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“Do-It-Yourself” Reserve Study

Arranmore Homeowners Association Portland, OR

Report #: 21386-6

For Period Beginning: January 1, 2018

Expires: December 31, 2018

Date Prepared: March 12, 2018

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?

Visit our website at www.ReserveStudy.com or call us at:

253/661-5437

Relax, it's from



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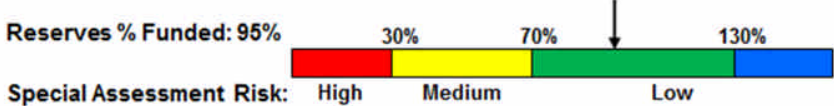
3- Minute Executive Summary

Association: Arranmore Homeowners Association **#:** 21386-6
Location: Portland, OR **# of Units:** 143
Report Period: January 1, 2018 through December 31, 2018

Findings/Recommendations as-of 1/1/2018:

Projected Starting Reserve Balance:	\$239,355
Current Fully Funded Reserve Balance:	\$251,976
Average Reserve Deficit (Surplus) Per Unit:.....	\$88
Recommended 2018 Annual “Full Funding” Contributions:	\$29,410
Alternate minimum contribs* to keep Reserves above \$0:.....	\$17,690

Most Recent Budgeted Reserve Contribution Rate:\$28,600



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 95% Funded. This means the association’s special assessment & deferred maintenance risk is currently 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, and your anticipated future expenses, our recommendation is to increase your Annual Reserve contributions to \$29,410 as noted above. This 100% “Full” contribution rate is designed to maintain strong reserve funding levels throughout our 30-year report scope.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Repl. Cost Estimate
1	Pool House Carpet	17	2	\$2,726
2	Pool House Furnace	45	5	\$2,961
3	Pool House Roof	30	5	\$13,069
4	Pool Dressing Rooms	25	18	\$26,648
5	Pool House Interior Painting	10	3	\$5,176
6	Pool House Exterior Painting	10	4	\$2,348
7	Pool House Entry Lock System	15	11	\$3,259
8	Pool Coping & Water Line Tile	25	16	\$12,711
9	Pool Re-plaster Vessel	25	16	\$16,009
10	Pool: Strip, Caulk, Rebalance H2O	25	16	\$5,779
11	Pool: Drains and Covers	25	16	\$3,216
12	Pool Cover	16	2	\$3,237
13	Pool Concrete Deck	30	2	\$50,080
14	Pool Deck Expansion Joint Repair	5	2	\$3,262
15	Underdeck Plumbing Allowance	30	2	\$2,757
16	Pool Heater	12	10	\$4,127
17	Pool Chemical Control System	12	9	\$6,739
18	Pool Filter	30	27	\$2,637
19	Pool Circulation - Filter Pump	10	6	\$2,338
20	Pool Wood Fence	20	9	\$8,168
21	Pool Fence Stain	6	6	\$2,000
22	Pool Entrance Walkway Pavers	25	19	\$3,737
23	Spa	30	2	\$30,630
24	Spa - Circulation Pump	10	7	\$1,889
25	Spa Filter	30	27	\$4,329
26	Spa Heater	10	10	\$2,710
27	Spa Drain Cover	25	16	\$2,420
28	Spa Chemical Control System	12	9	\$5,105
29	Sauna Heater & Components	12	2	\$1,991
30	Pool House Building	30	2	\$51,050
31	Architectural Design Allowance	N/A	0	\$3,665
32	Well - Pump	15	15	\$19,700
33	Well Control Pump	10	2	\$7,045
34	Well - Pipe Repair	10	2	\$2,981
35	Irrigation Smart Controller	12	5	\$5,536
36	Sprinkler Replacement	10	7	\$5,105
37	Asphalt Pathway Paving Allowance	5	5	\$5,000
38	Asphalt Pathway Repair Allowance	5	5	\$5,000
39	Asphalt Pathway Replacement	25	18	\$20,400
40	Concrete Sidewalk Repair	30	6	\$3,196
41	French Drain - Entry Tract	15	1	\$8,576
42	French Drain - East Tract M	15	11	\$6,014
43	French Drain - West Tract M Lower	15	9	\$4,697
44	French Drain - West Tract M Upper	15	9	\$4,002
45	French Drain - Tract U	15	8	\$1,572
46	Re-landscape Oleson Rd.	20	16	\$20,931
47	Re-landscape Pool House Entry	15	10	\$5,228
48	Re-landscape N & W Pool House	30	2	\$10,210
49	Major Sod Removal	5	2	\$2,553

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Repl. Cost Estimate
50	Major Tree Pruning	5	2	\$5,228
51	Rock Retaining Wall at Entry	50	10	\$7,923
51	Total Funded Components			

Note : 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.

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.



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

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.

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.

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 \$205,128. Adding the next five years, your *first ten years* of projected Reserve expenses are \$312,354. 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.

Annual Reserve Expenses

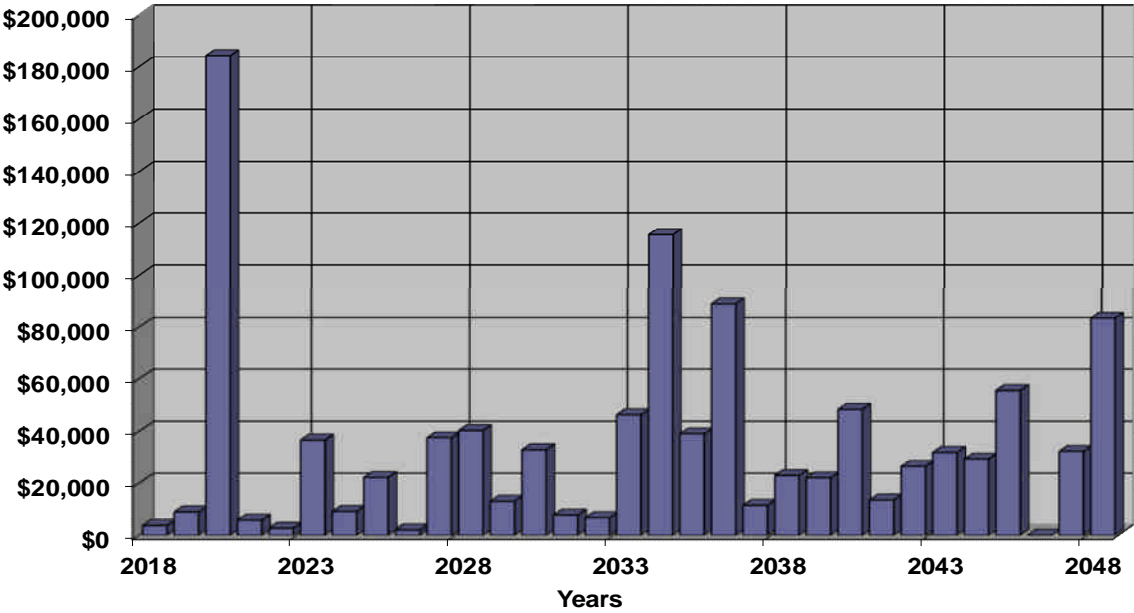


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$239,355 as-of the start of your Fiscal Year on January 1, 2018. As of January 1, 2018, your Fully Funded Balance is computed to be \$251,976 (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 95% [Funded](#). Across the country under 1% 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 \$29,410 this Fiscal Year 2018. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

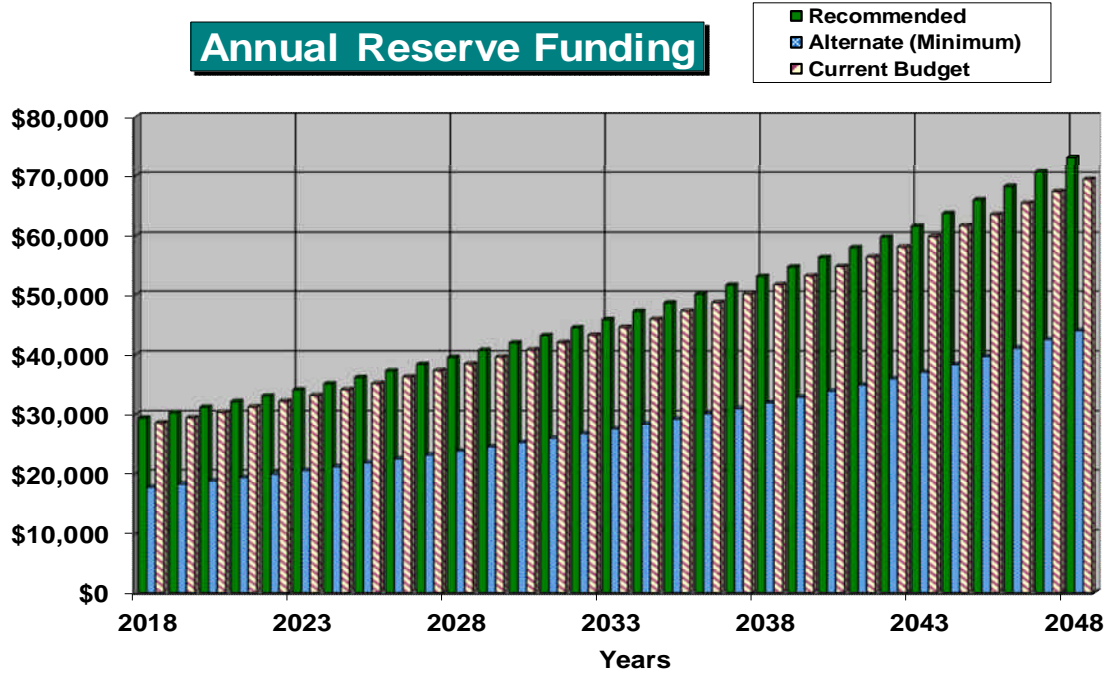


Figure 2

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.

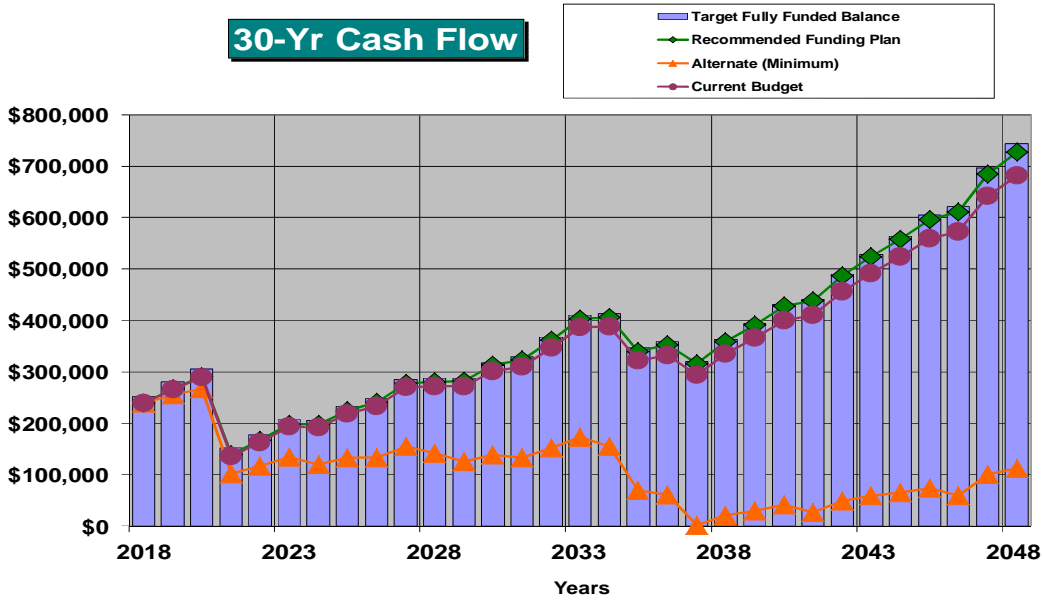


Figure 3

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

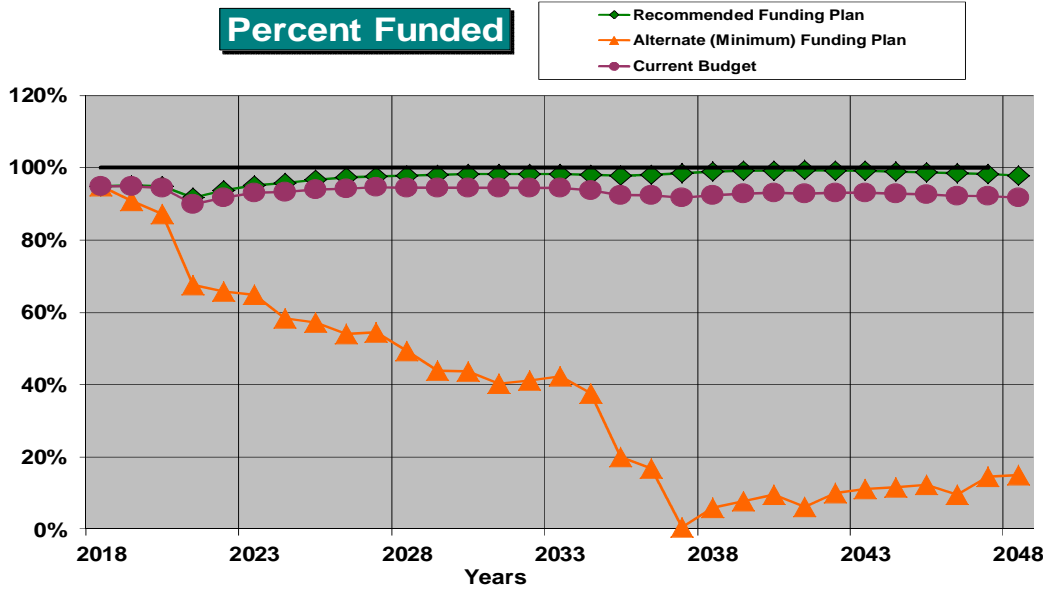


Figure 4

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**21386-6**

#	Component	Quantity		Useful Life	Rem. Useful Life	Current Repl. Cost Estimate
1	Pool House Carpet		2002	17	2	\$2,726
2	Pool House Furnace		1977	45	5	\$2,961
3	Pool House Roof	New Concrete Tile		30	5	\$13,069
4	Pool Dressing Rooms		2010	25	18	\$26,648
5	Pool House Interior Painting		2010	10	3	\$5,176
6	Pool House Exterior Painting		2011	10	4	\$2,348
7	Pool House Entry Lock System		2014	15	11	\$3,259
8	Pool Coping & Water Line Tile		2008	25	16	\$12,711
9	Pool Re-plaster Vessel		2008	25	16	\$16,009
10	Pool: Strip, Caulk, Rebalance H2O		2008	25	16	\$5,779
11	Pool: Drains and Covers		2008	25	16	\$3,216
12	Pool Cover		2003	16	2	\$3,237
13	Pool Concrete Deck	3700 Sq. Ft.		30	2	\$50,080
14	Pool Deck Expansion Joint Repair		2015	5	2	\$3,262
15	Underdeck Plumbing Allowance		1989	30	2	\$2,757
16	Pool Heater		2016	12	10	\$4,127
17	Pool Chemical Control System		2015	12	9	\$6,739
18	Pool Filter		2015	30	27	\$2,637
19	Pool Circulation - Filter Pump		2013	10	6	\$2,338
20	Pool Wood Fence		2006	20	9	\$8,168
21	Pool Fence Stain		2017	6	6	\$2,000
22	Pool Entrance Walkway Pavers		2012	25	19	\$3,737
23	Spa		1989	30	2	\$30,630
24	Spa - Circulation Pump		2014	10	7	\$1,889
25	Spa Filter		2014	30	27	\$4,329
26	Spa Heater		2017	10	10	\$2,710
27	Spa Drain Cover		2008	25	16	\$2,420
28	Spa Chemical Control System		2014	12	9	\$5,105
29	Sauna Heater & Components		2007	12	2	\$1,991
30	Pool House Building		1989	30	2	\$51,050
31	Architectural Design Allowance	One Time		N/A	0	\$3,665
32	Well - Pump		2017	15	15	\$19,700
33	Well Control Pump		2009	10	2	\$7,045
34	Well - Pipe Repair		2009	10	2	\$2,981
35	Irrigation Smart Controller		2010	12	5	\$5,536
36	Sprinkler Replacement	Every 10 years		10	7	\$5,105
37	Asphalt Pathway Paving Allowance	Every 5 years		5	5	\$5,000
38	Asphalt Pathway Repair Allowance	Every 5 years		5	5	\$5,000
39	Asphalt Pathway Replacement		2010	25	18	\$20,400
40	Concrete Sidewalk Repair		0	30	6	\$3,196
41	French Drain - Entry Tract		2003	15	1	\$8,576
42	French Drain - East Tract M		2013	15	11	\$6,014
43	French Drain - West Tract M Lower		2011	15	9	\$4,697
44	French Drain - West Tract M Upper		2011	15	9	\$4,002
45	French Drain - Tract U		2010	15	8	\$1,572
46	Re-landscape Oleson Rd.		2011	20	16	\$20,931
47	Re-landscape Pool House Entry		2012	15	10	\$5,228

Table 2: Reserve Component List Detail**21386-6**

#	Component	Quantity		Useful Life	Rem. Useful Life	Current Repl. Cost Estimate
48	Re-landscape N & W Pool House		1988	30	2	\$10,210
49	Major Sod Removal	Every 5 years		5	2	\$2,553
50	Major Tree Pruning	Every 5 years		5	2	\$5,228
51	Rock Retaining Wall at Entry		1978	50	10	\$7,923
51	Total Funded Components					

Table 3: Fully Funded Balance**21386-6**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
1	Pool House Carpet	\$2,726	X	15	/	17	=	\$2,405
2	Pool House Furnace	\$2,961	X	40	/	45	=	\$2,632
3	Pool House Roof	\$13,069	X	25	/	30	=	\$10,891
4	Pool Dressing Rooms	\$26,648	X	7	/	25	=	\$7,461
5	Pool House Interior Painting	\$5,176	X	7	/	10	=	\$3,623
6	Pool House Exterior Painting	\$2,348	X	6	/	10	=	\$1,409
7	Pool House Entry Lock System	\$3,259	X	4	/	15	=	\$869
8	Pool Coping & Water Line Tile	\$12,711	X	9	/	25	=	\$4,576
9	Pool Re-plaster Vessel	\$16,009	X	9	/	25	=	\$5,763
10	Pool: Strip, Caulk, Rebalance H2O	\$5,779	X	9	/	25	=	\$2,080
11	Pool: Drains and Covers	\$3,216	X	9	/	25	=	\$1,158
12	Pool Cover	\$3,237	X	14	/	16	=	\$2,832
13	Pool Concrete Deck	\$50,080	X	28	/	30	=	\$46,741
14	Pool Deck Expansion Joint Repair	\$3,262	X	3	/	5	=	\$1,957
15	Underdeck Plumbing Allowance	\$2,757	X	28	/	30	=	\$2,573
16	Pool Heater	\$4,127	X	2	/	12	=	\$688
17	Pool Chemical Control System	\$6,739	X	3	/	12	=	\$1,685
18	Pool Filter	\$2,637	X	3	/	30	=	\$264
19	Pool Circulation - Filter Pump	\$2,338	X	4	/	10	=	\$935
20	Pool Wood Fence	\$8,168	X	11	/	20	=	\$4,492
21	Pool Fence Stain	\$2,000	X	0	/	6	=	\$0
22	Pool Entrance Walkway Pavers	\$3,737	X	6	/	25	=	\$897
23	Spa	\$30,630	X	28	/	30	=	\$28,588
24	Spa - Circulation Pump	\$1,889	X	3	/	10	=	\$567
25	Spa Filter	\$4,329	X	3	/	30	=	\$433
26	Spa Heater	\$2,710	X	0	/	10	=	\$0
27	Spa Drain Cover	\$2,420	X	9	/	25	=	\$871
28	Spa Chemical Control System	\$5,105	X	3	/	12	=	\$1,276
29	Sauna Heater & Components	\$1,991	X	10	/	12	=	\$1,659
30	Pool House Building	\$51,050	X	28	/	30	=	\$47,647
31	Architectural Design Allowance	\$3,665	X	0	/	0	=	\$3,665
32	Well - Pump	\$19,700	X	0	/	15	=	\$0
33	Well Control Pump	\$7,045	X	8	/	10	=	\$5,636
34	Well - Pipe Repair	\$2,981	X	8	/	10	=	\$2,385
35	Irrigation Smart Controller	\$5,536	X	7	/	12	=	\$3,229
36	Sprinkler Replacement	\$5,105	X	3	/	10	=	\$1,532
37	Asphalt Pathway Paving Allowance	\$5,000	X	0	/	5	=	\$0
38	Asphalt Pathway Repair Allowance	\$5,000	X	0	/	5	=	\$0
39	Asphalt Pathway Replacement	\$20,400	X	7	/	25	=	\$5,712
40	Concrete Sidewalk Repair	\$3,196	X	24	/	30	=	\$2,557
41	French Drain - Entry Tract	\$8,576	X	14	/	15	=	\$8,004
42	French Drain - East Tract M	\$6,014	X	4	/	15	=	\$1,604
43	French Drain - West Tract M Lower	\$4,697	X	6	/	15	=	\$1,879
44	French Drain - West Tract M Upper	\$4,002	X	6	/	15	=	\$1,601
45	French Drain - Tract U	\$1,572	X	7	/	15	=	\$734
46	Re-landscape Oleson Rd.	\$20,931	X	4	/	20	=	\$4,186
47	Re-landscape Pool House Entry	\$5,228	X	5	/	15	=	\$1,743

Table 3: Fully Funded Balance**21386-6**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
48	Re-landscape N & W Pool House	\$10,210	X	28	/	30	=	\$9,529
49	Major Sod Removal	\$2,553	X	3	/	5	=	\$1,532
50	Major Tree Pruning	\$5,228	X	3	/	5	=	\$3,137
51	Rock Retaining Wall at Entry	\$7,923	X	40	/	50	=	\$6,338
								\$251,976

Table 4: Component Significance**21386-6**

#	Component	Useful Life	Current	Deterioration Cost/yr	Deterioration Significance
			Repl. Cost Estimate		
1	Pool House Carpet	17	\$2,726	\$160	0.7%
2	Pool House Furnace	45	\$2,961	\$66	0.3%
3	Pool House Roof	30	\$13,069	\$436	1.8%
4	Pool Dressing Rooms	25	\$26,648	\$1,066	4.4%
5	Pool House Interior Painting	10	\$5,176	\$518	2.1%
6	Pool House Exterior Painting	10	\$2,348	\$235	1.0%
7	Pool House Entry Lock System	15	\$3,259	\$217	0.9%
8	Pool Coping & Water Line Tile	25	\$12,711	\$508	2.1%
9	Pool Re-plaster Vessel	25	\$16,009	\$640	2.6%
10	Pool: Strip, Caulk, Rebalance H2O	25	\$5,779	\$231	1.0%
11	Pool: Drains and Covers	25	\$3,216	\$129	0.5%
12	Pool Cover	16	\$3,237	\$202	0.8%
13	Pool Concrete Deck	30	\$50,080	\$1,669	6.9%
14	Pool Deck Expansion Joint Repair	5	\$3,262	\$652	2.7%
15	Underdeck Plumbing Allowance	30	\$2,757	\$92	0.4%
16	Pool Heater	12	\$4,127	\$344	1.4%
17	Pool Chemical Control System	12	\$6,739	\$562	2.3%
18	Pool Filter	30	\$2,637	\$88	0.4%
19	Pool Circulation - Filter Pump	10	\$2,338	\$234	1.0%
20	Pool Wood Fence	20	\$8,168	\$408	1.7%
21	Pool Fence Stain	6	\$2,000	\$333	1.4%
22	Pool Entrance Walkway Pavers	25	\$3,737	\$149	0.6%
23	Spa	30	\$30,630	\$1,021	4.2%
24	Spa - Circulation Pump	10	\$1,889	\$189	0.8%
25	Spa Filter	30	\$4,329	\$144	0.6%
26	Spa Heater	10	\$2,710	\$271	1.1%
27	Spa Drain Cover	25	\$2,420	\$97	0.4%
28	Spa Chemical Control System	12	\$5,105	\$425	1.8%
29	Sauna Heater & Components	12	\$1,991	\$166	0.7%
30	Pool House Building	30	\$51,050	\$1,702	7.0%
31	Architectural Design Allowance	N/A	\$3,665	\$0	0.0%
32	Well - Pump	15	\$19,700	\$1,313	5.4%
33	Well Control Pump	10	\$7,045	\$705	2.9%
34	Well - Pipe Repair	10	\$2,981	\$298	1.2%
35	Irrigation Smart Controller	12	\$5,536	\$461	1.9%
36	Sprinkler Replacement	10	\$5,105	\$511	2.1%
37	Asphalt Pathway Paving Allowance	5	\$5,000	\$1,000	4.1%
38	Asphalt Pathway Repair Allowance	5	\$5,000	\$1,000	4.1%
39	Asphalt Pathway Replacement	25	\$20,400	\$816	3.4%
40	Concrete Sidewalk Repair	30	\$3,196	\$107	0.4%
41	French Drain - Entry Tract	15	\$8,576	\$572	2.4%
42	French Drain - East Tract M	15	\$6,014	\$401	1.7%
43	French Drain - West Tract M Lower	15	\$4,697	\$313	1.3%
44	French Drain - West Tract M Upper	15	\$4,002	\$267	1.1%
45	French Drain - Tract U	15	\$1,572	\$105	0.4%
46	Re-landscape Oleson Rd.	20	\$20,931	\$1,047	4.3%
47	Re-landscape Pool House Entry	15	\$5,228	\$349	1.4%

Table 4: Component Significance**21386-6**

#	Component	Useful Life	Current Repl. Cost Estimate	Deterioration Cost/yr	Deterioration Significance
48	Re-landscape N & W Pool House	30	\$10,210	\$340	1.4%
49	Major Sod Removal	5	\$2,553	\$511	2.1%
50	Major Tree Pruning	5	\$5,228	\$1,046	4.3%
51	Rock Retaining Wall at Entry	50	\$7,923	\$158	0.7%
51	Total Funded Components			\$24,273	100.0%

Table 5: 30-Year Reserve Plan Summary

21386-6

Fiscal Year Start: 01/01/18

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
2018	\$239,355	\$251,976	95.0%	Low	\$29,410	\$0	\$1,898	\$3,665
2019	\$266,998	\$280,761	95.1%	Low	\$30,292	\$0	\$2,090	\$8,833
2020	\$290,547	\$305,837	95.0%	Low	\$31,201	\$0	\$1,610	\$184,331
2021	\$139,027	\$151,675	91.7%	Low	\$32,137	\$0	\$1,146	\$5,656
2022	\$166,655	\$177,719	93.8%	Low	\$33,101	\$0	\$1,369	\$2,643
2023	\$198,482	\$208,468	95.2%	Low	\$34,094	\$0	\$1,484	\$36,594
2024	\$197,467	\$206,014	95.9%	Low	\$35,117	\$0	\$1,584	\$8,996
2025	\$225,172	\$232,781	96.7%	Low	\$36,171	\$0	\$1,747	\$22,183
2026	\$240,907	\$247,664	97.3%	Low	\$37,256	\$0	\$1,946	\$1,991
2027	\$278,117	\$284,714	97.7%	Low	\$38,373	\$0	\$2,096	\$37,461
2028	\$281,126	\$287,291	97.9%	Low	\$39,525	\$0	\$2,113	\$40,301
2029	\$282,462	\$287,999	98.1%	Low	\$40,710	\$0	\$2,231	\$12,836
2030	\$312,566	\$318,026	98.3%	Low	\$41,932	\$0	\$2,386	\$32,891
2031	\$323,994	\$329,335	98.4%	Low	\$43,190	\$0	\$2,572	\$7,601
2032	\$362,154	\$368,101	98.4%	Low	\$44,485	\$0	\$2,868	\$6,563
2033	\$402,945	\$410,201	98.2%	Low	\$45,820	\$0	\$3,031	\$46,272
2034	\$405,524	\$413,798	98.0%	Low	\$47,194	\$0	\$2,795	\$115,507
2035	\$340,006	\$347,360	97.9%	Low	\$48,610	\$0	\$2,595	\$38,963
2036	\$352,249	\$358,973	98.1%	Low	\$50,069	\$0	\$2,504	\$89,012
2037	\$315,810	\$320,623	98.5%	Low	\$51,571	\$0	\$2,528	\$11,333
2038	\$358,576	\$362,408	98.9%	Low	\$53,118	\$0	\$2,812	\$22,956
2039	\$391,550	\$394,792	99.2%	Low	\$54,711	\$0	\$3,070	\$22,033
2040	\$427,298	\$430,451	99.3%	Low	\$56,353	\$0	\$3,246	\$48,278
2041	\$438,618	\$441,543	99.3%	Low	\$58,043	\$0	\$3,469	\$13,318
2042	\$486,813	\$490,414	99.3%	Low	\$59,784	\$0	\$3,789	\$26,522
2043	\$523,865	\$528,631	99.1%	Low	\$61,578	\$0	\$4,054	\$31,884
2044	\$557,613	\$563,997	98.9%	Low	\$63,733	\$0	\$4,326	\$29,334
2045	\$596,338	\$604,621	98.6%	Low	\$65,964	\$0	\$4,527	\$55,539
2046	\$611,290	\$621,089	98.4%	Low	\$68,273	\$0	\$4,857	\$0
2047	\$684,420	\$696,923	98.2%	Low	\$70,662	\$0	\$5,295	\$32,294

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

21386-6

Fiscal Year	2018	2019	2020	2021	2022
Starting Reserve Balance	\$239,355	\$266,998	\$290,547	\$139,027	\$166,655
Annual Reserve Contribution	\$29,410	\$30,292	\$31,201	\$32,137	\$33,101
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,898	\$2,090	\$1,610	\$1,146	\$1,369
Total Income	\$270,663	\$299,381	\$323,359	\$172,311	\$201,125
# Component					
1 Pool House Carpet	\$0	\$0	\$2,892	\$0	\$0
2 Pool House Furnace	\$0	\$0	\$0	\$0	\$0
3 Pool House Roof	\$0	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$0	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$5,656	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$2,643
7 Pool House Entry Lock System	\$0	\$0	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$0	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$0	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$0	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$0	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$3,434	\$0	\$0
13 Pool Concrete Deck	\$0	\$0	\$53,130	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$3,461	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$2,925	\$0	\$0
16 Pool Heater	\$0	\$0	\$0	\$0	\$0
17 Pool Chemical Control System	\$0	\$0	\$0	\$0	\$0
18 Pool Filter	\$0	\$0	\$0	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$0	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$0
21 Pool Fence Stain	\$0	\$0	\$0	\$0	\$0
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$0
23 Spa	\$0	\$0	\$32,495	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$0	\$0	\$0
25 Spa Filter	\$0	\$0	\$0	\$0	\$0
26 Spa Heater	\$0	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$0	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$0	\$0	\$0	\$0
29 Sauna Heater & Components	\$0	\$0	\$2,112	\$0	\$0
30 Pool House Building	\$0	\$0	\$54,159	\$0	\$0
31 Architectural Design Allowance	\$3,665	\$0	\$0	\$0	\$0
32 Well - Pump	\$0	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$7,474	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$3,163	\$0	\$0
35 Irrigation Smart Controller	\$0	\$0	\$0	\$0	\$0
36 Sprinkler Replacement	\$0	\$0	\$0	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$0	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$0	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$0	\$0
40 Concrete Sidewalk Repair	\$0	\$0	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$8,833	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**21386-6**

Fiscal Year	2018	2019	2020	2021	2022
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$0
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$0
45 French Drain - Tract U	\$0	\$0	\$0	\$0	\$0
46 Re-landscape Oleson Rd.	\$0	\$0	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$0	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$10,832	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$2,708	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$5,546	\$0	\$0
51 Rock Retaining Wall at Entry	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,665	\$8,833	\$184,331	\$5,656	\$2,643
Ending Reserve Balance:	\$266,998	\$290,547	\$139,027	\$166,655	\$198,482

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

21386-6

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$198,482	\$197,467	\$225,172	\$240,907	\$278,117
Annual Reserve Contribution	\$34,094	\$35,117	\$36,171	\$37,256	\$38,373
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,484	\$1,584	\$1,747	\$1,946	\$2,096
Total Income	\$234,060	\$234,168	\$263,090	\$280,108	\$318,587
# Component					
1 Pool House Carpet	\$0	\$0	\$0	\$0	\$0
2 Pool House Furnace	\$3,433	\$0	\$0	\$0	\$0
3 Pool House Roof	\$15,151	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$0	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$0	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$0
7 Pool House Entry Lock System	\$0	\$0	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$0	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$0	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$0	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$0	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$0	\$0	\$0
13 Pool Concrete Deck	\$0	\$0	\$0	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$4,012	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$0	\$0	\$0
16 Pool Heater	\$0	\$0	\$0	\$0	\$0
17 Pool Chemical Control System	\$0	\$0	\$0	\$0	\$8,793
18 Pool Filter	\$0	\$0	\$0	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$2,792	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$10,657
21 Pool Fence Stain	\$0	\$2,388	\$0	\$0	\$0
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$0
23 Spa	\$0	\$0	\$0	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$2,323	\$0	\$0
25 Spa Filter	\$0	\$0	\$0	\$0	\$0
26 Spa Heater	\$0	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$0	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$0	\$0	\$0	\$6,661
29 Sauna Heater & Components	\$0	\$0	\$0	\$0	\$0
30 Pool House Building	\$0	\$0	\$0	\$0	\$0
31 Architectural Design Allowance	\$0	\$0	\$0	\$0	\$0
32 Well - Pump	\$0	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$0	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$0	\$0	\$0
35 Irrigation Smart Controller	\$6,418	\$0	\$0	\$0	\$0
36 Sprinkler Replacement	\$0	\$0	\$6,279	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$5,796	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$5,796	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$0	\$0
40 Concrete Sidewalk Repair	\$0	\$3,816	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$0	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**21386-6**

Fiscal Year	2023	2024	2025	2026	2027
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$6,129
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$5,222
45 French Drain - Tract U	\$0	\$0	\$0	\$1,991	\$0
46 Re-landscape Oleson Rd.	\$0	\$0	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$0	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$0	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$3,140	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$6,430	\$0	\$0
51 Rock Retaining Wall at Entry	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$36,594	\$8,996	\$22,183	\$1,991	\$37,461
Ending Reserve Balance:	\$197,467	\$225,172	\$240,907	\$278,117	\$281,126

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

21386-6

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$281,126	\$282,462	\$312,566	\$323,994	\$362,154
Annual Reserve Contribution	\$39,525	\$40,710	\$41,932	\$43,190	\$44,485
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,113	\$2,231	\$2,386	\$2,572	\$2,868
Total Income	\$322,763	\$325,402	\$356,884	\$369,755	\$409,508
# Component					
1 Pool House Carpet	\$0	\$0	\$0	\$0	\$0
2 Pool House Furnace	\$0	\$0	\$0	\$0	\$0
3 Pool House Roof	\$0	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$0	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$7,601	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$3,552
7 Pool House Entry Lock System	\$0	\$4,511	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$0	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$0	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$0	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$0	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$0	\$0	\$0
13 Pool Concrete Deck	\$0	\$0	\$0	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$4,651	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$0	\$0	\$0
16 Pool Heater	\$5,546	\$0	\$0	\$0	\$0
17 Pool Chemical Control System	\$0	\$0	\$0	\$0	\$0
18 Pool Filter	\$0	\$0	\$0	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$0	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$0
21 Pool Fence Stain	\$0	\$0	\$2,852	\$0	\$0
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$0
23 Spa	\$0	\$0	\$0	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$0	\$0	\$0
25 Spa Filter	\$0	\$0	\$0	\$0	\$0
26 Spa Heater	\$3,642	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$0	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$0	\$0	\$0	\$0
29 Sauna Heater & Components	\$0	\$0	\$0	\$0	\$3,012
30 Pool House Building	\$0	\$0	\$0	\$0	\$0
31 Architectural Design Allowance	\$0	\$0	\$0	\$0	\$0
32 Well - Pump	\$0	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$10,044	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$4,250	\$0	\$0
35 Irrigation Smart Controller	\$0	\$0	\$0	\$0	\$0
36 Sprinkler Replacement	\$0	\$0	\$0	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$6,720	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$6,720	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$0	\$0
40 Concrete Sidewalk Repair	\$0	\$0	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$0	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$8,325	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**21386-6**

Fiscal Year	2028	2029	2030	2031	2032
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$0
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$0
45 French Drain - Tract U	\$0	\$0	\$0	\$0	\$0
46 Re-landscape Oleson Rd.	\$0	\$0	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$7,026	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$0	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$3,640	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$7,454	\$0	\$0
51 Rock Retaining Wall at Entry	\$10,648	\$0	\$0	\$0	\$0
Total Expenses	\$40,301	\$12,836	\$32,891	\$7,601	\$6,563
Ending Reserve Balance:	\$282,462	\$312,566	\$323,994	\$362,154	\$402,945

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

21386-6

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$402,945	\$405,524	\$340,006	\$352,249	\$315,810
Annual Reserve Contribution	\$45,820	\$47,194	\$48,610	\$50,069	\$51,571
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,031	\$2,795	\$2,595	\$2,504	\$2,528
Total Income	\$451,795	\$455,513	\$391,211	\$404,822	\$369,909
# Component					
1 Pool House Carpet	\$0	\$0	\$0	\$0	\$4,780
2 Pool House Furnace	\$0	\$0	\$0	\$0	\$0
3 Pool House Roof	\$0	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$45,366	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$0	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$0
7 Pool House Entry Lock System	\$0	\$0	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$20,397	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$25,690	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$9,274	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$5,161	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$0	\$5,511	\$0
13 Pool Concrete Deck	\$0	\$0	\$0	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$5,392	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$0	\$0	\$0
16 Pool Heater	\$0	\$0	\$0	\$0	\$0
17 Pool Chemical Control System	\$0	\$0	\$0	\$0	\$0
18 Pool Filter	\$0	\$0	\$0	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$3,752	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$0
21 Pool Fence Stain	\$0	\$0	\$0	\$3,405	\$0
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$6,553
23 Spa	\$0	\$0	\$0	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$3,122	\$0	\$0
25 Spa Filter	\$0	\$0	\$0	\$0	\$0
26 Spa Heater	\$0	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$3,883	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$0	\$0	\$0	\$0
29 Sauna Heater & Components	\$0	\$0	\$0	\$0	\$0
30 Pool House Building	\$0	\$0	\$0	\$0	\$0
31 Architectural Design Allowance	\$0	\$0	\$0	\$0	\$0
32 Well - Pump	\$30,692	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$0	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$0	\$0	\$0
35 Irrigation Smart Controller	\$0	\$0	\$9,150	\$0	\$0
36 Sprinkler Replacement	\$0	\$0	\$8,438	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$7,790	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$7,790	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$34,730	\$0
40 Concrete Sidewalk Repair	\$0	\$0	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$13,762	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)**21386-6**

Fiscal Year	2033	2034	2035	2036	2037
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$0
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$0
45 French Drain - Tract U	\$0	\$0	\$0	\$0	\$0
46 Re-landscape Oleson Rd.	\$0	\$33,588	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$0	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$0	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$4,220	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$8,641	\$0	\$0
51 Rock Retaining Wall at Entry	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$46,272	\$115,507	\$38,963	\$89,012	\$11,333
Ending Reserve Balance:	\$405,524	\$340,006	\$352,249	\$315,810	\$358,576

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

21386-6

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$358,576	\$391,550	\$427,298	\$438,618	\$486,813
Annual Reserve Contribution	\$53,118	\$54,711	\$56,353	\$58,043	\$59,784
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,812	\$3,070	\$3,246	\$3,469	\$3,789
Total Income	\$414,506	\$449,331	\$486,897	\$500,131	\$550,386
# Component					
1 Pool House Carpet	\$0	\$0	\$0	\$0	\$0
2 Pool House Furnace	\$0	\$0	\$0	\$0	\$0
3 Pool House Roof	\$0	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$0	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$10,215	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$4,773
7 Pool House Entry Lock System	\$0	\$0	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$0	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$0	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$0	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$0	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$0	\$0	\$0
13 Pool Concrete Deck	\$0	\$0	\$0	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$6,250	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$0	\$0	\$0
16 Pool Heater	\$0	\$0	\$7,908	\$0	\$0
17 Pool Chemical Control System	\$0	\$12,537	\$0	\$0	\$0
18 Pool Filter	\$0	\$0	\$0	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$0	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$0
21 Pool Fence Stain	\$0	\$0	\$0	\$0	\$4,066
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$0
23 Spa	\$0	\$0	\$0	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$0	\$0	\$0
25 Spa Filter	\$0	\$0	\$0	\$0	\$0
26 Spa Heater	\$4,895	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$0	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$9,497	\$0	\$0	\$0
29 Sauna Heater & Components	\$0	\$0	\$0	\$0	\$0
30 Pool House Building	\$0	\$0	\$0	\$0	\$0
31 Architectural Design Allowance	\$0	\$0	\$0	\$0	\$0
32 Well - Pump	\$0	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$13,499	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$5,712	\$0	\$0
35 Irrigation Smart Controller	\$0	\$0	\$0	\$0	\$0
36 Sprinkler Replacement	\$0	\$0	\$0	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$9,031	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$9,031	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$0	\$0
40 Concrete Sidewalk Repair	\$0	\$0	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$0	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)**21386-6**

Fiscal Year	2038	2039	2040	2041	2042
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$9,548
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$8,135
45 French Drain - Tract U	\$0	\$0	\$0	\$3,102	\$0
46 Re-landscape Oleson Rd.	\$0	\$0	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$0	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$0	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$4,892	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$10,017	\$0	\$0
51 Rock Retaining Wall at Entry	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$22,956	\$22,033	\$48,278	\$13,318	\$26,522
Ending Reserve Balance:	\$391,550	\$427,298	\$438,618	\$486,813	\$523,865

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

21386-6

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$523,865	\$557,613	\$596,338	\$611,290	\$684,420
Annual Reserve Contribution	\$61,578	\$63,733	\$65,964	\$68,273	\$70,662
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,054	\$4,326	\$4,527	\$4,857	\$5,295
Total Income	\$589,497	\$625,672	\$666,829	\$684,420	\$760,378
# Component					
1 Pool House Carpet	\$0	\$0	\$0	\$0	\$0
2 Pool House Furnace	\$0	\$0	\$0	\$0	\$0
3 Pool House Roof	\$0	\$0	\$0	\$0	\$0
4 Pool Dressing Rooms	\$0	\$0	\$0	\$0	\$0
5 Pool House Interior Painting	\$0	\$0	\$0	\$0	\$0
6 Pool House Exterior Painting	\$0	\$0	\$0	\$0	\$0
7 Pool House Entry Lock System	\$0	\$7,028	\$0	\$0	\$0
8 Pool Coping & Water Line Tile	\$0	\$0	\$0	\$0	\$0
9 Pool Re-plaster Vessel	\$0	\$0	\$0	\$0	\$0
10 Pool: Strip, Caulk, Rebalance H2O	\$0	\$0	\$0	\$0	\$0
11 Pool: Drains and Covers	\$0	\$0	\$0	\$0	\$0
12 Pool Cover	\$0	\$0	\$0	\$0	\$0
13 Pool Concrete Deck	\$0	\$0	\$0	\$0	\$0
14 Pool Deck Expansion Joint Repair	\$0	\$0	\$7,246	\$0	\$0
15 Underdeck Plumbing Allowance	\$0	\$0	\$0	\$0	\$0
16 Pool Heater	\$0	\$0	\$0	\$0	\$0
17 Pool Chemical Control System	\$0	\$0	\$0	\$0	\$0
18 Pool Filter	\$0	\$0	\$5,858	\$0	\$0
19 Pool Circulation - Filter Pump	\$0	\$5,042	\$0	\$0	\$0
20 Pool Wood Fence	\$0	\$0	\$0	\$0	\$19,248
21 Pool Fence Stain	\$0	\$0	\$0	\$0	\$0
22 Pool Entrance Walkway Pavers	\$0	\$0	\$0	\$0	\$0
23 Spa	\$0	\$0	\$0	\$0	\$0
24 Spa - Circulation Pump	\$0	\$0	\$4,196	\$0	\$0
25 Spa Filter	\$0	\$0	\$9,616	\$0	\$0
26 Spa Heater	\$0	\$0	\$0	\$0	\$0
27 Spa Drain Cover	\$0	\$0	\$0	\$0	\$0
28 Spa Chemical Control System	\$0	\$0	\$0	\$0	\$0
29 Sauna Heater & Components	\$0	\$4,294	\$0	\$0	\$0
30 Pool House Building	\$0	\$0	\$0	\$0	\$0
31 Architectural Design Allowance	\$0	\$0	\$0	\$0	\$0
32 Well - Pump	\$0	\$0	\$0	\$0	\$0
33 Well Control Pump	\$0	\$0	\$0	\$0	\$0
34 Well - Pipe Repair	\$0	\$0	\$0	\$0	\$0
35 Irrigation Smart Controller	\$0	\$0	\$0	\$0	\$13,046
36 Sprinkler Replacement	\$0	\$0	\$11,340	\$0	\$0
37 Asphalt Pathway Paving Allowance	\$10,469	\$0	\$0	\$0	\$0
38 Asphalt Pathway Repair Allowance	\$10,469	\$0	\$0	\$0	\$0
39 Asphalt Pathway Replacement	\$0	\$0	\$0	\$0	\$0
40 Concrete Sidewalk Repair	\$0	\$0	\$0	\$0	\$0
41 French Drain - Entry Tract	\$0	\$0	\$0	\$0	\$0
42 French Drain - East Tract M	\$0	\$12,970	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**21386-6**

Fiscal Year	2043	2044	2045	2046	2047
43 French Drain - West Tract M Lower	\$0	\$0	\$0	\$0	\$0
44 French Drain - West Tract M Upper	\$0	\$0	\$0	\$0	\$0
45 French Drain - Tract U	\$0	\$0	\$0	\$0	\$0
46 Re-landscape Oleson Rd.	\$0	\$0	\$0	\$0	\$0
47 Re-landscape Pool House Entry	\$10,946	\$0	\$0	\$0	\$0
48 Re-landscape N & W Pool House	\$0	\$0	\$0	\$0	\$0
49 Major Sod Removal	\$0	\$0	\$5,671	\$0	\$0
50 Major Tree Pruning	\$0	\$0	\$11,613	\$0	\$0
51 Rock Retaining Wall at Entry	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$31,884	\$29,334	\$55,539	\$0	\$32,294
Ending Reserve Balance:	\$557,613	\$596,338	\$611,290	\$684,420	\$728,083

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.

Report # 21386-6

Yes - we'd like to do it ourselves! We accept full responsibility for the accuracy of the information provided below. We understand that Association Reserves will not verify the accuracy of the information submitted. We also acknowledge that Association Reserves 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:

Address:

City: State: Zip:

Email:

Phone: Date:

Part 1: Association Information

Association Name: # Units:

(as you would like it to appear on the Report)

City/State/Zip:

Part 2: Budget Information

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? (yes/no)

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

Do-It-Yourself Reserve Study Worksheet - 2018

Part 3: Component List

Arranmore HOA

As of 3/07/2018

#	Component Name	Quantity/Description	UL	RUL	Current Cost
1	<i>Pool House Carpet</i>	2002	17	2	2,726
2	<i>Pool House Furnace</i>	1977	45	5	2,961
3	<i>Pool House Roof</i>	New Concrete Tile	30	5	13,069
4	<i>Pool Dressing Rooms</i>	2010	25	18	26,648
5	<i>Pool House Interior Painting</i>	2010	10	3	5,176
6	<i>Pool House Exterior Painting</i>	2011	10	4	2,348
7	<i>Pool House Entry Lock System</i>	2014	15	11	3,259
8	<i>Pool Coping & Water Line Tile</i>	2008	25	16	12,711
9	<i>Pool Re-plaster Vessel</i>	2008	25	16	16,009
10	<i>Pool: Strip, Caulk, Rebalance H2O</i>	2008	25	16	5,779
11	<i>Pool: Drains and Covers</i>	2008	25	16	3,216
12	<i>Pool Cover</i>	2003	16	2	3,237
13	<i>Pool Concrete Deck</i>	3700 Sq Ft	30	2	50,080
14	<i>Pool Deck Expansion Joint Repair</i>	2015	5	2	3,262
15	<i>Underdeck Plumbing Allowance</i>	1989	30	2	2,757
16	<i>Pool Heater</i>	2016	12	10	4,127
17	<i>Pool Chemical Control System</i>	2015	12	9	6,739
18	<i>Pool Filter</i>	2015	30	27	2,637
19	<i>Pool Circulation - Filter Pump</i>	2013	10	6	2,338
20	<i>Pool Wood Fence</i>	2006	20	9	8,168
21	<i>Pool Fence Stain</i>	2017	6	6	2,000
22	<i>Pool Entrance Walkway Pavers</i>	2012	25	19	3,737
23	<i>Spa</i>	1989	30	2	30,630
24	<i>Spa - Circulation Pump</i>	2014	10	7	1,889
25	<i>Spa Filter</i>	2014	30	27	4,329
26	<i>Spa Heater</i>	2017	10	10	2,710

#	Component Name	Quantity/Description	UL	RUL	Current Cost
27	Spa Drain Cover	2008	25	16	2,420
28	Spa Chemical Control System	2014	12	9	5,105
29	Sauna Heater & Components	2007	12	2	1,991
30	Pool House Building	1989	30	2	51,050
31	Architectural Design Allowance	One Time			3,665
32	Well - Pump	2017	15	15	19,700
33	Well Control Pump	2009	10	2	7,045
34	Well - Pipe Repair	2009	10	2	2,981
35	Irrigation Smart Controller	2010	12	5	5,536
36	Sprinkler Replacement	Every 10 years	10	7	5,105
37	Asphalt Pathway Paving Allowance	Every 5 yrs	5	5	5,000
38	Asphalt Pathway Repair Allowance	Every 5 yrs	5	5	5,000
39	Asphalt Pathway Replacement	2010	25	18	20,400
40	Concrete Sidewalk Repair		30	6	3,196
41	French Drain - Entry Tract	2003	15	1	8,576
42	French Drain - East Tract M	2013	15	11	6,014
43	French Drain - West Tract M Lower	2011	15	9	4,697
44	French Drain - West Tract M Upper	2011	15	9	4,002
45	French Drain - Tract U	2010	15	8	1,572
46	Re-landscape Oleson Rd	2011	20	16	20,931
47	Re-landscape Pool House Entry	2012	15	10	5,228
48	Re-landscape N & W Pool House	1988	30	2	10,210
49	Major Sod Removal	Every 5 yrs	5	2	2,553
50	Major Tree Pruning	Every 5 yrs	5	2	5,228
51	Rock Retaining Wall at Entry	1978	50	10	7,923
		Total Capital Asset Value			437,669