



Important Factors to Consider When Choosing a Reserve Study Professional

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All Reserve Study preparers are not equal

1. Familiarity with the state laws and requirements.
 2. Extensive field experience with individual components such as (roof, water proofing etc). Reserve Consultants has conducted studies for two decades in the State of Washington.
 3. Having a licensed professional engineer (PE) or a reserve specialist (RS) review or conduct a study; an RS is a designation given by CAI (community association Institutes) to an individual with the experience and education to perform a study in conformance with the national reserve study standards.
- ❖ *At Reserve Consultants all full reserve studies are reviewed or conducted by a Reserve Specialist (RS).*

Not all Reserve Studies are equal

1. Look for a comprehensive “Physical analysis” in the study as well as the ‘Financial Analysis’.
2. The physical analysis determines the existing condition and actual life expectancy of the common elements. The financial analysis is the budgeting requirement over a 30 year period.

What funding Goals are used for a study

1. Baseline funding
 - When the cash flow projection reaches zero dollars at some time over the projection period.
2. Full funding
 - Each component within the study is 100% funded. In most cases this can be a significant amount of money which will not be used during the cash flow projection period. Not the best use of the parked money.
3. Threshold funding
 - The amount of fund for the cash flow projection period is based on a minimum balance.
4. Statutory funding
 - Amount to be funded is dictated by the local state requirement.

❖ *At Reserve Consultants our studies follow the threshold funding model.*

Other Factors

1. Reserve Study can be used for much more than just estimating the associations funding needs. In conjunction with your financial advisor it can be used to determine CD ladders or other financial instruments while still allowing the funding of needed projects.
2. Reserve Study does not account for the ongoing maintenance in your operating account. A study is intended to cover non-annual maintenance, repair and capital improvement costs.
3. A study is a budgeting tool. The actual costs of repairs in the study may vary above or below the budgeted amount in the study. Similarly the time of the execution for the repair may vary. Both time and cost should be revisited at each reserve study update.

❖ *At Reserve Consultants we help all of our clients through this difficult process at each update.*

What is included in a Reserve study at Reserve Consultants

- Every Requirement of the Washington Condominium Act
- Executive Summary
- 30-year Expense/Contribution Spreadsheet
- Fully Funded Balance Table
- Physical and Financial analysis
- Site visit by a CAI certified Reserve Specialist
- Notes and cost estimate breakdowns for each component
- Spreadsheets providing Constant and Inflated dollars
- Funding Plan details for Baseline and Full Funded strategies
- Explanations of how Reserve Studies work and their important details