,442	3.5%	\$7,970		\$149,372	\$463,412	\$500,932	92.5%
2028	\$782,282	\$123,622	3.5%	\$8,276		\$114,131	\$481,178	\$519,385	92.6%
2029	\$809,662	\$127,949	3.5%	\$9,326		\$76,241	\$542,211	\$581,866	93.2%
2030	\$838,001	\$132,427	3.5%	\$10,332		\$84,254	\$600,716	\$642,552	93.5%
2031	\$867,331	\$137,062	3.5%	\$4,088		\$504,201	\$237,664	\$275,182	86.4%
2032	\$897,687	\$141,859	3.5%	\$5,162		\$84,530	\$300,155	\$333,932	89.9%
2033	\$929,106	\$146,824	3.5%	\$6,291		\$87,489	\$365,782	\$396,458	92.3%
2034	\$961,625	\$151,963	3.5%	\$7,476		\$90,551	\$434,670	\$462,951	93.9%
2035	\$995,282	\$157,282	3.5%	\$8,003		\$134,628	\$465,327	\$491,275	94.7%
2036	\$1,030,117	\$162,787	3.5%	\$8,067		\$167,149	\$469,032	\$492,230	95.3%
2037	\$1,066,171	\$168,484	3.5%	\$8,375		\$158,949	\$486,941	\$507,193	96.0%
2038	\$1,103,487	\$174,381	3.5%	\$9,755		\$103,909	\$567,168	\$585,325	96.9%
2039	\$1,142,109	\$180,484	3.5%	\$11,202		\$107,546	\$651,308	\$668,304	97.5%
2040	\$1,182,083	\$186,801	3.5%	\$12,638		\$115,917	\$734,831	\$751,607	97.8%
2041	\$1,223,455	\$193,339	3.5%	\$11,194		\$288,514	\$650,850	\$665,483	97.8%
2042	\$1,266,276	\$200,106	3.5%	\$12,805		\$119,238	\$744,523	\$758,062	98.2%
2043	\$1,310,596	\$207,110	3.5%	\$14,494		\$123,412	\$842,715	\$856,306	98.4%
2044	\$1,356,467	\$214,359	3.5%	\$16,264		\$127,731	\$945,606	\$960,499	98.4%
2045	\$1,403,943	\$221,861	3.5%	\$17,856		\$147,125	\$1,038,199	\$1,055,491	98.4%
2046	\$1,453,081	\$229,627	3.5%	\$17,367		\$275,424	\$1,009,768	\$1,028,495	98.2%
2047	\$1,503,939	\$237,664	3.5%	\$18,270		\$203,431	\$1,062,270	\$1,082,807	98.1%
2048	\$1,556,577	\$245,982	3.5%	\$18,920		\$227,097	\$1,100,075	\$1,122,535	98.0%
2049	\$1,611,057	\$254,591	3.5%	\$21,052		\$151,704	\$1,224,014	\$1,249,976	97.9%
2050	\$1,667,444	\$263,502	3.5%	\$22,974		\$174,738	\$1,335,751	\$1,366,619	97.7%
2051	\$1,725,805	\$272,724	3.5%	\$10,591		\$1,003,254	\$615,812	\$638,711	96.4%
2052	\$1,786,208	\$282,270	3.5%	\$7,822		\$451,100	\$454,804	\$465,998	97.6%
2053	\$1,848,725	\$292,149	3.5%	\$10,025		\$174,084	\$582,895	\$583,465	99.9%
2054	\$1,913,431	\$302,374	3.5%	\$12,339		\$180,177	\$717,431	\$708,584	101.2%

Beginning Balance: \$434,299

Annual Inflation Rate: 3.50%

Interest Rate: 2.50%

Alternate Recommended Funding Model

This funding model has been included as an alternative to the regular Recommended Model (which utilizes an annual reserve contribution percentage increase rate that is similar to the inflation rate). This alternative model has a goal of reaching 100% funded by the end of a 30-year period but starts with a higher or lower reserve allocation rate and increases at a significantly higher or lower annual percentage increase (i.e., the annual reserve allocation percentage change is significantly higher or lower than the projected inflation rate) until the reserve account reaches the 100% funded level by the end of the 30-years of projections.

It is important to note that there is not a "right or wrong" Recommended Funding Model as mathematically it is a sliding scale between the reserve contribution rate and the annual increase/decrease percent (i.e., a higher initial annual reserve allocation rate will require a lower annual percentage increase and vice versa - a lower initial annual reserve allocation rate will require a higher annual percentage increase rate to the model to meet the same goal, in this case to be 100% funded by the end of a 30-year period). This type of funding model does not necessarily consider fairness to the membership as a projected allocation rate significantly different than the projected inflation rate, over time, will not follow the actual purchasing power of the dollar in any specific period.

	Total Asset Cost	Allocation Rate	Allocation % Change	Net Interest	Special Assess/Loan	Annual Expenditures	Year End Account Balance	Year End FFB	Year End % Funded
2025	\$705,574	\$89,969	0.00%	\$7,881		\$73,940	\$458,209	\$515,696	88.9%
2026	\$730,269	\$94,350	4.87%	\$7,596		\$118,495	\$441,660	\$522,234	84.6%
2027	\$755,828	\$98,945	4.87%	\$6,847		\$149,372	\$398,081	\$500,932	79.5%
2028	\$782,282	\$103,764	4.87%	\$6,785		\$114,131	\$394,498	\$519,385	76.0%
2029	\$809,662	\$108,817	4.87%	\$7,474		\$76,241	\$434,548	\$581,866	74.7%
2030	\$838,001	\$114,117	4.87%	\$8,127		\$84,254	\$472,537	\$642,552	73.5%
2031	\$867,331	\$119,674	4.87%	\$1,540		\$504,201	\$89,550	\$275,182	32.5%
2032	\$897,687	\$125,502	4.87%	\$2,284		\$84,530	\$132,807	\$333,932	39.8%
2033	\$929,106	\$131,614	4.87%	\$3,096		\$87,489	\$180,028	\$396,458	45.4%
2034	\$961,625	\$138,024	4.87%	\$3,981		\$90,551	\$231,483	\$462,951	50.0%
2035	\$995,282	\$144,746	4.87%	\$4,228		\$134,628	\$245,829	\$491,275	50.0%
2036	\$1,030,117	\$151,795	4.87%	\$4,033		\$167,149	\$234,508	\$492,230	47.6%
2037	\$1,066,171	\$159,187	4.87%	\$4,108		\$158,949	\$238,854	\$507,193	47.1%
2038	\$1,103,487	\$166,940	4.87%	\$5,283		\$103,909	\$307,167	\$585,325	52.5%
2039	\$1,142,109	\$175,070	4.87%	\$6,557		\$107,546	\$381,248	\$668,304	57.0%
2040	\$1,182,083	\$183,595	4.87%	\$7,856		\$115,917	\$456,782	\$751,607	60.8%
2041	\$1,223,455	\$192,537	4.87%	\$6,314		\$288,514	\$367,118	\$665,483	55.2%
2042	\$1,266,276	\$201,913	4.87%	\$7,871		\$119,238	\$457,664	\$758,062	60.4%
2043	\$1,310,596	\$211,746	4.87%	\$9,555		\$123,412	\$555,554	\$856,306	64.9%
2044	\$1,356,467	\$222,058	4.87%	\$11,373		\$127,731	\$661,254	\$960,499	68.8%
2045	\$1,403,943	\$232,873	4.87%	\$13,073		\$147,125	\$760,074	\$1,055,491	72.0%
2046	\$1,453,081	\$244,213	4.87%	\$12,755		\$275,424	\$741,619	\$1,028,495	72.1%
2047	\$1,503,939	\$256,107	4.87%	\$13,900		\$203,431	\$808,194	\$1,082,807	74.6%
2048	\$1,556,577	\$268,579	4.87%	\$14,869		\$227,097	\$864,545	\$1,122,535	77.0%
2049	\$1,611,057	\$281,659	4.87%	\$17,404		\$151,704	\$1,011,903	\$1,249,976	81.0%
2050	\$1,667,444	\$295,376	4.87%	\$19,819		\$174,738	\$1,152,360	\$1,366,619	84.3%
2051	\$1,725,805	\$309,760	4.87%	\$8,030		\$1,003,254	\$466,896	\$638,711	73.1%
2052	\$1,786,208	\$324,846	4.87%	\$5,961		\$451,100	\$346,603	\$465,998	74.4%
2053	\$1,848,725	\$340,666	4.87%	\$8,981		\$174,084	\$522,165	\$583,465	89.5%
2054	\$1,913,431	\$357,256	4.87%	\$12,237		\$180,177	\$711,481	\$708,584	100.4%

Beginning Balance: \$434,299

Annual Inflation Rate: 3.50%

Interest Rate: 2.50%

Baseline Funding Model

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above \$0 within the 30-year timeframe of the projections and does not take into consideration projected expenses that fall outside of the 30-year timeframe of the projections (i.e., longer life components are simply ignored like they do not exist).

This funding model carries a higher risk for reliance on emergency financing specifically in years when large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of the projections their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive going forward.

Should the Client have an interest in not funding for longer life component projects (i.e., projects that are set to occur after the 30-year projections) at this time then we suggest setting a goal of at least funding to the Baseline Funding Model which has the goal of only staying cash positive for the 30-year timeframe of the projections.

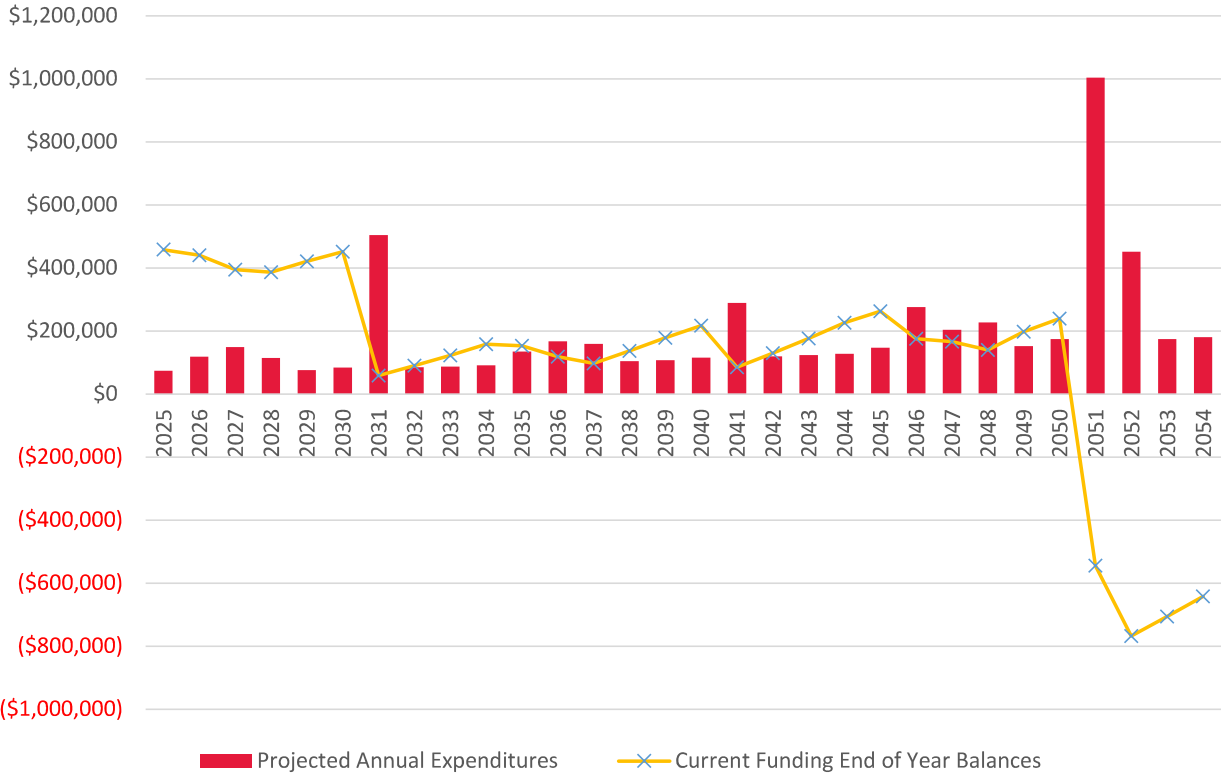
	Total Asset Cost	Allocation Rate	Allocation % Change	Net Interest	Special Assess/Loan	Annual Expenditures	Year End Account Balance	Year End FFB	Year End % Funded
2025	\$705,574	\$103,650	15.2%	\$8,120		\$73,940	\$472,129	\$515,696	91.6%
2026	\$730,269	\$107,278	3.5%	\$8,066		\$118,495	\$468,978	\$522,234	89.8%
2027	\$755,828	\$111,032	3.5%	\$7,536		\$149,372	\$438,175	\$500,932	87.5%
2028	\$782,282	\$114,919	3.5%	\$7,682		\$114,131	\$446,644	\$519,385	86.0%
2029	\$809,662	\$118,941	3.5%	\$8,564		\$76,241	\$497,907	\$581,866	85.6%
2030	\$838,001	\$123,104	3.5%	\$9,393		\$84,254	\$546,149	\$642,552	85.0%
2031	\$867,331	\$127,412	3.5%	\$2,964		\$504,201	\$172,324	\$275,182	62.6%
2032	\$897,687	\$131,872	3.5%	\$3,844		\$84,530	\$223,510	\$333,932	66.9%
2033	\$929,106	\$136,487	3.5%	\$4,769		\$87,489	\$277,277	\$396,458	69.9%
2034	\$961,625	\$141,264	3.5%	\$5,740		\$90,551	\$333,730	\$462,951	72.1%
2035	\$995,282	\$146,209	3.5%	\$6,043		\$134,628	\$351,354	\$491,275	71.5%
2036	\$1,030,117	\$151,326	3.5%	\$5,872		\$167,149	\$341,403	\$492,230	69.4%
2037	\$1,066,171	\$156,622	3.5%	\$5,934		\$158,949	\$345,010	\$507,193	68.0%
2038	\$1,103,487	\$162,104	3.5%	\$7,056		\$103,909	\$410,261	\$585,325	70.1%
2039	\$1,142,109	\$167,778	3.5%	\$8,234		\$107,546	\$478,726	\$668,304	71.6%
2040	\$1,182,083	\$173,650	3.5%	\$9,388		\$115,917	\$545,846	\$751,607	72.6%
2041	\$1,223,455	\$179,728	3.5%	\$7,649		\$288,514	\$444,708	\$665,483	66.8%
2042	\$1,266,276	\$186,018	3.5%	\$8,951		\$119,238	\$520,439	\$758,062	68.7%
2043	\$1,310,596	\$192,529	3.5%	\$10,317		\$123,412	\$599,873	\$856,306	70.1%
2044	\$1,356,467	\$199,267	3.5%	\$11,750		\$127,731	\$683,159	\$960,499	71.1%
2045	\$1,403,943	\$206,242	3.5%	\$12,990		\$147,125	\$755,266	\$1,055,491	71.6%
2046	\$1,453,081	\$213,460	3.5%	\$12,133		\$275,424	\$705,434	\$1,028,495	68.6%
2047	\$1,503,939	\$220,931	3.5%	\$12,651		\$203,431	\$735,585	\$1,082,807	67.9%
2048	\$1,556,577	\$228,664	3.5%	\$12,900		\$227,097	\$750,052	\$1,122,535	66.8%
2049	\$1,611,057	\$236,667	3.5%	\$14,613		\$151,704	\$849,627	\$1,249,976	68.0%
2050	\$1,667,444	\$244,950	3.5%	\$16,097		\$174,738	\$935,936	\$1,366,619	68.5%
2051	\$1,725,805	\$253,524	3.5%	\$3,259		\$1,003,254	\$189,465	\$638,711	29.7%
2052	\$1,786,208	\$262,397	3.5%	\$13		\$451,100	\$775	\$465,998	0.2%
2053	\$1,848,725	\$271,581	3.5%	\$1,720		\$174,084	\$99,991	\$583,465	17.1%
2054	\$1,913,431	\$281,086	3.5%	\$3,516		\$180,177	\$204,416	\$708,584	28.8%

Beginning Balance: \$434,299

Annual Inflation Rate: 3.50%

Interest Rate: 2.50%

Current Funding Model Chart



The above chart provides a visual of the Client Current Funding Model's reserve account projected year end balance and the projected annual expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

If applicable, any negative account balance shown is for visual representation of deficiency over time.

Current Funding Model

The Current Funding Model is based on the reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct. Note that even though the Current model has a low risk for reliance on emergency financing within the next 5 years it becomes much higher risk in later year as some of the larger expenses come to fruition.

	Total Asset Cost	Allocation Rate	Allocation % Change	Net Interest	Special Assess/Loan	Annual Expenditures	Year End Account Balance	Year End FFB	Year End % Funded
2025	\$705,574	\$89,969	0.0%	\$7,881		\$73,940	\$458,209	\$515,696	88.9%
2026	\$730,269	\$93,118	3.5%	\$7,575		\$118,495	\$440,406	\$522,234	84.3%
2027	\$755,828	\$96,377	3.5%	\$6,780		\$149,372	\$394,191	\$500,932	78.7%
2028	\$782,282	\$99,750	3.5%	\$6,647		\$114,131	\$386,457	\$519,385	74.4%
2029	\$809,662	\$103,241	3.5%	\$7,235		\$76,241	\$420,692	\$581,866	72.3%
2030	\$838,001	\$106,855	3.5%	\$7,758		\$84,254	\$451,050	\$642,552	70.2%
2031	\$867,331	\$110,595	3.5%	\$1,005		\$504,201	\$58,449	\$275,182	21.2%
2032	\$897,687	\$114,466	3.5%	\$1,547		\$84,530	\$89,932	\$333,932	26.9%
2033	\$929,106	\$118,472	3.5%	\$2,116		\$87,489	\$123,031	\$396,458	31.0%
2034	\$961,625	\$122,619	3.5%	\$2,714		\$90,551	\$157,813	\$462,951	34.1%
2035	\$995,282	\$126,910	3.5%	\$2,627		\$134,628	\$152,722	\$491,275	31.1%
2036	\$1,030,117	\$131,352	3.5%	\$2,046		\$167,149	\$118,971	\$492,230	24.2%
2037	\$1,066,171	\$135,949	3.5%	\$1,679		\$158,949	\$97,651	\$507,193	19.3%
2038	\$1,103,487	\$140,708	3.5%	\$2,353		\$103,909	\$136,802	\$585,325	23.4%
2039	\$1,142,109	\$145,632	3.5%	\$3,061		\$107,546	\$177,949	\$668,304	26.6%
2040	\$1,182,083	\$150,729	3.5%	\$3,723		\$115,917	\$216,484	\$751,607	28.8%
2041	\$1,223,455	\$156,005	3.5%	\$1,470		\$288,514	\$85,444	\$665,483	12.8%
2042	\$1,266,276	\$161,465	3.5%	\$2,234		\$119,238	\$129,905	\$758,062	17.1%
2043	\$1,310,596	\$167,116	3.5%	\$3,038		\$123,412	\$176,648	\$856,306	20.6%
2044	\$1,356,467	\$172,966	3.5%	\$3,883		\$127,731	\$225,766	\$960,499	23.5%
2045	\$1,403,943	\$179,019	3.5%	\$4,509		\$147,125	\$262,169	\$1,055,491	24.8%
2046	\$1,453,081	\$185,285	3.5%	\$3,011		\$275,424	\$175,040	\$1,028,495	17.0%
2047	\$1,503,939	\$191,770	3.5%	\$2,859		\$203,431	\$166,238	\$1,082,807	15.4%
2048	\$1,556,577	\$198,482	3.5%	\$2,408		\$227,097	\$140,031	\$1,122,535	12.5%
2049	\$1,611,057	\$205,429	3.5%	\$3,391		\$151,704	\$197,146	\$1,249,976	15.8%
2050	\$1,667,444	\$212,619	3.5%	\$4,113		\$174,738	\$239,139	\$1,366,619	17.5%
2051	\$1,725,805	\$220,060	3.5%	\$0		\$1,003,254	-\$544,054	\$638,711	
2052	\$1,786,208	\$227,763	3.5%	\$0		\$451,100	-\$767,392	\$465,998	
2053	\$1,848,725	\$235,734	3.5%	\$0		\$174,084	-\$705,741	\$583,465	
2054	\$1,913,431	\$243,985	3.5%	\$0		\$180,177	-\$641,934	\$708,584	

Beginning Balance: \$434,299

Annual Inflation Rate: 3.50%

Interest Rate: 2.50%

Full Funded Balance Calculations (Beginning FY)

Version: Draft1

ID	Component Description	Current Cost		Effective Age		Useful Life		FFB
								Total FFB
								\$468,456
>> Site Components <<								
7651	Community Sign (1990) - Replace	\$7,500	X	25	/	25	=	\$7,500
7650	Community Sign (2020) - Replace	\$7,500	X	5	/	25	=	\$1,500
2210	Concrete Slab (parcel clusters) - Replace	\$896	X	9	/	50	=	\$161
2990	Electrical Panels - Replace	\$1,850	X	14	/	35	=	\$740
4991	Information Kiosk - Replace	\$4,500	X	25	/	30	=	\$3,750
4960	Mailbox Parcel Clusters - Replace	\$3,500	X	9	/	25	=	\$1,260
4990	Mailbox Structure - Replace	\$17,400	X	14	/	35	=	\$6,960
5000	Mailboxes - Replace	\$48,400	X	14	/	30	=	\$22,587
7610	Metal Carport (for grader) - Replace	\$2,750	X	15	/	30	=	\$1,375
6660	Picnic Table (wood) - Replace	\$4,500	X	17	/	20	=	\$3,825
1140	Roads (asphalt) - Overlay/Resurface	\$295,680	X	14	/	20	=	\$206,976
1160	Roads (asphalt) - Seal Coat	\$48,048	X	4	/	5	=	\$38,438
4250	Roads (gravel) - 20% Replenish	\$66,440	X	1	/	1	=	\$66,440
>> Vehicle & Equipment Components <<								
2911	Chevrolet Pickup (used) - Replace	\$25,000	X	23	/	25	=	\$23,000
2910	Ford Dump Truck (used) - Replace	\$48,000	X	23	/	25	=	\$44,160
2914	Grader (used) - Replace	\$38,750	X	3	/	15	=	\$7,750
2912	Tractor (used) - Replace	\$32,000	X	17	/	20	=	\$27,200
2913	Wood Chipper (vermeer) - Replace	\$29,000	X	2	/	12	=	\$4,833

Projected Annual Expenditures List

ID	Year	Costs
2025		
7651	Community Sign (1990) - Replace	\$7,500
4250	Roads (gravel) - 20% Replenish	\$66,440
	Total	\$73,940
2026		
1160	Roads (asphalt) - Seal Coat	\$49,730
4250	Roads (gravel) - 20% Replenish	\$68,765
	Total	\$118,495
2027		
4250	Roads (gravel) - 20% Replenish	\$71,172
2911	Chevrolet Pickup (used) - Replace	\$26,781
2910	Ford Dump Truck (used) - Replace	\$51,419
	Total	\$149,372
2028		
6660	Picnic Table (wood) - Replace	\$4,989
4250	Roads (gravel) - 20% Replenish	\$73,663
2912	Tractor (used) - Replace	\$35,479
	Total	\$114,131
2029		
4250	Roads (gravel) - 20% Replenish	\$76,241
	Total	\$76,241
2030		
4991	Information Kiosk - Replace	\$5,345
4250	Roads (gravel) - 20% Replenish	\$78,910
	Total	\$84,254
2031		
1140	Roads (asphalt) - Overlay/Resurface	\$363,466
1160	Roads (asphalt) - Seal Coat	\$59,063
4250	Roads (gravel) - 20% Replenish	\$81,672
	Total	\$504,201
2032		
4250	Roads (gravel) - 20% Replenish	\$84,530
	Total	\$84,530
2033		
4250	Roads (gravel) - 20% Replenish	\$87,489
	Total	\$87,489
2034		
4250	Roads (gravel) - 20% Replenish	\$90,551
	Total	\$90,551
2035		
4250	Roads (gravel) - 20% Replenish	\$93,720
2913	Wood Chipper (vermeer) - Replace	\$40,907
	Total	\$90,551
2036		
1160	Roads (asphalt) - Seal Coat	\$70,149
4250	Roads (gravel) - 20% Replenish	\$97,000
	Total	\$167,149

Projected Annual Expenditures List

ID	Year	Costs
2037		
4250	Roads (gravel) - 20% Replenish	\$100,395
2914	Grader (used) - Replace	\$58,554
	Total	\$158,949
2038		
4250	Roads (gravel) - 20% Replenish	\$103,909
	Total	\$103,909
2039		
4250	Roads (gravel) - 20% Replenish	\$107,546
	Total	\$107,546
2040		
7610	Metal Carport (for grader) - Replace	\$4,607
4250	Roads (gravel) - 20% Replenish	\$111,310
	Total	\$115,917
2041		
4960	Mailbox Parcel Clusters - Replace	\$6,069
5000	Mailboxes - Replace	\$83,925
1160	Roads (asphalt) - Seal Coat	\$83,315
4250	Roads (gravel) - 20% Replenish	\$115,206
	Total	\$288,514
2042		
4250	Roads (gravel) - 20% Replenish	\$119,238
	Total	\$119,238
2043		
4250	Roads (gravel) - 20% Replenish	\$123,412
	Total	\$123,412
2044		
4250	Roads (gravel) - 20% Replenish	\$127,731
	Total	\$127,731
2045		
7650	Community Sign (2020) - Replace	\$14,923
4250	Roads (gravel) - 20% Replenish	\$132,202
	Total	\$147,125
2046		
2990	Electrical Panels - Replace	\$3,810
4990	Mailbox Structure - Replace	\$35,834
1160	Roads (asphalt) - Seal Coat	\$98,952
4250	Roads (gravel) - 20% Replenish	\$136,829
	Total	\$275,424
2047		
4250	Roads (gravel) - 20% Replenish	\$141,618
2913	Wood Chipper (vermeer) - Replace	\$61,814
	Total	\$203,431
2048		
6660	Picnic Table (wood) - Replace	\$9,928
4250	Roads (gravel) - 20% Replenish	\$146,574
2912	Tractor (used) - Replace	\$70,596
	Total	\$227,097

Projected Annual Expenditures List

ID	Year	Costs
2049		
4250	Roads (gravel) - 20% Replenish	\$151,704
	Total	\$151,704
2050		
7651	Community Sign (1990) - Replace	\$17,724
4250	Roads (gravel) - 20% Replenish	\$157,014
	Total	\$174,738
2051		
1140	Roads (asphalt) - Overlay/Resurface	\$723,221
1160	Roads (asphalt) - Seal Coat	\$117,523
4250	Roads (gravel) - 20% Replenish	\$162,509
	Total	\$1,003,254
2052		
4250	Roads (gravel) - 20% Replenish	\$168,197
2911	Chevrolet Pickup (used) - Replace	\$63,289
2910	Ford Dump Truck (used) - Replace	\$121,515
2914	Grader (used) - Replace	\$98,098
	Total	\$451,100
2053		
4250	Roads (gravel) - 20% Replenish	\$174,084
	Total	\$174,084
2054		
4250	Roads (gravel) - 20% Replenish	\$180,177
	Total	\$180,177

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	Useful Life	Remain. UL	Annual Totals						
				Current Cost	2025	2026	2027	2028	2029	2030
>> Site Components <<										
Community Sign (1990) - Replace	7651	25	0	\$7,500	\$7,500					
Community Sign (2020) - Replace	7650	25	20	\$7,500						
Concrete Slab (parcel clusters) - Replace	2210	50	41	\$896						
Electrical Panels - Replace	2990	35	21	\$1,850						
Information Kiosk - Replace	4991	30	5	\$4,500						\$5,345
Mailbox Parcel Clusters - Replace	4960	25	16	\$3,500						
Mailbox Structure - Replace	4990	35	21	\$17,400						
Mailboxes - Replace	5000	30	16	\$48,400						
Metal Carport (for grader) - Replace	7610	30	15	\$2,750						
Picnic Table (wood) - Replace	6660	20	3	\$4,500				\$4,989		
Roads (asphalt) - Overlay/Resurface	1140	20	6	\$295,680						
Roads (asphalt) - Seal Coat	1160	5	1	\$48,048		\$49,730				
Roads (gravel) - 20% Replenish	4250	1	0	\$66,440	\$66,440	\$68,765	\$71,172	\$73,663	\$76,241	\$78,910
>> Vehicle & Equipment Components <<										
Chevrolet Pickup (used) - Replace	2911	25	2	\$25,000			\$26,781			
Ford Dump Truck (used) - Replace	2910	25	2	\$48,000			\$51,419			
Grader (used) - Replace	2914	15	12	\$38,750						
Tractor (used) - Replace	2912	20	3	\$32,000				\$35,479		
Wood Chipper (vermeer) - Replace	2913	12	10	\$29,000						

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	\$504,201	\$84,530	\$87,489	\$90,551	\$134,628	\$167,149	\$158,949	\$103,909	\$107,546
>> Site Components <<										
Community Sign (1990) - Replace	7651									
Community Sign (2020) - Replace	7650									
Concrete Slab (parcel clusters) - Replace	2210									
Electrical Panels - Replace	2990									
Information Kiosk - Replace	4991									
Mailbox Parcel Clusters - Replace	4960									
Mailbox Structure - Replace	4990									
Mailboxes - Replace	5000									
Metal Carport (for grader) - Replace	7610									
Picnic Table (wood) - Replace	6660									
Roads (asphalt) - Overlay/Resurface	1140	\$363,466								
Roads (asphalt) - Seal Coat	1160	\$59,063					\$70,149			
Roads (gravel) - 20% Replenish	4250	\$81,672	\$84,530	\$87,489	\$90,551	\$93,720	\$97,000	\$100,395	\$103,909	\$107,546
>> Vehicle & Equipment Components <<										
Chevrolet Pickup (used) - Replace	2911									
Ford Dump Truck (used) - Replace	2910									
Grader (used) - Replace	2914							\$58,554		
Tractor (used) - Replace	2912									
Wood Chipper (vermeer) - Replace	2913					\$40,907				

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	\$115,917	\$288,514	\$119,238	\$123,412	\$127,731	\$147,125	\$275,424	\$203,431	\$227,097
>> Site Components <<										
Community Sign (1990) - Replace	7651									
Community Sign (2020) - Replace	7650						\$14,923			
Concrete Slab (parcel clusters) - Replace	2210									
Electrical Panels - Replace	2990							\$3,810		
Information Kiosk - Replace	4991									
Mailbox Parcel Clusters - Replace	4960		\$6,069							
Mailbox Structure - Replace	4990							\$35,834		
Mailboxes - Replace	5000		\$83,925							
Metal Carport (for grader) - Replace	7610	\$4,607								
Picnic Table (wood) - Replace	6660									\$9,928
Roads (asphalt) - Overlay/Resurface	1140									
Roads (asphalt) - Seal Coat	1160		\$83,315					\$98,952		
Roads (gravel) - 20% Replenish	4250	\$111,310	\$115,206	\$119,238	\$123,412	\$127,731	\$132,202	\$136,829	\$141,618	\$146,574
>> Vehicle & Equipment Components <<										
Chevrolet Pickup (used) - Replace	2911									
Ford Dump Truck (used) - Replace	2910									
Grader (used) - Replace	2914									
Tractor (used) - Replace	2912									\$70,596
Wood Chipper (vermeer) - Replace	2913								\$61,814	

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	\$151,704	\$174,738	\$1,003,254	\$451,100	\$174,084	\$180,177
>> Site Components <<							
Community Sign (1990) - Replace	7651						
Community Sign (2020) - Replace	7650		\$17,724				
Concrete Slab (parcel clusters) - Replace	2210						
Electrical Panels - Replace	2990						
Information Kiosk - Replace	4991						
Mailbox Parcel Clusters - Replace	4960						
Mailbox Structure - Replace	4990						
Mailboxes - Replace	5000						
Metal Carport (for grader) - Replace	7610						
Picnic Table (wood) - Replace	6660						
Roads (asphalt) - Overlay/Resurface	1140			\$723,221			
Roads (asphalt) - Seal Coat	1160			\$117,523			
Roads (gravel) - 20% Replenish	4250	\$151,704	\$157,014	\$162,509	\$168,197	\$174,084	\$180,177
>> Vehicle & Equipment Components <<							
Chevrolet Pickup (used) - Replace	2911				\$63,289		
Ford Dump Truck (used) - Replace	2910				\$121,515		
Grader (used) - Replace	2914				\$98,098		
Tractor (used) - Replace	2912						
Wood Chipper (vermeer) - Replace	2913						

Community Sign (1990) - Replace

Asset ID	7651	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Signage	Next Replacement Year	2025
Allocat./ Delay Year	1990	Units	1 ea
Useful Life (UL)	25	Unit Cost	\$7,500.00
Remaining UL		% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$7,500

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$311	\$643	\$998	\$1,377	\$1,782	\$2,213	\$2,672	\$3,160	\$3,680	\$4,232

Photo Inventory



Comments

Entry monument appears to be deteriorating at a rate typical of its age and is typically a long life component. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for eventual replacement of this monument recommended to maintain a consistent, quality appearance.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2025	\$7,500
2050	\$17,724

*Next year then only within timeframe of this study.

Community Sign (2020) - Replace

Asset ID	7650	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Signage	Next Replacement Year	2045
Allocat./ Delay Year	2020	Units	1 ea
Useful Life (UL)	25	Unit Cost	\$7,500.00
Remaining UL	20	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$7,500

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$1,863	\$2,250	\$2,661	\$3,098	\$3,563	\$4,057	\$4,580	\$5,136	\$5,724	\$6,348

Photo Inventory



Comments

Entry monument appears to be deteriorating at a rate typical of its age and is typically a long life component. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for eventual replacement of this monument recommended to maintain a consistent, quality appearance.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2045	\$14,923

*Next year then only within timeframe of this study.

Concrete Slab (parcel clusters) - Replace

Asset ID	2210	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Concrete Surfaces	Next Replacement Year	2066
Allocat./ Delay Year	2016	Units	32 sf
Useful Life (UL)	50	Unit Cost	\$28.00
Remaining UL	41	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$896

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$185	\$211	\$238	\$267	\$298	\$330	\$365	\$401	\$440	\$480

Photo Inventory



Comments

This component is for the replacement of the concrete surfaces on site. No widespread damage or deterioration noted at time of site visit. We recommend repairing trip hazards immediately to limit liability.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2066	\$3,672

*Next year then only within timeframe of this study.

Electrical Panels - Replace

Asset ID	2990	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Electrical	Next Replacement Year	2046
Allocat./ Delay Year	2011	Units	1 ea
Useful Life (UL)	35	Unit Cost	\$1,850.00
Remaining UL	21	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$1,850

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$821	\$906	\$996	\$1,092	\$1,193	\$1,299	\$1,412	\$1,531	\$1,657	\$1,789

Photo Inventory



Comments

The electrical panel is assumed to be functioning as designed. We recommend budgeting for eventual replacement due to the environment in which this is located. Deterioration to the panel will occur over time.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2046	\$3,810

*Next year then only within timeframe of this study.

Information Kiosk - Replace

Asset ID	4991	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Mailboxes	Next Replacement Year	2030
Allocat./ Delay Year	2000	Units	1 ea
Useful Life (UL)	30	Unit Cost	\$4,500.00
Remaining UL	5	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,500

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$4,037	\$4,338	\$4,657	\$4,992	\$5,345	\$184	\$382	\$593	\$818	\$1,058

Photo Inventory



Comments

Wood information kiosk structure appears to be deteriorating at a rate typical of its age. This wood structure should be inspected and painted/stained as needed paid from the Operating account. Over time this structure will need replacement due to exposure to the elements.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2030	\$5,345

*Next year then only within timeframe of this study.

Mailbox Parcel Clusters - Replace

Asset ID	4960	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Mailboxes	Next Replacement Year	2041
Allocat./ Delay Year	2016	Units	2 ea
Useful Life (UL)	25	Unit Cost	\$1,750.00
Remaining UL	16	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$3,500

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$1,449	\$1,650	\$1,863	\$2,088	\$2,328	\$2,581	\$2,850	\$3,134	\$3,435	\$3,752

Photo Inventory



Comments

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2041	\$6,069

*Next year then only within timeframe of this study.

Mailbox Structure - Replace

Asset ID	4990	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Mailboxes	Next Replacement Year	2046
Allocat./ Delay Year	2011	Units	300 sf
Useful Life (UL)	35	Unit Cost	\$58.00
Remaining UL	21	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$17,400

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$7,718	\$8,521	\$9,370	\$10,269	\$11,219	\$12,222	\$13,283	\$14,402	\$15,584	\$16,830

Photo Inventory



Comments

Wood mailbox structure appears to be deteriorating at a rate typical of its age. This wood structure should be inspected and painted/stained as needed paid from the Operating account. Over time this structure will need replacement due to exposure to the elements.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2046	\$35,834

*Next year then only within timeframe of this study.

Mailboxes - Replace

Asset ID	5000	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Mailboxes	Next Replacement Year	2041
Allocat./ Delay Year	2011	Units	484 ea
Useful Life (UL)	30	Unit Cost	\$100.00
Remaining UL	16	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$48,400

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$25,047	\$27,652	\$30,408	\$33,324	\$36,407	\$39,664	\$43,105	\$46,738	\$50,573	\$54,618

Photo Inventory



Comments

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2041	\$83,925

*Next year then only within timeframe of this study.

Metal Carport (for grader) - Replace

Asset ID	7610	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Structures	Next Replacement Year	2040
Allocat./ Delay Year	2010	Units	1 ea
Useful Life (UL)	30	Unit Cost	\$2,750.00
Remaining UL	15	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$2,750

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$1,518	\$1,669	\$1,829	\$1,999	\$2,177	\$2,366	\$2,566	\$2,776	\$2,998	\$3,233

Photo Inventory



Comments

Metal carport appears to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated. Some areas of damages observed but appear to be stable structure overall (assumed it will be installed by in-house personnel).

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2040	\$4,607

*Next year then only within timeframe of this study.

Picnic Table (wood) - Replace

Asset ID	6660	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Recreation	Next Replacement Year	2028
Allocat./ Delay Year	2008	Units	6 ea
Useful Life (UL)	20	Unit Cost	\$750.00
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,500

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$4,192	\$4,579	\$4,989	\$258	\$534	\$830	\$1,145	\$1,481	\$1,840	\$2,222

Photo Inventory



Comments

Picnic tables appear to be deteriorating at a rate typical of their age. We recommend for eventual replacement at the time frame indicated due to constant exposure. We recommend cleaning and inspecting annually - paint/stain and repair as needed paid for from the Operating account.

It is assumed that repairs to the tables will be paid from the operational account as needed (e.g., replacement of the wood surfaces).

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2028	\$4,989
2048	\$9,928

*Next year then only within timeframe of this study.

Roads (asphalt) - Overlay/Resurface

Asset ID	1140	Age Adjust +/-	1
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Asphalt Surfaces	Next Replacement Year	2031
Allocat./ Delay Year	2010	Units	184,800 sf
Useful Life (UL)	20	Unit Cost	\$1.60
Remaining UL	6	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$295,680

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$229,522	\$253,392	\$278,652	\$305,370	\$333,616	\$363,466	\$18,809	\$38,935	\$60,447	\$83,417

Photo Inventory



Comments

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurfacing (overlay).

If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life. Cost estimate assumes a 2 inch overlay over existing surfaces.

*Age adjustment has been given so this coincides with a projected sealcoat component.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2031	\$363,466
2051	\$723,221

*Next year then only within timeframe of this study.

Roads (asphalt) - Seal Coat

Asset ID	1160	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Asphalt Surfaces	Next Replacement Year	2026
Allocat./ Delay Year	2021	Units	184,800 sf
Useful Life (UL)	5	Unit Cost	\$0.26
Remaining UL	1	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$48,048

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$49,730	\$10,294	\$21,309	\$33,082	\$45,653	\$59,063	\$12,226	\$25,308	\$39,291	\$54,221

Photo Inventory



Comments

The primary reason to seal coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material. Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure. Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoating will typically be applied as soon as possible to surfaces. We typically recommend funding for this component at the same time as the Overlay/Replacement project for cost efficiency with the Vendor.

A prior chip seal was completed in 2021 for \$84,000. The Client has stated there is no desire to chip seal (more costly than seal coat) in the future.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2026	\$49,730
2031	\$59,063
2036	\$70,149
2041	\$83,315
2046	\$98,952

*Next year then only within timeframe of this study.

Roads (gravel) - 20% Replenish

Asset ID	4250	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	
Category	Gravel Roads	Next Replacement Year	2025
Allocat./ Delay Year	2024	Units	1,510,000 sf
Useful Life (UL)	1	Unit Cost	\$0.22
Remaining UL		% Replace	20.0%
Cost Source	Client Supplied	Total Current Cost	\$66,440

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$68,765	\$71,172	\$73,663	\$76,241	\$78,910	\$81,672	\$84,530	\$87,489	\$90,551	\$93,720

Photo Inventory



Comments

Gravel roads typically require regular cycles of replenishment. Inspect regularly, maintain any containment borders, control vegetation and fill in any low spots which may develop as needed. Based on prior experience with similar sized communities and with the historical replenishment cycles we recommend budgeting for gravel road replenishment at 20% per year so there is a total (100%) replenishment/repair cycle every 5 years for all gravel roads in the community. Cost estimate is based on gravel replenishment to a 2" depth (note that replenishing to a lower depth will not typically last 5 years so would need more frequent replenishment)

It has been reported to us that the Ponderosa Pines community relies on in-house personnel for a significant amount of gravel road work. The scope of work for the gravel roads in this reserve study is for replenishment of gravel only and cost estimates are based on materials only (delivered to the site). It has been reported to us that all other expenses related to the gravel roads (e.g., spreading gravel, grading surfaces, drainage) is done by in-house personnel.

Client Provided Replacement History

Year	Cost	Source
2024	0.22 per square foot	Client

Comments On Replacement History

The Client stated they purchased 24 cubic yards for \$840 (delivered).

*Projected Replacement Dates

Year	Future Cost
2025	\$66,440
2026	\$68,765
2027	\$71,172
2028	\$73,663
2029	\$76,241

*Next year then only within timeframe of this study.

Chevrolet Pickup (used) - Replace

Asset ID	2911	Age Adjust +/-	5
Funded?	Yes	Delay Funding?	No
Group	Vehicle & Equipment Components	Repeat Count Limit	
Category	Equipment	Next Replacement Year	2027
Allocat./ Delay Year	1997	Units	1 ea
Useful Life (UL)	25	Unit Cost	\$25,000.00
Remaining UL	2	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$25,000

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$24,840	\$26,781	\$1,109	\$2,295	\$3,563	\$4,917	\$6,361	\$7,901	\$9,540	\$11,285

Photo Inventory



Comments

The Client has stated this vehicle was originally purchased as used (vs. new). Cost estimate and useful life is based on the replacement vehicles being purchased used as well. Cost based on a 5 year old (used) similar quality dump truck as of the date of this reserve study.

2025 FY - An adjustment has been given as the Client stated this vehicle is still operational but in need of some repairs. It is assumed that all necessary repairs will be made to this vehicle to maximize the useful life (paid from the operational account).

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2027	\$26,781
2052	\$63,289

*Next year then only within timeframe of this study.

Ford Dump Truck (used) - Replace

Asset ID	2910	Age Adjust +/-	3
Funded?	Yes	Delay Funding?	No
Group	Vehicle & Equipment Components	Repeat Count Limit	
Category	Equipment	Next Replacement Year	2027
Allocat./ Delay Year	1999	Units	1 ea
Useful Life (UL)	25	Unit Cost	\$48,000.00
Remaining UL	2	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$48,000

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$47,693	\$51,419	\$2,129	\$4,406	\$6,841	\$9,441	\$12,214	\$15,170	\$18,317	\$21,667

Photo Inventory



Comments

The Client has stated this vehicle was originally purchased as used (vs. new). Cost estimate and useful life is based on the replacement vehicles being purchased used as well. Cost based on a 5 year old (used) similar quality dump trunk as of the date of this reserve study.

2025 FY - An adjustment has been given as the Client stated this vehicle is still operational but in need of some repairs. It is assumed that all necessary repairs will be made to this vehicle to maximize the useful life (paid from the operational account).

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2027	\$51,419
2052	\$121,515

*Next year then only within timeframe of this study.

Grader (used) - Replace

Asset ID	2914	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Vehicle & Equipment Components	Repeat Count Limit	
Category	Equipment	Next Replacement Year	2037
Allocat./ Delay Year	2022	Units	1 ea
Useful Life (UL)	15	Unit Cost	\$38,750.00
Remaining UL	12	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$38,750

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$10,695	\$13,837	\$17,185	\$20,751	\$24,546	\$28,580	\$32,867	\$37,419	\$42,250	\$47,373

Photo Inventory



Comments

The Client has stated this grader (Model: John Deere 670B) was originally purchased as used (vs. new). Cost estimate and useful life is based on the replacement vehicles being purchased used as well.

*Note the date of 2022 is the year this was purchased. The date of manufacture was not available on the date of the site inspection.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2037	\$58,554
2052	\$98,098

*Next year then only within timeframe of this study.

Tractor (used) - Replace

Asset ID	2912	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Vehicle & Equipment Components	Repeat Count Limit	
Category	Equipment	Next Replacement Year	2028
Allocat./ Delay Year	2008	Units	1 ea
Useful Life (UL)	20	Unit Cost	\$32,000.00
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$32,000

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$29,808	\$32,565	\$35,479	\$1,836	\$3,801	\$5,900	\$8,143	\$10,534	\$13,084	\$15,799

Photo Inventory



Comments

The Client has stated this tractor (Model: Massey Ferguson 1525) was originally purchased as used (vs. new). Cost estimate and useful life is based on the replacement tractor being purchased used as well. Cost based on a 5 year old (used) similar quality tractor as of the date of this reserve study.

Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Dates

Year	Future Cost
2028	\$35,479
2048	\$70,596

*Next year then only within timeframe of this study.

Wood Chipper (vermeer) - Replace

Asset ID	2913	Age Adjust +/-	
Funded?	Yes	Delay Funding?	No
Group	Vehicle & Equipment Components	Repeat Count Limit	
Category	Equipment	Next Replacement Year	2035
Allocat./ Delay Year	2023	Units	1 ea
Useful Life (UL)	12	Unit Cost	\$29,000.00
Remaining UL	10	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$29,000

Fully Funded Balance - 10 Year Projections (year end)

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$7,504	\$10,355	\$13,397	\$16,639	\$20,092	\$23,766	\$27,672	\$31,823	\$36,230	\$40,907

Photo Inventory



Comments

Cost estimate obtained from the prior purchase date and inflated to current estimate (Model: Vermeer BC700XL).

Client Provided Replacement History

Year	Cost	Source
2023	\$28,000	Client

Comments On Replacement History

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*Projected Replacement Dates

Year	Future Cost
2035	\$40,907
2047	\$61,814

*Next year then only within timeframe of this study.

Definitions Index

Abbreviations

ea = each FY = fiscal year lf or lin ft = lineal feet
 ls = lump sum RL = remaining life sf or sq ft = square feet
 sy or sq yd = square yard UL = useful life 100 sq ft = 1 square)
 % = percent

1. Allocation %

A percentage of the total Reserve Allocation. See - Calculations Appendix

2. Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.

3. Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.

4. Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:
 > Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit.
 > Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.

5. Component Inventory

The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.

6. Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.

7. Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

8. Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.

9. Disbursement / Expenditures

The funds expected to be paid or expended from the Reserve Balance.

10. Extended Cost

See - Calculations Appendix.

11. Fiscal Year (FY)

A twelve-month period for which an organization plans the use of its funds. There are two distinct types:

> Calendar Fiscal Year (ends December 31)

> Non-Calendar Fiscal Year (does not end December)

12. Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.

13. Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

> Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.

> Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.

> Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statute.

> Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.

14. Funding Method (or Funding Plan)

An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

> Cash Flow Method- A method of developing a reserve funding plan where allocations 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 Method - The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

15. Funding Plan

The combined Funding Method & Funding Goal.

16. FY End Balance (same as next FY Start Balance)

The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.

17. FY Start Balance (same as prior year FY End Balance)

The balance in reserves at start of applicable fiscal year.

18. Inflation Rate

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

19. Interest Earned

The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.

20. Interest Rate

The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.

21. Interest Rate (net effective)

The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.

22. Levels of Service

Level 1 Reserve Study (Full or Comprehensive)- A Reserve Study in which the following five Reserve Study tasks are performed:

- > Component Inventory
- > Condition Assessment (based upon on-site visual observations)
- > Life and Valuation Estimates
- > Fund Status
- > Funding Plan

Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)- A Reserve Study update in which the following five tasks are performed:

- > Component Inventory (from prior study)
- > Condition Assessment (based upon on-site visual observations)
- > Life and Valuation Estimates
- > Fund Status
- > Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- > Component Inventory (from prior study)
- > Condition Assessment (based upon on-site visual observations)
- > Life and Valuation Estimates
- > Fund Status
- > Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

23. Percent Funded

A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.

24. Quantity

The number or amount of a reserve component or sub-component.

25. Remaining Life (RL)

The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

26. Replacement %

A percentage of the total replacement for a reserve component or sub-component. This parameter is normally 100%.

27. Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

28. Reserve Component (or sub-component)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- > an association responsibility
- > with limited useful life expectancy
- > predictable remaining useful life expectancy
- > above a minimum threshold cost
- > as required by statutes.

29. Restoration

Defined as to bring back to an unimpaired or improved condition.

General types follow:

- > Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- > Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- > Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

30. Risk Factor (Percent Funded)

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- > 70% and above -LOW
- > 30% to 70% -MODERATE
- > 30% and below -HIGH

*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.

31. Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or sub-component to its original functional condition.

32. Unit of Measure

A system of units used in measuring a reserve component or sub-component (i.e., each, lineal feet, square feet, etc.).

33. Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

1. Items Beyond the Scope of this Report

This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

- > Building or land appraisals for any purpose
- > State or local zoning ordinance violations
- > Building code violations
- > Soils conditions, soils contamination or geological stability of site
- > Engineering analysis or structural stability of site
- > Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- > Water quality or other environmental hazards
- > Invasions by termites and any or all other destroying organisms or insects
- > Damage or destruction due to pests, birds, bats or animals to buildings or site
- > Adequacy or efficiency of any system or component on site
- > Specifically excluded reserve items
- > Septic systems and septic tanks
- > Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
- > Items concealed by signs, carpets or other things
- > Missing or omitted information supplied by the Association for the purposes of reserve study preparation
- > Hidden improvements such as sewer lines, water lines, or other buried or concealed items

2. Qualifications

We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.

3. Invasive Testing

Estimated life expectancy and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

4. Conflicts of Interests

As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

5. Representative Sampling

This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.

6. Reliance on Client & Vendor Data Provided

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will reflect information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. The results of this study are based on the independent opinion of the preparer and their experience and research during their career in preparing Reserve Studies. In addition, the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

7. Update to Prior Reserve Studies

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

Level III Studies: In addition to the above we have not visited the property when completing a Level III “No Site Visit” study. Therefore, we have not verified the current condition of the common area components. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.

8. Assumption Regarding Ongoing Maintenance

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components.

9. Assumptions Regarding Defect in Design or Construction

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed all components have been properly built and will reach normal, typical life expectancy. In general, a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

10. Basis of Cost Estimates

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

11. Limitations on Report Use

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. 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.

12. State Specific Disclosures

Washington State

RCW 64.34.382 & WA State RCW 64.38.070 & 64.90.550

This reserve study meets minimum standards as required per WA State RCW requirements outlined in the Washington Condominium Act, the Homeowners’ Association Act, and the Washington Uniform Common Interest Ownership Act

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

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

- a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c) 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.

Calculations Index

1. Allocation % =

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

2. Current Cost =

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

3. Extended Cost =

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

4. FY End Balance (same as Next FY Start Balance) =

Initial or current fiscal year-

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to

Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

Subsequent fiscal years-

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x

(1 + Reserve Allocation Rate) - Disbursements

5. Interest Earned =

Initial fiscal year-

Current Reserve Balance x (Interest Rate (net effective))/12 x

Number of funding months remaining in current fiscal year)

Subsequent fiscal years-

FY Start Balance x Interest Rate (net effective)

Accumulation Function and Amount Function

<https://www.reservedataanalyst.com/int>

6. Percent Funded =

(Reserve Account Balance / Fully Funded Balance) x 100

7. Reserve Allocation (Component Method) =

Current Cost / Useful Life

8. Fully Funded Balance (FFB) =

Basic Fully Funded

> Fully Funded = Age/Useful Life * Cost

Note that "Age" is adjusted for each year of the study (e.g. one year later also equates to an Age which is one year greater). We do not use the age from the first year of the study for future FFB calculations as this would not appropriately address the deterioration of the component over time (i.e. when providing future projections one can make a valid assumption that a component will deteriorate by one year if providing projections for one year later).

Cost (component project cost) is inflated for each year based on an annual inflation rate (compounding) given in this reserve study (e.g., a paint project "cost" may be \$1,000 in Year 1 of the study but will have a "cost" of \$1,030 in Year 2 of the study, and \$1,060.90 in Year 3 of the study, when utilizing an annual 3% inflation rate). Note that we do not use the "cost" (current project cost) from the first year of the study for future year's FFB calculations as this approach does not consider the impact of inflation on the project cost and will usually result in a significantly underfunded reserve account over time. This is also known as the Inflation Adjusted Cost Method

**Unless specifically noted otherwise we have utilized the above FFB formula and methodology in this reserve study.

Community Association Institute FFB Formula

The Community Association Institute published the FFB formula to account for inflation and interest earned on deposit ("present value" is based on the current cost only - with no inflation of the project cost) the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' published:

Mathematical formula information can be found at the following link: www.reservedataanalyst.com/math