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“Do-It-Yourself” Reserve Study

Sunland Division 17 Owners Association Sequim, WA

Report #: 19544-8
For Period Beginning: January 1, 2020
Expires: December 31, 2020

Date Prepared: June 14, 2019

Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) **The Reserve Component List** (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.
- 2) **An Evaluation of your current Reserve Fund Size and Strength** (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.
- 3) **A Recommended Multi-Year Reserve Funding Plan**, answering the question... “What do we do now?”

More Questions?

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Reserve Studies for Community Associations

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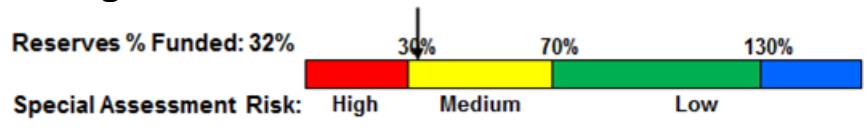
3- Minute Executive Summary

Association: Sunland Division 17 Owners #: 19544-8
 Association
Location: Sequim, WA # of Units: 139
Report Period: January 1, 2020 through December 31, 2020

Findings/Recommendations as-of 1/1/2020:

Projected Starting Reserve Balance:	\$414,700
Current Fully Funded Reserve Balance:	\$1,283,361
Average Reserve Deficit (Surplus) Per Unit:.....	\$6,249
Recommended 2020 Annual “Full Funding” Contributions:	\$235,950
Alternate minimum contribs* to keep Reserves above \$0:.....	\$80,120
Recommended 2020 Special Assessment for Reserves:	\$0

Most Recent Budgeted Reserve Contribution Rate: \$110,200



Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 0.75%
Annual Inflation Rate 3.00%

- This Reserve Study is based on the information provided to our firm, shown in the attached appendix, without oversight or review by Association Reserves personnel. This study was prepared by, or under the supervision of a credentialed Reserve Study Specialist (RS™)
- Your Reserve Fund is currently 32% Funded. This means the association’s special assessment & deferred maintenance risk is currently medium-low. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses, our recommendation is to increase your Annual Reserve contributions to \$235,950 within the 70% to 100% level as noted above. 100% “Full” and 70% contribution rates are designed to achieve these funding objectives *by the end of our 30-year report scope*. No assets appropriate for Reserve designation were excluded. See appendix for component details.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Repl. Cost Estimate
1	Phase 1 - Replace Title Roofs	50	31	\$117,200
2	Phase 2 - Replace Title Roofs	50	32	\$205,100
3	Phase 3 - Replace Title Roofs	50	34	\$249,100
4	Phase 4 - Replace Title Roofs	50	36	\$483,600
5	Phase 5 - Replace Title Roofs	50	37	\$337,000
6	Phase 6 - Replace Comp. Roofs	35	27	\$196,700
7	Phase 7 - Replace Comp. Roofs	35	34	\$337,200
8	Phase 1 - Replace Siding	60	41	\$105,200
9	Phase 2 - Replace Siding	60	42	\$184,100
10	Phase 3 - Replace Siding	60	44	\$223,100
11	Phase 4 - Replace Siding	60	46	\$432,600
12	Phase 5 - Replace Siding	60	47	\$302,000
13	Phase 6 - Replace Siding	60	52	\$184,100
14	Phase 7 - Replace Siding	60	59	\$315,600
15	Phase 1 - Painting	12	5	\$30,000
16	Phase 2 - Painting	12	6	\$52,500
17	Phase 3 - Painting	12	8	\$63,700
18	Phase 4 - Painting	12	10	\$123,600
19	Phase 5 - Painting	12	11	\$86,200
20	Phase 6 - Painting	12	4	\$52,500
21	Phase 7 - Painting	12	11	\$90,000
22	Phase 1 - Replace Privacy Fences	28	8	\$10,600
23	Phase 2 - Replace Privacy Fences	28	9	\$19,000
24	Phase 3 - Replace Privacy Fences	28	11	\$22,600
25	Phase 4 - Replace Privacy Fences	28	13	\$44,200
26	Phase 5 - Replace Privacy Fences	28	14	\$30,500
27	Phase 6 - Replace Privacy Fences	28	12	\$14,000
28	Phase 7 - Replace Privacy Fences	28	18	\$24,000
29	Phase 1 - Replace Windows/Slider	35	16	\$32,000
30	Phase 2 - Replace Windows/Slider	35	17	\$56,000
31	Phase 3 - Replace Windows/Slider	35	19	\$68,000
32	Phase 4 - Replace Windows/Slider	35	21	\$132,000
33	Phase 5 - Replace Windows/Slider	35	22	\$92,000
34	Phase 6 - Replace Windows/Slider	35	27	\$56,000
35	Phase 7 - Replace Windows/Slider	35	34	\$96,000
36	Phase 1 - Replace Light Poles	25	6	\$2,400
37	Phase 2 - Replace Light Poles	25	7	\$4,200
38	Phase 3 - Replace Light Poles	25	9	\$5,100
39	Phase 4 - Replace Light Poles	25	11	\$9,900
40	Phase 5 - Replace Light Poles	25	12	\$6,900
41	Phase 6 - Replace Light Poles	25	17	\$4,200
42	Phase 7 - Replace Light Poles	25	24	\$7,200
43	Landscaping Mulch Project	3	0	\$27,000
44	Concrete Repairs	1	0	\$10,000
45	Mount Baker Mail Box Enclosure	28	17	\$4,000
46	Sunland North Sign	30	11	\$2,000
46	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

Cross reference component number with inventory appendix.

Components with 0 UL / 0 RUL and no costs were considered per RCW 64.34.382 but did not meet NRSS criteria (see page 2) for reserve funding in the judgment of the Reserve Specialist. A reserve-funding threshold of XXXX is suggested for your association (expenses below this level expected to be factored within operating budget).

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association’s major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association’s Reserve Fund Strength (reported in terms of “Percent Funded”). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Do-It-Yourself Reserve Study Kit](#), the client has provided the Reserve Component List, Reserve Balance, and values for interest and inflation. We then calculated Reserve Fund strength (Percent Funded) and developed a Funding Plan using the cash-flow methodology, designed to Fully Fund the association’s Reserves.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association’s total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.



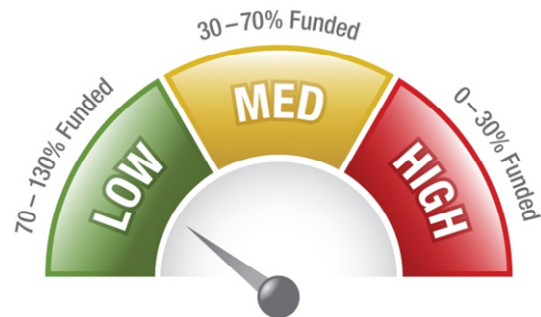
RESERVE COMPONENT "FOUR-PART TEST"

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



SPECIAL ASSESSMENT RISK

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% -130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called “Full Funding” (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70-130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0-30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the “margin of safety” is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Your *first five years* of projected Reserve expenses total \$168,684. Adding the next five years, your *first ten years* of projected Reserve expenses are \$528,763. Please be aware of your near-term expenses, which are typically projected more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

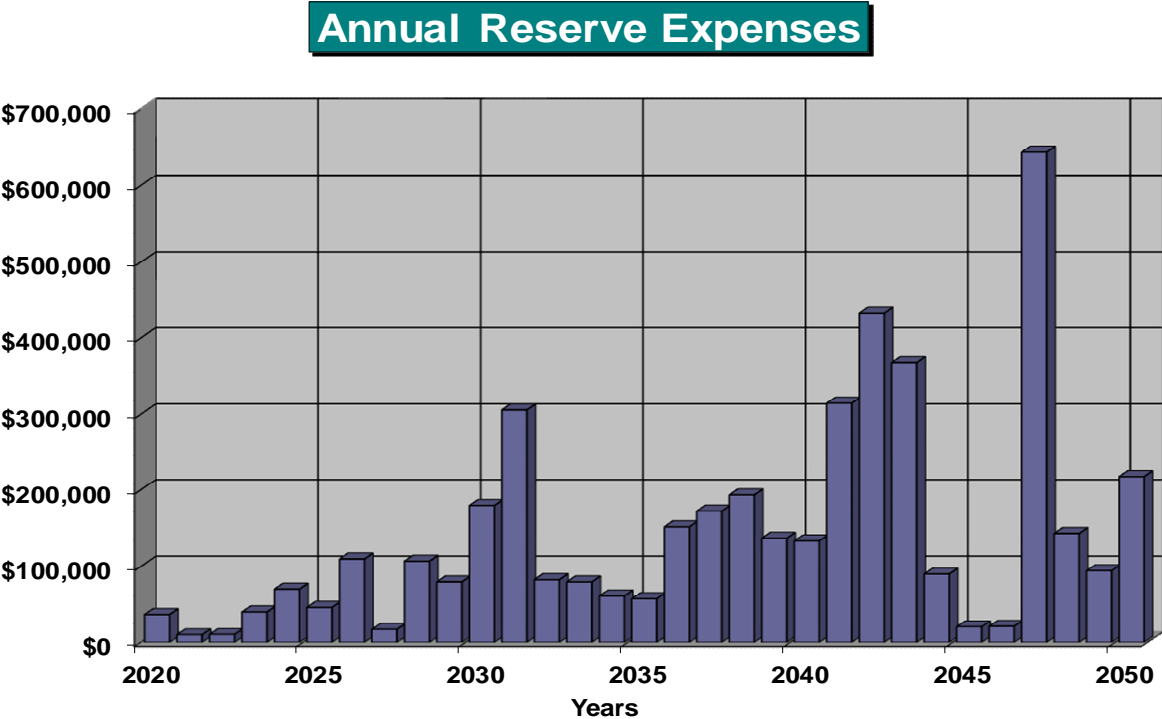


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$414,700 as-of the start of your Fiscal Year on January 1, 2020. As of January 1, 2020, your Fully Funded Balance is computed to be \$1,283,361 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 32% Funded. Across the country approx 20% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted annual contributions of \$235,950 this Fiscal Year 2020. This same information is shown numerically in both Table 5 and Table 6.

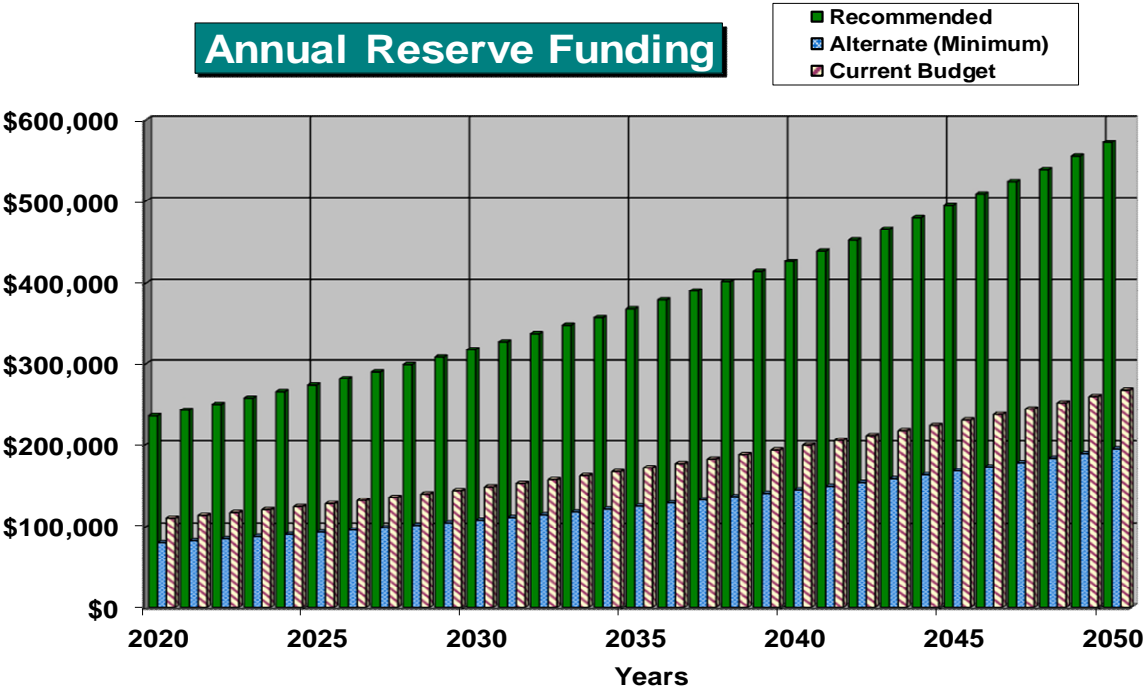


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

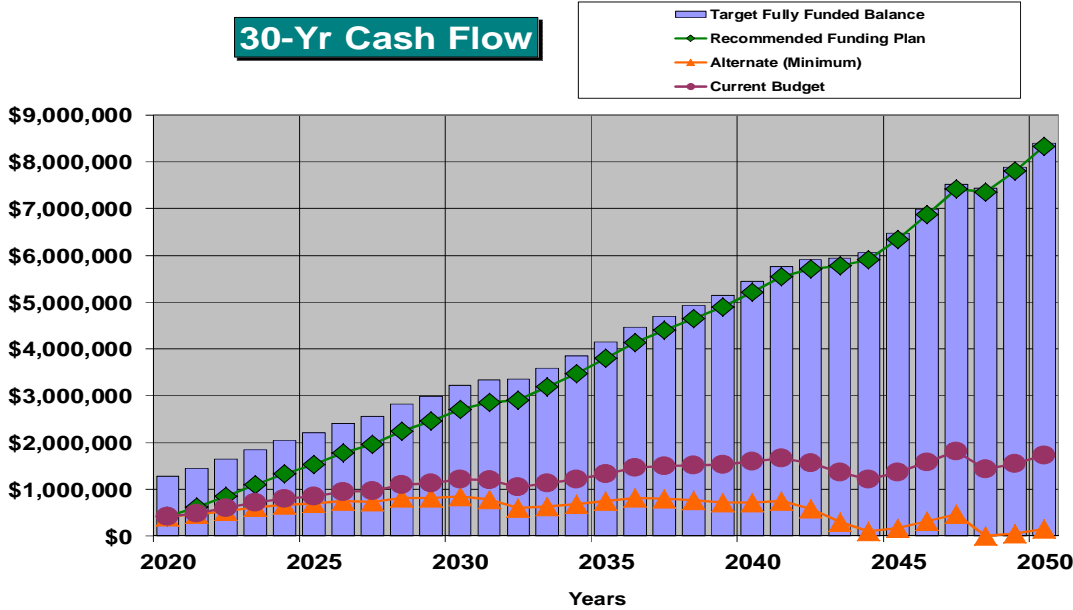


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

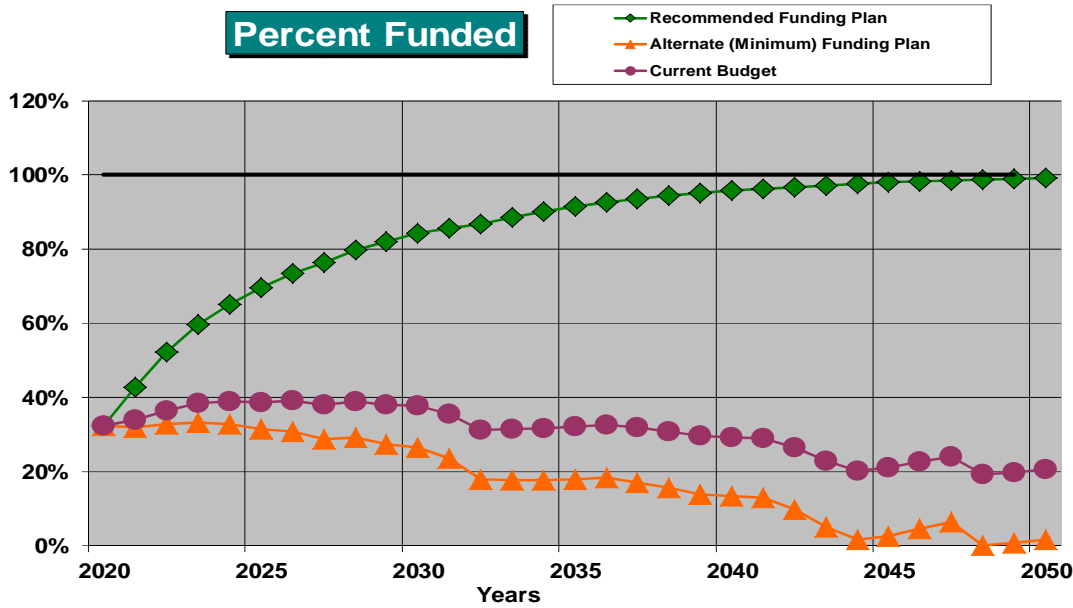


Figure 4

Table Descriptions

The tabular information in this Report is broken down into six tables.

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**19544-8**

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Repl. Cost Estimate
1	Phase 1 - Replace Title Roofs	4 Duplexes (8 units)	50	31	\$117,200
2	Phase 2 - Replace Title Roofs	7 Duplexes (14 units)	50	32	\$205,100
3	Phase 3 - Replace Title Roofs	7 Duplexes/1 Triplex (17 units)	50	34	\$249,100
4	Phase 4 - Replace Title Roofs	12 Duplexes/3 Triplexes (33 units)	50	36	\$483,600
5	Phase 5 - Replace Title Roofs	10 Duplexes/1 Triplex (23 units)	50	37	\$337,000
6	Phase 6 - Replace Comp. Roofs	7 Duplexes (14 units)	35	27	\$196,700
7	Phase 7 - Replace Comp. Roofs	12 Duplexes (24 units)	35	34	\$337,200
8	Phase 1 - Replace Siding	4 Duplexes (8 units)	60	41	\$105,200
9	Phase 2 - Replace Siding	7 Duplexes (14 units)	60	42	\$184,100
10	Phase 3 - Replace Siding	7 Duplexes/1 Triplex (17 units)	60	44	\$223,100
11	Phase 4 - Replace Siding	12 Duplexes/3 Triplexes (33 units)	60	46	\$432,600
12	Phase 5 - Replace Siding	10 Duplexes/1 Triplex (23 units)	60	47	\$302,000
13	Phase 6 - Replace Siding	7 Duplexes (14 units)	60	52	\$184,100
14	Phase 7 - Replace Siding	12 Duplexes (24 units)	60	59	\$315,600
15	Phase 1 - Painting	4 Duplexes (8 units)	12	5	\$30,000
16	Phase 2 - Painting	7 Duplexes (14 units)	12	6	\$52,500
17	Phase 3 - Painting	7 Duplexes/1 Triplex (17 units)	12	8	\$63,700
18	Phase 4 - Painting	12 Duplexes/3 Triplexes (33 units)	12	10	\$123,600
19	Phase 5 - Painting	10 Duplexes/1 Triplex (23 units)	12	11	\$86,200
20	Phase 6 - Painting	7 Duplexes (14 units)	12	4	\$52,500
21	Phase 7 - Painting	12 Duplexes (24 units)	12	11	\$90,000
22	Phase 1 - Replace Privacy Fences	4 Duplexes (8 units)	28	8	\$10,600
23	Phase 2 - Replace Privacy Fences	7 Duplexes (14 units)	28	9	\$19,000
24	Phase 3 - Replace Privacy Fences	7 Duplexes/1 Triplex (17 units)	28	11	\$22,600
25	Phase 4 - Replace Privacy Fences	12 Duplexes/3 Triplexes (33 units)	28	13	\$44,200
26	Phase 5 - Replace Privacy Fences	10 Duplexes/1 Triplex (23 units)	28	14	\$30,500
27	Phase 6 - Replace Privacy Fences	7 Duplexes (14 units)	28	12	\$14,000
28	Phase 7 - Replace Privacy Fences	12 Duplexes (24 units)	28	18	\$24,000
29	Phase 1 - Replace Windows/Slider	4 Duplexes (8 units)	35	16	\$32,000
30	Phase 2 - Replace Windows/Slider	7 Duplexes (14 units)	35	17	\$56,000
31	Phase 3 - Replace Windows/Slider	7 Duplexes/1 Triplex (17 units)	35	19	\$68,000
32	Phase 4 - Replace Windows/Slider	12 Duplexes/3 Triplexes (33 units)	35	21	\$132,000
33	Phase 5 - Replace Windows/Slider	10 Duplexes/1 Triplex (23 units)	35	22	\$92,000
34	Phase 6 - Replace Windows/Slider	7 Duplexes (14 units)	35	27	\$56,000
35	Phase 7 - Replace Windows/Slider	12 Duplexes (24 units)	35	34	\$96,000
36	Phase 1 - Replace Light Poles	4 Duplexes (8 units)	25	6	\$2,400
37	Phase 2 - Replace Light Poles	7 Duplexes (14 units)	25	7	\$4,200
38	Phase 3 - Replace Light Poles	7 Duplexes/1 Triplex (17 units)	25	9	\$5,100
39	Phase 4 - Replace Light Poles	12 Duplexes/3 Triplexes (33 units)	25	11	\$9,900

Table 2: Reserve Component List Detail**19544-8**

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Repl. Cost Estimate
40	Phase 5 - Replace Light Poles	10 Duplexes/1 Triplex (23 units)	25	12	\$6,900
41	Phase 6 - Replace Light Poles	7 Duplexes (14 units)	25	17	\$4,200
42	Phase 7 - Replace Light Poles	12 Duplexes (24 units)	25	24	\$7,200
43	Landscaping Mulch Project	All Beds in Sunland Div. 17	3	0	\$27,000
44	Concrete Repairs	Sidewalks/Driveways/Patios	1	0	\$10,000
45	Mount Baker Mail Box Enclosure	0	28	17	\$4,000
46	Sunland North Sign	0	30	11	\$2,000
46	Total Funded Components				

Table 3: Fully Funded Balance

19544-8

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
1	Phase 1 - Replace Title Roofs	\$117,200	X	19	/	50	=	\$44,536
2	Phase 2 - Replace Title Roofs	\$205,100	X	18	/	50	=	\$73,836
3	Phase 3 - Replace Title Roofs	\$249,100	X	16	/	50	=	\$79,712
4	Phase 4 - Replace Title Roofs	\$483,600	X	14	/	50	=	\$135,408
5	Phase 5 - Replace Title Roofs	\$337,000	X	13	/	50	=	\$87,620
6	Phase 6 - Replace Comp. Roofs	\$196,700	X	8	/	35	=	\$44,960
7	Phase 7 - Replace Comp. Roofs	\$337,200	X	1	/	35	=	\$9,634
8	Phase 1 - Replace Siding	\$105,200	X	19	/	60	=	\$33,313
9	Phase 2 - Replace Siding	\$184,100	X	18	/	60	=	\$55,230
10	Phase 3 - Replace Siding	\$223,100	X	16	/	60	=	\$59,493
11	Phase 4 - Replace Siding	\$432,600	X	14	/	60	=	\$100,940
12	Phase 5 - Replace Siding	\$302,000	X	13	/	60	=	\$65,433
13	Phase 6 - Replace Siding	\$184,100	X	8	/	60	=	\$24,547
14	Phase 7 - Replace Siding	\$315,600	X	1	/	60	=	\$5,260
15	Phase 1 - Painting	\$30,000	X	7	/	12	=	\$17,500
16	Phase 2 - Painting	\$52,500	X	6	/	12	=	\$26,250
17	Phase 3 - Painting	\$63,700	X	4	/	12	=	\$21,233
18	Phase 4 - Painting	\$123,600	X	2	/	12	=	\$20,600
19	Phase 5 - Painting	\$86,200	X	1	/	12	=	\$7,183
20	Phase 6 - Painting	\$52,500	X	8	/	12	=	\$35,000
21	Phase 7 - Painting	\$90,000	X	1	/	12	=	\$7,500
22	Phase 1 - Replace Privacy Fences	\$10,600	X	20	/	28	=	\$7,571
23	Phase 2 - Replace Privacy Fences	\$19,000	X	19	/	28	=	\$12,893
24	Phase 3 - Replace Privacy Fences	\$22,600	X	17	/	28	=	\$13,721
25	Phase 4 - Replace Privacy Fences	\$44,200	X	15	/	28	=	\$23,679
26	Phase 5 - Replace Privacy Fences	\$30,500	X	14	/	28	=	\$15,250
27	Phase 6 - Replace Privacy Fences	\$14,000	X	16	/	28	=	\$8,000
28	Phase 7 - Replace Privacy Fences	\$24,000	X	10	/	28	=	\$8,571
29	Phase 1 - Replace Windows/Slider	\$32,000	X	19	/	35	=	\$17,371
30	Phase 2 - Replace Windows/Slider	\$56,000	X	18	/	35	=	\$28,800
31	Phase 3 - Replace Windows/Slider	\$68,000	X	16	/	35	=	\$31,086
32	Phase 4 - Replace Windows/Slider	\$132,000	X	14	/	35	=	\$52,800
33	Phase 5 - Replace Windows/Slider	\$92,000	X	13	/	35	=	\$34,171
34	Phase 6 - Replace Windows/Slider	\$56,000	X	8	/	35	=	\$12,800
35	Phase 7 - Replace Windows/Slider	\$96,000	X	1	/	35	=	\$2,743
36	Phase 1 - Replace Light Poles	\$2,400	X	19	/	25	=	\$1,824
37	Phase 2 - Replace Light Poles	\$4,200	X	18	/	25	=	\$3,024
38	Phase 3 - Replace Light Poles	\$5,100	X	16	/	25	=	\$3,264
39	Phase 4 - Replace Light Poles	\$9,900	X	14	/	25	=	\$5,544
40	Phase 5 - Replace Light Poles	\$6,900	X	13	/	25	=	\$3,588
41	Phase 6 - Replace Light Poles	\$4,200	X	8	/	25	=	\$1,344
42	Phase 7 - Replace Light Poles	\$7,200	X	1	/	25	=	\$288
43	Landscaping Mulch Project	\$27,000	X	3	/	3	=	\$27,000
44	Concrete Repairs	\$10,000	X	1	/	1	=	\$10,000
45	Mount Baker Mail Box Enclosure	\$4,000	X	11	/	28	=	\$1,571
46	Sunland North Sign	\$2,000	X	19	/	30	=	\$1,267
								\$1,283,361

Table 4: Component Significance**19544-8**

#	Component	Useful Life	Current		Deterioration Significance
			Repl. Cost Estimate	Deterioration Cost/yr	
1	Phase 1 - Replace Title Roofs	50	\$117,200	\$2,344	1.5%
2	Phase 2 - Replace Title Roofs	50	\$205,100	\$4,102	2.6%
3	Phase 3 - Replace Title Roofs	50	\$249,100	\$4,982	3.2%
4	Phase 4 - Replace Title Roofs	50	\$483,600	\$9,672	6.2%
5	Phase 5 - Replace Title Roofs	50	\$337,000	\$6,740	4.3%
6	Phase 6 - Replace Comp. Roofs	35	\$196,700	\$5,620	3.6%
7	Phase 7 - Replace Comp. Roofs	35	\$337,200	\$9,634	6.2%
8	Phase 1 - Replace Siding	60	\$105,200	\$1,753	1.1%
9	Phase 2 - Replace Siding	60	\$184,100	\$3,068	2.0%
10	Phase 3 - Replace Siding	60	\$223,100	\$3,718	2.4%
11	Phase 4 - Replace Siding	60	\$432,600	\$7,210	4.6%
12	Phase 5 - Replace Siding	60	\$302,000	\$5,033	3.2%
13	Phase 6 - Replace Siding	60	\$184,100	\$3,068	2.0%
14	Phase 7 - Replace Siding	60	\$315,600	\$5,260	3.4%
15	Phase 1 - Painting	12	\$30,000	\$2,500	1.6%
16	Phase 2 - Painting	12	\$52,500	\$4,375	2.8%
17	Phase 3 - Painting	12	\$63,700	\$5,308	3.4%
18	Phase 4 - Painting	12	\$123,600	\$10,300	6.6%
19	Phase 5 - Painting	12	\$86,200	\$7,183	4.6%
20	Phase 6 - Painting	12	\$52,500	\$4,375	2.8%
21	Phase 7 - Painting	12	\$90,000	\$7,500	4.8%
22	Phase 1 - Replace Privacy Fences	28	\$10,600	\$379	0.2%
23	Phase 2 - Replace Privacy Fences	28	\$19,000	\$679	0.4%
24	Phase 3 - Replace Privacy Fences	28	\$22,600	\$807	0.5%
25	Phase 4 - Replace Privacy Fences	28	\$44,200	\$1,579	1.0%
26	Phase 5 - Replace Privacy Fences	28	\$30,500	\$1,089	0.7%
27	Phase 6 - Replace Privacy Fences	28	\$14,000	\$500	0.3%
28	Phase 7 - Replace Privacy Fences	28	\$24,000	\$857	0.6%
29	Phase 1 - Replace Windows/Slider	35	\$32,000	\$914	0.6%
30	Phase 2 - Replace Windows/Slider	35	\$56,000	\$1,600	1.0%
31	Phase 3 - Replace Windows/Slider	35	\$68,000	\$1,943	1.2%
32	Phase 4 - Replace Windows/Slider	35	\$132,000	\$3,771	2.4%
33	Phase 5 - Replace Windows/Slider	35	\$92,000	\$2,629	1.7%
34	Phase 6 - Replace Windows/Slider	35	\$56,000	\$1,600	1.0%
35	Phase 7 - Replace Windows/Slider	35	\$96,000	\$2,743	1.8%
36	Phase 1 - Replace Light Poles	25	\$2,400	\$96	0.1%
37	Phase 2 - Replace Light Poles	25	\$4,200	\$168	0.1%
38	Phase 3 - Replace Light Poles	25	\$5,100	\$204	0.1%
39	Phase 4 - Replace Light Poles	25	\$9,900	\$396	0.3%
40	Phase 5 - Replace Light Poles	25	\$6,900	\$276	0.2%
41	Phase 6 - Replace Light Poles	25	\$4,200	\$168	0.1%
42	Phase 7 - Replace Light Poles	25	\$7,200	\$288	0.2%
43	Landscaping Mulch Project	3	\$27,000	\$9,000	5.8%
44	Concrete Repairs	1	\$10,000	\$10,000	6.4%
45	Mount Baker Mail Box Enclosure	28	\$4,000	\$143	0.1%
46	Sunland North Sign	30	\$2,000	\$67	0.0%
46	Total Funded Components			\$155,642	100.0%

Table 5: 30-Year Reserve Plan Summary

19544-8

Fiscal Year Start: 01/01/20

Interest: 0.8%

Inflation: 3.0%

Reserve Fund Strength Calculations

(All values as of Fiscal Year Start Date)

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2020	\$414,700	\$1,283,361	32.3%	Med	\$235,950	\$0	\$3,870	\$37,000
2021	\$617,520	\$1,444,063	42.8%	Med	\$243,029	\$0	\$5,523	\$10,300
2022	\$855,771	\$1,641,897	52.1%	Med	\$250,319	\$0	\$7,342	\$10,609
2023	\$1,102,824	\$1,850,302	59.6%	Med	\$257,829	\$0	\$9,118	\$40,431
2024	\$1,329,340	\$2,039,344	65.2%	Med	\$265,564	\$0	\$10,739	\$70,344
2025	\$1,535,298	\$2,208,502	69.5%	Med	\$273,531	\$0	\$12,409	\$46,371
2026	\$1,774,867	\$2,412,840	73.6%	Low	\$281,737	\$0	\$14,005	\$109,733
2027	\$1,960,875	\$2,563,620	76.5%	Low	\$290,189	\$0	\$15,783	\$17,464
2028	\$2,249,383	\$2,819,704	79.8%	Low	\$298,894	\$0	\$17,651	\$106,789
2029	\$2,459,140	\$2,997,381	82.0%	Low	\$307,861	\$0	\$19,366	\$79,722
2030	\$2,706,645	\$3,214,359	84.2%	Low	\$317,097	\$0	\$20,887	\$179,547
2031	\$2,865,082	\$3,341,302	85.7%	Low	\$326,610	\$0	\$21,642	\$305,500
2032	\$2,907,833	\$3,348,784	86.8%	Low	\$336,408	\$0	\$22,839	\$82,552
2033	\$3,184,529	\$3,592,786	88.6%	Low	\$346,501	\$0	\$24,971	\$79,595
2034	\$3,476,406	\$3,854,010	90.2%	Low	\$356,896	\$0	\$27,275	\$61,260
2035	\$3,799,317	\$4,149,019	91.6%	Low	\$367,602	\$0	\$29,759	\$57,645
2036	\$4,139,034	\$4,463,876	92.7%	Low	\$378,630	\$0	\$32,004	\$151,645
2037	\$4,398,023	\$4,698,851	93.6%	Low	\$389,989	\$0	\$33,918	\$172,227
2038	\$4,649,704	\$4,927,394	94.4%	Low	\$401,689	\$0	\$35,777	\$193,226
2039	\$4,893,945	\$5,149,113	95.0%	Low	\$413,740	\$0	\$37,873	\$136,773
2040	\$5,208,784	\$5,443,817	95.7%	Low	\$426,152	\$0	\$40,303	\$133,110
2041	\$5,542,129	\$5,759,568	96.2%	Low	\$438,937	\$0	\$42,178	\$314,390
2042	\$5,708,853	\$5,906,761	96.6%	Low	\$452,105	\$0	\$43,039	\$432,273
2043	\$5,771,723	\$5,945,897	97.1%	Low	\$465,668	\$0	\$43,807	\$367,482
2044	\$5,913,716	\$6,062,156	97.6%	Low	\$479,638	\$0	\$45,972	\$89,849
2045	\$6,349,477	\$6,477,357	98.0%	Low	\$494,027	\$0	\$49,565	\$20,938
2046	\$6,872,131	\$6,985,768	98.4%	Low	\$508,848	\$0	\$53,552	\$21,566
2047	\$7,412,965	\$7,518,855	98.6%	Low	\$524,113	\$0	\$55,339	\$643,507
2048	\$7,348,910	\$7,437,707	98.8%	Low	\$539,837	\$0	\$56,800	\$142,995
2049	\$7,802,551	\$7,880,335	99.0%	Low	\$556,032	\$0	\$60,458	\$94,263

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)

19544-8

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$414,700	\$617,520	\$855,771	\$1,102,824	\$1,329,340
Annual Reserve Contribution	\$235,950	\$243,029	\$250,319	\$257,829	\$265,564
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,870	\$5,523	\$7,342	\$9,118	\$10,739
Total Income	\$654,520	\$866,071	\$1,113,433	\$1,369,771	\$1,605,642
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$0	\$0	\$0	\$0	\$0
16 Phase 2 - Painting	\$0	\$0	\$0	\$0	\$0
17 Phase 3 - Painting	\$0	\$0	\$0	\$0	\$0
18 Phase 4 - Painting	\$0	\$0	\$0	\$0	\$0
19 Phase 5 - Painting	\$0	\$0	\$0	\$0	\$0
20 Phase 6 - Painting	\$0	\$0	\$0	\$0	\$59,089
21 Phase 7 - Painting	\$0	\$0	\$0	\$0	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
24 Phase 3 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
32 Phase 4 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
39 Phase 4 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**19544-8**

Fiscal Year	2020	2021	2022	2023	2024
43 Landscaping Mulch Project	\$27,000	\$0	\$0	\$29,504	\$0
44 Concrete Repairs	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$0	\$0	\$0
46 Sunland North Sign	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$37,000	\$10,300	\$10,609	\$40,431	\$70,344
Ending Reserve Balance:	\$617,520	\$855,771	\$1,102,824	\$1,329,340	\$1,535,298

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)

19544-8

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$1,535,298	\$1,774,867	\$1,960,875	\$2,249,383	\$2,459,140
Annual Reserve Contribution	\$273,531	\$281,737	\$290,189	\$298,894	\$307,861
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,409	\$14,005	\$15,783	\$17,651	\$19,366
Total Income	\$1,821,238	\$2,070,608	\$2,266,847	\$2,565,929	\$2,786,367
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$34,778	\$0	\$0	\$0	\$0
16 Phase 2 - Painting	\$0	\$62,688	\$0	\$0	\$0
17 Phase 3 - Painting	\$0	\$0	\$0	\$80,693	\$0
18 Phase 4 - Painting	\$0	\$0	\$0	\$0	\$0
19 Phase 5 - Painting	\$0	\$0	\$0	\$0	\$0
20 Phase 6 - Painting	\$0	\$0	\$0	\$0	\$0
21 Phase 7 - Painting	\$0	\$0	\$0	\$0	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$13,428	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$24,791
24 Phase 3 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
32 Phase 4 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$2,866	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$5,165	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$6,654
39 Phase 4 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**19544-8**

Fiscal Year	2025	2026	2027	2028	2029
43 Landscaping Mulch Project	\$0	\$32,239	\$0	\$0	\$35,229
44 Concrete Repairs	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$0	\$0	\$0
46 Sunland North Sign	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$46,371	\$109,733	\$17,464	\$106,789	\$79,722
Ending Reserve Balance:	\$1,774,867	\$1,960,875	\$2,249,383	\$2,459,140	\$2,706,645

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)

19544-8

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$2,706,645	\$2,865,082	\$2,907,833	\$3,184,529	\$3,476,406
Annual Reserve Contribution	\$317,097	\$326,610	\$336,408	\$346,501	\$356,896
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20,887	\$21,642	\$22,839	\$24,971	\$27,275
Total Income	\$3,044,630	\$3,213,334	\$3,267,081	\$3,556,000	\$3,860,577
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$0	\$0	\$0	\$0	\$0
16 Phase 2 - Painting	\$0	\$0	\$0	\$0	\$0
17 Phase 3 - Painting	\$0	\$0	\$0	\$0	\$0
18 Phase 4 - Painting	\$166,108	\$0	\$0	\$0	\$0
19 Phase 5 - Painting	\$0	\$119,321	\$0	\$0	\$0
20 Phase 6 - Painting	\$0	\$0	\$0	\$0	\$0
21 Phase 7 - Painting	\$0	\$124,581	\$0	\$0	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
24 Phase 3 - Replace Privacy Fences	\$0	\$31,284	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$64,909	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$46,134
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$19,961	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
32 Phase 4 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
39 Phase 4 - Replace Light Poles	\$0	\$13,704	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$9,838	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**19544-8**

Fiscal Year	2030	2031	2032	2033	2034
43 Landscaping Mulch Project	\$0	\$0	\$38,496	\$0	\$0
44 Concrete Repairs	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$0	\$0	\$0
46 Sunland North Sign	\$0	\$2,768	\$0	\$0	\$0
Total Expenses	\$179,547	\$305,500	\$82,552	\$79,595	\$61,260
Ending Reserve Balance:	\$2,865,082	\$2,907,833	\$3,184,529	\$3,476,406	\$3,799,317

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)

19544-8

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$3,799,317	\$4,139,034	\$4,398,023	\$4,649,704	\$4,893,945
Annual Reserve Contribution	\$367,602	\$378,630	\$389,989	\$401,689	\$413,740
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$29,759	\$32,004	\$33,918	\$35,777	\$37,873
Total Income	\$4,196,679	\$4,549,668	\$4,821,931	\$5,087,171	\$5,345,558
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$0	\$0	\$49,585	\$0	\$0
16 Phase 2 - Painting	\$0	\$0	\$0	\$89,378	\$0
17 Phase 3 - Painting	\$0	\$0	\$0	\$0	\$0
18 Phase 4 - Painting	\$0	\$0	\$0	\$0	\$0
19 Phase 5 - Painting	\$0	\$0	\$0	\$0	\$0
20 Phase 6 - Painting	\$0	\$84,247	\$0	\$0	\$0
21 Phase 7 - Painting	\$0	\$0	\$0	\$0	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
24 Phase 3 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$40,858	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$51,351	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$92,559	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$119,238
32 Phase 4 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
39 Phase 4 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$6,942	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)**19544-8**

Fiscal Year	2035	2036	2037	2038	2039
43 Landscaping Mulch Project	\$42,065	\$0	\$0	\$45,966	\$0
44 Concrete Repairs	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$6,611	\$0	\$0
46 Sunland North Sign	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$57,645	\$151,645	\$172,227	\$193,226	\$136,773
Ending Reserve Balance:	\$4,139,034	\$4,398,023	\$4,649,704	\$4,893,945	\$5,208,784

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)

19544-8

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$5,208,784	\$5,542,129	\$5,708,853	\$5,771,723	\$5,913,716
Annual Reserve Contribution	\$426,152	\$438,937	\$452,105	\$465,668	\$479,638
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$40,303	\$42,178	\$43,039	\$43,807	\$45,972
Total Income	\$5,675,239	\$6,023,243	\$6,203,996	\$6,281,198	\$6,439,326
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$0	\$0	\$0	\$0	\$0
16 Phase 2 - Painting	\$0	\$0	\$0	\$0	\$0
17 Phase 3 - Painting	\$115,049	\$0	\$0	\$0	\$0
18 Phase 4 - Painting	\$0	\$0	\$236,830	\$0	\$0
19 Phase 5 - Painting	\$0	\$0	\$0	\$170,123	\$0
20 Phase 6 - Painting	\$0	\$0	\$0	\$0	\$0
21 Phase 7 - Painting	\$0	\$0	\$0	\$177,623	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
24 Phase 3 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
32 Phase 4 - Replace Windows/Slider	\$0	\$245,559	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$176,282	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
39 Phase 4 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$14,636

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)**19544-8**

Fiscal Year	2040	2041	2042	2043	2044
43 Landscaping Mulch Project	\$0	\$50,228	\$0	\$0	\$54,885
44 Concrete Repairs	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$0	\$0	\$0
46 Sunland North Sign	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$133,110	\$314,390	\$432,273	\$367,482	\$89,849
Ending Reserve Balance:	\$5,542,129	\$5,708,853	\$5,771,723	\$5,913,716	\$6,349,477

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)

19544-8

Fiscal Year	2045	2046	2047	2048	2049
Starting Reserve Balance	\$6,349,477	\$6,872,131	\$7,412,965	\$7,348,910	\$7,802,551
Annual Reserve Contribution	\$494,027	\$508,848	\$524,113	\$539,837	\$556,032
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$49,565	\$53,552	\$55,339	\$56,800	\$60,458
Total Income	\$6,893,069	\$7,434,531	\$7,992,418	\$7,945,547	\$8,419,041
# Component					
1 Phase 1 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
2 Phase 2 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
3 Phase 3 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
4 Phase 4 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
5 Phase 5 - Replace Title Roofs	\$0	\$0	\$0	\$0	\$0
6 Phase 6 - Replace Comp. Roofs	\$0	\$0	\$436,928	\$0	\$0
7 Phase 7 - Replace Comp. Roofs	\$0	\$0	\$0	\$0	\$0
8 Phase 1 - Replace Siding	\$0	\$0	\$0	\$0	\$0
9 Phase 2 - Replace Siding	\$0	\$0	\$0	\$0	\$0
10 Phase 3 - Replace Siding	\$0	\$0	\$0	\$0	\$0
11 Phase 4 - Replace Siding	\$0	\$0	\$0	\$0	\$0
12 Phase 5 - Replace Siding	\$0	\$0	\$0	\$0	\$0
13 Phase 6 - Replace Siding	\$0	\$0	\$0	\$0	\$0
14 Phase 7 - Replace Siding	\$0	\$0	\$0	\$0	\$0
15 Phase 1 - Painting	\$0	\$0	\$0	\$0	\$70,697
16 Phase 2 - Painting	\$0	\$0	\$0	\$0	\$0
17 Phase 3 - Painting	\$0	\$0	\$0	\$0	\$0
18 Phase 4 - Painting	\$0	\$0	\$0	\$0	\$0
19 Phase 5 - Painting	\$0	\$0	\$0	\$0	\$0
20 Phase 6 - Painting	\$0	\$0	\$0	\$120,116	\$0
21 Phase 7 - Painting	\$0	\$0	\$0	\$0	\$0
22 Phase 1 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
23 Phase 2 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
24 Phase 3 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
25 Phase 4 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
26 Phase 5 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
27 Phase 6 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
28 Phase 7 - Replace Privacy Fences	\$0	\$0	\$0	\$0	\$0
29 Phase 1 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
30 Phase 2 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
31 Phase 3 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
32 Phase 4 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
33 Phase 5 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
34 Phase 6 - Replace Windows/Slider	\$0	\$0	\$124,392	\$0	\$0
35 Phase 7 - Replace Windows/Slider	\$0	\$0	\$0	\$0	\$0
36 Phase 1 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
37 Phase 2 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
38 Phase 3 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
39 Phase 4 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
40 Phase 5 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
41 Phase 6 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0
42 Phase 7 - Replace Light Poles	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**19544-8**

Fiscal Year	2045	2046	2047	2048	2049
43 Landscaping Mulch Project	\$0	\$0	\$59,975	\$0	\$0
44 Concrete Repairs	\$20,938	\$21,566	\$22,213	\$22,879	\$23,566
45 Mount Baker Mail Box Enclosure	\$0	\$0	\$0	\$0	\$0
46 Sunland North Sign	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$20,938	\$21,566	\$643,507	\$142,995	\$94,263
Ending Reserve Balance:	\$6,872,131	\$7,412,965	\$7,348,910	\$7,802,551	\$8,324,778

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW:

The reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component.

Because we have no control over future events, we do not expect that all the events we anticipated will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimate for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawing, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed historical Reserve project reliable, and we have considered the representation made by its vendors and suppliers to also be accurate and reliable. Component Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

Association Reserves WA, LLC and its employee have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The value of the deterioration of the Reserve Components. This is the fraction of life “used up” of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.

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

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 6.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.

Percent Funded: The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life (RUL): The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life (UL): The estimated time, in years, that a common area component can be expected to serve its intended function.

Do-It-Yourself Worksheets

Note: Any questions relating to the information contained in this Appendix should be directed to the contact person indicated on the following page, not Association Reserves.

Certification:

Yes - we've elected to do it ourselves! We accept full responsibility for the accuracy of the information provided below and in the Component List. We understand that DIYReserveStudy.com will not verify the accuracy of the information submitted. We also acknowledge that DIYReserveStudy.com will not be responsible for updates or revisions to the Reserve Study Report required as a result of errors, omissions, or changes in the information that we provide to you.

Your Name:

Company or Title:

Your address:

City: State: Zip:

email address:

Telephone: Date:

Part 1: Association Information (as you would like it to appear on the report)

Association Name: # Units:

City, ST Zipcode:

Part 2: Budget & Reserve Balance Information

FY End:

This Report should cover the 12-month reporting period beginning:

and ending:

(Note: this period should coincide with the Association's Fiscal Year)

Our total current budgeted assmt income is: \$ per (mo/qtr/yr)

Our total current budgeted Reserve contrib is: \$ per (mo/qtr/yr)

Our projected Reserve balance as-of the start date above will be: \$

Do interest earnings remain in the Reserve Account?

If yes, what is the net after tax annual interest rate? %

Client-Provided Component Information

#	Component Name	Quantity/Description	UL	RUL	Current Cost
1	Phase 1 - Replace Tile Roofs	4 Duplexes (8 Units)	50	31	\$117,200
2	Phase 2 - Replace Tile Roofs	7 Duplexes (14 Units)	50	32	\$205,100
3	Phase 3 - Replace Tile Roofs	7 Duplexes/1 Triplex (17 Units)	50	34	\$249,100
4	Phase 4 - Replace Tile Roofs	12 Duplexes/3 Triplexes (33 Units)	50	36	\$483,600
5	Phase 5 - Replace Tile Roofs	10 Duplexes/1 Triplex (23 Units)	50	37	\$337,000
6	Phase 6 - Replace Comp. Roofs	7 Duplexes (14 Units)	35	27	\$196,700
7	Phase 7 - Replace Comp. Roofs	12 Duplexes (24 Units)	35	34	\$337,200
8	Phase 1 - Replace Siding	4 Duplexes (8 Units)	60	41	\$105,200
9	Phase 2 - Replace Siding	7 Duplexes (14 Units)	60	42	\$184,100
10	Phase 3 - Replace Siding	7 Duplexes/1 Triplex (17 Units)	60	44	\$223,100
11	Phase 4 - Replace Siding	12 Duplexes/3 Triplexes (33 Units)	60	46	\$432,600
12	Phase 5 - Replace Siding	10 Duplexes/1 Triplex (23 Units)	60	47	\$302,000
13	Phase 6 - Replace Siding	7 Duplexes (14 Units)	60	52	\$184,100
14	Phase 7 - Replace Siding	12 Duplexes (24 Units)	60	59	\$315,600
15	Phase 1 - Painting	4 Duplexes (8 Units)	12	5	\$30,000
16	Phase 2 - Painting	7 Duplexes (14 Units)	12	6	\$52,500
17	Phase 3 - Painting	7 Duplexes/1 Triplex (17 Units)	12	8	\$63,700
18	Phase 4 - Painting	12 Duplexes/3 Triplexes (33 Units)	12	10	\$123,600
19	Phase 5 - Painting	10 Duplexes/1 Triplex (23 Units)	12	11	\$86,200
20	Phase 6 - Painting	7 Duplexes (14 Units)	12	4	\$52,500
21	Phase 7 - Painting	12 Duplexes (24 Units)	12	11	\$90,000
22	Phase 1 - Replace Privacy Fences	4 Duplexes (8 Units)	28	8	\$10,600
23	Phase 2 - Replace Privacy Fences	7 Duplexes (14 Units)	28	9	\$19,000
24	Phase 3 - Replace Privacy Fences	7 Duplexes/1 Triplex (17 Units)	28	11	\$22,600
25	Phase 4 - Replace Privacy Fences	12 Duplexes/3 Triplexes (33 Units)	28	13	\$44,200
26	Phase 5 - Replace Privacy Fences	10 Duplexes/1 Triplex (23 Units)	28	14	\$30,500

Client-Provided Component Information

#	Component Name	Quantity/Description	UL	RUL	Current Cost
27	Phase 6 - Replace Privacy Fences	7 Duplexes (14 Units)	28	12	\$14,000
28	Phase 7 - Replace Privacy Fences	12 Duplexes (24 Units)	28	18	\$24,000
29	Phase 1 - Replace Windows/Slider	4 Duplexes (8 Units)	35	16	\$32,000
30	Phase 2 - Replace Windows/Slider	7 Duplexes (14 Units)	35	17	\$56,000
31	Phase 3 - Replace Windows/Slider	7 Duplexes/1 Triplex (17 Units)	35	19	\$68,000
32	Phase 4 - Replace Windows/Slider	12 Duplexes/3 Triplexes (33 Units)	35	21	\$132,000
33	Phase 5 - Replace Windows/Slider	10 Duplexes/1 Triplex (23 Units)	35	22	\$92,000
34	Phase 6 - Replace Windows/Slider	7 Duplexes (14 Units)	35	27	\$56,000
35	Phase 7 - Replace Windows/Slider	12 Duplexes (24 Units)	35	34	\$96,000
36	Phase 1 - Replace Light Poles	4 Duplexes (8 Units)	25	6	\$2,400
37	Phase 2 - Replace Light Poles	7 Duplexes (14 Units)	25	7	\$4,200
38	Phase 3 - Replace Light Poles	7 Duplexes/1 Triplex (17 Units)	25	9	\$5,100
39	Phase 4 - Replace Light Poles	12 Duplexes/3 Triplexes (33 Units)	25	11	\$9,900
40	Phase 5 - Replace Light Poles	10 Duplexes/1 Triplex (23 Units)	25	12	\$6,900
41	Phase 6 - Replace Light Poles	7 Duplexes (14 Units)	25	17	\$4,200
42	Phase 7 - Replace Light Poles	12 Duplexes (24 Units)	25	24	\$7,200
43	Landscaping Mulch Project	All Beds in Sunland Division 17	3	0	\$27,000
44	Concrete repairs	Sidewalks/Driveways/Patios	1	0	\$10,000
45	Mount Baker Mail Box Enclosure		28	17	\$4,000
46	Sunland North Sign		30	11	\$2,000
47					
48					
49					
50					
51					
52					