SAMPLE

George, Washington

Level 3 Reserve Study Update without a Site Visit

2024 FUNDING RECOMMENDATIONS

Issued January, 2023

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Next Update: **Level 3** study by January 2024

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ABBREVIATION KEY

EA each
BLDG building(s)
FIXT fixture(s)
LF linear foot
LS lump sum
SF square feet
SQ roofing square
SY square yard
ZN zone

EXECUTIVE SUMMARY

This Reserve Study meets the requirements of the Washington Condominium Act and the Washington Unified Common Interest Owner Act for a Level 3 Reserve Study Update without a Site Visit, and was prepared by an independent Reserve Study Professional.

Sample is a 32-unit residential community located along Main Street in George, Washington. Construction of Sample was completed in about 1985. The community consists of two wood framed buildings that are three stories each with controlled access parking below. The building(s) have a mixture of fiber cement board siding and brick siding with wood trim. The (Both) building(s) are topped with low-sloped TPO membrane roofs.

SAMPLE RESERVE FUND STATUS	
SAMPLE'S FISCAL YEAR	a calendar year
PROJECTED RESERVE ACCOUNT BALANCE ON **DECEMBER 31, 2023**	$150,000 [1]
FULLY FUNDED BALANCE @ FISCAL YEAR-END 2023	$172,949 [2]
PERCENT FUNDED BALANCE @ FISCAL YEAR-END 2023	87% [3]
FUNDING STATUS – RISK OF SPECIAL ASSESSMENT @ FISCAL YEAR-END	Low Risk
2023 PLANNED OR IMPLEMENTED SPECIAL ASSESSMENT	$0
COMPONENT INCLUSION THRESHOLD VALUE	$600

SAMPLE CURRENT AND RECOMMENDED RESERVE CONTRIBUTIONS	
CURRENT BUDGETED ANNUAL CONTRIBUTION TO RESERVES	$23,800
2024 RECOMMENDED ANNUAL CONTRIBUTION RATE	**$24,600 [4]**
2024 RECOMMENDED SPECIAL ASSESSMENT	None
2024 AVERAGE CONTRIBUTION PER UNIT PER YEAR	$769
2024 AVERAGE CONTRIBUTION PER UNIT PER MONTH	$64
2024 BASELINE FUNDING PLAN CONTRIBUTION RATE	$22,200
2024 FULL FUNDING PLAN CONTRIBUTION RATE	$25,400

[1] The actual or projected total reserve fund balance presented in the Reserve Study is based on information provided by the Association representative and was not audited by RCL.

[2] The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' fully funded balances is the association's fully funded balance as defined by Washington State law. The fully funded balance changes from year to year.

[3] The percent fully funded acts as a measuring tool to assess an association's ability to absorb unplanned expenses. These expenses could be emergency repairs not covered by insurance, or expenses that differ from the existing Reserve Study in terms of timing or cost.

4 To help ensure the Association has the appropriate funds for the anticipated expenses over the next 30 years, we have provided recommended funding plans with a constant contribution to reserves that increases annually for inflation.

FULLY FUNDED BALANCE CALCULATION @ FISCAL YEAR END 2023

$172,949
Current Fully Funded Balance

$150,000
Current Reserve Fund Balance

87%
Current Percent Fully Funded

$$\text{FULLY FUNDED BALANCE} = \textit{THE SUM OF} \frac{\text{REPLACEMENT COST X EFFECTIVE AGE}}{\text{USEFUL LIFE}} \textit{FOR ALL RESERVE COMPONENTS}$$

FINANCIAL OVERVIEW FOR 2024

$150,000
2024 Estimated Starting Balance

88%
2024 Estimated Percent Funded w/the Recommended Funding Plan

$13,255
2024 Estimated Reserve Expenditures

RESERVE CONTRIBUTION COMPARISON 2023 VS 2024

2023

$23,800
Association Budgeted Contribution

$23,800
Recommended Contribution to Reserves

100%
% of 2022 Recommended Contribution Budgeted In 2023

2024

$24,600
Recommended Contribution to Reserves

3%
% Increase Between 2024 Recommended & 2023 Budgeted Contribution to Reserves

The recommended reserve contribution represents a Threshold Funding Plan to prevent special assessments over the course of the 30-year study **while maintaining a minimum reserve account balance of one year's contribution to reserves and the percent funded above 77%.** Washington State law requires an up-to-date Reserve Study with a current recommended reserve contribution rate.

ASSOCIATION OVERVIEW

Sample is a 32-unit residential community located in George, Washington. Construction was completed in about 1985. The community consists of two wood framed buildings that are three stories each with controlled access parking below. The buildings have fiber cement board siding with wood trim. Both buildings are topped with low-sloped TPO membrane roofs.

Common components maintained with funds from reserves include asphalt roads and parking areas lined by concrete curbs and sidewalks, and exterior decks or patios. Major landscaping projects and common area infrastructure for plumbing, drainage and electrical systems are also maintained with funds from reserves.

Images are from file photos taken at the last site visit.

REVIEW OF GENERAL CONDITIONS

COMPONENT LIST

Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. Reserve studies for condominiums are required to include roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair or replacement (RCW 64.34.382). While the law defines the inclusion threshold to be 1% of the operating budget, or $600 (1% of $60,000), components valued less than the legal threshold may be included to better capture reserve

The component list is based on information provided by Sample. Reserve Consultants LLC does not provide legal interpretations of governing documents. It is the responsibility of Sample to ensure that the component list is complete and complies with their governing documents. Many factors may influence the actual costs that an association will experience. The quality of replacement materials of items can significantly impact cost, as well as the timing between replacements. The use of consultants to specify and oversee work may also cause additional expenses

COMPONENT DESCRIPTION	MAINT. CYCLE	REMAINING USEFUL LIFE	NEXT MAINT. YEAR	CURRENT REPLACEMENT COST
2.6.1 Asphalt Pavement & Curbs - Repair	6	1	2024	$4,440
2.6.2 Asphalt Pavement & Curbs - Seal Coat & Paint	6	1	2024	$4,090
3.3.1 Concrete Pavement - Repair	10	1	2024	$3,630
5.4.1 Deck Rails - Replace	40	19	2042	$26,200
5.4.2 Courtyard Rails - Repair	6	2	2025	$770
6.1.1 Elastomeric Decks - Recoat	6	3	2026	$16,700
6.1.2 Decks - Structural Repairs	12	9	2032	$5,420
6.1.3 Planters - Maintenance	20	14	2037	$7,560
6.2.1 Exterior Siding & Trim - Repair	10	2	2025	$3,400
7.3.1 Gutters & Downspouts - Replace	20	10	2033	$4,390
7.4.1 Low Sloped Roof - Repair	5	3	2026	$4,030
7.4.2 Low Sloped Roof - Replace	20	5	2028	$80,710
7.4.3 Metal Roof - Paint	10	10	2033	$9,020
7.4.4 Metal Roof - Replace	50	24	2047	$35,590
8.2.1 Common Doors & Hardware - Repair	8	8	2031	$540
8.3.1 Gate Operator - Maintenance	8	8	2031	$5,660
8.3.2 Motorized Gates - Replace	20	8	2031	$21,260
9.8.1 Exterior Siding & Trim - Paint	10	2	2025	$10,180
10.3.1 Chimney Chase Covers & Caps - Repair	17	4	2027	$10,530
10.5.1 Mailboxes - Replace	10	4	2027	$1,270
15.2.1 Plumbing System - Contingency	10	3	2026	$2,590

This section has been abbreviated for the sample document.

COMPONENTS EXCLUDED FROM THIS STUDY

Components that individual unit owners are responsible to maintain, repair, and/or replace are not included in the study or funding projections. We recommend that associations establish a clear definition of these components, as well as policies and processes regarding maintenance of these "owner responsibility" items.

OPERATING BUDGET	UNIT OWNER RESPONSIBILITY
The following components may qualify for inclusion in the Reserve Study, but are excluded because the Association elects to maintain them with funds from the operating budget:	There are items that individual unit owners are responsible to maintain and pay for, including, but not limited to:
• play area equipment • irrigation controls • surveillance equipment	• interior finishes within individual residences • damage by residents or their pets • window glazing and framing

ADJUSTMENTS TO COMPONENT RESERVE RECOMMENDATIONS

This reserve study provides updated information on the components from prior reserve studies. All cost estimates were adjusted to reflect the actual inflation rate for construction work in Washington State, and costs actually experienced by Sample or others in the area. To complete the report, we were provided with a record of recent expenditures on reserve components.

We use those figures, where applicable, for updating component cost projections, applying an appropriate inflation factor. Where updated figures from actual work performed are not available, cost projections from the previous reserve study are updated for inflation and rounded to the nearest $10, using the RS Means 2022 to 2023 inflation figure of 14.61% for construction work.

SIX YEARS AT A GLANCE (2023 - 2028)

Below is a comprehensive list of reserve funded expenses that are expected to occur this fiscal year and the following five years at Sample.

2023 (YEAR 0) ANTICIPATED MAINTENANCE	ESTIMATED COST
15.4.1 Storm Water System - Maintenance	$3,850
17.8.1 Fire Control Panel - Replace	$3,980
20.1.1 Reserve Study With Site Visit	$3,360
Total Estimated Expenses for 2023	**$11,190**

2024 (YEAR 1) ANTICIPATED MAINTENANCE	ESTIMATED COST
2.6.1 Asphalt Pavement & Curbs - Repair	$4,840
2.6.2 Asphalt Pavement & Curbs - Seal Coat & Paint	$4,458
3.3.1 Concrete Pavement - Repair	$3,957
Total Estimated Expenses for 2024	**$13,255**

2025 (YEAR 2) ANTICIPATED MAINTENANCE	ESTIMATED COST
5.4.2 Courtyard Rails - Repair	$873
6.2.1 Exterior Siding & Trim - Repair	$3,854
9.8.1 Exterior Siding & Trim - Paint	$11,540
18.7.1 Intercom - Replace	$3,798
Total Estimated Expenses for 2025	**$20,065**

2026 (YEAR 3) ANTICIPATED MAINTENANCE	ESTIMATED COST
6.1.1 Elastomeric Decks - Recoat	$19,688
7.4.1 Low Sloped Roof - Repair	$4,751
15.2.1 Plumbing System - Contingency	$3,053
20.1.1 Reserve Study With Site Visit	$3,961
Total Estimated Expenses for 2026	**$31,453**

2027 (YEAR 4) ANTICIPATED MAINTENANCE	ESTIMATED COST
10.3.1 Chimney Chase Covers & Caps - Repair	$12,911
10.5.1 Mailboxes - Replace	$1,557
Total Estimated Expenses for 2027	**$14,468**

2028 (YEAR 5) ANTICIPATED MAINTENANCE	ESTIMATED COST
7.4.2 Low Sloped Roof - Replace	$102,917
15.4.1 Storm Water System - Maintenance	$4,909
Total Estimated Expenses for 2028	**$107,826**

PROJECTED RESERVE ACCOUNT BALANCE

FOR EACH FUNDING PLAN OVER NEXT 5 YEARS

$24,600 RECOMMENDED (THRESHOLD) FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2024)	$24,600	$0	$162,902	88%	Low Risk
2 (2025)	$25,584	$0	$172,562	88%	Low Risk
3 (2026)	$26,607	$0	$171,970	88%	Low Risk
4 (2027)	$27,672	$0	$189,638	88%	Low Risk
5 (2028)	$28,779	$0	$114,343	81%	Low Risk

$23,800 CURRENT FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2024)	$23,800	$0	$162,098	87%	Low Risk
2 (2025)	$24,752	$0	$170,897	87%	Low Risk
3 (2026)	$25,742	$0	$169,386	86%	Low Risk
4 (2027)	$26,772	$0	$186,078	87%	Low Risk
5 (2028)	$27,843	$0	$109,746	77%	Low Risk

$22,200 BASELINE FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2024)	$22,200	$0	$149,305	81%	Low Risk
2 (2025)	$23,088	$0	$156,099	80%	Low Risk
3 (2026)	$24,012	$0	$152,466	78%	Low Risk
4 (2027)	$24,972	$0	$166,912	78%	Low Risk
5 (2028)	$25,971	$0	$88,207	62%	Moderate Risk

$25,400 FULL FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2024)	$25,400	$0	$152,521	82%	Low Risk
2 (2025)	$26,416	$0	$162,765	83%	Low Risk
3 (2026)	$27,473	$0	$162,803	83%	Low Risk
4 (2027)	$28,572	$0	$181,152	84%	Low Risk
5 (2028)	$29,714	$0	$106,593	75%	Low Risk

PERCENT FUNDED

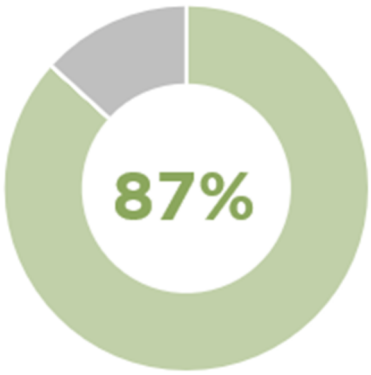
The "percent funded" is a measure of how much the Association should have saved in their reserve account compared to the projected cost for all the components the Association is responsible for and relates to the level of deterioration compared to the cost to repair or replace the component.

We typically recommend a contribution rate to meet a minimum reserve account balance (threshold) goal instead of a 100% funded rate.

We usually recommend that an association consider a threshold equal to the recommended annual reserve contribution because this is the average maintenance expense over the thirty years. However, each association must judge their unique risk tolerance.

The Fully Funded Balance for Sample is $172,949 . The actual current funding is $150,000 . The Association is approximately 87% funded.

This means that based on a straight-line savings for each reserve component, the Association saved 87% of the accumulated depreciation of the reserve components.



At 87% percent funded, Sample is considered to be at **Low Risk for a special assessment.**

EXAMPLE OF PERCENT FUNDED FOR ROOF REPLACEMENT

SCENARIO	ANALYSIS

For a deck membrane that lasts 10 years and costs $100,000 to replace:
• Save $10,000 each year, for 10 years
• Year 2, the membrane has deteriorated 20%.
  ○ If you have $20,000 saved it is fully funded.
  ○ If you have $10,000 saved it is 50% funded.
• Year 8, the membrane has deteriorated 80%.
  ○ If you have $80,000 saved it is fully funded.
  ○ If you have $20,000 saved it is 25% funded. If you have $10,000 saved it is 13% funded.
	A. In effect, the percent funded is a measure of how well an association can withstand the risk of unexpected expenses. Such unexpected expenses include: emergency expenses not covered by insurance, expenses that are higher than predicted, and expenses that are required earlier than anticipated.
	B. A higher percent funded means more money is in the bank which lowers the risk of special assessment if something unexpected occurs. A poorly funded Association has less cash on hand, therefore much higher risk of special assessment for unplanned expenses.
	C. By analyzing deterioration cycles and cash flow needs, we determine how much money should be steadily contributed, over a 30 year period, to fund the repair and replacement needs of the components included in the study. Budgeting to maintain a minimum balance, or threshold, helps to ensure that a special assessment will not be required if an unexpected expense arises.

DEFICIT OR SURPLUS IN RESERVE FUNDING

RCW 64.90.550 §2(l) requires that the reserve study include the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. This is calculated by subtracting the community's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the community allocable to each unit.

The fully funded balance calculates how much money should be saved for future maintenance based on the age of each component and the cost for future maintenance. In other words, the fully funded balance assumes that money will be saved every year for the next maintenance of a component to ensure special assessments are not required to fund future maintenance. The intent of RCW 64.90.550 §2 (l) is to show each unit's "share" of the surplus or deficit in reserve funding.

If the reserve account balance is:

- **equal to** the fully funded balance, Sample would be considered as 100% fully funded. There would be neither a surplus nor deficit.
- **less than** the fully funded balance, there is a deficit meaning Sample would be thought behind on saving for future maintenance.
- **more than** the fully funded balance, there is a surplus meaning Sample would be deemed ahead on saving for future maintenance.

The Recommended Funding Plan is based on Threshold Funding, a reserve contribution rate that is constant (increasing annually with inflation) to provide funds for all anticipated reserve expenses for the life of the study but leaving a minimum level of reserves (the "threshold") at all times. The threshold provides a monetary cushion in the reserve account to help ensure that a special assessment is not required for the duration of the study, even in years when there are significant withdrawals from the reserve account. Primary consideration is given to cash needed to cover expenses and the threshold; the percent funded is typically targeted to be 80%.

SUMMARY	
PROJECTED RESERVE ACCOUNT BALANCE AS OF DECEMBER 31, 2023	$150,000
CURRENT FULLY FUNDED BALANCE	$172,949
RESERVE FUND (DEFICIT)	($22,949)
NUMBER OF UNITS	32
AVERAGE (DEFICIT) PER UNIT	($717)

RESERVE FUND (DEFICIT) PER UNIT

UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT
100	3.3226%	($763)
101	3.3856%	($777)
200	1.9574%	($449)
201	2.1370%	($490)
202	2.1998%	($505)
203	2.2896%	($525)
204	3.0798%	($707)
205	3.2594%	($748)
206	3.1067%	($713)
207	2.6222%	($602)
208	4.8397%	($1,111)
COLUMN TOTAL	**32.20%**	**($7,390)**

UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT
209	4.8397%	($1,111)
300	1.9574%	($449)
301	2.1370%	($490)
302	2.1998%	($505)
303	2.2896%	($525)
304	3.0798%	($707)
305	3.2594%	($748)
306	3.1067%	($713)
307	3.1426%	($721)
308	4.9295%	($1,131)
309	4.9295%	($1,131)
COLUMN TOTAL	**35.87%**	**($8,232)**
GRAND TOTAL	**100.00%**	**($22,949)**

UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT
400	2.0472%	($470)
401	2.2268%	($511)
402	2.2896%	($525)
403	2.3794%	($546)
404	3.1696%	($727)
405	3.3491%	($769)
406	3.1965%	($734)
407	2.3701%	($544)
408	5.0193%	($1,152)
409	5.8816%	($1,350)
COLUMN TOTAL	**31.93%**	**($7,328)**

FUNDING PLANS

THRESHOLD FUNDING PLAN $24,600	BASELINE FUNDING PLAN $22,200	FULL FUNDING PLAN $25,400
Special Assessment None in 2024 Contribution Accelerator Years 2 -10 : 0% Years 11 – 30 : 0% Contribution Adjustment None	Special Assessment None in 2024 Contribution Accelerator Years 2 -10 - None Years 11 – 30 - None Contribution Adjustment None	Special Assessment None in 2024 Contribution Accelerator Years 2 -10 - None Years 11 – 30 - None Contribution Adjustment None
RECOMMENDED	**OPTIONAL STRATEGY**	**100% FUNDED BY YEAR 30**
initial annual contribution of $24,600	initial annual contribution of $22,200	initial annual contribution of $25,400
meets yearly projected reserve expenses	meets annual reserve expenses with no minimum balance requirement	most flexibility for cost variables and unplanned expenses
maintains minimum reserve balance equal to annual contribution amount	less flexibility with cost variables and unplanned expenses	lowest risk for special assessment

The Threshold Funding Plan is the **RECOMMENDED FUNDING PLAN** for Sample, balancing cashflow and anticipated expenses over 30 years while maintaining a minimum reserve account balance of one year's contribution to reserves and the percent funded above 77%. Cost projection accuracy decreases into the distant future. Assumptions should be reconsidered and updated with each revision

ALTERNATIVE FUNDING STRATEGIES

In addition to an annual contribution to reserves that increases every year to keep up with inflation, a variety of funding strategies are available. These strategies are not typically employed, but are options that provide additional flexibility in developing a custom funding plan to fit the unique needs of a community.

Special assessments – additional lump-sum contributions to either cover the cost of anticipated expenses, or to help increase the reserve account balance.

- Recommended special assessment: None in 2024

Contribution accelerators – an additional increase to the annual reserve contribution above the applied inflation rate. Our system can accommodate up to two rates. The ranges are grouped with the same percentage increase in Years 2 - 10 and in Years 11 – 30.

- Budgeted accelerator in Years 2 -10 : 0%
- Budgeted accelerator in Years 11 – 30 : 0%

Contribution adjustments – stepped increase or decrease in the reserve contribution to provide appropriate funding over the 30-year span of the report.

- Allocated contribution adjustments

COMPARISON OF FULLY FUNDED BALANCE AND FUNDING PLANS

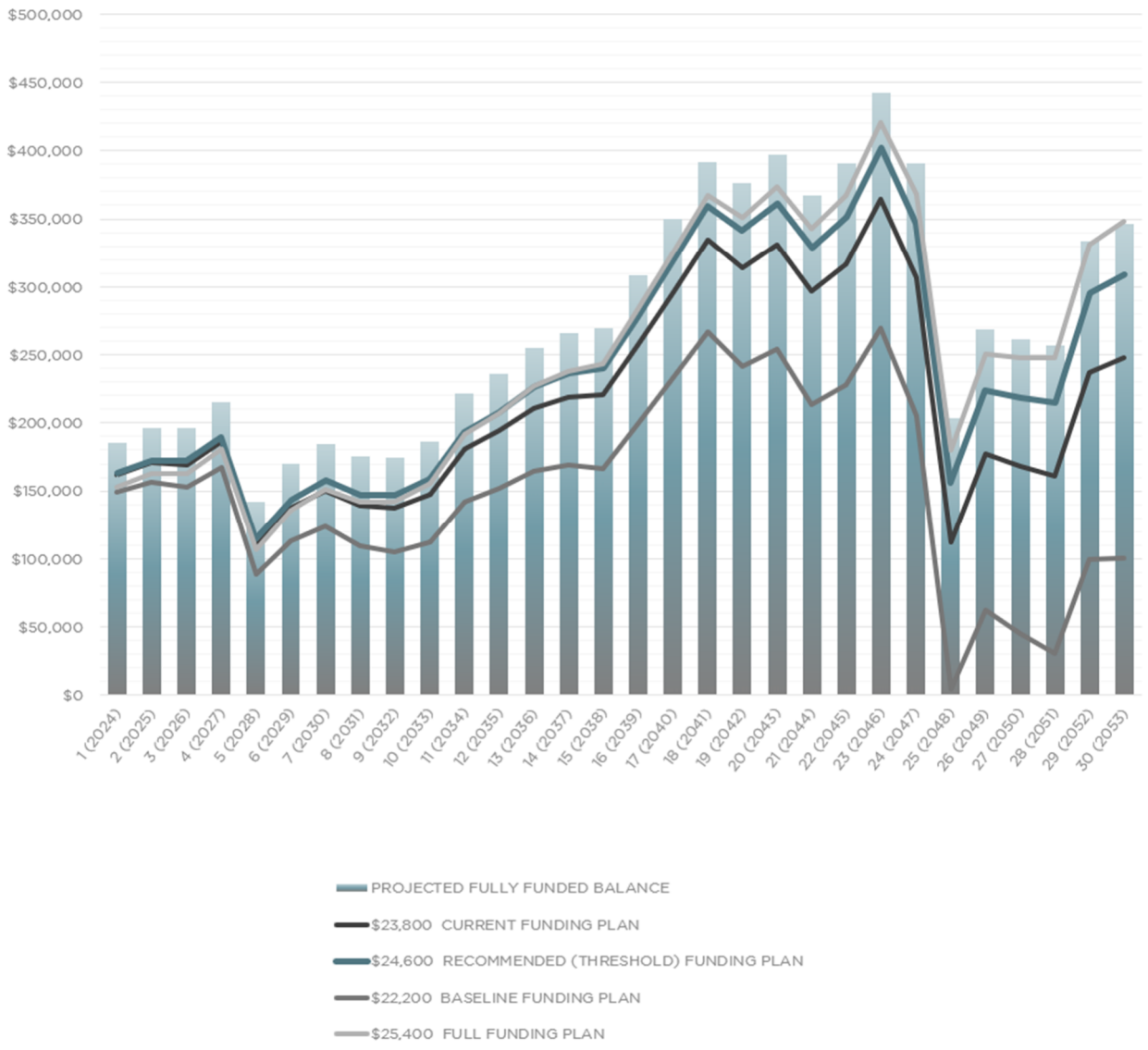
The following graph illustrates the projected Fully Funded Balance, along with the

- Current Budgeted Contribution to reserves (Current Funding Plan)
- Recommended Funding Plan (Threshold Funding Plan)
- Baseline Funding Plan
- Full Funding Plan

If any of the following special funding strategies are employed:

- **Special assessments** are calculated in all the funding plans.
- **Contribution accelerators** are only applied to the Recommended (Threshold) Funding Plan.
- **Contribution adjustments** are only applied to the Recommended (Threshold) Funding Plan.

Note: If the funding plans are similar or identical, only one line will be visible on some parts of the graph where the lines intersect.



PROJECTED RESERVE ACCOUNT BALANCES

FOR FUNDING PLANS OVER 30 YEARS

Per RCW 64.90.550 §2 (j) of the Washington Unified Common Interest Owners Act (WUCIOA), the projected reserve account balance for each of the funding plans over the next 30 years is provided, along with the current funding plan projections. The values in the Recommended Funding Plan include the previously mentioned recommended adjustment(s) in the annual reserve contribution, if applicable.

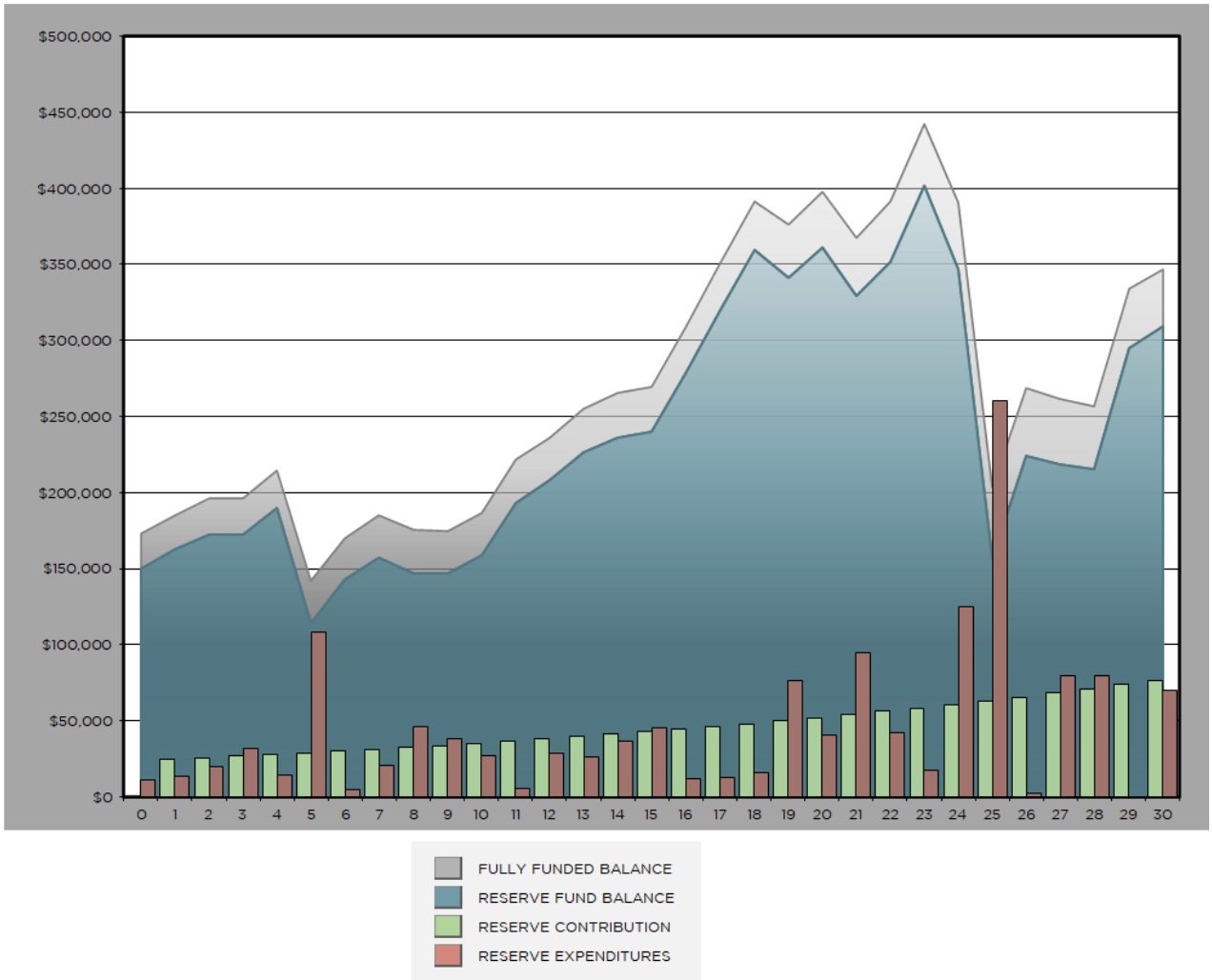
FISCAL YEAR END	$24,600 RECOMMENDED (THRESHOLD) FUNDING PLAN	$23,800 CURRENT FUNDING PLAN	$22,200 BASELINE FUNDING PLAN	$25,400 FULL FUNDING PLAN
1 (2024)	$162,902	$162,098	$149,305	$152,521
2 (2025)	$172,562	$170,897	$156,099	$162,765
3 (2026)	$171,970	$169,386	$152,466	$162,803
4 (2027)	$189,638	$186,078	$166,912	$181,152
5 (2028)	$114,343	$109,746	$88,207	$106,593
6 (2029)	$142,994	$137,297	$113,248	$136,035
7 (2030)	$157,375	$150,511	$123,811	$151,268
8 (2031)	$147,235	$139,133	$109,634	$142,041
9 (2032)	$146,519	$137,106	$104,652	$142,304
10 (2033)	$158,521	$147,720	$112,149	$155,353
11 (2034)	$193,423	$181,153	$142,295	$191,375
12 (2035)	$207,822	$193,998	$151,674	$206,970
13 (2036)	$226,125	$210,660	$164,684	$226,549
14 (2037)	$236,353	$219,151	$169,329	$238,135
15 (2038)	$239,698	$220,664	$166,791	$242,928
16 (2039)	$278,225	$257,256	$199,118	$282,994
17 (2040)	$318,809	$295,799	$233,174	$325,215
18 (2041)	$359,409	$334,247	$266,900	$367,554
19 (2042)	$341,206	$313,773	$241,461	$351,194
20 (2043)	$361,244	$331,417	$253,884	$373,188
21 (2044)	$328,993	$296,647	$213,626	$343,011
22 (2045)	$351,398	$316,398	$227,610	$367,613
23 (2046)	$401,897	$364,103	$269,256	$420,437
24 (2047)	$347,066	$306,331	$205,120	$368,066
25 (2048)	$156,244	$112,413	$4,520	$179,845
26 (2049)	$224,284	$177,198	$62,289	$250,634
27 (2050)	$218,291	$167,782	$45,508	$247,546
28 (2051)	$215,089	$160,982	$30,980	$247,411
29 (2052)	$295,156	$237,268	$99,158	$330,715
30 (2053)	$309,243	$247,381	$100,766	$348,216

RESERVE STUDY PROJECTIONS USING INFLATED DOLLAR VALUES

The recommended contribution to reserves is primarily based on cashflow over thirty years to ensure that there will be enough funds in reserves to cover anticipated expenses without the need of a special assessment. Monitoring the Fully Funded Balance helps anticipate future financial liabilities and the community's potential risk for a special assessment. The inflated scenario includes annual increases in the reserve contribution to keep up with inflation.

- **Teal Area Graph:** The fiscal year-end running reserve fund balance is shown as a line graph in teal.
- **Grey Area Graph:** The anticipated fully funded balance is graph in grey.
- **Mint Green Bars:** The annual reserve fund contributions are shown as mint green bars.
- **Brick Red Bars:** The anticipated yearly reserve expenditures are shown as brick red bars, depicting the anticipated over the next 30 years.

RECOMMENDED FUNDING PLAN STARTING AT $24,600



RESERVE 30 YEAR SUMMARY AT THE RECOMMENDED FUNDING PLAN STARTING AT $24,600

INFLATION & INTEREST ASSUMPTIONS[1]

	CONTRIBUTION INFLATION	COMPONENT INFLATION	INTEREST
Years 0-1	0.0%	9.0%	1.0%
Years 2-10	4.0%	4.0%	2.5%
Years 11-30	4.0%	4.0%	2.5%

SPECIAL ASSESSMENT RISK

Nominal Risk	100% +
Low Risk	70% to 99%
Moderate Risk	25% to 69%
Highest Risk	0% to 24%

FISCAL YEAR END	FISCAL YEAR BEGINNING RESERVE BALANCE	RECOMMMENDED ANNUAL RESERVE CONTRIBUTION[2]	AVERAGE CONTRIBUTION PER UNIT PER MONTH[3]	PROJECTED RESERVE EXPENDITURES	SPECIAL ASSESSMENT	PROJECTED INTEREST EARNED	FISCAL YEAR END RESERVE BALANCE	PROJECTED FULLY FUNDED BALANCE	PERCENT FUNDED
1 (2024)	$150,000	$24,600	$64	($13,255)	$0	$1,557	$162,902	$185,373	88%
2 (2025)	$162,902	$25,584	$67	($20,065)	$0	$4,142	$172,562	$195,925	88%
3 (2026)	$172,562	$26,607	$69	($31,453)	$0	$4,253	$171,970	$196,439	88%
4 (2027)	$171,970	$27,672	$72	($14,468)	$0	$4,464	$189,638	$214,924	88%
5 (2028)	$189,638	$28,779	$75	($107,826)	$0	$3,753	$114,343	$141,794	81%
6 (2029)	$114,343	$29,930	$78	($4,456)	$0	$3,177	$142,994	$170,153	84%
7 (2030)	$142,994	$31,127	$81	($20,454)	$0	$3,708	$157,375	$184,734	85%
8 (2031)	$157,375	$32,372	$84	($46,273)	$0	$3,761	$147,235	$175,209	84%
9 (2032)	$147,235	$33,667	$88	($38,009)	$0	$3,627	$146,519	$174,741	84%
10 (2033)	$146,519	$35,013	$91	($26,778)	$0	$3,766	$158,521	$186,707	85%
11 (2034)	$158,521	$36,414	$95	($5,857)	$0	$4,345	$193,423	$221,342	87%
12 (2035)	$193,423	$37,871	$99	($28,425)	$0	$4,954	$207,822	$236,115	88%
13 (2036)	$207,822	$39,385	$103	($26,439)	$0	$5,357	$226,125	$254,840	89%
14 (2037)	$226,125	$40,961	$107	($36,443)	$0	$5,710	$236,353	$265,737	89%
15 (2038)	$236,353	$42,599	$111	($45,131)	$0	$5,877	$239,698	$269,869	89%
16 (2039)	$239,698	$44,303	$115	($12,171)	$0	$6,394	$278,225	$308,672	90%
17 (2040)	$278,225	$46,075	$120	($12,862)	$0	$7,371	$318,809	$349,943	91%
18 (2041)	$318,809	$47,918	$125	($15,691)	$0	$8,373	$359,409	$391,707	92%
19 (2042)	$359,409	$49,835	$130	($76,688)	$0	$8,650	$341,206	$375,882	91%
20 (2043)	$341,206	$51,828	$135	($40,463)	$0	$8,672	$361,244	$397,457	91%
21 (2044)	$361,244	$53,902	$140	($94,674)	$0	$8,521	$328,993	$367,566	90%
22 (2045)	$328,993	$56,058	$146	($42,052)	$0	$8,400	$351,398	$391,056	90%
23 (2046)	$351,398	$58,300	$152	($17,101)	$0	$9,300	$401,897	$442,470	91%
24 (2047)	$401,897	$60,632	$158	($124,710)	$0	$9,246	$347,066	$390,447	89%
25 (2048)	$347,066	$63,057	$164	($260,093)	$0	$6,214	$156,244	$203,158	77%
26 (2049)	$156,244	$65,580	$171	($2,237)	$0	$4,698	$224,284	$268,521	84%
27 (2050)	$224,284	$68,203	$178	($79,660)	$0	$5,464	$218,291	$261,455	83%
28 (2051)	$218,291	$70,931	$185	($79,483)	$0	$5,350	$215,089	$256,758	84%
29 (2052)	$215,089	$73,768	$192	($0)	$0	$6,299	$295,156	$333,928	88%
30 (2053)	$295,156	$76,719	$200	($70,094)	$0	$7,462	$309,243	$346,768	89%

[1] The long term nature of this study requires that certain assumptions and predictions be made about future events. Since there can be no guarantee that these future events will occur as assumed, this analysis must be viewed in light of the circumstances under which it was conducted. Reasonable effort has been made to ensure that the conclusions of this report are based on reliable information and sound reasoning.

[2] The Recommended Annual Reserve Contribution includes inflation and any applicable recommended adjustments.

[3] The Average Contribution Per Unit Per Month reflects the Recommended Annual Reserve Contribution divided by the total number of units in the community.

PURPOSE OF A RESERVE STUDY

The purpose of a Reserve Study is to recommend a reasonable annual reserve contribution rate made by a common interest community to its reserve account. Reserve accounts are established to fund major maintenance, repair, and replacement of common elements, including limited common elements, expected within the next thirty years. A Reserve Study is intended to project availability of adequate funds for the replacement or major repair of any significant component of the property as it becomes necessary without relying on special assessments. It is a budget planning tool which identifies the current status of the reserve account and a stable and equitable Funding Plan to offset the anticipated future major shared expenditures. Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. This information is combined into a spreadsheet to determine funding requirements and establish the annual contribution rate needed to minimize the potential for special assessments. All costs and annual reserve fund balances are shown with adjustments for annual inflation and interest earned. Ideally, an even level of contributions is established that maintains a positive balance in the reserve account over the timeline the study examines. Annual updates are key to keeping up with current trends in component pricing, inflation and interest rates, actual timing of maintenance experienced and the community's risk tolerance.

A Reserve Study also calculates a theoretical "Fully Funded Balance". Fully Funded Balance is the sum total of the reserve components' depreciated value using a straight-line depreciation method.

To calculate each component's depreciated value:

$$Depreciated\ Value = Current\ Replacement\ Cost \times \frac{Effective\ Age}{Expected\ Useful\ Life}$$

By comparing the actual current reserve fund balance, to the theoretical Fully Funded Balance a Percent Fully Funded is derived.

OUR APPROACH TO A RESERVE STUDY

Reserve Consultants LLC employs a "Reasonable Approach" when evaluating reserve components to draft a study that is of greatest value to our clients. This means we attempt to predict, based on the costs involved and the client's objectives, what a reasonable person will decide to have done when maintenance, repairs, or replacement become necessary. For example, a reasonable person will not replace a fence when it only needs to be repainted. The benefit of this is that reserve contributions are minimized to allow for what is most likely to occur. Our studies are not based on a worst-case scenario, but rather on what we expect is most likely to occur. Our approach assumes minor repairs will be completed as they occur before they become major problems.

LEVELS OF RESERVE STUDIES

Level 1: The first level, an initial Reserve Study based upon a visual site inspection conducted by a Reserve Study Professional. This is also known as a full Level 1 Reserve Study with a site visit.

Level 2: Thereafter at least every three years, an updated Reserve Study must be prepared, which again is based upon a visual site inspection conducted by a Reserve Study Professional. This is also known as a Level 2 update with a site visit.

Level 3: As noted earlier, the Association is required to update its Reserve Study every year. However, in two of the three years, the annual updates do not require a site visit. This is also known as a Level 3 update without a site visit.

Level 4: The Community Associations Institute defines a Level 4 reserve study for communities under construction as a Preliminary, Community Not Yet Constructed reserve study.

This study is a Level 3 Reserve Study Update without a Site Visit

The next required update for Sample is a **Level 3 study by January, 2024.**

SOURCES USED IN COMPILING THIS REPORT

Reserve Consultants LLC has provided reserve component repair and replacement costs on this extensive experience and information provided by the Association. Sources used include:

- Review of previous reserve study report(s)
- Input provided by association representatives;
- Review of a list of components the community is responsible for;
- Generally accepted construction, maintenance, and repair guidelines

The current replacement cost is an estimate and actual costs may vary. Material selection, timing of the work, and requirements for Architectural services or construction management can impact cost projections. Expenses related to common interest communities are typically higher than other multi-family construction types, often due to the elevated insurance requirements contractors must carry. All estimates assume that a licensed and bonded contractor will be utilized to complete the work due to liability issues. Regional cost factors are applied as appropriate.

GOVERNMENT REQUIREMENTS FOR A RESERVE STUDY

The Washington State government requires that the following disclosure be included in every Reserve Study (RCW 64.34.382§3 & RCW 64.38.070§3):

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

The requirements of RCW 64.34 (Condo Act) and RCW 64.38 (Homeowners' Association Act) can be found on the Washington State Legislature's website. Effective July 1, 2018, the Washington Unified Common Interest Act (WUCIOA) has impacted all common interest communities. Our reserve studies also comply with WUCIOA. WUCIOA requires the following disclosure in every Reserve Study (RCW 64.90.550 § 3):

> **"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."**

We understand that common interest properties are to follow the budget ratification process outlined in RCW 64.90.525. Specifically,

> "Within thirty days after adoption of any proposed budget for the common interest community, the board must provide a copy of the budget to all the unit owners and set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. Unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget and the assessments against the units included in the budget are ratified, whether or not a

RCW 64.90.525 §2 states that the copy of the budget must include:

(d) the current amount of regular assessments budgeted for contribution to the reserve account;

(e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 of this act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

Reserve Consultants will prepare a Reserve Disclosure that covers the requirements of RCW 64.90.525 §2 (d) – (f) **if requested within one year of when the draft report of the Reserve Study was issued**. Once Sample has **provided the required information in RCL's format**, the Reserve Disclosure will be compiled at no additional charge for inclusion with the budget ratification package.

LIMITATIONS AND ASSUMPTIONS OF A RESERVE STUDY

This Reserve Study is not a report on the condition of the assets maintained by Sample, or a detailed report of necessary maintenance to the assets. It is also not an investigation into or comment on the quality of construction of the reserve components, or whether the construction complies with the building code or the requirements of Washington State requirements common interest properties, including the Washington Common Interest Ownership Act (WUCIOA).

The component list is based on information provided by Sample. Reserve Consultants LLC does not provide legal interpretations of governing documents or auditing services on account information provided.

The observations made by Reserve Consultants LLC are limited to a visual inspection of a sample of the reserve components. Unless informed otherwise, our assumption is that the components are constructed in substantial compliance with the building code and to industry standards, and that it will receive ordinary and reasonable maintenance and repair by Sample. These assumptions include that most reserve components will achieve their normal useful lives for similar components in the Pacific Northwest, and that they will be replaced when necessary to prevent damage to other reserve components.

This Reserve Study assumes that the assets will be maintained to keep a good level of appearance, with a special emphasis on retaining the original appearance of the assets to the greatest possible extent. The analysis also assumes that Sample will replace materials as they are required with good quality materials, installed by qualified, licensed, contractors. We further assume that the assets will experience the full typical useful life for the new materials installed.

The long-term nature of this study requires that certain assumptions and predictions be made about future events. Since there can be no guarantee that these future events will occur as assumed, this analysis must be viewed considering the circumstances under which it was conducted. A reasonable effort has been made to ensure that the conclusions of this report are based on reliable information and sound reasoning.

This report should be updated annually with actual repair costs, reserve fund balances, etc. Every three years it should be updated with a site inspection and professional review. Regular updating will allow changes based on actual occurrences and adjustments for the cost of repairs to be incorporated into the annual reserve contributions. This will allow any savings or additional costs to be properly allocated among unit owners.

INFLATION AND INTEREST RATE PROJECTIONS

When making estimates on the future inflation and interest rates, we use a staggered approach to more accurately reflect future economic projections.

For inflation, we use the construction industry inflation rates published by RS Means, which differ from the consumer inflation index. The average annual construction inflation increase since 1992 is 4.11%. We do not apply inflation to the annual reserve contribution in Year 0. Likewise, we do not apply inflation to the recommended reserve contribution in Year 1 since this is the first year at the recommended contribution rate. Inflation applied to the components on the inflated spreadsheet is compounded annually; the values are listed for each year at the bottom of the inflated spreadsheet.

For interest rates, we analyze the historical data provided by the Board of Governors of the Federal Reserve. The average annual interest rate since 1992 is 2.44%. The interest for associations is typically lower than average due to conservative investing options that are usually employed by associations.

CONTRIBUTION & EXPENSE INFLATION AND INTEREST PROJECTIONS

YEARS APPLIED	CONTRIBUTION ACCELERATOR	RESERVE CONTRIBUTION INFLATION	RESERVE EXPENSE INFLATION	INTEREST RATE
Year 0 (2023)	0%	0%	0%	1.0%
Year 1 (2024)	0%	9.0%	9.0%	1.0%
Year 2 (2025) through Year 10 (2033)	0%	4.0%	4.0%	2.5%
Year 11 (2034) through Year 30 (2052)	0%	4.0%	4.0%	2.5%

A contribution accelerator applies an additional annual increase to the reserve contribution above the inflation rate assumption to help increase the reserve fund balance without the need for a special assessment. This is not a strategy that is typically employed.

DISCLOSURES

1. Reserve Consultants LLC also provides construction inspection services for condominiums and does design and construction oversight for major repair projects, including roofing, decks and building envelope replacement.

2. No shareholder or employee of Reserve Consultants LLC has any interest in, or obligation to, any construction company, management company, or development entity that creates condominiums; nor is there any involvement with Sample which could result in a conflict of interest.

3. Reserve Consultants LLC has been a member of the Community Associations Institute since about 1993, and has worked with a variety of management companies, associations, and other types of clients in Washington State.

4. This report and analysis are based upon observations of the visible and apparent condition of the building and its major components on the date of the inspection. Although care has been taken in the performance of this inspection, Reserve Consultants LLC (and/or its representatives) make no representations regarding latent or concealed defects which may exist, and no warranty or guarantee is expressed or implied. This report is made only in the best exercise of our ability and judgment. Conclusions in this report are based on estimates of the age and normal working life of various items of equipment and appliances. Predictions of life expectancy and the balance of useful life are necessarily based on industry and/or statistical comparisons. It is essential to understand that actual conditions can alter the useful life of any item. The previous use or misuse, irregularity of servicing, faulty manufacture, unfavorable conditions, acts of God, and unforeseen circumstances make it impossible to state precisely when each item would require replacement. The client herein should be aware that certain components within the above referenced property may function consistent with their purpose at the time of inspection, but due to their nature, are subject to deterioration without notice.

5. Unless otherwise noted, all reserve components are assumed to meet the building code requirements in force at the time of construction. Any on-site inspection should not be considered a project audit or quality inspection.

6. Conclusions reached in this report assume responsible ownership and competent management of the property. Information provided by others is believed to be reliable. Information provided by others was not audited; we assume no responsibility for accuracy thereof.

7. The reserve study reflects information provided to the consultant and assembled for Sample's use, not for the purpose of performing an audit, quality/forensic analyses or background checks of historical record.

GLOSSARY OF TERMS

Allocated Interests - the following interests allocated to each unit: (a) In a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (b) In a cooperative, the common expense liability, the ownership interest, and votes in the association; and (c) In a plat community and miscellaneous community, the common expense liability and the votes in the association, and also the undivided interest in the common elements if owned in common by the unit owners rather than an association. RCW 64.90.010 §2.

Assessment - all sums chargeable by the association against a unit, including any assessments levied pursuant to RCW 64.90.480, fines or fees levied or imposed by the association pursuant to this chapter or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees. RCW 64.90.010 §3.

Association or **Unit Owners Association** - the unit owners association organized under RCW 64.90.400 of WUCIOA and, to the extent necessary to construe sections of this chapter made applicable to common interest communities pursuant to RCW64.90.085, 64.90.095, or 64.90.100of WUCIOA, the association organized or created to administer such common interest communities. RCW §64.90.010 §4.

Baseline Funding Plan – A reserve contribution rate that is constant, increasing with inflation, to provide funds for all anticipated reserve expenses so that no special assessments are required for 30 years, but with no excess funds some years.

Board - the body, regardless of name, designated in the declaration, map, or organizational documents, with primary authority to manage the affairs of the association. RCW §64.90.010 §6.

Building Codes - Nationally recognized standards used to gauge the acceptability of a particular material or building procedure. Typically, if something is built to "code," it is acceptable to all concerned. Some often used codes are International Building Code (IBC) (applicable to most multifamily housing), International Residential Code (IRC) (applicable to one and two family structures), Washington Energy Code, National Electric Code (NEC), Uniform Plumbing Code (UPC), and the National Fire Protection Association Standards (NFPA). These are usually amended slightly by each city or county.

Building Component – see "Reserve Component".

Component Number - A number assigned to each building component that allows grouping of like components. The numbers are based roughly on the Construction Specification Institute system.

Common Elements - (a) In a condominium or cooperative, all portions of the common interest community other than the units; (b) In a plat community or miscellaneous community, any real estate other than a unit within a plat community or miscellaneous community that is owned or leased either by the association or in common by the unit owners rather than an association; and (c) In all common interest communities, any other interests in real estate for the benefit of any unit owners that are subject to the declaration. RCW §64.90.010 §7.

Common Expense - any expense of the association, including allocations to reserves, allocated to all of the unit owners in accordance with common expense liability. RCW §64.90.010 §8.

Common Expense Liability - the liability for common expenses allocated to each unit pursuant to RCW64.90.040of RCW. RCW §64.90.010 §9.

Common Interest Community - real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements, other units, or other real estate described in the declaration. "Common interest community" does not include an arrangement described in RCW 64.90.110 or RCW 64.90.115. A common interest community may be a part of another common interest community. RCW §64.90.010 §10.

Contribution Rate - the amount contributed to the reserve account so that the association will have cash reserves to pay major maintenance, repair, or replacement costs without the need for a special assessment. RCW 64.34.020 (10), RCW 64.38.010 (6)

Constant Dollars - costs and contributions are provided in today's dollars, no matter how far in the future they occur. Inflation and interest are not factored in.

This section has been abbreviated for the sample document.

EVALUATORS' CREDENTIALS

Denise Dana

Principal
Reserve Consultants LLC

B.S. Education,
M. Architecture

Washington Registered Architect, #8702

LEED Accredited Professional Reserve Specialist, #291

Denise Dana first obtained licensure as an Architect and became a LEED accredited professional in 2003. She is currently a licensed Architect in the State of Washington and is certified by the National Council of Architectural Registration Boards. With over twenty years of experience in architecture, her resume includes a variety of project types ranging from residential to corporate. She has worked through all phases of construction including design development, construction documentation and construction administration with project budgets varying from a few thousand dollars to over sixty million dollars. Denise has been conducting reserve studies since joining Reserve Consultants in 2008; in 2011 she was recognized as a 'Reserve Specialist' by the Community Associations Institute.

Kyle Michael

Associate
Reserve Consultants LLC

B.S. University of Portland, OR

Kyle recently joined the Reserve Consultants team as Project Manager and Reserve Professional. He holds a Bachelor of Science in Electrical Engineering from the University of Portland in Oregon. He served in the Air Force as a Civil Engineering Officer from 2018-2021. Kyle has managed various construction projects both stateside and in Africa.

APPENDIX A

SAMPLE

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $24,600
AND COMPOUND INFLATION

							25-Jan-23
			STARTING RESERVE BALANCE	$150,000	$162,902	$172,562	$171,970	$189,638
			ANNUAL RESERVE CONTRIBUTION	$24,600	$25,584	$26,607	$27,672	$28,779
			ESTIMATED INTEREST EARNED	$1,557	$4,142	$4,253	$4,464	$3,753
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$176,157**	**$192,627**	**$203,423**	**$204,106**	**$222,169**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	1 **2024**	2 **2025**	3 **2026**	4 **2027**	5 **2028**
2.6.1	Asphalt Pavement & Curbs - Repair	6	1	$4,840				
2.6.2	Asphalt Pavement & Curbs - Seal Coat & Paint	6	1	$4,458				
3.3.1	Concrete Pavement - Repair	10	1	$3,957				
5.4.1	Deck Rails - Replace	40	19					
5.4.2	Courtyard Rails - Repair	6	2		$873			
6.1.1	Elastomeric Decks - Recoat	6	3			$19,688		
6.1.2	Decks - Structural Repairs	12	9					
6.1.3	Planters - Maintenance	20	14					
6.2.1	Exterior Siding & Trim - Repair	10	2		$3,854			
7.3.1	Gutters & Downspouts - Replace	20	10					
7.4.1	Low Sloped Roof - Repair	5	3			$4,751		
7.4.2	Low Sloped Roof - Replace	20	5					$102,917
7.4.3	Metal Roof - Paint	10	10					
7.4.4	Metal Roof - Replace	50	24					
8.2.1	Common Doors & Hardware - Repair	8	8					
8.3.1	Gate Operator - Maintenance	8	8					
8.3.2	Motorized Gates - Replace	20	8					
9.8.1	Exterior Siding & Trim - Paint	10	2		$11,540			
10.3.1	Chimney Chase Covers & Caps - Repair	17	4				$12,911	
10.5.1	Mailboxes - Replace	10	4				$1,557	
15.2.1	Plumbing System - Contingency	10	3			$3,053		
15.4.1	Storm Water System - Maintenance	5	0					$4,909
16.3.2	Electrical System - Contingency	10	7					
16.6.1	Exterior Light Fixtures - Replace	20	14					
17.8.1	Fire Control Panel - Replace	20	0					
18.7.1	Intercom - Replace	20	2		$3,798			
20.1.1	Reserve Study With Site Visit	3	0			$3,961		
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$13,255**	**$20,065**	**$31,453**	**$14,468**	**$107,826**
	ACCUMULATED CREDITS			$176,157	$192,627	$203,423	$204,106	$222,169
	ACCUMULATED DEBITS			$13,255	$20,065	$31,453	$14,468	$107,826
	YEAR-END BALANCE			**$162,902**	**$172,562**	**$171,970**	**$189,638**	**$114,343**

YEARS	**1**	**2-10**	**11-30**	1 (2024)	2 (2025)	3 (2026)	4 (2027)	5 (2028)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	9.0%	4.0%	4.0%	109%	113%	118%	123%	128%
INTEREST RATE MULTIPLIER	1.0%	2.5%	2.5%	1.0%	2.5%	2.5%	2.5%	2.5%

This section has been abbreviated for the sample document.

APPENDIX B

SAMPLE

COMPONENT SUMMARY
FUTURE MAINTENANCE WITH INFLATED ESTIMATES

25-Jan-23

2.6.1 Asphalt Pavement & Curbs - Repair — Site

Maintenance Cycle: 6 years
Next Maintenance: Year 1 (2024)
Quantity: 15,735 Square Feet
Unit Cost: $8.68 / SF
Estimate: 15,735 SF X 3% X $8.68/SF = $4,097 + tax = $4,440

Component summary text would be found here.

FUTURE MAINTENANCE	
YEAR	COST
1 (2024)	$4,840
7 (2030)	$6,124
13 (2036)	$7,748
19 (2042)	$9,804
25 (2048)	$12,405

2.6.2 Asphalt Pavement & Curbs - Seal Coat & Paint — Site

Maintenance Cycle: 6 years
Next Maintenance: Year 1 (2024)
Quantity: 15,735 Square Feet
Unit Cost: $0.24 / SF
Estimate: 15,735 SF X 100% X $0.24/SF = $3,776 + tax = $4,090

Component summary text would be found here.

FUTURE MAINTENANCE	
YEAR	COST
1 (2024)	$4,458
7 (2030)	$5,641
13 (2036)	$7,138
19 (2042)	$9,031
25 (2048)	$11,427

3.3.1 Concrete Pavement - Repair — Concrete

Maintenance Cycle: 10 years
Next Maintenance: Year 1 (2024)
Quantity: 11,910 Square Feet
Unit Cost: $9.37 / SF
Estimate: 11,910 SF X 3% X $9.37/SF = $3,348 + tax = $3,630

Component summary text would be found here.

FUTURE MAINTENANCE	
YEAR	COST
1 (2024)	$3,957
11 (2034)	$5,857
21 (2044)	$8,670

5.4.1 Deck Rails - Replace — Ext Envelope

Maintenance Cycle: 40 years
Next Maintenance: Year 19 (2042)
Quantity: 170 Linear Feet
Unit Cost: $142.17 / LF
Estimate: 170 LF X 100% X $142.17/LF = $24,169 + tax = $26,200

Component summary text would be found here.

FUTURE MAINTENANCE	
YEAR	COST
19 (2042)	$57,853

This section has been abbreviated for the sample document.