



**2023  
RESERVE STUDY  
PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC.**

Ketchum, ID 83340

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

Level 1 Full Study with Site Visit

10/18/22





## 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.



## 6 CONTRIBUTION RANGE

Funding programs and strategies that are available to the Association.



## 14 PERCENT FUNDED

How well funded is the Association's reserve fund.

## 4 EXECUTIVE SUMMARY

Summary of reserve study outcomes and property related data.

## 5 KEY INSIGHTS

Snapshot of key data points, highlighting the strength of current funding strategies.

## 9 CURRENT FUNDING SUMMARY

Summary of current funding strategies and projected outcomes.

## 10 METHODOLOGY

The what, when, when and how of the reserve study process.

## 14 FINANCIAL ANALYSIS

Percent funded and the strength of the reserve account.

## 16 RESERVE COMPONENT LIST

List of reserve components, anticipated cost, remaining, and useful life estimates.

## 18 RESERVE EXPENSES

Projected expenses over the coming 30 years.

## 24 FULL FUNDING PLAN

Recommended funding plan and cash flow projection.

## 27 PHYSICAL ANALYSIS

Specific information regarding the physical condition of the property.

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# EXECUTIVE SUMMARY

## PROPERTY SUMMARY

ASSOCIATION NAME	Pineridge Townhomes Owners Association, Inc.
LOCATION	Ketchum, IDAHO 83340
YEAR CONSTRUCTED	2005
NUMBER OF UNITS	32
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>	\$111,226
FULLY FUNDED BALANCE, IDEAL	\$851,441
CURRENT PER UNIT DEFICIENCY/(SURPLUS) IN RESERVES	\$23,132
PERCENT FUNDED <sup>2</sup>	13 %
INTEREST EARNED	1.00 %
INFLATION RATE <sup>3</sup>	3.00 %

## RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$23,040
FULL FUNDING, MAXIMUM CONTRIBUTION	\$99,239
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$45,960
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

**\$111,226**

RESERVE ACCOUNT  
BALANCE

**\$23,040**

ANNUAL  
RESERVE CONTRIBUTION

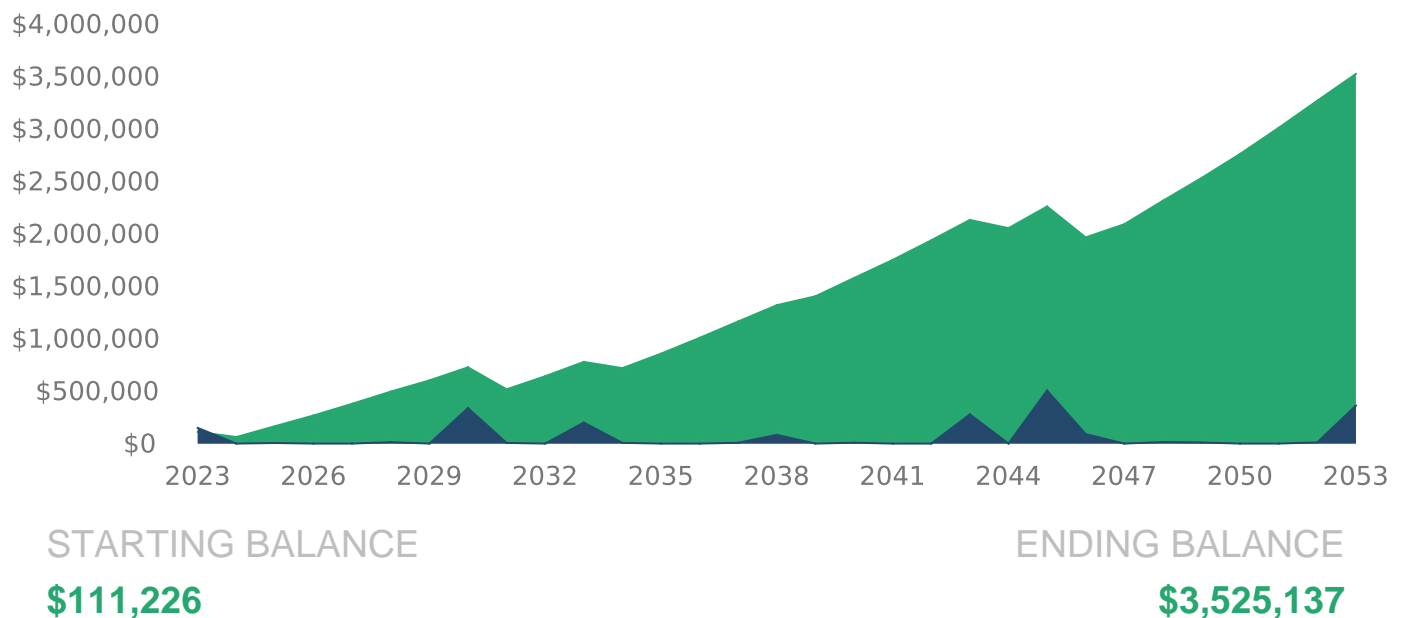
**\$1,731,210**

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  
**\$1,731,210**

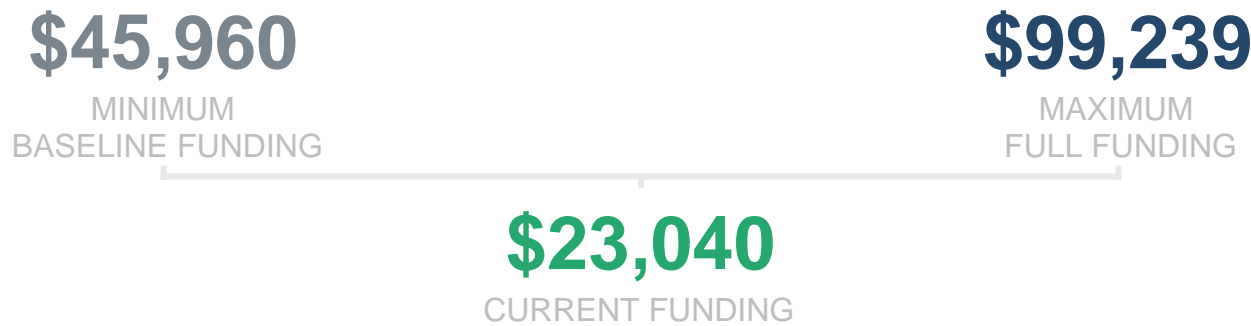


Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



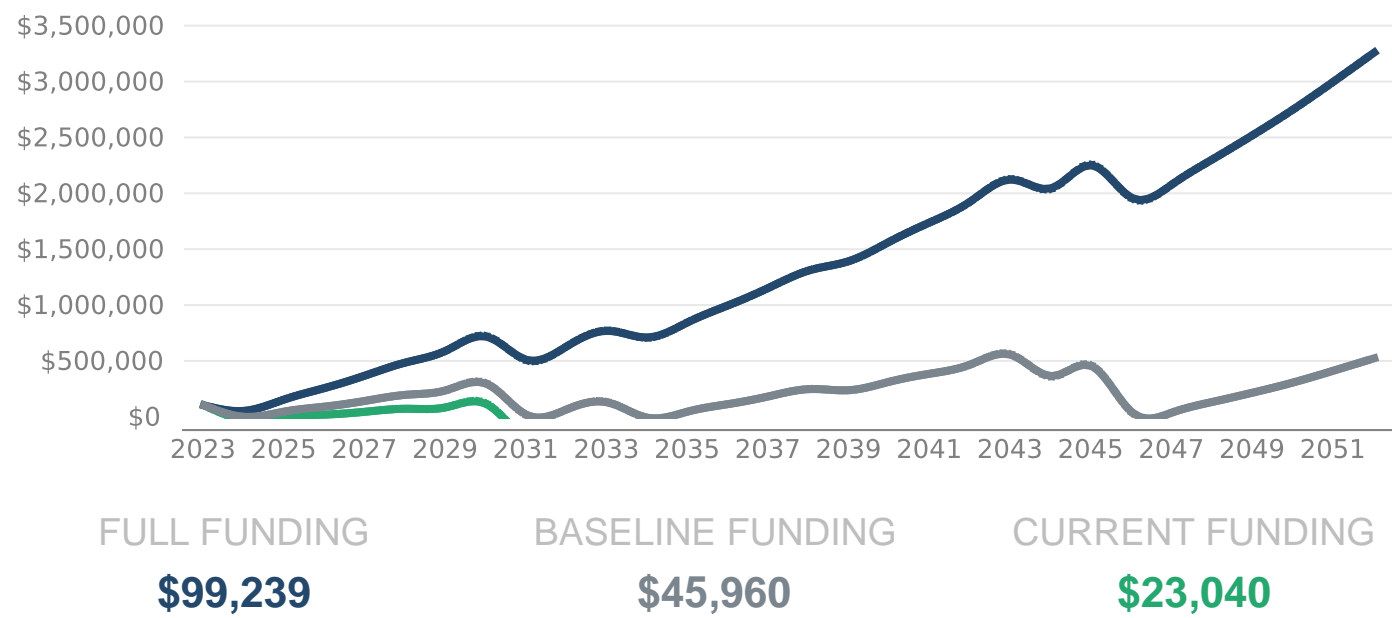
# CONTRIBUTION RANGE

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.



# 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	\$851,441	13%	\$111,226	\$99,239	\$0	\$863	\$149,140	\$62,188
2024	\$783,063	8%	\$62,188	\$102,216	\$0	\$1,133	\$0	\$165,537
2025	\$868,040	19%	\$165,537	\$105,283	\$0	\$2,155	\$5,305	\$267,671
2026	\$951,946	28%	\$267,671	\$108,441	\$0	\$3,219	\$0	\$379,331
2027	\$1,045,733	36%	\$379,331	\$111,695	\$0	\$4,352	\$0	\$495,377
2028	\$1,144,291	43%	\$495,377	\$115,045	\$0	\$5,459	\$14,074	\$601,808
2029	\$1,233,325	49%	\$601,808	\$118,497	\$0	\$6,611	\$0	\$726,915
2030	\$1,341,603	54%	\$726,915	\$122,052	\$0	\$6,188	\$338,215	\$516,940
2031	\$1,106,905	47%	\$516,940	\$125,713	\$0	\$5,766	\$6,334	\$642,085
2032	\$1,209,206	53%	\$642,085	\$129,485	\$0	\$7,068	\$0	\$778,638
2033	\$1,323,369	59%	\$778,638	\$133,369	\$0	\$7,451	\$200,432	\$719,027
2034	\$1,235,426	58%	\$719,027	\$137,370	\$0	\$7,843	\$6,921	\$857,318
2035	\$1,346,524	64%	\$857,318	\$141,491	\$0	\$9,281	\$0	\$1,008,090
2036	\$1,470,519	69%	\$1,008,090	\$145,736	\$0	\$10,810	\$0	\$1,164,636
2037	\$1,600,741	73%	\$1,164,636	\$150,108	\$0	\$12,359	\$7,563	\$1,319,540
2038	\$1,729,664	76%	\$1,319,540	\$154,611	\$0	\$13,552	\$83,195	\$1,404,509
2039	\$1,788,864	79%	\$1,404,509	\$159,250	\$0	\$14,841	\$0	\$1,578,600
2040	\$1,938,320	81%	\$1,578,600	\$164,027	\$0	\$16,565	\$8,264	\$1,750,928
2041	\$2,086,622	84%	\$1,750,928	\$168,948	\$0	\$18,354	\$0	\$1,938,230
2042	\$2,250,845	86%	\$1,938,230	\$174,016	\$0	\$20,252	\$0	\$2,132,499
2043	\$2,423,044	88%	\$2,132,499	\$179,237	\$0	\$20,829	\$278,394	\$2,054,171
2044	\$2,316,803	89%	\$2,054,171	\$184,614	\$0	\$21,465	\$0	\$2,260,250
2045	\$2,497,355	91%	\$2,260,250	\$190,153	\$0	\$21,026	\$505,468	\$1,965,960
2046	\$2,166,022	91%	\$1,965,960	\$195,857	\$0	\$20,187	\$90,390	\$2,091,614
2047	\$2,255,712	93%	\$2,091,614	\$201,733	\$0	\$21,925	\$0	\$2,315,271
2048	\$2,444,728	95%	\$2,315,271	\$207,785	\$0	\$24,117	\$14,950	\$2,532,223
2049	\$2,627,657	96%	\$2,532,223	\$214,018	\$0	\$26,338	\$10,783	\$2,761,797
2050	\$2,824,115	98%	\$2,761,797	\$220,439	\$0	\$28,720	\$0	\$3,010,956
2051	\$3,041,435	99%	\$3,010,956	\$227,052	\$0	\$31,245	\$0	\$3,269,253
2052	\$3,269,253	100%	\$3,269,253	\$233,864	\$0	\$33,803	\$11,783	\$3,525,137

**\$99,239**

2023  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**1.00 %**

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	\$851,441	13%	\$111,226	\$45,960	\$0	\$596	\$149,140	\$8,642
2024	\$783,063	1%	\$8,642	\$47,339	\$0	\$323	\$0	\$56,304
2025	\$868,040	6%	\$56,304	\$48,759	\$0	\$780	\$5,305	\$100,539
2026	\$951,946	11%	\$100,539	\$50,222	\$0	\$1,256	\$0	\$152,017
2027	\$1,045,733	15%	\$152,017	\$51,728	\$0	\$1,779	\$0	\$205,524
2028	\$1,144,291	18%	\$205,524	\$53,280	\$0	\$2,251	\$14,074	\$246,981
2029	\$1,233,325	20%	\$246,981	\$54,878	\$0	\$2,744	\$0	\$304,604
2030	\$1,341,603	23%	\$304,604	\$56,525	\$0	\$1,638	\$338,215	\$24,551
2031	\$1,106,905	2%	\$24,551	\$58,221	\$0	\$505	\$6,334	\$76,943
2032	\$1,209,206	6%	\$76,943	\$59,967	\$0	\$1,069	\$0	\$137,979
2033	\$1,323,369	10%	\$137,979	\$61,766	\$0	\$686	\$200,432	\$0
2034	\$1,235,426	0%	\$0	\$63,619	\$0	\$283	\$6,921	\$56,981
2035	\$1,346,524	4%	\$56,981	\$65,528	\$0	\$897	\$0	\$123,407
2036	\$1,470,519	8%	\$123,407	\$67,494	\$0	\$1,572	\$0	\$192,472
2037	\$1,600,741	12%	\$192,472	\$69,518	\$0	\$2,234	\$7,563	\$256,662
2038	\$1,729,664	15%	\$256,662	\$71,604	\$0	\$2,509	\$83,195	\$247,579
2039	\$1,788,864	14%	\$247,579	\$73,752	\$0	\$2,845	\$0	\$324,175
2040	\$1,938,320	17%	\$324,175	\$75,965	\$0	\$3,580	\$8,264	\$395,456
2041	\$2,086,622	19%	\$395,456	\$78,244	\$0	\$4,346	\$0	\$478,045
2042	\$2,250,845	21%	\$478,045	\$80,591	\$0	\$5,183	\$0	\$563,820
2043	\$2,423,044	23%	\$563,820	\$83,009	\$0	\$4,661	\$278,394	\$373,095
2044	\$2,316,803	16%	\$373,095	\$85,499	\$0	\$4,158	\$0	\$462,753
2045	\$2,497,355	19%	\$462,753	\$88,064	\$0	\$2,541	\$505,468	\$47,889
2046	\$2,166,022	2%	\$47,889	\$90,706	\$0	\$480	\$90,390	\$48,685
2047	\$2,255,712	2%	\$48,685	\$93,427	\$0	\$954	\$0	\$143,066
2048	\$2,444,728	6%	\$143,066	\$96,230	\$0	\$1,837	\$14,950	\$226,183
2049	\$2,627,657	9%	\$226,183	\$99,117	\$0	\$2,703	\$10,783	\$317,220
2050	\$2,824,115	11%	\$317,220	\$102,090	\$0	\$3,683	\$0	\$422,993
2051	\$3,041,435	14%	\$422,993	\$105,153	\$0	\$4,756	\$0	\$532,901
2052	\$3,269,253	16%	\$532,901	\$108,307	\$0	\$5,812	\$11,783	\$635,237

**\$45,960**

2023  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**1.00 %**

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	\$851,441	13%	\$111,226	\$23,040	\$0	\$482	\$149,140	-\$14,392
2024	\$783,063	0%	-\$14,392	\$23,731	\$0	\$0	\$0	\$9,339
2025	\$868,040	1%	\$9,339	\$24,443	\$0	\$189	\$5,305	\$28,667
2026	\$951,946	3%	\$28,667	\$25,176	\$0	\$413	\$0	\$54,256
2027	\$1,045,733	5%	\$54,256	\$25,932	\$0	\$672	\$0	\$80,860
2028	\$1,144,291	7%	\$80,860	\$26,710	\$0	\$872	\$14,074	\$94,367
2029	\$1,233,325	8%	\$94,367	\$27,511	\$0	\$1,081	\$0	\$122,960
2030	\$1,341,603	9%	\$122,960	\$28,336	\$0	\$0	\$338,215	-\$186,919
2031	\$1,106,905	0%	-\$186,919	\$29,186	\$0	\$0	\$6,334	-\$164,067
2032	\$1,209,206	0%	-\$164,067	\$30,062	\$0	\$0	\$0	-\$134,005
2033	\$1,323,369	0%	-\$134,005	\$30,964	\$0	\$0	\$200,432	-\$303,473
2034	\$1,235,426	0%	-\$303,473	\$31,893	\$0	\$0	\$6,921	-\$278,501
2035	\$1,346,524	0%	-\$278,501	\$32,850	\$0	\$0	\$0	-\$245,652
2036	\$1,470,519	0%	-\$245,652	\$33,835	\$0	\$0	\$0	-\$211,817
2037	\$1,600,741	0%	-\$211,817	\$34,850	\$0	\$0	\$7,563	-\$184,529
2038	\$1,729,664	0%	-\$184,529	\$35,896	\$0	\$0	\$83,195	-\$231,829
2039	\$1,788,864	0%	-\$231,829	\$36,972	\$0	\$0	\$0	-\$194,857
2040	\$1,938,320	0%	-\$194,857	\$38,082	\$0	\$0	\$8,264	-\$165,040
2041	\$2,086,622	0%	-\$165,040	\$39,224	\$0	\$0	\$0	-\$125,815
2042	\$2,250,845	0%	-\$125,815	\$40,401	\$0	\$0	\$0	-\$85,415
2043	\$2,423,044	0%	-\$85,415	\$41,613	\$0	\$0	\$278,394	-\$322,196
2044	\$2,316,803	0%	-\$322,196	\$42,861	\$0	\$0	\$0	-\$279,335
2045	\$2,497,355	0%	-\$279,335	\$44,147	\$0	\$0	\$505,468	-\$740,656
2046	\$2,166,022	0%	-\$740,656	\$45,471	\$0	\$0	\$90,390	-\$785,575
2047	\$2,255,712	0%	-\$785,575	\$46,836	\$0	\$0	\$0	-\$738,739
2048	\$2,444,728	0%	-\$738,739	\$48,241	\$0	\$0	\$14,950	-\$705,448
2049	\$2,627,657	0%	-\$705,448	\$49,688	\$0	\$0	\$10,783	-\$666,543
2050	\$2,824,115	0%	-\$666,543	\$51,178	\$0	\$0	\$0	-\$615,365
2051	\$3,041,435	0%	-\$615,365	\$52,714	\$0	\$0	\$0	-\$562,651
2052	\$3,269,253	0%	-\$562,651	\$54,295	\$0	\$0	\$11,783	-\$520,138

**\$23,040**

2023  
ANNUAL CONTRIBUTION

**3.00 %**

PERCENTAGE ANNUAL  
CONTRIBUTION INCREASE

**1.00 %**

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  
**13%**



RESERVE FUND  
BALANCE  
**\$111,226**

IDEAL  
BALANCE  
**\$851,441**

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
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	25	7	39	Squares	\$1,200.00	\$46,800
Building Exterior - Roof, Asphalt Shingle	25	7	326	Squares	\$700.00	\$228,200
Building Exterior - Roof, Gutters & Downspouts	25	23	3400	LF	\$12.00	\$40,800
Building Exterior - Roof, Heat Tape, Replace, Allowance	3	2	1	Lump Sum	\$5,000.00	\$5,000
Building Exterior - Clean, Caulk & Paint	10	0	1	Lump Sum	\$142,000.00	\$142,000
Building Exterior - Siding, Fiber Cement	50	32	19900	SF	\$15.00	\$298,500
Building Exterior - Siding, Stucco	50	32	27500	SF	\$25.00	\$687,500
Building Exterior - Stone Veneer, Repair, Allowance	5	0	1	Lump Sum	\$2,000.00	\$2,000
Building Exterior - Decks & Railings, Replace	40	22	1900	SF	\$70.00	\$133,000
General Site - Asphalt, Repair & Overlay, 50% Owner	30	15	25700	SF	\$4.00	\$51,400
General Site - Asphalt, Repair & Seal Coat, 50% Owner	5	0	25700	SF	\$0.40	\$5,140
General Site - Patio & Entries, Brick Pavers	40	22	6540	SF	\$20.00	\$130,800

**TOTALS** \$1,771,140

Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study [building foundations, utility piping, structural, plumbing & electrical elements] 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.

### Governing Documents Excerpt

Association Responsibilities. The Association shall control and maintain for and on behalf of each Owner from required dues and assessments paid by each Owner to the Association, the maintenance, repair and replacement of all Common Area improvement, including without limitation all landscaping and irrigation systems within the Common Area, and all landscaping easement areas on each Owner's Lot in a first class condition and in a good state of repair. In addition to the foregoing, the Association shall control and maintain the following: the roofs on all of the Townhomes, roof flashings, chimney caps, window flashing, underground utility lines up to a power box and/or meter, sewer lines, vents, annual testing of flow sensor and the heating and maintenance of equipment in the riser rooms but not including the ball valve, exterior lights to the extent that such lights are controlled from a source of power located in the Common Area, stoops, porches, balconies, railings, siding, stucco, window frame/or trim, any exterior fencing that is located on a property line, and the exterior painting (or other appropriate external care of all buildings and other improvements) of all Townhomes including the exterior painting of all doors (including without limitation all entry, siding, sliding, and garage doors), all in a manner and with such frequency as is consistent with good property management.

Owners Responsibilities. Except for the performance of maintenance work to be performed by the Association as specifically set forth in the above paragraph, each Owner is responsible for all maintenance, repair and replacement of all improvements on the Owner's Lot, and shall keep all Lots owned by him/her, and all improvements therein or thereon in good order and repair and free of debris, including, but not limited to the following: plumbing, electrical lines on each Sublot up to the meter, gas and electric meters, windows (even if broken from an outside source), weep holes, all doors (including without limitation entry, siding, sliding, storm and garage doors), door hardware such as knobs and locks, keys, garage mechanical system, window and door screens, doorbells, door siding and door pans, telephone and television lines or other lines servicing solely a Sublot, weather stripping, chimney cleaning, dryer vents and cleaning, and each Townhomes's fire system from the ball valve in the riser room to the Townhomes, including the fire sprinkler heads. In addition to the foregoing, to the extent an Owner has a backyard such Owner maintenance shall include without limitation, the backyard irrigation system, the seeding, and mowing of all lawns, the pruning and cutting of all trees and shrubbery in such backyard; notwithstanding anything contained herein to the contrary, due to the existence of one water meter for the landscaping of the Project, and therefore no separate controls and/or water meters for the individual backyards on Sublots 1-8, the watering of such backyards shall be the responsibility of the Association.





## FULLY FUNDED BALANCE

Component	Current Cost	Current Fully Funded Balance	Annual Cost	% Annual Cost
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$46,800	\$33,696	\$1,872	3.23%
Building Exterior - Roof, Asphalt Shingle	\$228,200	\$164,304	\$9,128	15.75%
Building Exterior - Roof, Gutters & Downspouts	\$40,800	\$3,264	\$1,632	2.82%
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$5,000	\$1,667	\$1,667	2.88%
Building Exterior - Clean, Caulk & Paint	\$142,000	\$142,000	\$14,200	24.50%
Building Exterior - Siding, Fiber Cement	\$298,500	\$107,460	\$5,970	10.30%
Building Exterior - Siding, Stucco	\$687,500	\$247,500	\$13,750	23.73%
Building Exterior - Stone Veneer, Repair, Allowance	\$2,000	\$2,000	\$400	0.69%
Building Exterior - Decks & Railings, Replace	\$133,000	\$59,850	\$3,325	5.74%
General Site - Asphalt, Repair & Overlay, 50% Owner	\$51,400	\$25,700	\$1,713	2.96%
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$5,140	\$5,140	\$1,028	1.77%
General Site - Patio & Entries, Brick Pavers	\$130,800	\$58,860	\$3,270	5.64%
<b>TOTALS</b>	<b>\$1,771,140</b>	<b>\$851,441</b>	<b>\$57,955</b>	<b>100%</b>



## RESERVE EXPENSES 1-5 YEARS

Component	2023	2024	2025	2026	2027
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$0	\$0	\$5,305	\$0	\$0
Building Exterior - Clean, Caulk & Paint	\$142,000	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$2,000	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$5,140	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$149,140	\$0	\$5,305	\$0	\$0



## RESERVE EXPENSES 6-10 YEARS

Component	2028	2029	2030	2031	2032
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$57,558	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$280,657	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$5,796	\$0	\$0	\$6,334	\$0
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$2,319	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$5,959	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$14,074	\$0	\$338,215	\$6,334	\$0



## RESERVE EXPENSES 11-15 YEARS

Component	2033	2034	2035	2036	2037
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$0	\$6,921	\$0	\$0	\$7,563
Building Exterior - Clean, Caulk & Paint	\$190,836	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$2,688	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$6,908	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$200,432	\$6,921	\$0	\$0	\$7,563





## RESERVE EXPENSES 16-20 YEARS

Component	2038	2039	2040	2041	2042
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$0	\$0	\$8,264	\$0	\$0
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$3,116	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$80,080	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$83,195	\$0	\$8,264	\$0	\$0



## RESERVE EXPENSES 21-25 YEARS

Component	2043	2044	2045	2046	2047
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$80,522	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$9,031	\$0	\$0	\$9,868	\$0
Building Exterior - Clean, Caulk & Paint	\$256,468	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$3,612	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$254,842	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$9,283	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$250,626	\$0	\$0
Annual Expenditure	\$278,394	\$0	\$505,468	\$90,390	\$0



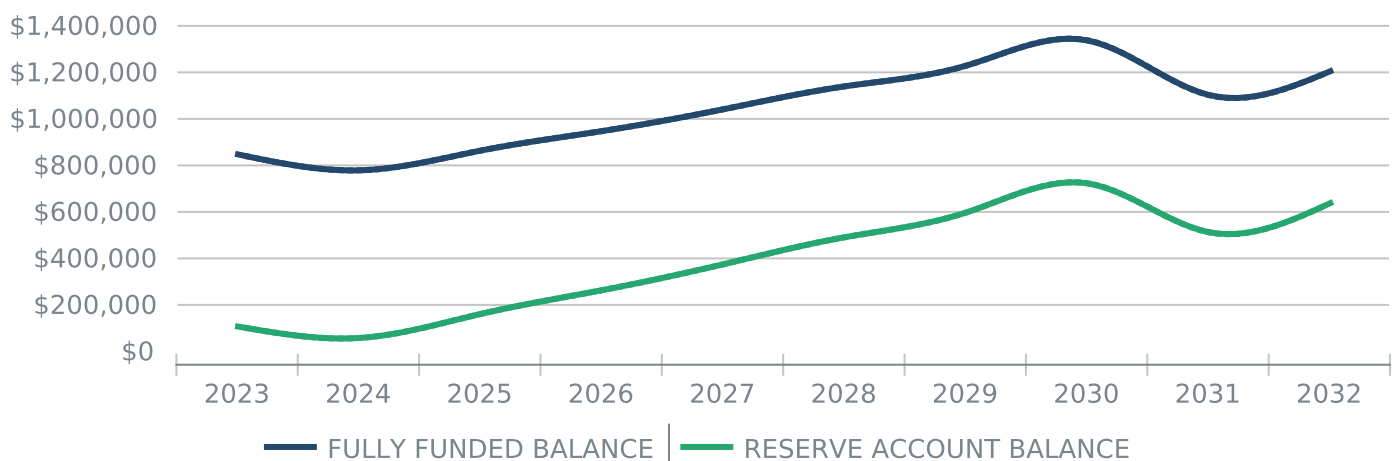
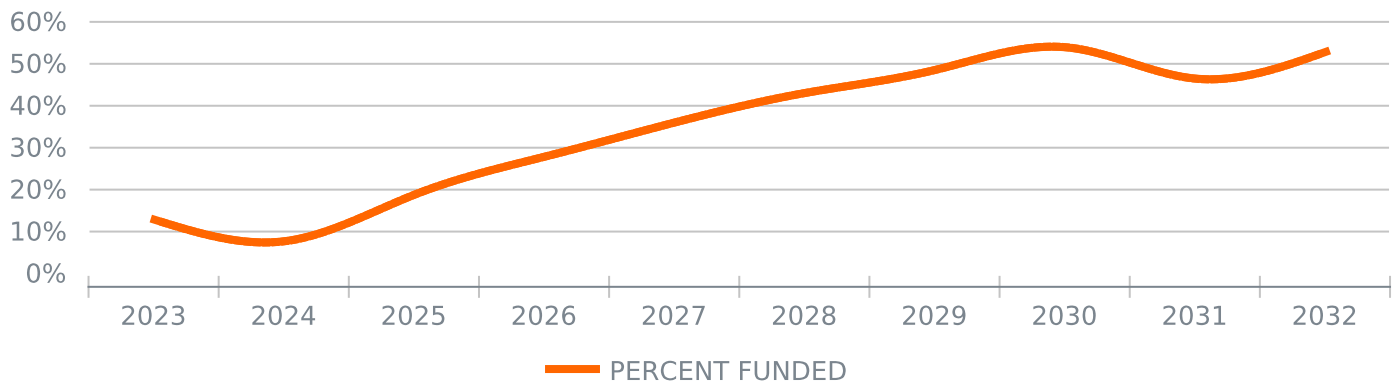
## RESERVE EXPENSES 26-30 YEARS

Component	2048	2049	2050	2051	2052
Building Exterior - Roof, Low Slope, Membrane w/ Ballast	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Heat Tape, Replace, Allowance	\$0	\$10,783	\$0	\$0	\$11,783
Building Exterior - Clean, Caulk & Paint	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Fiber Cement	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stone Veneer, Repair, Allowance	\$4,188	\$0	\$0	\$0	\$0
Building Exterior - Decks & Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Overlay, 50% Owner	\$0	\$0	\$0	\$0	\$0
General Site - Asphalt, Repair & Seal Coat, 50% Owner	\$10,762	\$0	\$0	\$0	\$0
General Site - Patio & Entries, Brick Pavers	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$14,950	\$10,783	\$0	\$0	\$11,783



## FULL FUNDING PLAN 1-10 YEARS

YEAR 1-10	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fully Funded Balance	\$851,441	\$783,063	\$868,040	\$951,946	\$1,045,733	\$1,144,291	\$1,233,325	\$1,341,603	\$1,106,905	\$1,209,206
Percentage Funded (%)	13%	8%	19%	28%	36%	43%	49%	54%	47%	53%
Beginning Balance	\$111,226	\$62,188	\$165,537	\$267,671	\$379,331	\$495,377	\$601,808	\$726,915	\$516,940	\$642,085
Reserve Contribution	\$99,239	\$102,216	\$105,283	\$108,441	\$111,695	\$115,045	\$118,497	\$122,052	\$125,713	\$129,485
Avg Unit Contribution (mth)	\$258.44	\$266.19	\$274.17	\$282.40	\$290.87	\$299.60	\$308.59	\$317.84	\$327.38	\$337.20
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	\$863	\$1,133	\$2,155	\$3,219	\$4,352	\$5,459	\$6,611	\$6,188	\$5,766	\$7,068
Reserve Expenditures	\$149,140	\$0	\$5,305	\$0	\$0	\$14,074	\$0	\$338,215	\$6,334	\$0
ENDING BALANCE	\$62,188	\$165,537	\$267,671	\$379,331	\$495,377	\$601,808	\$726,915	\$516,940	\$642,085	\$778,638

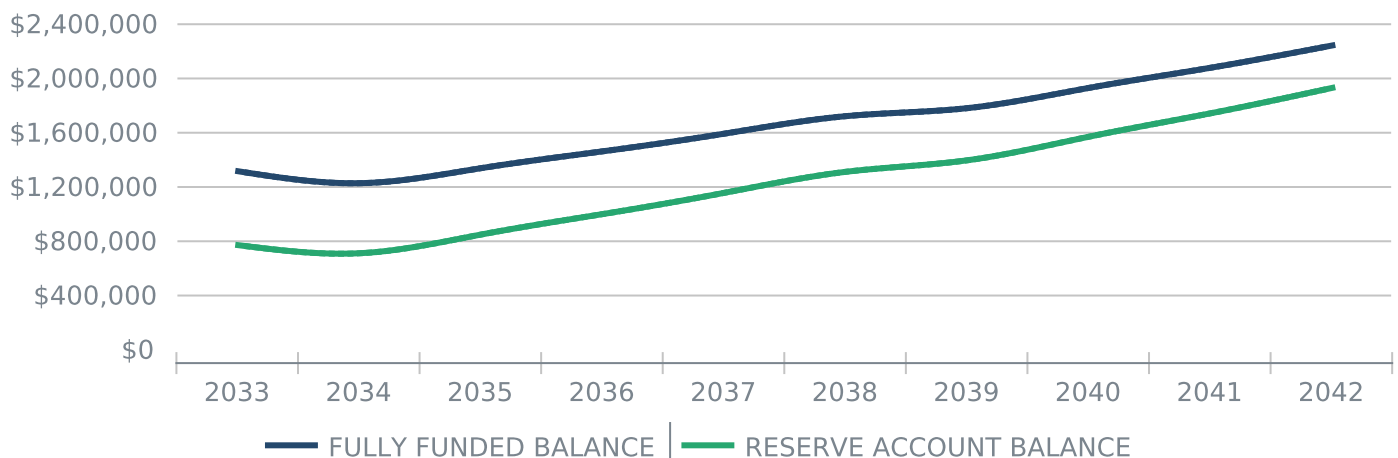
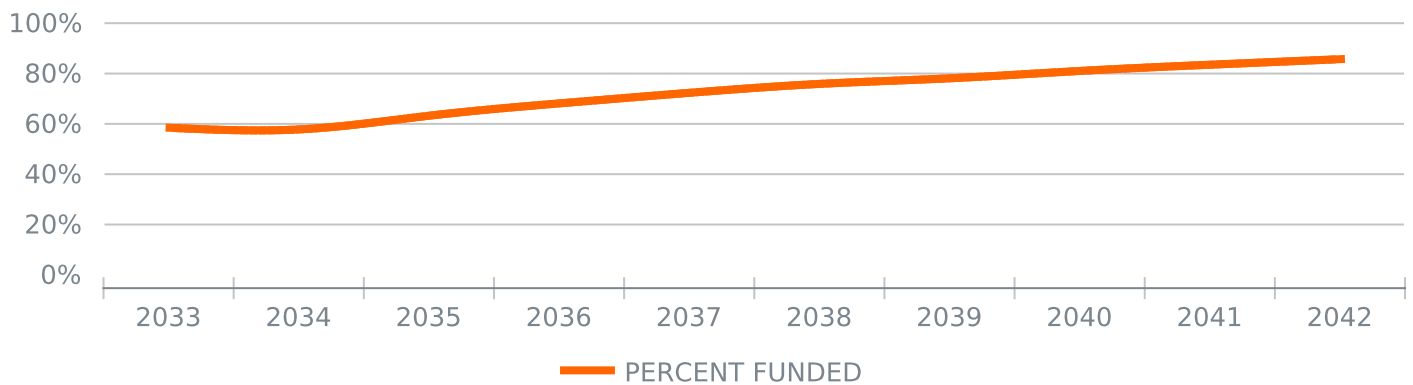






## FULL FUNDING PLAN 11-20 YEARS

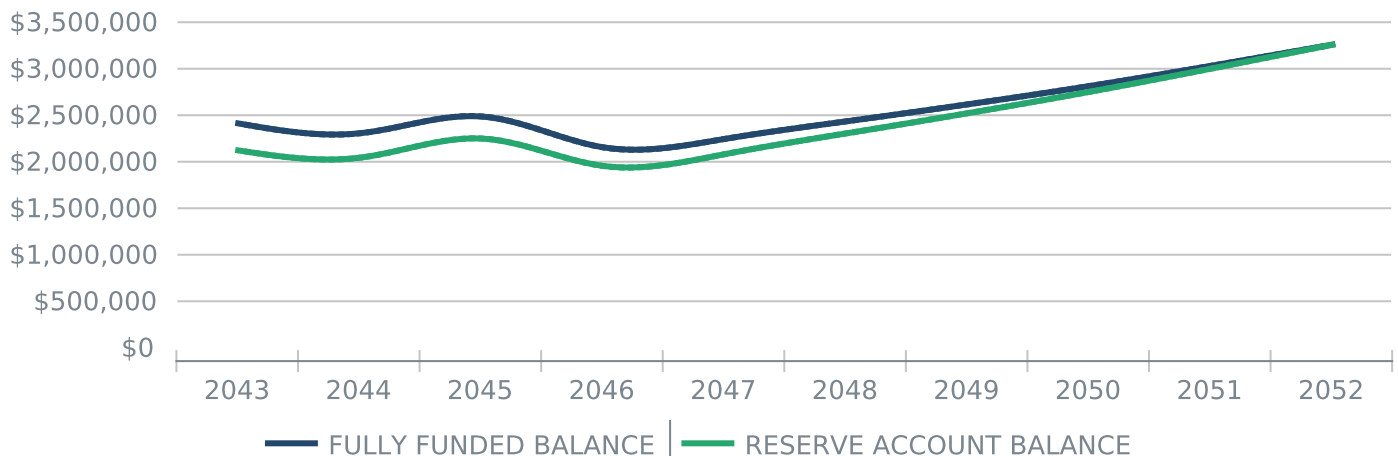
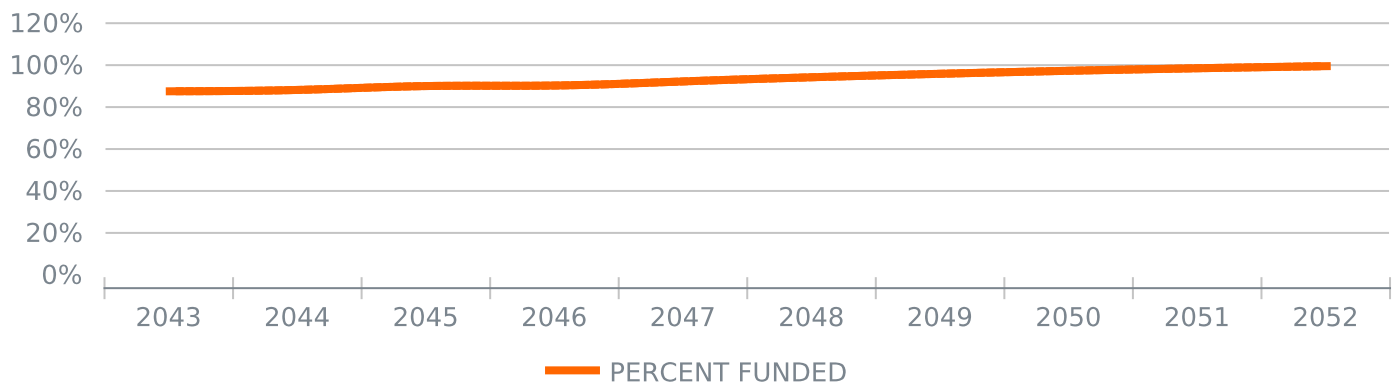
YEAR 11-20	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Fully Funded Balance	\$1,323,369	\$1,235,426	\$1,346,524	\$1,470,519	\$1,600,741	\$1,729,664	\$1,788,864	\$1,938,320	\$2,086,622	\$2,250,845
Percentage Funded (%)	59%	58%	64%	69%	73%	76%	79%	81%	84%	86%
Beginning Balance	\$778,638	\$719,027	\$857,318	\$1,008,090	\$1,164,636	\$1,319,540	\$1,404,509	\$1,578,600	\$1,750,928	\$1,938,230
Reserve Contribution	\$133,369	\$137,370	\$141,491	\$145,736	\$150,108	\$154,611	\$159,250	\$164,027	\$168,948	\$174,016
Avg Unit Contribution (mth)	\$347.32	\$357.73	\$368.47	\$379.52	\$390.91	\$402.63	\$414.71	\$427.15	\$439.97	\$453.17
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	\$7,451	\$7,843	\$9,281	\$10,810	\$12,359	\$13,552	\$14,841	\$16,565	\$18,354	\$20,252
Reserve Expenditures	\$200,432	\$6,921	\$0	\$0	\$7,563	\$83,195	\$0	\$8,264	\$0	\$0
ENDING BALANCE	\$719,027	\$857,318	\$1,008,090	\$1,164,636	\$1,319,540	\$1,404,509	\$1,578,600	\$1,750,928	\$1,938,230	\$2,132,499





## FULL FUNDING PLAN 21-30 YEARS

YEAR 21-30	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Fully Funded Balance	\$2,423,044	\$2,316,803	\$2,497,355	\$2,166,022	\$2,255,712	\$2,444,728	\$2,627,657	\$2,824,115	\$3,041,435	\$3,269,253
Percentage Funded (%)	88%	89%	91%	91%	93%	95%	96%	98%	99%	100%
Beginning Balance	\$2,132,499	\$2,054,171	\$2,260,250	\$1,965,960	\$2,091,614	\$2,315,271	\$2,532,223	\$2,761,797	\$3,010,956	\$3,269,253
Reserve Contribution	\$179,237	\$184,614	\$190,153	\$195,857	\$201,733	\$207,785	\$214,018	\$220,439	\$227,052	\$233,864
Avg Unit Contribution (mth)	\$466.76	\$480.77	\$495.19	\$510.04	\$525.35	\$541.11	\$557.34	\$574.06	\$591.28	\$609.02
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	\$20,829	\$21,465	\$21,026	\$20,187	\$21,925	\$24,117	\$26,338	\$28,720	\$31,245	\$33,803
Reserve Expenditures	\$278,394	\$0	\$505,468	\$90,390	\$0	\$14,950	\$10,783	\$0	\$0	\$11,783
ENDING BALANCE	\$2,054,171	\$2,260,250	\$1,965,960	\$2,091,614	\$2,315,271	\$2,532,223	\$2,761,797	\$3,010,956	\$3,269,253	\$3,525,137





## 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 April 21st 2022. 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.



**Building Exterior - Roof, Low Slope, Membrane w/ Ballast**

<b>Current Cost</b> \$46,800	<b>Estimated Quantity</b> 39 Squares	<b>Work Required</b> Replace	<b>Action Required</b> 2030
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## COMPONENT INVENTORY



**Building Exterior - Roof, Asphalt Shingle**

Current Cost	Estimated Quantity	Work Required	Action Required
\$228,200	326 Squares	Replace	2030



**Building Exterior - Roof, Gutters & Downspouts**

Current Cost	Estimated Quantity	Work Required	Action Required
\$40,800	3400 LF	Replace	2046



# COMPONENT INVENTORY



## Building Exterior - Roof, Heat Tape, Replace, Allowance

Current Cost	Estimated Quantity	Work Required	Action Required
\$5,000	1	Replace	2025
	Lump Sum		



## Building Exterior - Clean, Caulk & Paint

Current Cost	Estimated Quantity	Work Required	Action Required
\$142,000	1	Paint	2023
	Lump Sum		

# COMPONENT INVENTORY



## Building Exterior - Siding, Fiber Cement

Current Cost	Estimated Quantity	Work Required	Action Required
\$298,500	19900 SF	Replace	2055

## Building Exterior - Siding, Stucco

Current Cost	Estimated Quantity	Work Required	Action Required
\$687,500	27500 SF	Replace	2055



## COMPONENT INVENTORY



**Building Exterior - Stone Veneer, Repair, Allowance**

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,000	1 Lump Sum	Repair	2023



**Building Exterior - Decks & Railings, Replace**

Current Cost	Estimated Quantity	Work Required	Action Required
\$133,000	1900 SF	Replace	2045

# COMPONENT INVENTORY



## General Site - Asphalt, Repair & Overlay, 50% Owner

Current Cost	Estimated Quantity	Work Required	Action Required
\$51,400	25700 SF	Overlay	2038

## General Site - Asphalt, Repair & Seal Coat, 50% Owner

Current Cost	Estimated Quantity	Work Required	Action Required
\$5,140	25700 SF	Maintain	2023



# COMPONENT INVENTORY



**General Site - Patio & Entries, Brick Pavers**

Current Cost	Estimated Quantity	Work Required	Action Required
\$130,800	6540 SF	Replace	2045



## 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)

