



**2023  
RESERVE STUDY  
FALCON HEIGHTS CONDOMINIUM ASSOCIATION**

Klamath Falls, OR 97603

Financial Year 2023 (January 1, 2023 - December 31, 2023)

Level 1 Full Study with Site Visit

03/15/23





## A New Strategy for Reserve Funding.

Our reserve study approach is simple. We provide you with the insight needed to make fast, accurate and informed decisions. We focus on understanding your situation and providing funding solutions that are designed with your goals in mind. By focusing on the detail and the big picture we provide the information you need to best manage your reserve fund and annual contributions.

As a long-term capital budget plan, the reserve study identifies the current status of the reserve fund and whether contributions to the fund are adequate to address future needs. The report helps the Association make necessary decisions regarding the development of their reserve fund and establish expectations in relation to the timing and cost of significant repair and replacement projects.

The reserve study recommends funding through smaller monthly contributions rather than risking large, unanticipated special assessments. Regular and ongoing reserve contributions are favored over special assessment as they help distribute expenses equally between current and future owners, and establish a stable contribution rate.

The reserve study contains 'forward looking' concepts which reflect expectations with respect to certain future events and potential financial performance. Although we believe at this time that the expectations reflected within the reserve study are reasonable, no assurances can be given that such expectations will prove correct. We recommend that the reserve study be updated annually to address changing circumstances and conditions.



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# EXECUTIVE SUMMARY

## PROPERTY SUMMARY

ASSOCIATION NAME	Falcon Heights Condominium Association
LOCATION	Klamath Falls, OREGON 97603
YEAR CONSTRUCTED	1999
NUMBER OF UNITS	290
FINANCIAL YEAR	2023 (January 1, 2023 - December 31, 2023)
REPORT LEVEL	Level 1 Full Study with Site Visit

## RESERVE FUND

PROJECT STARTING BALANCE <sup>1</sup>	\$975,100
FULLY FUNDED BALANCE, IDEAL	\$2,894,555
CURRENT PER UNIT DEFICIENCY/(SURPLUS) IN RESERVES	\$6,619
PERCENT FUNDED <sup>2</sup>	34 %
INTEREST EARNED	0.40 %
INFLATION RATE <sup>3</sup>	3.00 %

## RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$200,000
FULL FUNDING, MAXIMUM CONTRIBUTION	\$305,511
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$294,875
SPECIAL ASSESSMENT	\$0

<sup>1</sup> Information in relation to the Association's finances were supplied by the Association's representative and is not audited.

<sup>2</sup> The ratio, at a particular point of time (the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage ([www.caionline.org](http://www.caionline.org)). Used to highlight the strength of the Association's reserve fund.

<sup>3</sup> Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics ([www.labor.gov](http://www.labor.gov)).





## KEY INSIGHTS

**\$975,100**

RESERVE ACCOUNT  
BALANCE

**\$200,000**

ANNUAL  
RESERVE CONTRIBUTION

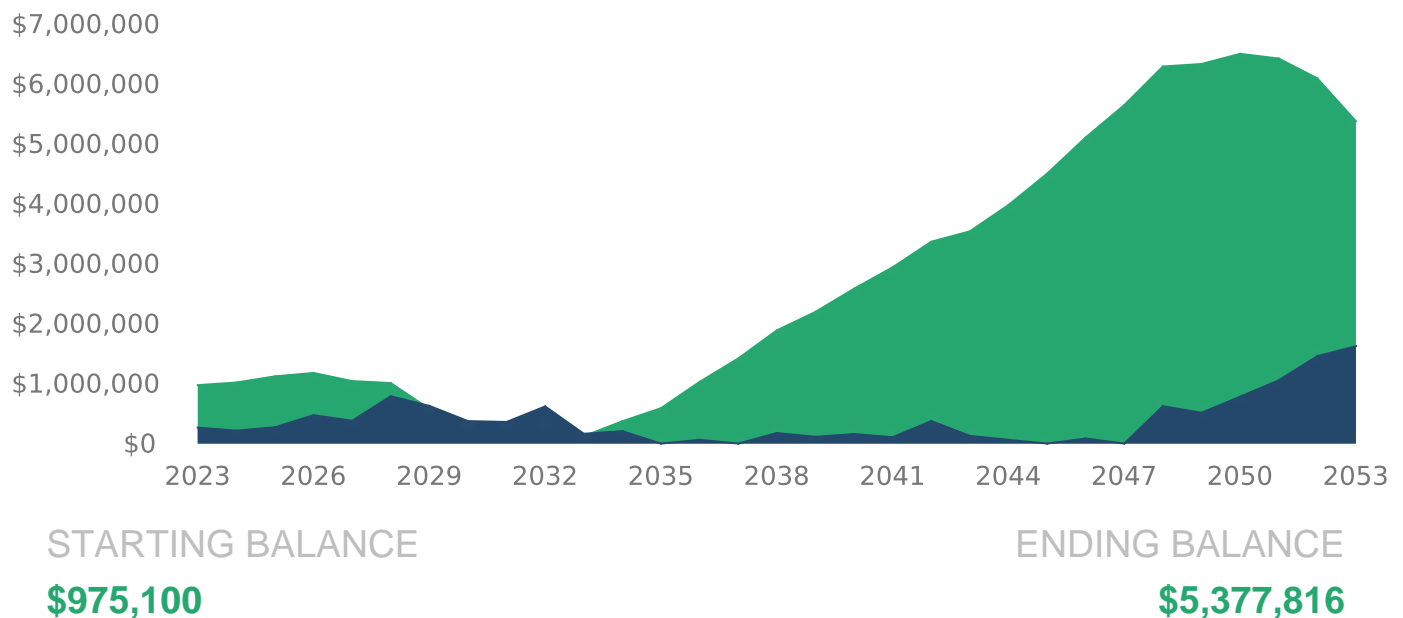
**\$10,455,628**

PROJECTED EXPENSES  
OVER 30 YEARS

## FULL FUNDING STRATEGY

Annual member contributions to the reserve fund are used to address those expenses too large or infrequent to be addressed through annual operating funds. The chart below highlights the outcome of the Full Funding strategy over the mid-to-long term.

YEAR 1-30 EXPENSES  
**\$10,455,628**



Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



## CONTRIBUTION RANGE

We recommend that reserve contributions be evenly distributed between members over the life of a community. To achieve this goal, we establish an ideal contribution range within which the Association should establish ongoing payments.

**\$294,875**

MINIMUM  
BASELINE FUNDING

**\$305,511**

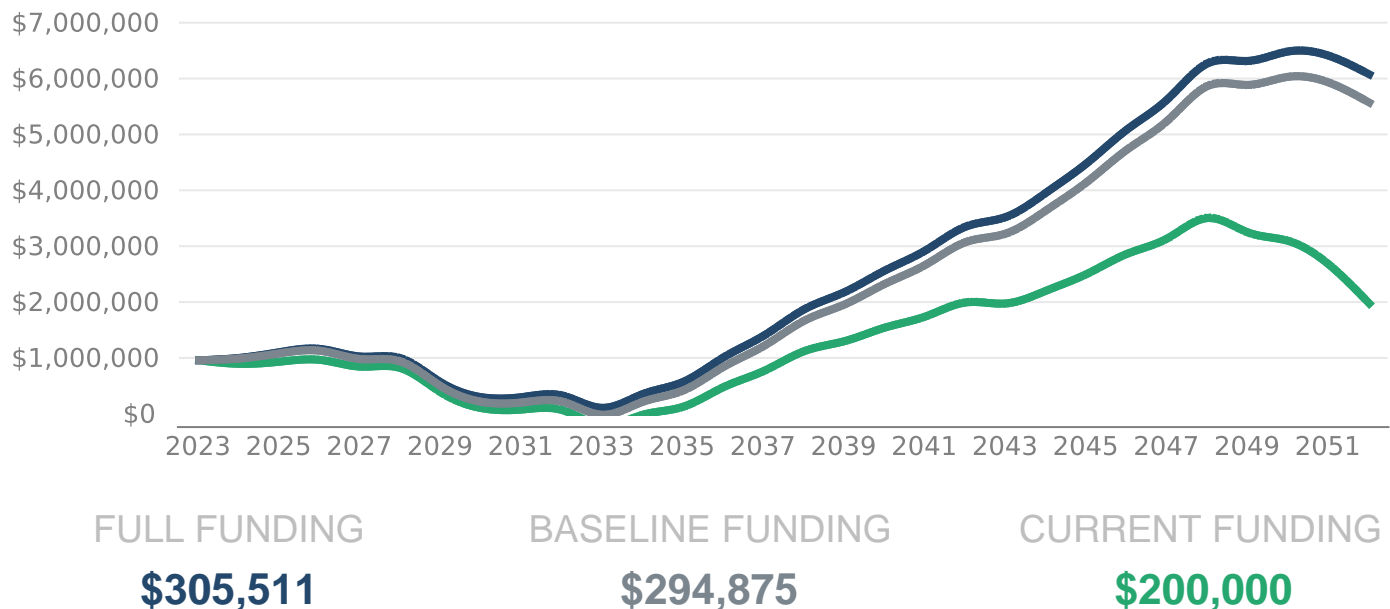
MAXIMUM  
FULL FUNDING

**\$200,000**

CURRENT FUNDING

## FUNDING STRATEGIES

The funding strategy chosen will have a direct impact on the growth of the Association's reserve fund. The chart below highlights the outcomes of the various funding strategies.



Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.





## FULL FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$2,894,555	34%	\$975,100	\$305,511	\$0	\$3,979	\$266,038	\$1,018,552
2024	\$2,914,624	35%	\$1,018,552	\$314,676	\$0	\$4,272	\$215,898	\$1,121,602
2025	\$2,993,157	37%	\$1,121,602	\$324,116	\$0	\$4,591	\$272,063	\$1,178,246
2026	\$3,022,600	39%	\$1,178,246	\$333,840	\$0	\$4,433	\$473,883	\$1,042,636
2027	\$2,851,648	37%	\$1,042,636	\$343,855	\$0	\$4,096	\$381,018	\$1,009,569
2028	\$2,778,012	36%	\$1,009,569	\$354,171	\$0	\$3,168	\$789,541	\$577,366
2029	\$2,288,386	25%	\$577,366	\$364,796	\$0	\$1,781	\$628,872	\$315,072
2030	\$1,956,769	16%	\$315,072	\$375,740	\$0	\$1,261	\$375,253	\$316,820
2031	\$1,883,855	17%	\$316,820	\$387,012	\$0	\$1,320	\$360,719	\$344,433
2032	\$1,831,370	19%	\$344,433	\$398,622	\$0	\$936	\$619,716	\$124,274
2033	\$1,518,420	8%	\$124,274	\$410,581	\$0	\$991	\$163,575	\$372,272
2034	\$1,674,019	22%	\$372,272	\$422,898	\$0	\$1,922	\$206,604	\$590,488
2035	\$1,798,322	33%	\$590,488	\$435,585	\$0	\$3,233	\$0	\$1,029,306
2036	\$2,147,763	48%	\$1,029,306	\$448,653	\$0	\$4,889	\$62,890	\$1,419,958
2037	\$2,451,775	58%	\$1,419,958	\$462,113	\$0	\$6,604	\$0	\$1,888,675
2038	\$2,838,815	67%	\$1,888,675	\$475,976	\$0	\$8,156	\$175,505	\$2,197,301
2039	\$3,066,100	72%	\$2,197,301	\$490,255	\$0	\$9,543	\$113,132	\$2,583,968
2040	\$3,374,135	77%	\$2,583,968	\$504,963	\$0	\$11,028	\$158,673	\$2,941,286
2041	\$3,654,481	80%	\$2,941,286	\$520,112	\$0	\$12,593	\$106,402	\$3,367,588
2042	\$4,007,353	84%	\$3,367,588	\$535,715	\$0	\$13,792	\$375,138	\$3,541,957
2043	\$4,104,598	86%	\$3,541,957	\$551,787	\$0	\$15,015	\$128,409	\$3,980,349
2044	\$4,469,794	89%	\$3,980,349	\$568,340	\$0	\$16,933	\$62,320	\$4,503,302
2045	\$4,925,248	91%	\$4,503,302	\$585,390	\$0	\$19,184	\$0	\$5,107,877
2046	\$5,470,120	93%	\$5,107,877	\$602,952	\$0	\$21,468	\$84,519	\$5,647,778
2047	\$5,956,198	95%	\$5,647,778	\$621,041	\$0	\$23,833	\$0	\$6,292,652
2048	\$6,556,184	96%	\$6,292,652	\$639,672	\$0	\$25,203	\$623,600	\$6,333,926
2049	\$6,544,500	97%	\$6,333,926	\$658,862	\$0	\$25,624	\$514,584	\$6,503,828
2050	\$6,657,770	98%	\$6,503,828	\$678,628	\$0	\$25,807	\$782,882	\$6,425,381
2051	\$6,511,500	99%	\$6,425,381	\$698,987	\$0	\$24,988	\$1,055,524	\$6,093,832
2052	\$6,093,832	100%	\$6,093,832	\$719,956	\$0	\$22,898	\$1,458,870	\$5,377,816

**\$305,511**

2023  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.40 %**

ANNUAL  
INTEREST RATE



## BASELINE FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$2,894,555	34%	\$975,100	\$294,875	\$0	\$3,958	\$266,038	\$1,007,895
2024	\$2,914,624	35%	\$1,007,895	\$303,721	\$0	\$4,207	\$215,898	\$1,099,925
2025	\$2,993,157	37%	\$1,099,925	\$312,833	\$0	\$4,481	\$272,063	\$1,145,177
2026	\$3,022,600	38%	\$1,145,177	\$322,218	\$0	\$4,277	\$473,883	\$997,789
2027	\$2,851,648	35%	\$997,789	\$331,884	\$0	\$3,893	\$381,018	\$952,548
2028	\$2,778,012	34%	\$952,548	\$341,841	\$0	\$2,915	\$789,541	\$507,762
2029	\$2,288,386	22%	\$507,762	\$352,096	\$0	\$1,477	\$628,872	\$232,464
2030	\$1,956,769	12%	\$232,464	\$362,659	\$0	\$905	\$375,253	\$220,775
2031	\$1,883,855	12%	\$220,775	\$373,539	\$0	\$909	\$360,719	\$234,503
2032	\$1,831,370	13%	\$234,503	\$384,745	\$0	\$468	\$619,716	\$0
2033	\$1,518,420	0%	\$0	\$396,287	\$0	\$465	\$163,575	\$233,178
2034	\$1,674,019	14%	\$233,178	\$408,176	\$0	\$1,336	\$206,604	\$436,086
2035	\$1,798,322	24%	\$436,086	\$420,421	\$0	\$2,585	\$0	\$859,092
2036	\$2,147,763	40%	\$859,092	\$433,034	\$0	\$4,177	\$62,890	\$1,233,412
2037	\$2,451,775	50%	\$1,233,412	\$446,025	\$0	\$5,826	\$0	\$1,685,263
2038	\$2,838,815	59%	\$1,685,263	\$459,406	\$0	\$7,309	\$175,505	\$1,976,472
2039	\$3,066,100	64%	\$1,976,472	\$473,188	\$0	\$8,626	\$113,132	\$2,345,154
2040	\$3,374,135	70%	\$2,345,154	\$487,383	\$0	\$10,038	\$158,673	\$2,683,902
2041	\$3,654,481	73%	\$2,683,902	\$502,005	\$0	\$11,527	\$106,402	\$3,091,032
2042	\$4,007,353	77%	\$3,091,032	\$517,065	\$0	\$12,648	\$375,138	\$3,245,607
2043	\$4,104,598	79%	\$3,245,607	\$532,577	\$0	\$13,791	\$128,409	\$3,663,565
2044	\$4,469,794	82%	\$3,663,565	\$548,554	\$0	\$15,627	\$62,320	\$4,165,426
2045	\$4,925,248	85%	\$4,165,426	\$565,011	\$0	\$17,792	\$0	\$4,748,229
2046	\$5,470,120	87%	\$4,748,229	\$581,961	\$0	\$19,988	\$84,519	\$5,265,659
2047	\$5,956,198	88%	\$5,265,659	\$599,420	\$0	\$22,261	\$0	\$5,887,340
2048	\$6,556,184	90%	\$5,887,340	\$617,403	\$0	\$23,537	\$623,600	\$5,904,679
2049	\$6,544,500	90%	\$5,904,679	\$635,925	\$0	\$23,861	\$514,584	\$6,049,881
2050	\$6,657,770	91%	\$6,049,881	\$655,002	\$0	\$23,944	\$782,882	\$5,945,945
2051	\$6,511,500	91%	\$5,945,945	\$674,652	\$0	\$23,022	\$1,055,524	\$5,588,096
2052	\$6,093,832	92%	\$5,588,096	\$694,892	\$0	\$20,824	\$1,458,870	\$4,844,943

**\$294,875**

2023  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.40 %**

ANNUAL  
INTEREST RATE





## CURRENT FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$2,894,555	34%	\$975,100	\$200,000	\$0	\$3,768	\$266,038	\$912,831
2024	\$2,914,624	31%	\$912,831	\$250,000	\$0	\$3,720	\$215,898	\$950,652
2025	\$2,993,157	32%	\$950,652	\$300,000	\$0	\$3,858	\$272,063	\$982,448
2026	\$3,022,600	33%	\$982,448	\$350,000	\$0	\$3,682	\$473,883	\$862,247
2027	\$2,851,648	30%	\$862,247	\$350,000	\$0	\$3,387	\$381,019	\$834,615
2028	\$2,778,012	30%	\$834,615	\$350,000	\$0	\$2,459	\$789,541	\$397,534
2029	\$2,288,386	17%	\$397,534	\$350,000	\$0	\$1,032	\$628,872	\$119,695
2030	\$1,956,770	6%	\$119,695	\$350,000	\$0	\$428	\$375,253	\$94,870
2031	\$1,883,855	5%	\$94,870	\$350,000	\$0	\$358	\$360,719	\$84,509
2032	\$1,831,370	5%	\$84,509	\$350,000	\$0	\$0	\$619,716	-\$185,208
2033	\$1,518,420	0%	-\$185,208	\$350,000	\$0	\$0	\$163,575	\$1,218
2034	\$1,674,019	0%	\$1,218	\$350,000	\$0	\$292	\$206,604	\$144,905
2035	\$1,798,322	8%	\$144,905	\$350,000	\$0	\$1,280	\$0	\$496,185
2036	\$2,147,763	23%	\$496,185	\$350,000	\$0	\$2,559	\$62,890	\$785,854
2037	\$2,451,775	32%	\$785,854	\$350,000	\$0	\$3,843	\$0	\$1,139,698
2038	\$2,838,815	40%	\$1,139,698	\$350,000	\$0	\$4,908	\$175,505	\$1,319,100
2039	\$3,066,100	43%	\$1,319,100	\$350,000	\$0	\$5,750	\$113,132	\$1,561,719
2040	\$3,374,136	46%	\$1,561,719	\$350,000	\$0	\$6,630	\$158,673	\$1,759,675
2041	\$3,654,481	48%	\$1,759,675	\$350,000	\$0	\$7,526	\$106,402	\$2,010,799
2042	\$4,007,353	50%	\$2,010,799	\$350,000	\$0	\$7,993	\$375,138	\$1,993,653
2043	\$4,104,599	49%	\$1,993,653	\$350,000	\$0	\$8,418	\$128,409	\$2,223,662
2044	\$4,469,795	50%	\$2,223,662	\$350,000	\$0	\$9,470	\$62,320	\$2,520,812
2045	\$4,925,248	51%	\$2,520,812	\$350,000	\$0	\$10,783	\$0	\$2,881,596
2046	\$5,470,121	53%	\$2,881,596	\$350,000	\$0	\$12,057	\$84,519	\$3,159,134
2047	\$5,956,199	53%	\$3,159,134	\$350,000	\$0	\$13,337	\$0	\$3,522,471
2048	\$6,556,184	54%	\$3,522,471	\$350,000	\$0	\$13,543	\$623,600	\$3,262,413
2049	\$6,544,500	50%	\$3,262,413	\$350,000	\$0	\$12,720	\$514,584	\$3,110,549
2050	\$6,657,770	47%	\$3,110,549	\$350,000	\$0	\$11,576	\$782,882	\$2,689,243
2051	\$6,511,500	41%	\$2,689,243	\$350,000	\$0	\$9,346	\$1,055,524	\$1,993,065
2052	\$6,093,832	33%	\$1,993,065	\$350,000	\$0	\$5,755	\$1,458,870	\$889,950

**\$200,000**

2023  
ANNUAL CONTRIBUTION

**Min: 0.00 %  
Max: 25.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**0.40 %**

ANNUAL  
INTEREST RATE



## METHODOLOGY

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An important aspect of living in a common area development such as a cooperative, condominium, or homeowner Association is the community's ownership and commitment to maintain its common areas.

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Association members have a vested interest in maintaining and preserving their investment. To meet these obligations, the Association should prudently prepare for the future and contribute funds into a reserve account. Periodic contributions provide the freedom to gradually accumulate funds for anticipated expenditures while limiting the need to raise large sums of money through alternative means, such as special assessments.

When implementing a policy to fund major repair or replacement, the Board must educate owners about the benefits of accumulating reserve funds in advance through periodic contributions. Benefits of a systematic accumulation of funds include:

- having assurance that funds for major repairs and replacements will be available when needed;
- development of an equitable method of charging both current and future owners for ongoing use of assets;
- preservation of the market value of individual units; and
- compliance with the governing documents, statutes, mortgages, and other similar requirements.

A reserve study recommends the preferable mode of funding through smaller monthly contributions rather than facing large, unanticipated special assessments. The reserve study provides an Association with access to information and materials that will assist them in making timely and informed decisions about their reserve fund and contributions.

A reserve study is the sum of two parts: the physical and financial analysis. The physical analysis is a result of the on-site collection and review of data specific to the property's reserve components, common areas, and limited common areas. Through an onsite inspection and the use of source materials, the Reserve Specialist quantifies and establishes the reserve component inventory and assesses the physical condition of the Association's reserve components. Data from the physical analysis is used to define the scope and timing of future anticipated expenses.

The financial analysis evaluates the condition of the Association's reserve fund in relation to its income and anticipated expenses. It appraises the adequacy of the reserve fund, and associated member contributions, against the current and future expenditures of the Association. To adequately forecast these expenditures over the 30-year projection period, current costs, projected inflation, and interest rates must be established. Recommendations are then provided to establish a reserve fund that addresses anticipated expenses, without having to resort to special assessments.

Due to the long-term nature of a reserve study, certain assumptions must be made. Every effort has been made to ensure that the recommendations are based upon reliable and experienced sources in the building industry. However, there can be no guarantee that events will occur at the predicted specific intervals, or that they will occur at all. Any reserve study must be viewed in the light of circumstances existing at the actual time of the study.





## PHYSICAL ANALYSIS

As part of this reserve study a comprehensive list of reserve components (major common and limited common elements) has been compiled. Estimates for the useful life, remaining life, plus current repair and replacement costs for each of these reserve components have been calculated. This list is not intended to be exhaustive. However, an inaccurate or incomplete list of components can have an adverse impact upon the Association's long-term funding plan.

### Site Inspection

A site inspection is conducted to assess the general condition of the property and its common areas. The on-site inspection is visual in nature, and no destructive or invasive testing is conducted. Observations are recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements are also substantiated as part of the inspection.

### Reserve Components

Determination of what constitutes a reserve component is dependent on a number of factors. A four-part test is generally used to distinguish a reserve item from an operational or maintenance expense. A component is included as a reserve item only if it satisfies ALL criteria outlined below:

- It is part of the Association's common and limited common area responsibilities.
- It has a predictable useful service life.
- Its useful life fits within the projection period. This means that components with a life of 30 years or more may not be included as part of the report if it is determined that they will last beyond the projection period.
- Its cost for repair or replacement is too high to include as part of the operating budget.

The components of common property that an Association includes in its reserve funding plan are also dependent on the type of project, the construction properties and the Association's applicable governing documents and state statutes.

### Component Useful Life

The useful life of a reserve component relates to the number of years it is expected to last, given reasonable care and maintenance. The prediction of reserve and building component life can be no more than an informed estimate based upon information made available at the time of the report's development. Consideration is given to vendor recommendations, material warranty information provided at the time of the report's development, along with other published sources. The data and service life estimates in this report are based on information gathered from various groups and industry sources as outlined below:

- Historical data and feedback from the Association;
- Management groups and maintenance managers;
- Manufacturer recommendations and industry standards;
- Published sources of service life data;
- Manufacturers' and suppliers' data.



## Component Remaining Useful Life

The remaining life of a reserve component refers to the number of years left before an item's expected repair or replacement. A component's remaining life is contingent upon the following factors:

- Age/years in service;
- Physical condition;
- Frequency and quality of inspections and maintenance;
- General use;
- Environment, impact of weather and building location;
- Installation methods that meets or exceed industry standards;
- Design and quality of materials used.

In addition to deterioration or anticipated failure of a component, the longevity may be impacted by obsolescence. The accuracy of the estimate is contingent upon reliable information made available at the time of the report's development. It is important to note that even with the highest degree of diligence and experience, outcomes will vary, and no guarantee can be given as to the timing or service life of the reserve components. All service life assessments in this report are based on the assumption that installation is carried out in accordance with manufacturer's recommendations and installation instructions, together with industry standards of workmanship.

## FINANCIAL ANALYSIS

An Association, like any business entity, must prepare financially for the replacement and repair of its assets. Reserve study funding analysis is an important part of the annual budget process. Reserve funding should be reviewed at least once annually to help determine the annual assessment to be charged to members. The following elements are used in the financial analysis.

### Recommended Funding Rate

We advocate a program of regular reserve fund contributions and promote a gradual means of reserving for future repair and replacement expenses. Recommended contributions are set at a level where they require only minor annual increases. The rate is designed to distribute the anticipated cost of common property ownership equitably between all members over the entire projection period.

### Fully Funded Balance

The Fully Funded balance is equal to the total depreciable cost of all the Association's reserve components. It is determined by dividing each reserve component's cost by its useful life, and multiplying that by the number of years the component has been in service (effectively its age). In essence, the depreciated or 'used up' value of a component is utilized to establish an amount that the Association should have saved by a particular time. The recommendations in this report are based upon a Full Funding plan, which sets the goal of achieving one hundred percent fully funded reserves by the end of the 30-year projection period. We advocate full funding as we feel that this approach provides a solid platform to address future needs, thus dramatically reducing the need for special assessment.



## Percent Funded

An Association's reserve fund status is assessed by comparing the ratio of actual or projected funds available versus how much they 'should have saved'. The result is presented as a percentage and is commonly known as "percent funded". In other words, percent funded is calculated by dividing the Association's current reserve fund balance by the fully funded balance. This equation is an industry measure of how well prepared an Association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the Association's reserve account in relation to the anticipated costs of repair and replacement.

## Reserve Component Cost

Current cost estimates for reserve components are derived from a variety of sources but typically are based on cost data sourced from national construction estimators (R.S. Means) and vendor pricing acquired from regional contractors and suppliers. All cost estimates formulated from national estimators are based upon the latest specific geographical information for the area. Future cost estimates are determined by applying the assumed annual inflation rate to the current cost of each component.

Individual cost estimates are for budgeting purposes only. Actual construction costs can vary significantly due to economies of scale, material availability, labor, seasonal considerations, and other factors beyond our control. We recommend that project costs be substantiated well in advance of the anticipated date of repair and replacement. A detailed evaluation by a qualified professional should also be undertaken to establish the scope and budget of each project.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.

## Inflation Rate

The effect of inflation on the cost of reserve components is a key factor in the financial projections. Historically, the cost of construction materials and labor rise at a higher rate than that experienced by the general economy. RSG has chosen to use an inflationary multiplier that is somewhat higher than the current general consumer index for inflation. The rate used is based upon the historical average of inflation over the last 30 years. This rate reflects a realistic appreciation of future costs for reserve components and assists the Association in adequately budgeting for increasing cost.

## Interest Rate

The interest rate used in this report is formulated on a conservative rate of return. Unless otherwise advised by the Association, an assumed net interest rate of 1.00% is used. RSG offers no guarantee or opinion in relation to investment decisions made by the Association or the rate of return achieved.

## Current Reserve Fund Balance

The analysis, recommendations, and financial projections made within this report are heavily reliant on information provided by the Association and its representatives. The starting reserve fund balance (current or projected) and member contribution totals are supplied by these sources. This information has not been audited nor have the financial projections or recommendations.





# FINANCIAL ANALYSIS

This section of the report is intended to provide the association with the awareness to adequately plan for the ongoing major maintenance, repair and replacement of their common property components. The recommendations included within this report represent one scenario, and are not intended to represent the only means of achieving the association’s goals. We recommend that the Board of Directors use the following information as a guide in planning for their future objectives.

## Percent Funded

The Percent Funded equation is the industry measure of how well prepared an association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the association’s reserve account in relation to its anticipated costs of repair and replacement. The higher the funded level, the less exposed an association is to market conditions, unanticipated expenses or events, and fluctuations in the general economy.

PERCENT  
FUNDED  
**34%**



RESERVE FUND  
BALANCE  
**\$975,100**

IDEAL  
BALANCE  
**\$2,894,555**

An Association at or below a funding level of 30% has an increased risk of requiring special assessments to meet their ongoing obligations, as compared to Associations with higher funding levels. A level of funding at and above 60% is categorized as good or well funded. We recommend that associations look to achieve and maintain funding levels at and above 60%, with a preference to being 100% funded.

## Funding Goals

There is a range of funding alternatives available to the association. In our opinion the strategy chosen should not only meet the immediate needs and risk tolerance of current members, but also the longer term needs of the association.

The association needs to establish a reserve contribution rate which, at a minimum, meets their anticipated financial needs without having to resort to special assessment or deferred maintenance. In addition, the funding goal needs to be prudent enough to meet the expectations of current members while not unfairly burdening future owners.



### **FULL FUNDING**

Establishes a goal of achieving one hundred percent fully funded reserves by the end of the projection period.

### **THRESHOLD FUNDING**

Sets out to keep the cash reserves above a specified dollar or percent funded amount for the duration of the projection period.

### **BASELINE FUNDING**

Establishes a goal of maintaining a reserve account balance above zero dollars throughout the study period.

The minimum funding goal needed to meet planned expenditure is Baseline Funding. Baseline Funding maintains the reserve account at or above zero dollars, but leaves the association with no contingency to address unanticipated outcomes. Threshold funding is a strategy designed to provide for this contingency by keeping cash reserves above a specific dollar amount or percent funded level.

The reserve fund plan highlighted in this report is based upon the Full Funding program of reserve contributions. The Full Funding plan highlights an ideal level of contributions which will enable an association to be 100% funded by the end of the projection period. As stated previously, we recommend that the association implement a program that moves them toward and maintains a funding level of 60-100%.



# RESERVE COMPONENT LIST

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost	Current Cost
<b>Common Area   General Site</b>						
General Site - Asphalt, Crack Fill	2	1	1	Lump Sum	\$33,500.00	\$33,500
General Site - Asphalt, 20% Repair & Overlay	10	9	321500	SF	\$2.20	\$141,460
General Site - Concrete, Flatwork, Limited Replace	10	9	1	SF	\$5,000.00	\$5,000
General Site - Fence, Chain Link @ Old Midland Rd	30	0	926	LF	\$37.80	\$35,003
General Site - Fence, Metal Wire, 20% Replace	10	9	8494	LF	\$20.00	\$33,976
General Site - Fence, Chain Link 4' @ Baseball Field	30	20	575	LF	\$22.00	\$12,650
General Site - Fence, Chain Link 10' @ Baseball Field	30	20	75	LF	\$55.00	\$4,125
General Site - Fence, Chain Link 6' w/ Barbed Wire	30	20	765	LF	\$40.00	\$30,600
General Site - Entry Gate, Maintain & Repair	10	5	1	Each	\$2,000.00	\$2,000
General Site - Entry Gate, Operator	12	4	2	Each	\$4,000.00	\$8,000
General Site - Entry Gate, Access Control	15	0	1	Each	\$14,650.00	\$14,650
General Site - Security, Camera System, Upgrade	10	0	1	Lump Sum	\$5,500.00	\$5,500
General Site - Mailboxes, Cluster Box Units	25	5	19	Each	\$2,800.00	\$53,200
General Site - Seating, Bench	15	10	11	Each	\$250.00	\$2,750
General Site - Seating, Picnic Table	15	10	3	Each	\$400.00	\$1,200
General Site - Basketball Court, Equipment	25	10	1	Lump Sum	\$3,000.00	\$3,000
General Site - Playground, Equipment	25	10	1	Lump Sum	\$8,000.00	\$8,000
General Site - Gravel, Resurface, Alleys & Parking Areas	10	0	1	Lump Sum	\$15,000.00	\$15,000
<b>Recreational Bldg</b>						
Building Exterior - Clean, Caulk & Paint	10	3	1930	SF	\$2.50	\$4,825
Building Exterior - Siding, Replace	60	29	1930	SF	\$20.00	\$38,600
Building Interior - Walls, Paint	20	10	1250	SF	\$1.50	\$1,875
Building Interior - Flooring, Carpet, Replace	20	10	106	SY	\$70.00	\$7,420
Building Interior - Flooring, Vinyl, Replace	40	20	485	SF	\$6.00	\$2,910
<b>Clubhouse Bldg</b>						
Building Exterior - Clean, Caulk & Paint	10	3	1800	SF	\$2.50	\$4,500
Building Exterior - Siding, Replace	60	29	1800	SF	\$20.00	\$36,000
Building Interior - Walls, Paint	20	10	1650	SF	\$1.50	\$2,475
Building Interior - Flooring, Carpet, Replace	20	10	66	SY	\$70.00	\$4,620
Building Interior - Flooring, Vinyl, Replace	40	20	52	SF	\$6.00	\$312
<b>Residential Bldgs</b>						
Building Exterior - Roof, Asphalt Shingle, Replace 2023	25	0	1	Lump Sum	\$195,885.00	\$195,885
Building Exterior - Roof, Asphalt Shingle, Replace 2024	25	1	1	Lump Sum	\$176,110.00	\$176,110
Building Exterior - Roof, Asphalt Shingle, Replace 2025	25	2	1	Lump Sum	\$256,445.00	\$256,445
Building Exterior - Roof, Asphalt Shingle, Replace 2026	25	3	1	Lump Sum	\$390,845.00	\$390,845
Building Exterior - Roof, Asphalt Shingle, Replace 2027	25	4	1	Lump Sum	\$330,530.00	\$330,530
Building Exterior - Roof, Asphalt Shingle, Replace 2028	25	5	1	Lump Sum	\$529,865.00	\$529,865
Building Exterior - Roof, Asphalt Shingle, Replace 2029	25	6	1	Lump Sum	\$464,170.00	\$464,170
Building Exterior - Roof, Asphalt Shingle, Replace 2030	25	7	1	Lump Sum	\$209,115.00	\$209,115
Building Exterior - Roof, Asphalt Shingle, Replace 2031	25	8	1	Lump Sum	\$222,255.00	\$222,255
Building Exterior - Roof, Asphalt Shingle, Replace 2032	25	9	1	Lump Sum	\$261,025.00	\$261,025
Building Exterior - Roof, Asphalt Shingle, Replace 2033	25	10	1	Lump Sum	\$69,875.00	\$69,875
Building Exterior - Roof, Asphalt Shingle, Replace 2034	25	11	1	Lump Sum	\$115,755.00	\$115,755

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost	Current Cost
<b>Residential Bldgs</b>						
Building Exterior - Siding, Paint 25%, Phase 1	10	5	1	Lump Sum	\$62,500.00	\$62,500
Building Exterior - Siding, Paint 25%, Phase 2	10	6	1	Lump Sum	\$62,500.00	\$62,500
Building Exterior - Siding, Paint 25%, Phase 3	10	7	1	Lump Sum	\$62,500.00	\$62,500
Building Exterior - Siding, Paint 25%, Phase 4	10	8	1	Lump Sum	\$62,500.00	\$62,500
					<b>TOTALS</b>	<b>\$3,985,026</b>

Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study in conjunction with elements that are or can be managed as part of the Association's operating budget.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.

We recommend that association conduct a review of the roofing system to validate useful life estimates and address any immediate repair needs.

#### Residential Roof Phasing Schedule.

2023

Bldgs 10780-10778, 10886-10888, 10792-10794, 10465-10467, 10554-10556, 10122-10124, 10774-10776, 10796-10798, 10469-10471.

2024

Bldgs 10334-10336, 10338-10340, 10882-10884, 10681-10683, 10023-10025, 10407-10409, 10523-10525, 10523-10525.

2025

Bldgs 10549-10551, 10442-10444, 10248-10250, 10252-10254, 10360-10362, 10470-10468, 10014, 10051, 10048-10050, 10725-10727, 10749-10751, 10769-10771.

2026

Bldgs 10657-10659, 10226-10228, 10550-10552, 10230-10232, 10118-10120, 10357-10359, 10680-10682, 10028-10030, 10131-10133, 10185, 10043, 10720-10722, 10853-10855, 10857-10859, 10701-10703, 10645-10647, 10734-10736, 10533, 10539.

2027

Bldgs 10446-10448, 10445-10447, 10668-10670, 10244-10246, 10688-10690, 10687-10689, 10684-10686, 10574-10572, 10027-10029, 10707, 10425-10427, 10753-10755, 10738-10740, 10739-10741, 10537.

2028

Bldgs 10106-10108, 10110-10112, 10361-10363, 10573-10575, 10135-10137, 10044-10046, 10073, 10069, 10070-10072, 10058-10060, 10057, 10044-10046, 10041, 10712-10714, 10713-10715, 10716-10718, 10721-10723, 10301, 10762-10764, 10758-10760, 10754-10756, 10761-10763, 10843-10845, 10847-10849, 10735-10737, 10529.

2029

Bldgs 10885-10887, 10441-10443, 10240-10242, 10464-10466, 10576-10578, 10577-10579, 10024, 10020, 10012, 10062-10064, 10066-10068, 10054-10056, 10047, 10726-10728, 10717-10719, 10641-10643, 10765-10767, 10642-10644, 10426-10428, 10415-10417, 10627-10629, 10229-10231.

2030

Bldgs 10114-10116, 10662-10664, 10658-10660, 10061, 10045, 10053, 10039, 10766-10768, 10757-10759, 10522-10524, 10553-10555.

2031

Bldgs 10773-10775, 10777-10779, 10356-10358, 10071, 10067, 10065, 10063, 10055, 10770-10772, 10519-10521, 10535, 10531.

2032

Bldgs 10661-10663, 10337-10339, 10333-10335, 10750-10752, 10646-10648, 10411-10413, 10631-10633, 10738-10740, 10734-10736, 10630-10632, 10626-10628, 10410-10412.

2033

Bldgs 10225-10227, 10111-10113, 10119-10121.

2034

Bldgs 10103-10105, 10107-10109, 10115-10117, 10518-10520, 10414-10416.





## FULLY FUNDED BALANCE

Component	Current Cost	Current Fully Funded Balance	Annual Cost	% Annual Cost
<b>Common Area   General Site</b>				
General Site - Asphalt, Crack Fill	\$33,500	\$16,750	\$16,750	8.32%
General Site - Asphalt, 20% Repair & Overlay	\$141,460	\$14,146	\$14,146	7.03%
General Site - Concrete, Flatwork, Limited Replace	\$5,000	\$500	\$500	0.25%
General Site - Fence, Chain Link @ Old Midland Rd	\$35,003	\$35,003	\$1,167	0.58%
General Site - Fence, Metal Wire, 20% Replace	\$33,976	\$3,398	\$3,398	1.69%
General Site - Fence, Chain Link 4' @ Baseball Field	\$12,650	\$4,217	\$422	0.21%
General Site - Fence, Chain Link 10' @ Baseball Field	\$4,125	\$1,375	\$138	0.07%
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$30,600	\$10,200	\$1,020	0.51%
General Site - Entry Gate, Maintain & Repair	\$2,000	\$1,000	\$200	0.10%
General Site - Entry Gate, Operator	\$8,000	\$5,333	\$667	0.33%
General Site - Entry Gate, Access Control	\$14,650	\$14,650	\$977	0.49%
General Site - Security, Camera System, Upgrade	\$5,500	\$5,500	\$550	0.27%
General Site - Mailboxes, Cluster Box Units	\$53,200	\$42,560	\$2,128	1.06%
General Site - Seating, Bench	\$2,750	\$917	\$183	0.09%
General Site - Seating, Picnic Table	\$1,200	\$400	\$80	0.04%
General Site - Basketball Court, Equipment	\$3,000	\$1,800	\$120	0.06%
General Site - Playground, Equipment	\$8,000	\$4,800	\$320	0.16%
General Site - Gravel, Resurface, Alleys & Parking Areas	\$15,000	\$15,000	\$1,500	0.75%
<b>Recreational Bldg</b>				
Building Exterior - Clean, Caulk & Paint	\$4,825	\$3,378	\$483	0.24%
Building Exterior - Siding, Replace	\$38,600	\$19,943	\$643	0.32%
Building Interior - Walls, Paint	\$1,875	\$938	\$94	0.05%
Building Interior - Flooring, Carpet, Replace	\$7,420	\$3,710	\$371	0.18%
Building Interior - Flooring, Vinyl, Replace	\$2,910	\$1,455	\$73	0.04%
<b>Clubhouse Bldg</b>				
Building Exterior - Clean, Caulk & Paint	\$4,500	\$3,150	\$450	0.22%
Building Exterior - Siding, Replace	\$36,000	\$18,600	\$600	0.30%
Building Interior - Walls, Paint	\$2,475	\$1,238	\$124	0.06%
Building Interior - Flooring, Carpet, Replace	\$4,620	\$2,310	\$231	0.11%
Building Interior - Flooring, Vinyl, Replace	\$312	\$156	\$8	0.00%
<b>Residential Bldgs</b>				
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$195,885	\$195,885	\$7,835	3.89%
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$176,110	\$169,066	\$7,044	3.50%
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$256,445	\$235,929	\$10,258	5.10%
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$390,845	\$343,944	\$15,634	7.77%
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$330,530	\$277,645	\$13,221	6.57%
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$529,865	\$423,892	\$21,195	10.53%
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$464,170	\$352,769	\$18,567	9.23%
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$209,115	\$150,563	\$8,365	4.16%
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$222,255	\$151,133	\$8,890	4.42%
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$261,025	\$167,056	\$10,441	5.19%
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$69,875	\$41,925	\$2,795	1.39%
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$115,755	\$64,823	\$4,630	2.30%

Component	Current Cost	Current Fully Funded Balance	Annual Cost	% Annual Cost
<b>Residential Bldgs</b>				
Building Exterior - Siding, Paint 25%, Phase 1	\$62,500	\$31,250	\$6,250	3.11%
Building Exterior - Siding, Paint 25%, Phase 2	\$62,500	\$25,000	\$6,250	3.11%
Building Exterior - Siding, Paint 25%, Phase 3	\$62,500	\$18,750	\$6,250	3.11%
Building Exterior - Siding, Paint 25%, Phase 4	\$62,500	\$12,500	\$6,250	3.11%
<b>TOTALS</b>	<b>\$3,985,026</b>	<b>\$2,894,555</b>	<b>\$201,215</b>	<b>100%</b>



## RESERVE EXPENSES 1-5 YEARS

Component	2023	2024	2025	2026	2027
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$0	\$34,505	\$0	\$36,606	\$0
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link @ Old Midland Rd	\$35,003	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$0	\$0	\$0	\$9,004
General Site - Entry Gate, Access Control	\$14,650	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$5,500	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$15,000	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$5,272	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$4,917	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$195,885	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$181,393	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$272,063	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$427,087	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$372,014
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$0	\$0	\$0	\$0

Component	2023	2024	2025	2026	2027
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$266,038	\$215,898	\$272,063	\$473,883	\$381,018





## RESERVE EXPENSES 6-10 YEARS

Component	2028	2029	2030	2031	2032
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$38,836	\$0	\$41,201	\$0	\$43,710
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$184,573
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$6,524
General Site - Fence, Chain Link @ Old Midland Rd	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$44,331
General Site - Fence, Chain Link 4' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$2,319	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Access Control	\$0	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$0	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$61,673	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$0	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$614,259	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$554,243	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$257,185	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$281,546	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$340,578
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$0	\$0	\$0	\$0

Component	2028	2029	2030	2031	2032
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$72,455	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$74,628	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$76,867	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$79,173	\$0
Annual Expenditure	\$789,541	\$628,872	\$375,253	\$360,719	\$619,716



## RESERVE EXPENSES 11-15 YEARS

Component	2033	2034	2035	2036	2037
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$0	\$46,372	\$0	\$49,196	\$0
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link @ Old Midland Rd	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Access Control	\$0	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$7,392	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$3,696	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$1,613	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$4,032	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$10,751	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$20,159	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$7,086	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$2,520	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$9,972	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$6,608	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$3,326	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$6,209	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$93,906	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$160,232	\$0	\$0	\$0

Component	2033	2034	2035	2036	2037
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$163,575	\$206,604	\$0	\$62,890	\$0





## RESERVE EXPENSES 16-20 YEARS

Component	2038	2039	2040	2041	2042
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$52,192	\$0	\$55,370	\$0	\$58,742
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$248,051
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$8,768
General Site - Fence, Chain Link @ Old Midland Rd	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$59,577
General Site - Fence, Chain Link 4' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$3,116	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$12,838	\$0	\$0	\$0
General Site - Entry Gate, Access Control	\$22,824	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$0	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$0	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$0	\$0	\$0	\$0

Component	2038	2039	2040	2041	2042
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$97,373	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$100,294	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$103,303	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$106,402	\$0
Annual Expenditure	\$175,505	\$113,132	\$158,673	\$106,402	\$375,138



## RESERVE EXPENSES 21-25 YEARS

Component	2043	2044	2045	2046	2047
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$0	\$62,320	\$0	\$66,115	\$0
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$0
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link @ Old Midland Rd	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 4' @ Baseball Field	\$22,847	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$7,450	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$55,267	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Access Control	\$0	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$9,934	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$0	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$27,092	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$9,523	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$5,256	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$8,881	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$564	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$0	\$0	\$0	\$0

Component	2043	2044	2045	2046	2047
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$128,409	\$62,320	\$0	\$84,519	\$0





## RESERVE EXPENSES 26-30 YEARS

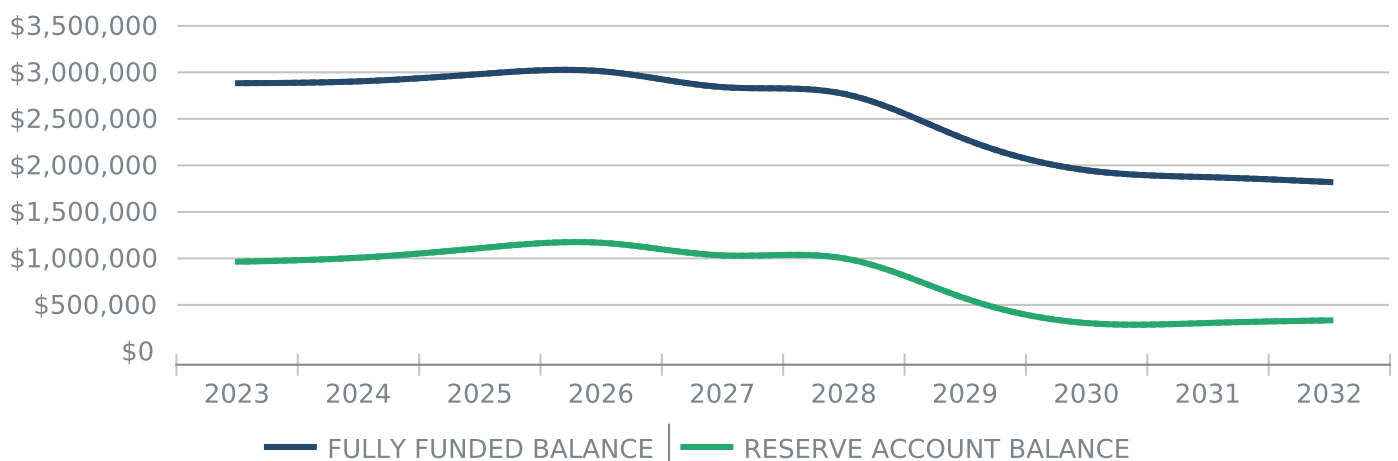
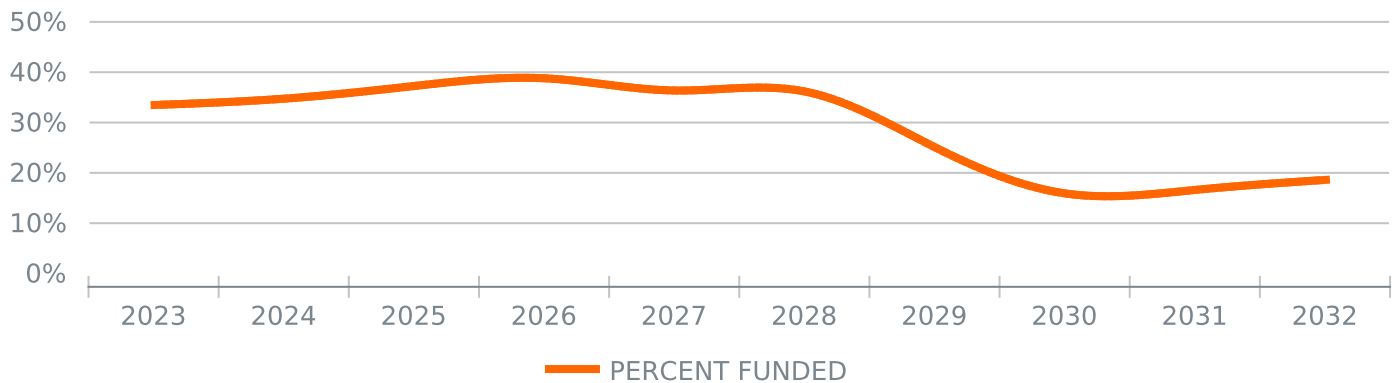
Component	2048	2049	2050	2051	2052
<b>Common Area   General Site</b>					
General Site - Asphalt, Crack Fill	\$70,142	\$0	\$74,413	\$0	\$78,945
General Site - Asphalt, 20% Repair & Overlay	\$0	\$0	\$0	\$0	\$333,360
General Site - Concrete, Flatwork, Limited Replace	\$0	\$0	\$0	\$0	\$11,783
General Site - Fence, Chain Link @ Old Midland Rd	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Metal Wire, 20% Replace	\$0	\$0	\$0	\$0	\$80,067
General Site - Fence, Chain Link 4' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 10' @ Baseball Field	\$0	\$0	\$0	\$0	\$0
General Site - Fence, Chain Link 6' w/ Barbed Wire	\$0	\$0	\$0	\$0	\$0
General Site - Entry Gate, Maintain & Repair	\$4,188	\$0	\$0	\$0	\$0
General Site - Entry Gate, Operator	\$0	\$0	\$0	\$18,303	\$0
General Site - Entry Gate, Access Control	\$0	\$0	\$0	\$0	\$0
General Site - Security, Camera System, Upgrade	\$0	\$0	\$0	\$0	\$0
General Site - Mailboxes, Cluster Box Units	\$0	\$0	\$0	\$0	\$0
General Site - Seating, Bench	\$5,758	\$0	\$0	\$0	\$0
General Site - Seating, Picnic Table	\$2,513	\$0	\$0	\$0	\$0
General Site - Basketball Court, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Playground, Equipment	\$0	\$0	\$0	\$0	\$0
General Site - Gravel, Resurface, Alleys & Parking Areas	\$0	\$0	\$0	\$0	\$0
<b>Recreational Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$90,963
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Clubhouse Bldg</b>					
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$84,836
Building Interior - Walls, Paint	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Carpet, Replace	\$0	\$0	\$0	\$0	\$0
Building Interior - Flooring, Vinyl, Replace	\$0	\$0	\$0	\$0	\$0
<b>Residential Bldgs</b>					
Building Exterior - Roof, Asphalt Shingle, Replace 2023	\$410,140	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2024	\$0	\$379,797	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2025	\$0	\$0	\$569,638	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2026	\$0	\$0	\$0	\$894,225	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2027	\$0	\$0	\$0	\$0	\$778,916
Building Exterior - Roof, Asphalt Shingle, Replace 2028	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2029	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2030	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2031	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2032	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2033	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle, Replace 2034	\$0	\$0	\$0	\$0	\$0

Component	2048	2049	2050	2051	2052
<b>Residential Bldgs</b>					
Building Exterior - Siding, Paint 25%, Phase 1	\$130,861	\$0	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 2	\$0	\$134,787	\$0	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 3	\$0	\$0	\$138,831	\$0	\$0
Building Exterior - Siding, Paint 25%, Phase 4	\$0	\$0	\$0	\$142,995	\$0
Annual Expenditure	\$623,600	\$514,584	\$782,882	\$1,055,524	\$1,458,870



## FULL FUNDING PLAN 1-10 YEARS

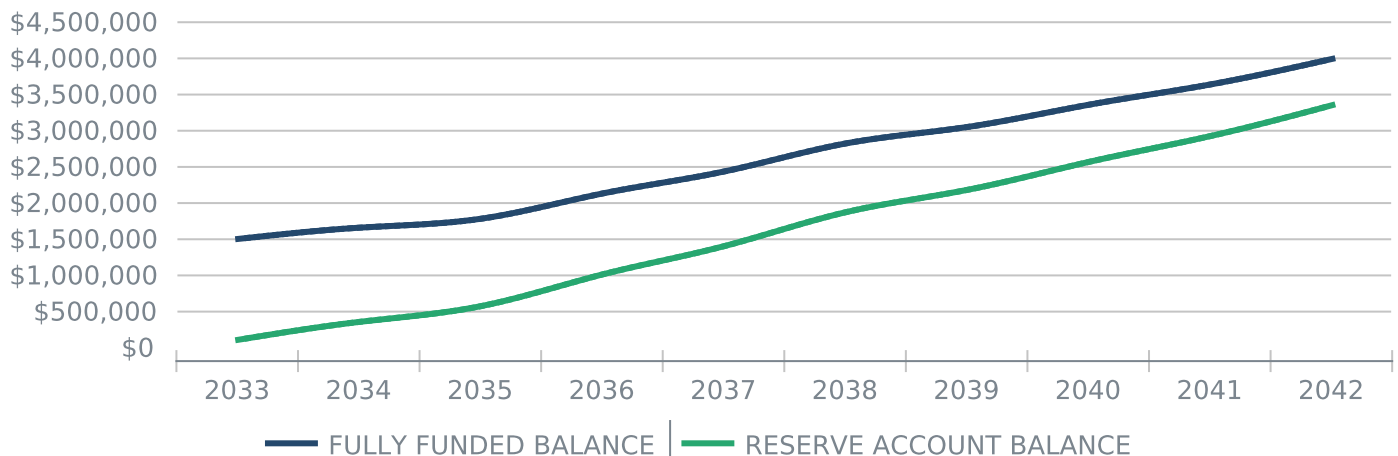
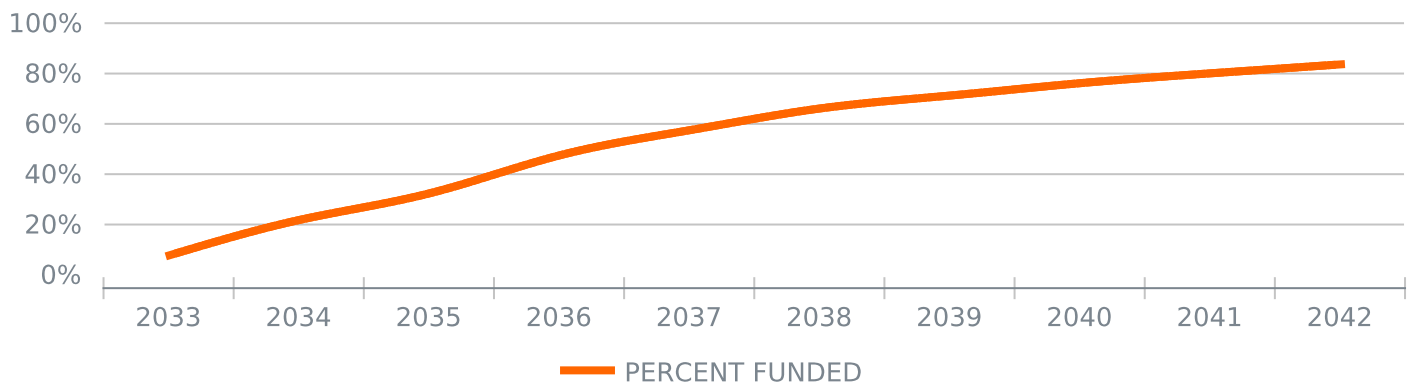
YEAR 1-10	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fully Funded Balance	\$2,894,555	\$2,914,624	\$2,993,157	\$3,022,600	\$2,851,648	\$2,778,012	\$2,288,386	\$1,956,769	\$1,883,855	\$1,831,370
Percentage Funded (%)	34%	35%	37%	39%	37%	36%	25%	16%	17%	19%
Beginning Balance	\$975,100	\$1,018,552	\$1,121,602	\$1,178,246	\$1,042,636	\$1,009,569	\$577,366	\$315,072	\$316,820	\$344,433
Reserve Contribution	\$305,511	\$314,676	\$324,116	\$333,840	\$343,855	\$354,171	\$364,796	\$375,740	\$387,012	\$398,622
Avg Unit Contribution (mth)	\$87.79	\$90.42	\$93.14	\$95.93	\$98.81	\$101.77	\$104.83	\$107.97	\$111.21	\$114.55
Contribution Increase (%)	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$3,979	\$4,272	\$4,591	\$4,433	\$4,096	\$3,168	\$1,781	\$1,261	\$1,320	\$936
Reserve Expenditures	\$266,038	\$215,898	\$272,063	\$473,883	\$381,018	\$789,541	\$628,872	\$375,253	\$360,719	\$619,716
ENDING BALANCE	\$1,018,552	\$1,121,602	\$1,178,246	\$1,042,636	\$1,009,569	\$577,366	\$315,072	\$316,820	\$344,433	\$124,274





## FULL FUNDING PLAN 11-20 YEARS

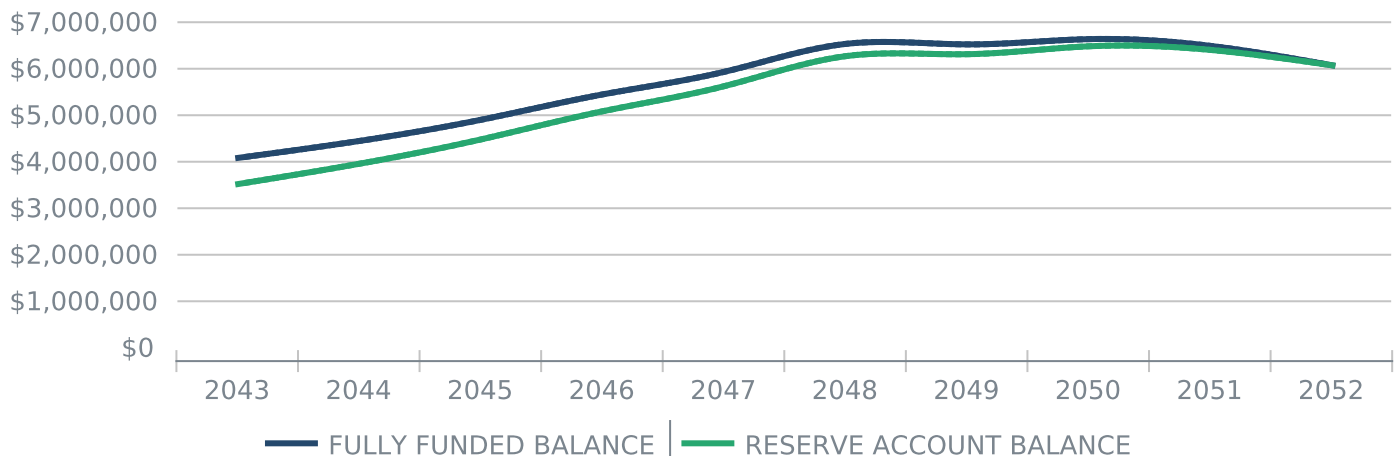
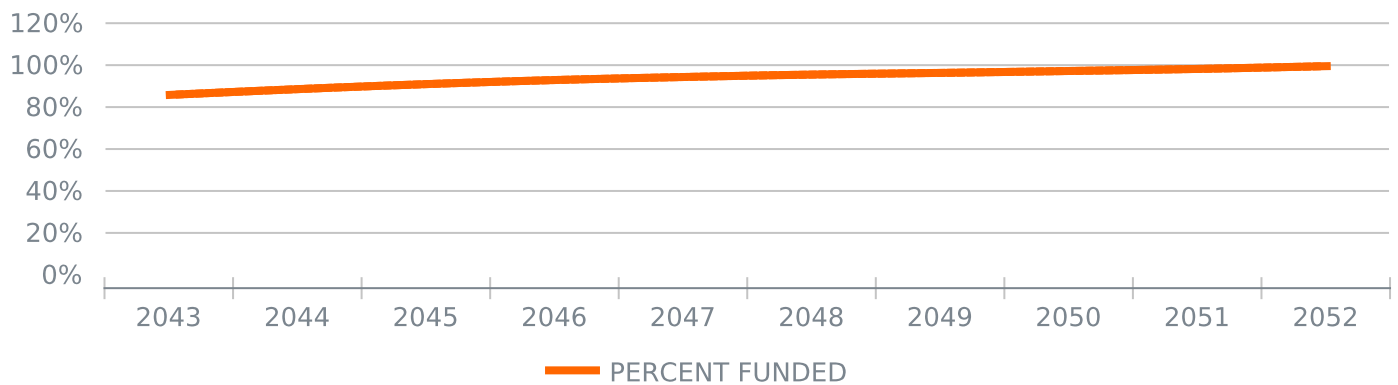
YEAR 11-20	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Fully Funded Balance	\$1,518,420	\$1,674,019	\$1,798,322	\$2,147,763	\$2,451,775	\$2,838,815	\$3,066,100	\$3,374,135	\$3,654,481	\$4,007,353
Percentage Funded (%)	8%	22%	33%	48%	58%	67%	72%	77%	80%	84%
Beginning Balance	\$124,274	\$372,272	\$590,488	\$1,029,306	\$1,419,958	\$1,888,675	\$2,197,301	\$2,583,968	\$2,941,286	\$3,367,588
Reserve Contribution	\$410,581	\$422,898	\$435,585	\$448,653	\$462,113	\$475,976	\$490,255	\$504,963	\$520,112	\$535,715
Avg Unit Contribution (mth)	\$117.98	\$121.52	\$125.17	\$128.92	\$132.79	\$136.77	\$140.88	\$145.10	\$149.46	\$153.94
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$991	\$1,922	\$3,233	\$4,889	\$6,604	\$8,156	\$9,543	\$11,028	\$12,593	\$13,792
Reserve Expenditures	\$163,575	\$206,604	\$0	\$62,890	\$0	\$175,505	\$113,132	\$158,673	\$106,402	\$375,138
ENDING BALANCE	\$372,272	\$590,488	\$1,029,306	\$1,419,958	\$1,888,675	\$2,197,301	\$2,583,968	\$2,941,286	\$3,367,588	\$3,541,957





## FULL FUNDING PLAN 21-30 YEARS

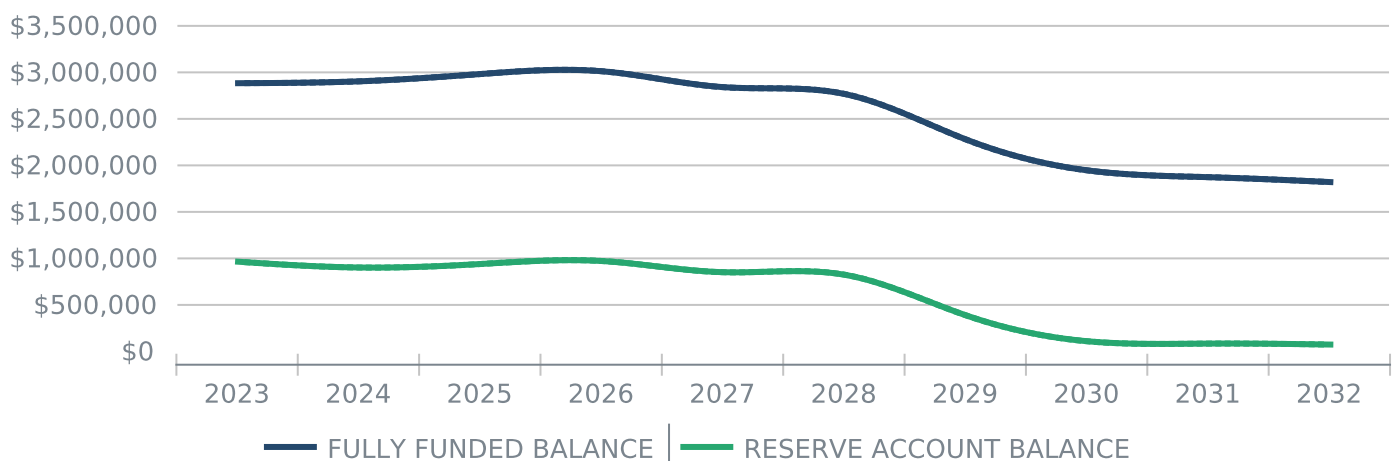
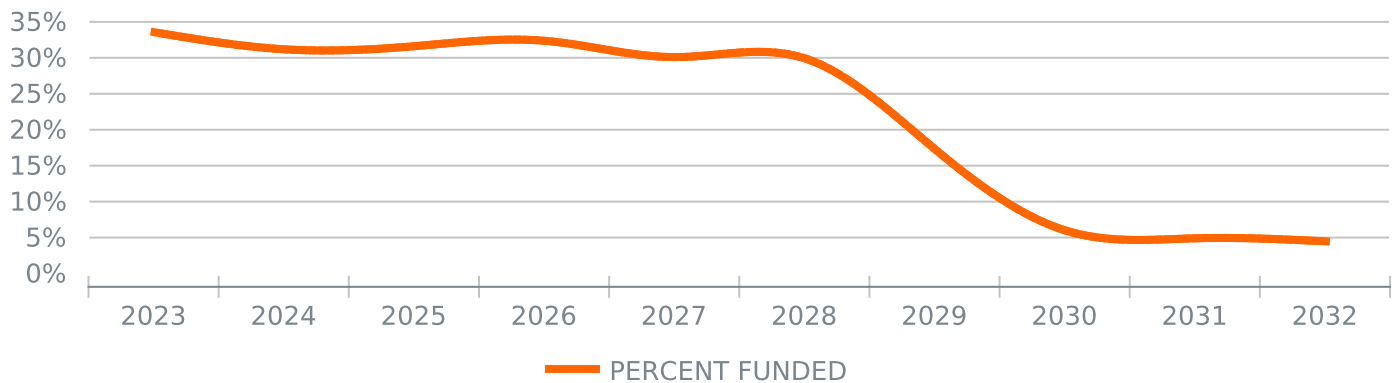
YEAR 21-30	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Fully Funded Balance	\$4,104,598	\$4,469,794	\$4,925,248	\$5,470,120	\$5,956,198	\$6,556,184	\$6,544,500	\$6,657,770	\$6,511,500	\$6,093,832
Percentage Funded (%)	86%	89%	91%	93%	95%	96%	97%	98%	99%	100%
Beginning Balance	\$3,541,957	\$3,980,349	\$4,503,302	\$5,107,877	\$5,647,778	\$6,292,652	\$6,333,926	\$6,503,828	\$6,425,381	\$6,093,832
Reserve Contribution	\$551,787	\$568,340	\$585,390	\$602,952	\$621,041	\$639,672	\$658,862	\$678,628	\$698,987	\$719,956
Avg Unit Contribution (mth)	\$158.56	\$163.32	\$168.22	\$173.26	\$178.46	\$183.81	\$189.33	\$195.01	\$200.86	\$206.88
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$15,015	\$16,933	\$19,184	\$21,468	\$23,833	\$25,203	\$25,624	\$25,807	\$24,988	\$22,898
Reserve Expenditures	\$128,409	\$62,320	\$0	\$84,519	\$0	\$623,600	\$514,584	\$782,882	\$1,055,524	\$1,458,870
ENDING BALANCE	\$3,980,349	\$4,503,302	\$5,107,877	\$5,647,778	\$6,292,652	\$6,333,926	\$6,503,828	\$6,425,381	\$6,093,832	\$5,377,816





## CUSTOM FUNDING PLAN 1-10 YEARS

YEAR 1-10	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fully Funded Balance	\$2,894,555	\$2,914,624	\$2,993,157	\$3,022,600	\$2,851,648	\$2,778,012	\$2,288,386	\$1,956,770	\$1,883,855	\$1,831,370
Percentage Funded (%)	34%	31%	32%	32%	30%	30%	17%	6%	5%	5%
Beginning Balance	\$975,100	\$912,831	\$950,652	\$982,448	\$862,247	\$834,615	\$397,534	\$119,695	\$94,870	\$84,509
Reserve Contribution	\$200,000	\$250,000	\$300,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Avg Unit Contribution (mth)	\$57.47	\$71.84	\$86.21	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57
Contribution Increase (%)	0.00%	25.00%	20.00%	16.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$3,768	\$3,720	\$3,858	\$3,682	\$3,387	\$2,459	\$1,032	\$428	\$358	\$0
Reserve Expenditures	\$266,038	\$215,898	\$272,063	\$473,883	\$381,019	\$789,541	\$628,872	\$375,253	\$360,719	\$619,716
ENDING BALANCE	\$912,831	\$950,652	\$982,448	\$862,247	\$834,615	\$397,534	\$119,695	\$94,870	\$84,509	-\$185,208

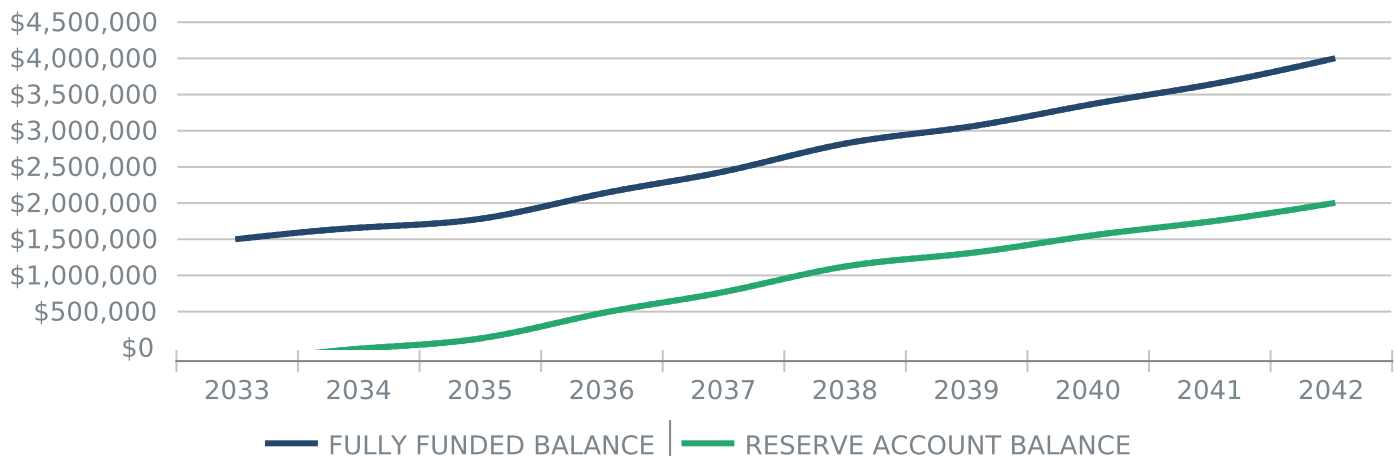
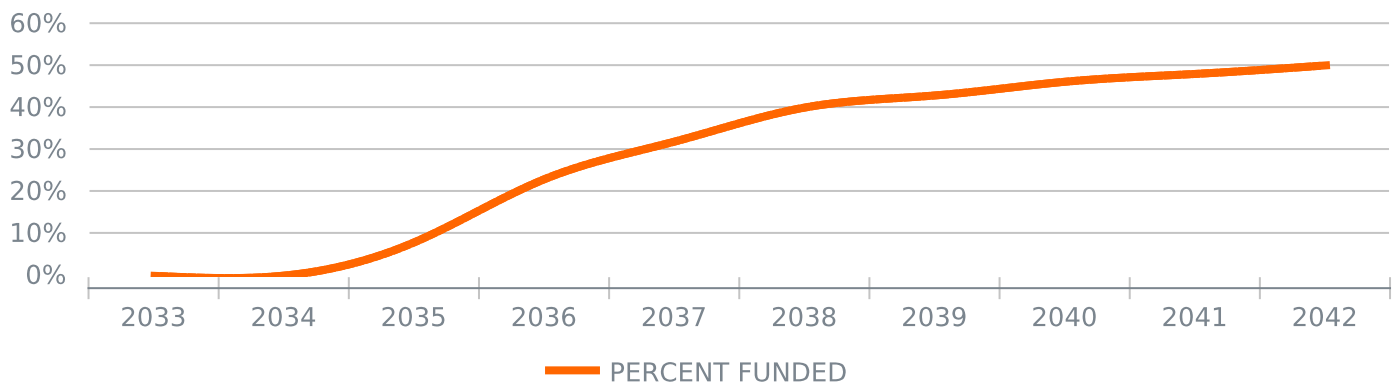






## CUSTOM FUNDING PLAN 11-20 YEARS

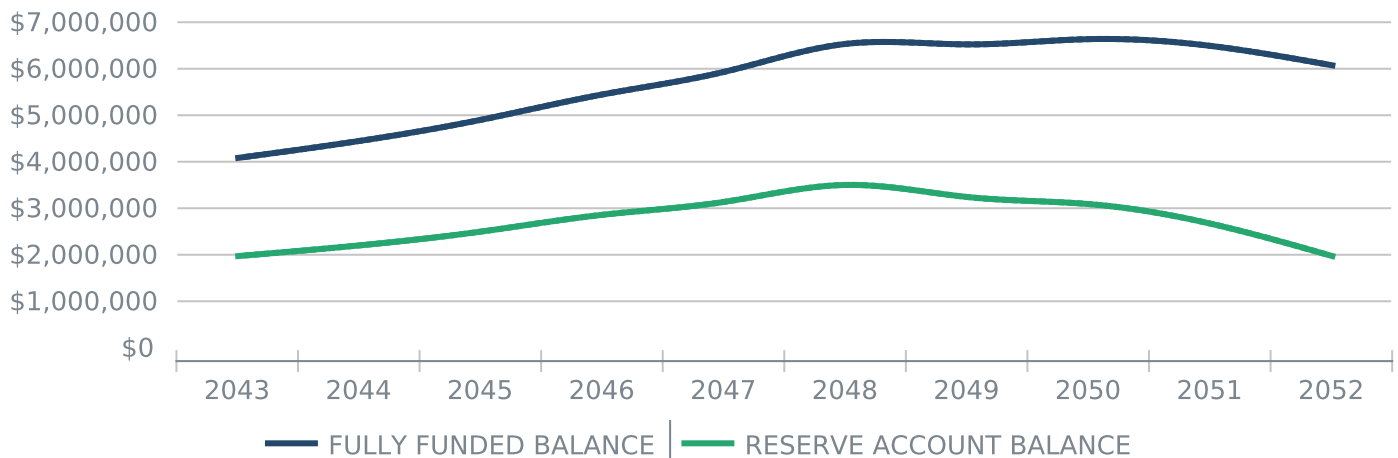
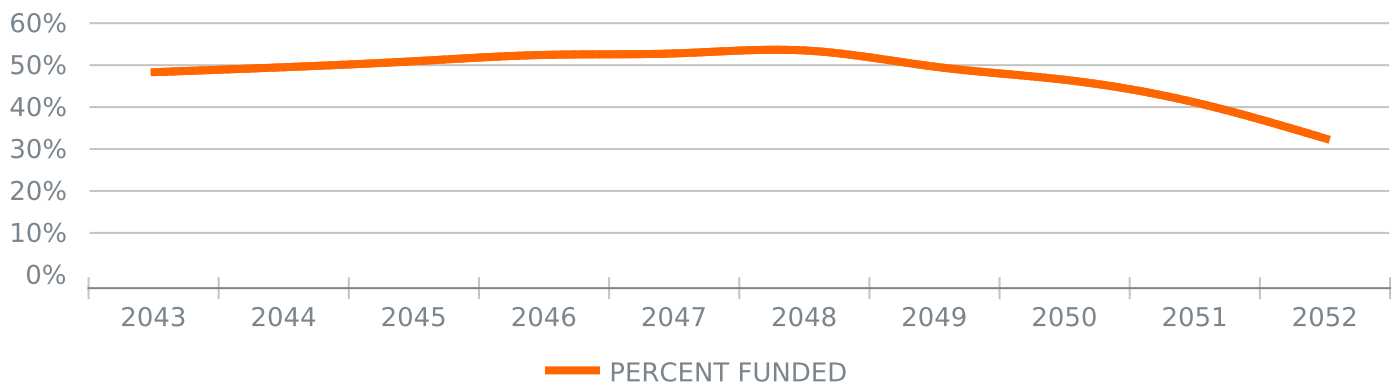
YEAR 11-20	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Fully Funded Balance	\$1,518,420	\$1,674,019	\$1,798,322	\$2,147,763	\$2,451,775	\$2,838,815	\$3,066,100	\$3,374,136	\$3,654,481	\$4,007,353
Percentage Funded (%)	0%	0%	8%	23%	32%	40%	43%	46%	48%	50%
Beginning Balance	-\$185,208	\$1,218	\$144,905	\$496,185	\$785,854	\$1,139,698	\$1,319,100	\$1,561,719	\$1,759,675	\$2,010,799
Reserve Contribution	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Avg Unit Contribution (mth)	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57
Contribution Increase (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$0	\$292	\$1,280	\$2,559	\$3,843	\$4,908	\$5,750	\$6,630	\$7,526	\$7,993
Reserve Expenditures	\$163,575	\$206,604	\$0	\$62,890	\$0	\$175,505	\$113,132	\$158,673	\$106,402	\$375,138
ENDING BALANCE	\$1,218	\$144,905	\$496,185	\$785,854	\$1,139,698	\$1,319,100	\$1,561,719	\$1,759,675	\$2,010,799	\$1,993,653





## CUSTOM FUNDING PLAN 21-30 YEARS

YEAR 21-30	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Fully Funded Balance	\$4,104,599	\$4,469,795	\$4,925,248	\$5,470,121	\$5,956,199	\$6,556,184	\$6,544,500	\$6,657,770	\$6,511,500	\$6,093,832
Percentage Funded (%)	49%	50%	51%	53%	53%	54%	50%	47%	41%	33%
Beginning Balance	\$1,993,653	\$2,223,662	\$2,520,812	\$2,881,596	\$3,159,134	\$3,522,471	\$3,262,413	\$3,110,549	\$2,689,243	\$1,993,065
Reserve Contribution	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Avg Unit Contribution (mth)	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57	\$100.57
Contribution Increase (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$8,418	\$9,470	\$10,783	\$12,057	\$13,337	\$13,543	\$12,720	\$11,576	\$9,346	\$5,755
Reserve Expenditures	\$128,409	\$62,320	\$0	\$84,519	\$0	\$623,600	\$514,584	\$782,882	\$1,055,524	\$1,458,870
ENDING BALANCE	\$2,223,662	\$2,520,812	\$2,881,596	\$3,159,134	\$3,522,471	\$3,262,413	\$3,110,549	\$2,689,243	\$1,993,065	\$889,950





## PHYSICAL ANALYSIS

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This section of the report provides specific information regarding the physical condition of the property and common area assets. The data that follows is a result of the visual [non-intrusive] site review.

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### SITE INSPECTION

An on-site field survey was conducted to assess the general condition of the property and its reserve components. The survey was visual in nature, and no destructive or invasive testing was conducted. Observations were recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements were also substantiated as part of the inspection. Due to the general and non-invasive nature of the site inspection, RSG cannot comment on components and conditions not visible to the naked eye.

### MAINTENANCE GUIDE

The Maintenance guide focuses on reserve components that account for a significant percentage of the Association's reserve fund budget. Ongoing review and maintenance of all common area assets is generally recommended, although in some cases it is critical that such activities occur on a frequent and regular basis. Condition and performance of the Association's common areas assets is contingent on the implementation of a comprehensive program of preventative maintenance.

### COMPONENT INVENTORY

The component inventory summarizes associated costs of each reserve component, and additionally highlights those components which require further review. The inventory provides a visual reference point for understanding the Association's common area responsibilities.



## SITE INSPECTION SUMMARY

A visual noninvasive inspection of the property was conducted on January 24th 2023. Recommendations contained within the report are based upon conditions viewed as part of the site inspection as well as reference materials obtained from the client, public resources and associated vendors.





# COMPONENT INVENTORY



The following inventory summarizes the key data points of each reserve component funded through the Association’s reserves. The list of components is unique to the Association and may serve as a general guide in determining the current condition and level of care needed to adequately maintain each component.



## General Site - Asphalt, Crack Fill

Current Cost	Estimated Quantity	Work Required	Action Required
\$33,500	1	Maintain	2024
	Lump Sum		

## General Site - Asphalt, 20% Repair & Overlay

Current Cost	Estimated Quantity	Work Required	Action Required
\$141,460	321500	Overlay	2032
	SF		

# COMPONENT INVENTORY



## General Site - Concrete, Flatwork, Limited Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$5,000	1 SF	Repair	2032

## General Site - Fence, Chain Link @ Old Midland Rd

Current Cost	Estimated Quantity	Work Required	Action Required
\$35,003	926 LF	Replace	2023



# COMPONENT INVENTORY



**General Site - Fence, Metal Wire, 20% Replace**

Current Cost	Estimated Quantity	Work Required	Action Required
\$33,976	8494 LF	Replace	2032



**General Site - Fence, Chain Link 4' @ Baseball Field**

Current Cost	Estimated Quantity	Work Required	Action Required
\$12,650	575 LF	Replace	2043



# COMPONENT INVENTORY



## General Site - Fence, Chain Link 10' @ Baseball Field

Current Cost	Estimated Quantity	Work Required	Action Required
\$4,125	75 LF	Replace	2043



## General Site - Fence, Chain Link 6' w/ Barbed Wire

Current Cost	Estimated Quantity	Work Required	Action Required
\$30,600	765 LF	Replace	2043

# COMPONENT INVENTORY



**General Site - Entry Gate, Maintain & Repair**

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,000	1 Each	Repair	2028



**General Site - Entry Gate, Operator**

Current Cost	Estimated Quantity	Work Required	Action Required
\$8,000	2 Each	Replace	2027



# COMPONENT INVENTORY



## General Site - Entry Gate, Access Control

Current Cost	Estimated Quantity	Work Required	Action Required
\$14,650	1 Each	Replace	2023



## General Site - Security, Camera System, Upgrade

Current Cost	Estimated Quantity	Work Required	Action Required
\$5,500	1 Lump Sum	Upgrade	2023

## COMPONENT INVENTORY



**General Site - Mailboxes, Cluster Box Units**

Current Cost	Estimated Quantity	Work Required	Action Required
\$53,200	19 Each	Replace	2028



**General Site - Seating, Bench**

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,750	11 Each	Replace	2033



# COMPONENT INVENTORY



**General Site - Seating, Picnic Table**

Current Cost	Estimated Quantity	Work Required	Action Required
\$1,200	3 Each	Replace	2033



**General Site - Basketball Court, Equipment**

Current Cost	Estimated Quantity	Work Required	Action Required
\$3,000	1 Lump Sum	Replace	2033



# COMPONENT INVENTORY



## General Site - Playground, Equipment

Current Cost	Estimated Quantity	Work Required	Action Required
\$8,000	1 Lump Sum	Replace	2033

## General Site - Gravel, Resurface, Alleys & Parking Areas

Current Cost	Estimated Quantity	Work Required	Action Required
\$15,000	1 Lump Sum	Replace	2023

## Building Exterior - Clean, Caulk & Paint

Current Cost	Estimated Quantity	Work Required	Action Required
\$4,825	1930 SF	Paint	2026

## Building Exterior - Siding, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$38,600	1930 SF	Replace	2052

## Building Interior - Walls, Paint

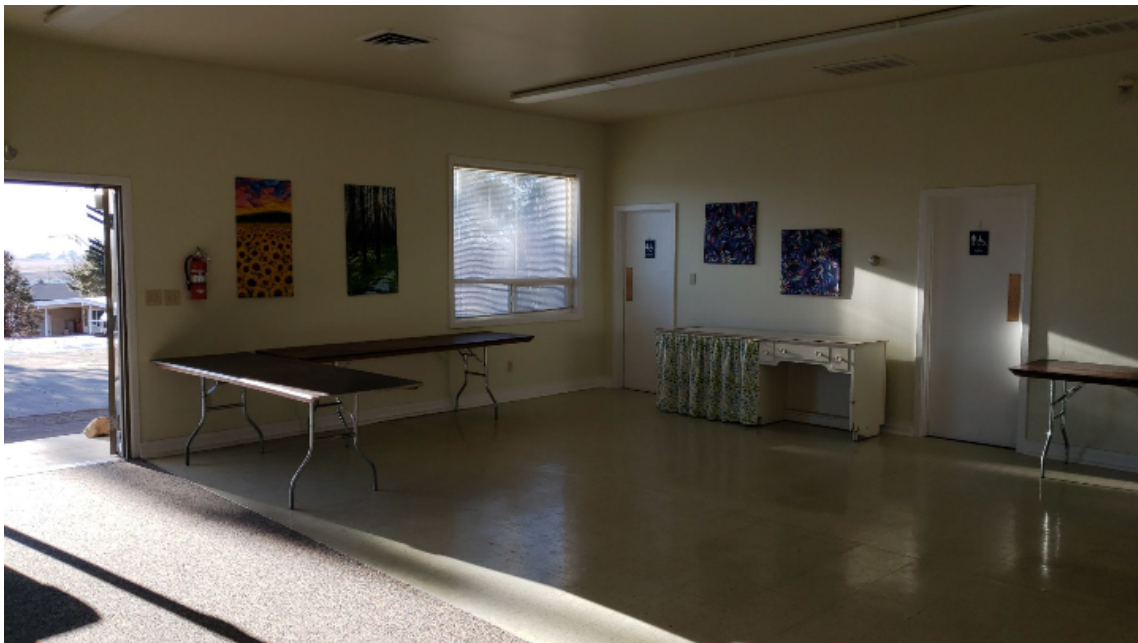
Current Cost	Estimated Quantity	Work Required	Action Required
\$1,875	1250 SF	Paint	2033

# COMPONENT INVENTORY



**Building Interior - Flooring, Carpet, Replace**

Current Cost	Estimated Quantity	Work Required	Action Required
\$7,420	106 SY	Replace	2033



**Building Interior - Flooring, Vinyl, Replace**

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,910	485 SF	Replace	2043

# COMPONENT INVENTORY



## Building Exterior - Clean, Caulk & Paint

Current Cost	Estimated Quantity	Work Required	Action Required
\$4,500	1800 SF	Paint	2026

## Building Exterior - Siding, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$36,000	1800 SF	Replace	2052

## Building Interior - Walls, Paint

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,475	1650 SF	Paint	2033



## Building Interior - Flooring, Carpet, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$4,620	66 SY	Replace	2033

# COMPONENT INVENTORY



## Building Interior - Flooring, Vinyl, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$312	52 SF	Replace	2043

## Building Exterior - Roof, Asphalt Shingle, Replace 2023

Current Cost	Estimated Quantity	Work Required	Action Required
\$195,885	1 Lump Sum	Replace	2023

## Building Exterior - Roof, Asphalt Shingle, Replace 2024

Current Cost	Estimated Quantity	Work Required	Action Required
\$176,110	1 Lump Sum	Replace	2024

## Building Exterior - Roof, Asphalt Shingle, Replace 2025

Current Cost	Estimated Quantity	Work Required	Action Required
\$256,445	1 Lump Sum	Replace	2025

## Building Exterior - Roof, Asphalt Shingle, Replace 2026

Current Cost	Estimated Quantity	Work Required	Action Required
\$390,845	1 Lump Sum	Replace	2026

## Building Exterior - Roof, Asphalt Shingle, Replace 2027

Current Cost	Estimated Quantity	Work Required	Action Required
\$330,530	1 Lump Sum	Replace	2027

# COMPONENT INVENTORY



## Building Exterior - Roof, Asphalt Shingle, Replace 2028

Current Cost	Estimated Quantity	Work Required	Action Required
\$529,865	1	Replace	2028
	Lump Sum		

## Building Exterior - Roof, Asphalt Shingle, Replace 2029

Current Cost	Estimated Quantity	Work Required	Action Required
\$464,170	1	Replace	2029
	Lump Sum		

## Building Exterior - Roof, Asphalt Shingle, Replace 2030

Current Cost	Estimated Quantity	Work Required	Action Required
\$209,115	1	Replace	2030
	Lump Sum		

## Building Exterior - Roof, Asphalt Shingle, Replace 2031

Current Cost	Estimated Quantity	Work Required	Action Required
\$222,255	1	Replace	2031
	Lump Sum		

## Building Exterior - Roof, Asphalt Shingle, Replace 2032

Current Cost	Estimated Quantity	Work Required	Action Required
\$261,025	1	Replace	2032
	Lump Sum		

## Building Exterior - Roof, Asphalt Shingle, Replace 2033

Current Cost	Estimated Quantity	Work Required	Action Required
\$69,875	1	Replace	2033
	Lump Sum		



# COMPONENT INVENTORY



## Building Exterior - Roof, Asphalt Shingle, Replace 2034

Current Cost	Estimated Quantity	Work Required	Action Required
\$115,755	1	Replace	2034
	Lump Sum		



## Building Exterior - Siding, Paint 25%, Phase 1

Current Cost	Estimated Quantity	Work Required	Action Required
\$62,500	1	Paint	2028
	Lump Sum		

## Building Exterior - Siding, Paint 25%, Phase 2

Current Cost	Estimated Quantity	Work Required	Action Required
\$62,500	1	Paint	2029
	Lump Sum		

## Building Exterior - Siding, Paint 25%, Phase 3

Current Cost	Estimated Quantity	Work Required	Action Required
\$62,500	1	Paint	2030
	Lump Sum		



# COMPONENT INVENTORY



## Building Exterior - Siding, Paint 25%, Phase 4

Current Cost	Estimated Quantity	Work Required	Action Required
\$62,500	1	Paint	2031
	Lump Sum		



## DISCLOSURES

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Reserve Study Group, LLC (RSG) cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. RSG shall not be responsible for accurate determination of remaining life expectancies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

RSG nor any of its representatives, agents or employees maintain management roles or vested interest in, or have other business relationships with the Association. There is no perceived or actual conflicts of interest between RSG and the Association. Our reserve studies are prepared by a reserve study professional and also comply with the requirements of the Washington Unified Common Interest Act (WUCIOA).

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.



## GLOSSARY OF TERMS

### *Component*

The individual line items in the Reserve Study which are included in the Physical Analysis. These elements form the building blocks for the Reserve Study.

### *Estimated Useful Life*

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

### *Fully Funded*

When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

### *Fully Funded Balance (FFB)*

The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an Association total.

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

### *Percent Funded*

The ratio, at a particular point of time, of the actual Reserve Balance to the Fully Funded Balance (FFB), expressed as a percentage.

### *Remaining Useful Life*

The estimated time, in years, that a Reserve Component can be expected to continue to service its intended function. Projects anticipated to occur in the initial year have a “zero” Remaining Life.

### *Unit Cost Estimate*

The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during the current year.

### *Unit of Measure*

Various units of measure have been used to quantify the amounts and costs in relation to each reserve component. Below are the key units used as part of this report.

SF = Square Foot

SY = Square Yard

LF = Linear Foot

SQUARE = 100 Square Feet (Roofing)

