



ACCURATE RESERVE PROFESSIONALS, LLC

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Level IV Preliminary Community Not Yet Constructed Reserve Study Report

For Fiscal Year Beginning January 1, 2022



Windhaven HOA

Spokane, WA

April 23, 2021

Karen McDonald
CMCA, AMS, PCAM, RS
Community Associations Institute
Reserve Specialist Designation

355



Reserve Study Summary

Windhaven HOA
Spokane, WA
275 Units

For Fiscal Year Beginning January 1, 2022

Starting Reserve Balance	\$4,689
Fully Funded Reserve Balance	\$302,869
Percent Funded	18%
Total Surplus or (Deficit) of Reserve Funding	\$298,180
Surplus or (Deficit) on a Per Unit Average Basis ***	(\$1,084)

Current Annual Reserve Contribution Rate	\$50,740
Current Annual Special Assessment	n/a

100% Full Funding Contribution Rate, Annually	\$57,600
Baseline Funding Contribution Rate, Annually	\$56,400
Recommended Annual Special Assessment.....	n/a

Reserve Fund Strength (Weak, Fair or Strong)	Weak
Is the Current Contribution Rate Within Range Provided by Study?	No

Study Description & Assumptions

This is a Level IV Preliminary Community Not Yet Constructed reserve study. As part of this report, no site visit was conducted. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes and other outside factors are not included.

Property Description

Windhaven HOA consists of 275 single family homes located in Spokane, WA. It was constructed in approximately 2021.

Recommended Funding Plan

Based upon the information above, we recommend that the association increase its reserve contributions to \$57,600 per year in 2022.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

**Windhaven HOA
Component List**

Description	Useful Life	Adjustment	Remaining Life	Current Cost
Asphalt - Overlay	40	-5	19	\$609,590
Asphalt - Repair & Chipseal	10		9	\$167,637
Chain Link Fence - Replace	50		49	\$2,900
Concrete - Repair	0		0	\$0
Drainage System - Maintain	0		0	\$0
Gravel Areas - Refurbish	3		2	\$1,000
Irrigation System - Repair	5		4	\$2,500
Landscape - Refurbish	5		4	\$2,500
Mailboxes - Replace	25		24	\$40,500
Monument Sign - Refurb/Replace	20		19	\$3,000
Outdoor Furniture - Replace	25		24	\$8,000
Picnic Shelter - Replace	50		49	\$10,000
Play Equipment - Replace	25		24	\$25,000
Pole Lights - Replace	30		29	\$54,000
Reserve Study - Annual Update	0		0	\$0
Street Signs - Replace	30		29	\$7,500
Vinyl Fence At Common Areas - Replace	40		39	\$14,850
Vinyl Fence At Units - Replace	0		0	\$0
Wood Chips - Replenish	3		2	\$1,000

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at [National Reserve Study Standards](#) and an explanation of the NRSS is available at [NRSS Explanation](#).

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- **Level I Full** – This is the initial report prepared by the association. This report includes a site visit, in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in all other reports going forward.
- **Level II With-Site-Visit** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- **Level III No-Site-Visit** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- **Level IV Preliminary, Community Not Yet Constructed** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a four-part test to determine which items should be funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. The second and third parts of the test go hand in hand; the item must have a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and it must have a predictable remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a \$100,000 annual budget would have a \$1,000 reserve funding

threshold.

One consideration that is not included within the NRSS four-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as an association installing a swimming pool when one was not previously present. Repurposing of an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs \$30,000 to replace, the association would save \$1,000 per year so that it would have the \$30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need \$2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved \$1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred

maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.



Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a depreciation summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

Windhaven HOA
Spokane, WA
Spread Sheet

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Recreation										
Outdoor Furniture - Replace										
Picnic Shelter - Replace										
Play Equipment - Replace										
Wood Chips - Replenish			1,061			1,159			1,267	
Recreation Total:			1,061			1,159			1,267	
Professional										
Reserve Study - Annual Update		<i>Unfunded</i>								
Site & Grounds										
Asphalt - Overlay										
Asphalt - Repair & Chipseal										218,729
Chain Link Fence - Replace										
Concrete - Repair		<i>Unfunded</i>								
Drainage System - Maintain		<i>Unfunded</i>								
Gravel Areas - Refurbish			1,061			1,159			1,267	
Irrigation System - Repair					2,814					3,262
Landscape - Refurbish					2,814					3,262
Mailboxes - Replace										
Monument Sign - Refurb/Replace										
Pole Lights - Replace										
Street Signs - Replace										
Vinyl Fence At Common Areas - Replace										
Vinyl Fence At Units - Replace		<i>Unfunded</i>								
Site & Grounds Total:			1,061		5,628	1,159			1,267	225,252
Year Total:			2,122		5,628	2,319			2,534	225,252

Windhaven HOA
Spokane, WA
Spread Sheet

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Recreation										
Outdoor Furniture - Replace										
Picnic Shelter - Replace										
Play Equipment - Replace										
Wood Chips - Replenish		1,384			1,513			1,653		
Recreation Total:		1,384			1,513			1,653		
Professional										
Reserve Study - Annual Update		<i>Unfunded</i>								
Site & Grounds										
Asphalt - Overlay										1,068,920
Asphalt - Repair & Chipseal										293,953
Chain Link Fence - Replace										
Concrete - Repair		<i>Unfunded</i>								
Drainage System - Maintain		<i>Unfunded</i>								
Gravel Areas - Refurbish		1,384			1,513			1,653		
Irrigation System - Repair					3,781					4,384
Landscape - Refurbish					3,781					4,384
Mailboxes - Replace										
Monument Sign - Refurb/Replace										5,261
Pole Lights - Replace										
Street Signs - Replace										
Vinyl Fence At Common Areas - Replace										
Vinyl Fence At Units - Replace		<i>Unfunded</i>								
Site & Grounds Total:		1,384			9,076			1,653		1,376,901
Year Total:		2,768			10,588			3,306		1,376,901

Windhaven HOA
Spokane, WA
Spread Sheet

Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Recreation										
Outdoor Furniture - Replace					16,262					
Picnic Shelter - Replace										
Play Equipment - Replace					50,820					
Wood Chips - Replenish	1,806			1,974			2,157			2,357
Recreation Total:	1,806			1,974	67,082		2,157			2,357
Professional										
Reserve Study - Annual Update	<i>Unfunded</i>									
Site & Grounds										
Asphalt - Overlay										
Asphalt - Repair & Chipseal										395,048
Chain Link Fence - Replace										
Concrete - Repair	<i>Unfunded</i>									
Drainage System - Maintain	<i>Unfunded</i>									
Gravel Areas - Refurbish	1,806			1,974			2,157			2,357
Irrigation System - Repair					5,082					5,891
Landscape - Refurbish					5,082					5,891
Mailboxes - Replace					82,328					
Monument Sign - Refurb/Replace										
Pole Lights - Replace										127,255
Street Signs - Replace										17,674
Vinyl Fence At Common Areas - Replace										
Vinyl Fence At Units - Replace	<i>Unfunded</i>									
Site & Grounds Total:	1,806			1,974	92,492		2,157			554,116
Year Total:	3,612			3,947	159,574		4,313			556,473

Windhaven HOA
 Spokane, WA
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
Replacement Year 2024	
Gravel Areas - Refurbish	1,061
Wood Chips - Replenish	1,061
Total for 2024	\$2,122
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Irrigation System - Repair	2,814
Landscape - Refurbish	2,814
Total for 2026	\$5,628
Replacement Year 2027	
Gravel Areas - Refurbish	1,159
Wood Chips - Replenish	1,159
Total for 2027	\$2,319
<i>No Replacement in 2028</i>	
<i>No Replacement in 2029</i>	
Replacement Year 2030	
Gravel Areas - Refurbish	1,267
Wood Chips - Replenish	1,267
Total for 2030	\$2,534
Replacement Year 2031	
Irrigation System - Repair	3,262
Landscape - Refurbish	3,262
Asphalt - Repair & Chipseal	218,729
Total for 2031	\$225,252
<i>No Replacement in 2032</i>	

Windhaven HOA
 Spokane, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2033	
Gravel Areas - Refurbish	1,384
Wood Chips - Replenish	1,384
Total for 2033	\$2,768
 <i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
 Replacement Year 2036	
Gravel Areas - Refurbish	1,513
Wood Chips - Replenish	1,513
Irrigation System - Repair	3,781
Landscape - Refurbish	3,781
Total for 2036	\$10,588
 <i>No Replacement in 2037</i>	
<i>No Replacement in 2038</i>	
 Replacement Year 2039	
Gravel Areas - Refurbish	1,653
Wood Chips - Replenish	1,653
Total for 2039	\$3,306
 <i>No Replacement in 2040</i>	
 Replacement Year 2041	
Irrigation System - Repair	4,384
Landscape - Refurbish	4,384
Asphalt - Repair & Chipseal	293,953
Monument Sign - Refurb/Replace	5,261
Asphalt - Overlay	1,068,920
Total for 2041	\$1,376,901
 Replacement Year 2042	
Gravel Areas - Refurbish	1,806
Wood Chips - Replenish	1,806
Total for 2042	\$3,612

Windhaven HOA
 Spokane, WA
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2043</i>	
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Gravel Areas - Refurbish	1,974
Wood Chips - Replenish	1,974
Total for 2045	\$3,947
Replacement Year 2046	
Irrigation System - Repair	5,082
Landscape - Refurbish	5,082
Mailboxes - Replace	82,328
Outdoor Furniture - Replace	16,262
Play Equipment - Replace	50,820
Total for 2046	\$159,574
<i>No Replacement in 2047</i>	
Replacement Year 2048	
Gravel Areas - Refurbish	2,157
Wood Chips - Replenish	2,157
Total for 2048	\$4,313
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
Replacement Year 2051	
Gravel Areas - Refurbish	2,357
Wood Chips - Replenish	2,357
Irrigation System - Repair	5,891
Landscape - Refurbish	5,891
Asphalt - Repair & Chipseal	395,048
Pole Lights - Replace	127,255
Street Signs - Replace	17,674
Total for 2051	\$556,473

**Windhaven HOA
Depreciation Summary**

Description	Useful Life	Current Cost	Annual Depreciation
Asphalt - Overlay	40	609,590	15,240
Asphalt - Repair & Chipseal	10	167,637	16,764
Chain Link Fence - Replace	50	2,900	58
Concrete - Repair	0	0	0
Drainage System - Maintain	0	0	0
Gravel Areas - Refurbish	3	1,000	333
Irrigation System - Repair	5	2,500	500
Landscape - Refurbish	5	2,500	500
Mailboxes - Replace	25	40,500	1,620
Monument Sign - Refurb/Replace	20	3,000	150
Outdoor Furniture - Replace	25	8,000	320
Picnic Shelter - Replace	50	10,000	200
Play Equipment - Replace	25	25,000	1,000
Pole Lights - Replace	30	54,000	1,800
Reserve Study - Annual Update	0	0	0
Street Signs - Replace	30	7,500	250
Vinyl Fence At Common Areas - Replace	40	14,850	371
Vinyl Fence At Units - Replace	0	0	0
Wood Chips - Replenish	3	1,000	333
 Grand Total:			\$39,439



Full Funding Model

The data within this section represents the full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

Windhaven HOA
 Spokane, WA
Full Funding Model Summary

Report Date	January 1, 2022
Account Number	0032
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	275

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2022 Beginning Balance	\$4,689

Full Funding Model

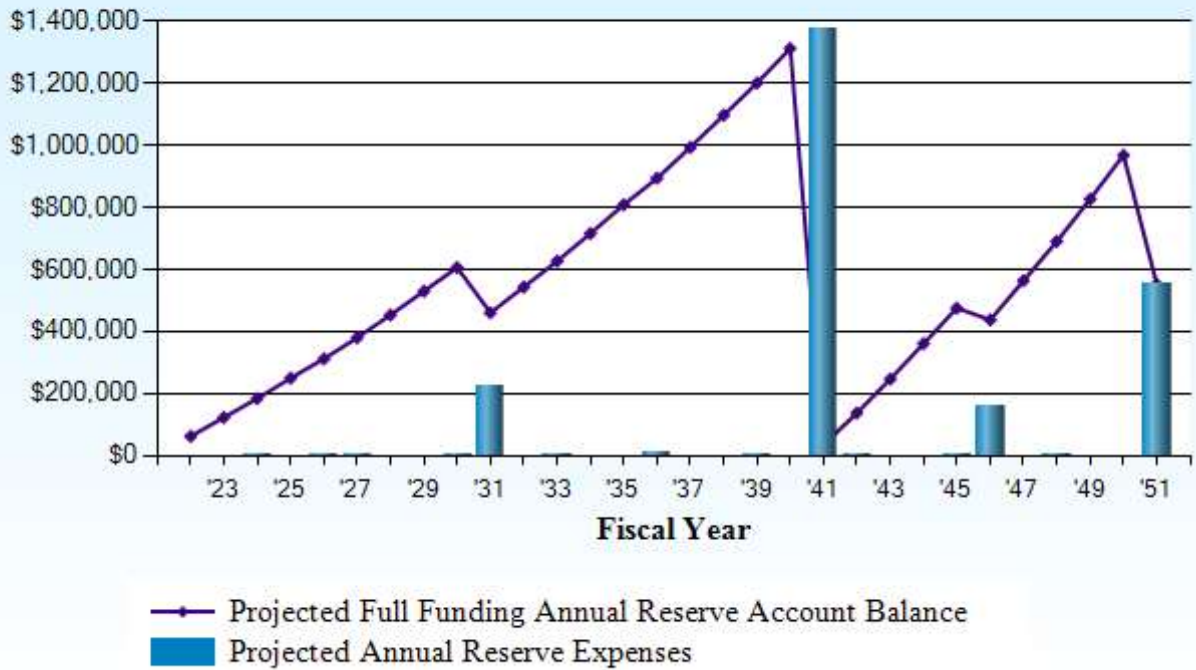
Full Funding Model Summary of Calculations	
Required Annual Contribution	\$57,600.00
<i>\$209.45 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$622.89</u>
Total Annual Allocation to Reserves	\$58,222.89
<i>\$211.72 per unit annually</i>	

**Windhaven HOA
Full Funding Model Projection**

Beginning Balance: \$4,689

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	949,977	57,600	623		62,912	354,820	18%
2023	978,477	59,328	1,222		123,462	409,616	30%
2024	1,007,831	61,108	1,824	2,122	184,273	465,194	40%
2025	1,038,066	62,941	2,472		249,686	525,990	47%
2026	1,069,208	64,829	3,089	5,628	311,977	584,218	53%
2027	1,101,284	66,774	3,764	2,319	380,197	649,049	59%
2028	1,134,323	68,777	4,490		453,464	719,704	63%
2029	1,168,352	70,841	5,243		529,548	794,013	67%
2030	1,203,403	72,966	6,000	2,534	605,980	869,524	70%
2031	1,239,505	75,155	4,559	225,252	460,441	719,529	64%
2032	1,276,690	77,410	5,379		543,229	798,722	68%
2033	1,314,991	79,732	6,202	2,768	626,395	879,167	71%
2034	1,354,440	82,124	7,085		715,604	966,657	74%
2035	1,395,074	84,588	8,002		808,193	1,058,606	76%
2036	1,436,926	87,125	8,847	10,588	893,577	1,144,295	78%
2037	1,480,034	89,739	9,833		993,149	1,245,406	80%
2038	1,524,435	92,431	10,856		1,096,436	1,351,554	81%
2039	1,570,168	95,204	11,883	3,306	1,200,218	1,459,545	82%
2040	1,617,273	98,060	12,983		1,311,261	1,576,307	83%
2041	1,665,791	101,002	354	1,376,901	35,716	276,620	13%
2042	1,715,765	104,032	1,361	3,612	137,497	354,567	39%
2043	1,767,238	107,153	2,446		247,096	440,774	56%
2044	1,820,255	110,368	3,575		361,039	531,834	68%
2045	1,874,862	113,679	4,708	3,947	475,478	623,896	76%
2046	1,931,108	117,089	4,330	159,574	437,322	560,828	78%
2047	1,989,041	120,602	5,579		563,503	662,708	85%
2048	2,048,713	124,220	6,834	4,313	690,244	765,753	90%
2049	2,110,174	127,946	8,182		826,372	878,960	94%
2050	2,173,479	131,785	9,582		967,738	998,270	97%
2051	2,238,684	135,738	5,470	556,473	552,473	550,781	100%

Annual Expenditures Compared to Full Funding Model



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.



Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

Windhaven HOA
 Spokane, WA
Baseline Funding Model Summary

Report Date	January 1, 2022
Account Number	0032
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	275

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2022 Beginning Balance	\$4,689

Baseline Funding Model

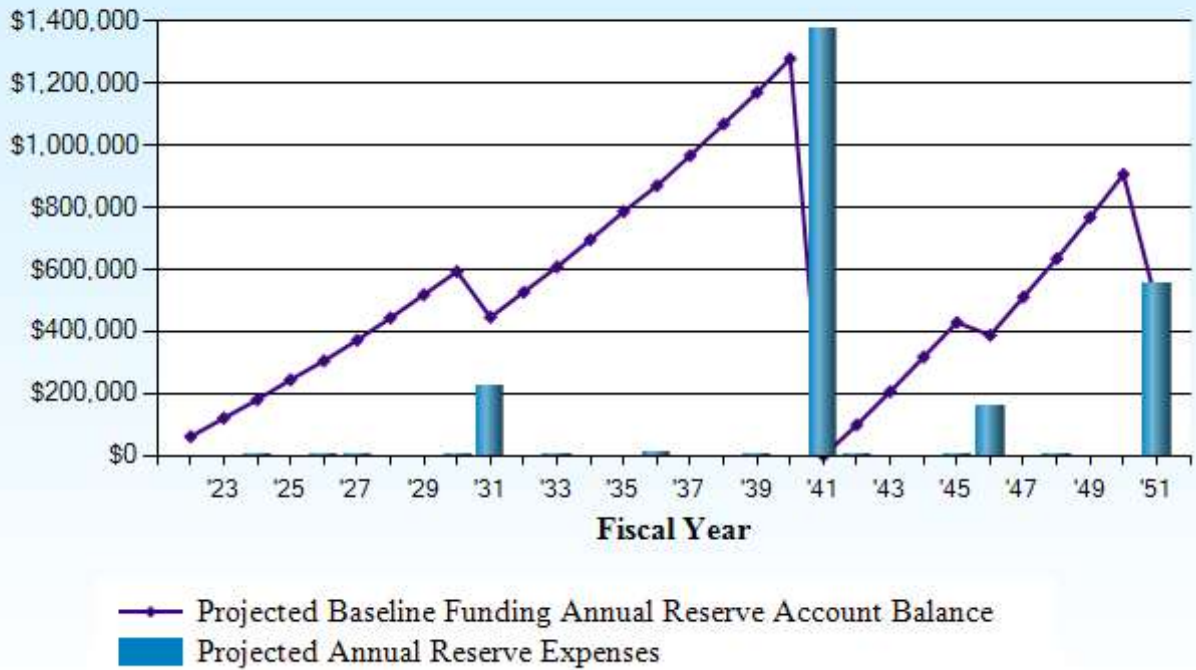
Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$56,400.00
<i>\$205.09 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$610.89</u>
Total Annual Allocation to Reserves	\$57,010.89
<i>\$207.31 per unit annually</i>	

**Windhaven HOA
Baseline Funding Model Projection**

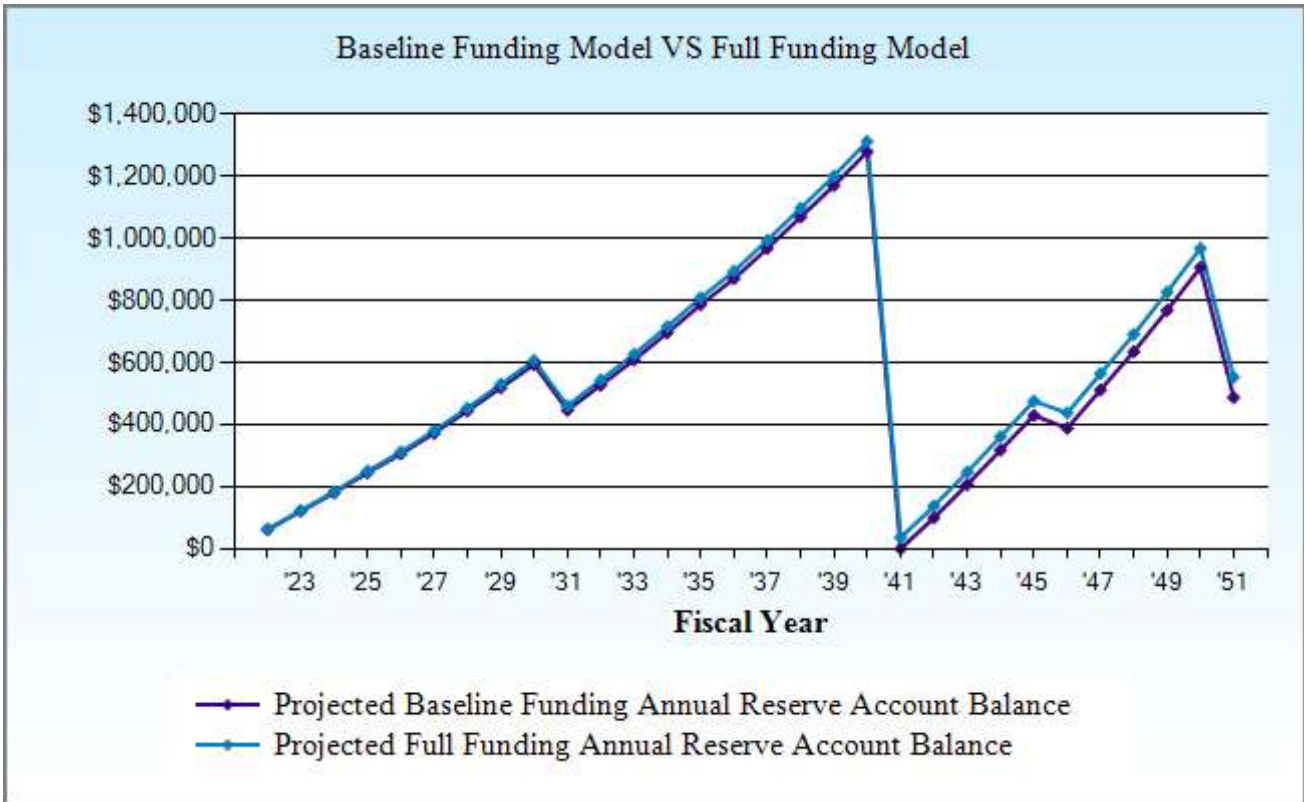
Beginning Balance: \$4,689

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	949,977	56,400	611		61,700	354,820	17%
2023	978,477	58,092	1,198		120,990	409,616	30%
2024	1,007,831	59,835	1,787	2,122	180,490	465,194	39%
2025	1,038,066	61,630	2,421		244,541	525,990	46%
2026	1,069,208	63,479	3,024	5,628	305,416	584,218	52%
2027	1,101,284	65,383	3,685	2,319	372,165	649,049	57%
2028	1,134,323	67,345	4,395		443,905	719,704	62%
2029	1,168,352	69,365	5,133		518,402	794,013	65%
2030	1,203,403	71,446	5,873	2,534	593,188	869,524	68%
2031	1,239,505	73,589	4,415	225,252	445,940	719,529	62%
2032	1,276,690	75,797	5,217		526,954	798,722	66%
2033	1,314,991	78,071	6,023	2,768	608,279	879,167	69%
2034	1,354,440	80,413	6,887		695,579	966,657	72%
2035	1,395,074	82,825	7,784		786,188	1,058,606	74%
2036	1,436,926	85,310	8,609	10,588	869,519	1,144,295	76%
2037	1,480,034	87,869	9,574		966,962	1,245,406	78%
2038	1,524,435	90,505	10,575		1,068,043	1,351,554	79%
2039	1,570,168	93,221	11,580	3,306	1,169,537	1,459,545	80%
2040	1,617,273	96,017	12,656		1,278,210	1,576,307	81%
2041	1,665,791	98,898	2	1,376,901	209	276,620	0%
2042	1,715,765	101,865	985	3,612	99,446	354,567	28%
2043	1,767,238	104,921	2,044		206,410	440,774	47%
2044	1,820,255	108,068	3,145		317,623	531,834	60%
2045	1,874,862	111,310	4,250	3,947	429,236	623,896	69%
2046	1,931,108	114,650	3,843	159,574	388,155	560,828	69%
2047	1,989,041	118,089	5,062		511,306	662,708	77%
2048	2,048,713	121,632	6,286	4,313	634,911	765,753	83%
2049	2,110,174	125,281	7,602		767,794	878,960	87%
2050	2,173,479	129,039	8,968		905,801	998,270	91%
2051	2,238,684	132,910	4,822	556,473	487,061	550,781	88%

Annual Expenditures Compared to Baseline Funding Model



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.



Current Funding Model

The data within this section represents the association's current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association's funding goals over time.

Windhaven HOA
 Spokane, WA
Current Assessment Funding Model Summary

Report Date	January 1, 2022
Account Number	0032
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	275

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
2022 Beginning Balance	\$4,689

Current Assessment Funding Model

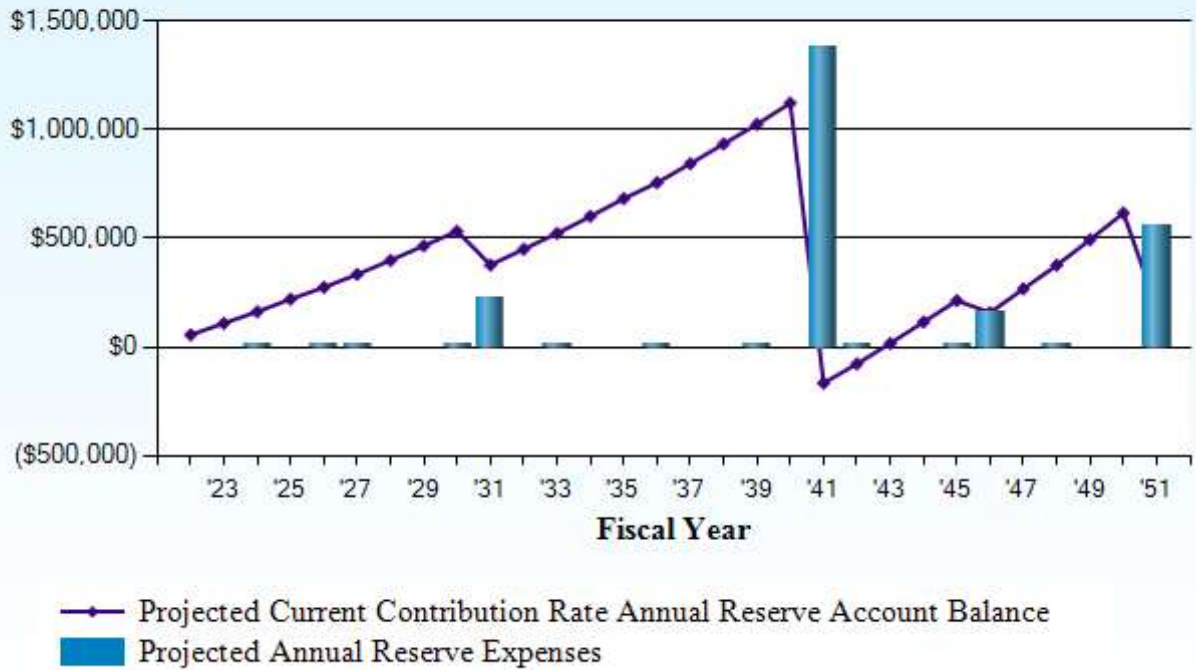
Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	\$50,740.00
<i>\$184.51 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$554.29</u>
Total Annual Allocation to Reserves	\$51,294.29
<i>\$186.52 per unit annually</i>	

Windhaven HOA
Current Assessment Funding Model Projection

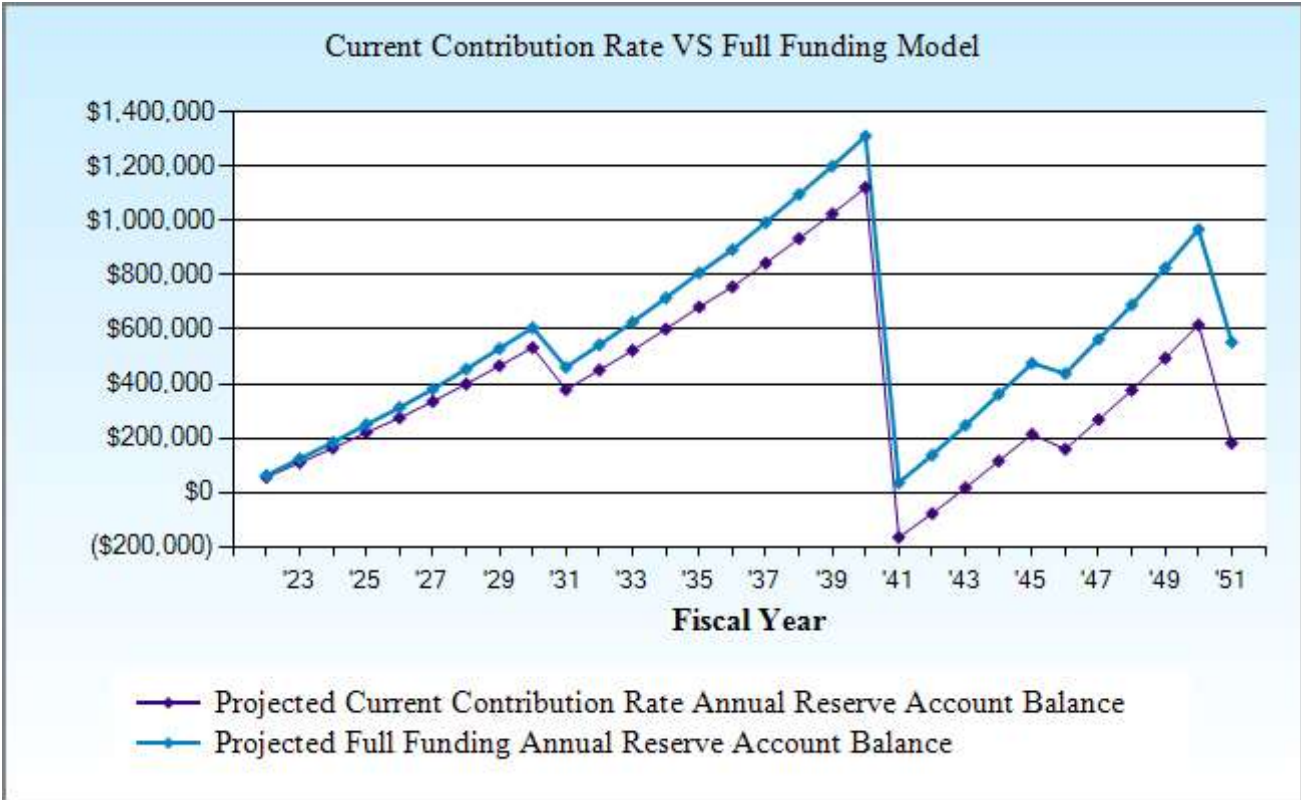
Beginning Balance: \$4,689

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	949,977	50,740	554		55,983	354,820	16%
2023	978,477	52,262	1,082		109,328	409,616	27%
2024	1,007,831	53,830	1,610	2,122	162,647	465,194	35%
2025	1,038,066	55,445	2,181		220,272	525,990	42%
2026	1,069,208	57,108	2,718	5,628	274,471	584,218	47%
2027	1,101,284	58,822	3,310	2,319	334,284	649,049	52%
2028	1,134,323	60,586	3,949		398,818	719,704	55%
2029	1,168,352	62,404	4,612		465,834	794,013	59%
2030	1,203,403	64,276	5,276	2,534	532,853	869,524	61%
2031	1,239,505	66,204	3,738	225,252	377,542	719,529	52%
2032	1,276,690	68,190	4,457		450,190	798,722	56%
2033	1,314,991	70,236	5,177	2,768	522,834	879,167	59%
2034	1,354,440	72,343	5,952		601,129	966,657	62%
2035	1,395,074	74,513	6,756		682,399	1,058,606	64%
2036	1,436,926	76,749	7,486	10,588	756,045	1,144,295	66%
2037	1,480,034	79,051	8,351		843,447	1,245,406	68%
2038	1,524,435	81,423	9,249		934,119	1,351,554	69%
2039	1,570,168	83,865	10,147	3,306	1,024,825	1,459,545	70%
2040	1,617,273	86,381	11,112		1,122,319	1,576,307	71%
2041	1,665,791	88,973		1,376,901	-165,609	276,620	
2042	1,715,765	91,642		3,612	-77,579	354,567	
2043	1,767,238	94,391	168		16,980	440,774	4%
2044	1,820,255	97,223	1,142		115,346	531,834	22%
2045	1,874,862	100,140	2,115	3,947	213,654	623,896	34%
2046	1,931,108	103,144	1,572	159,574	158,795	560,828	28%
2047	1,989,041	106,238	2,650		267,684	662,708	40%
2048	2,048,713	109,425	3,728	4,313	376,524	765,753	49%
2049	2,110,174	112,708	4,892		494,125	878,960	56%
2050	2,173,479	116,089	6,102		616,316	998,270	62%
2051	2,238,684	119,572	1,794	556,473	181,210	550,781	33%

Annual Expenditures Compared to Current Reserve Contributions



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenditures anticipated within that year.



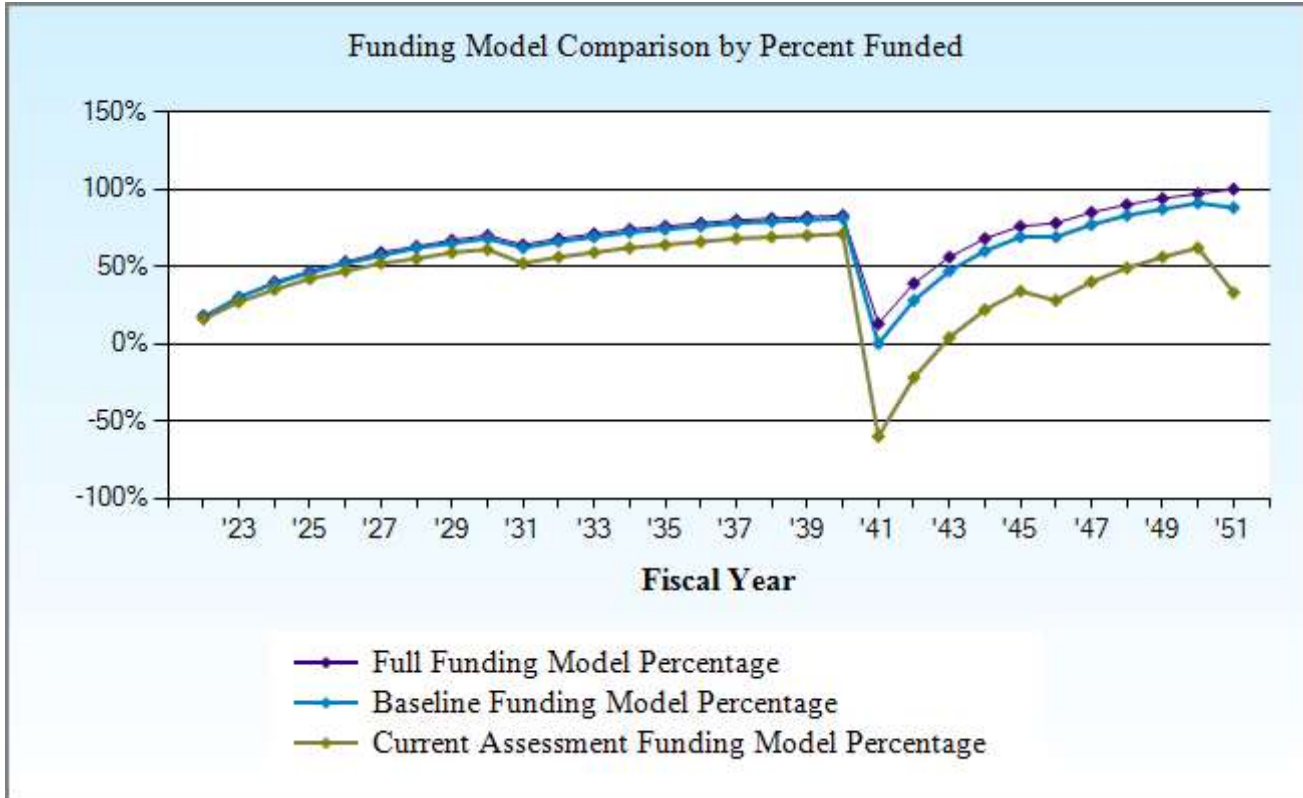
This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.



Comparison Charts

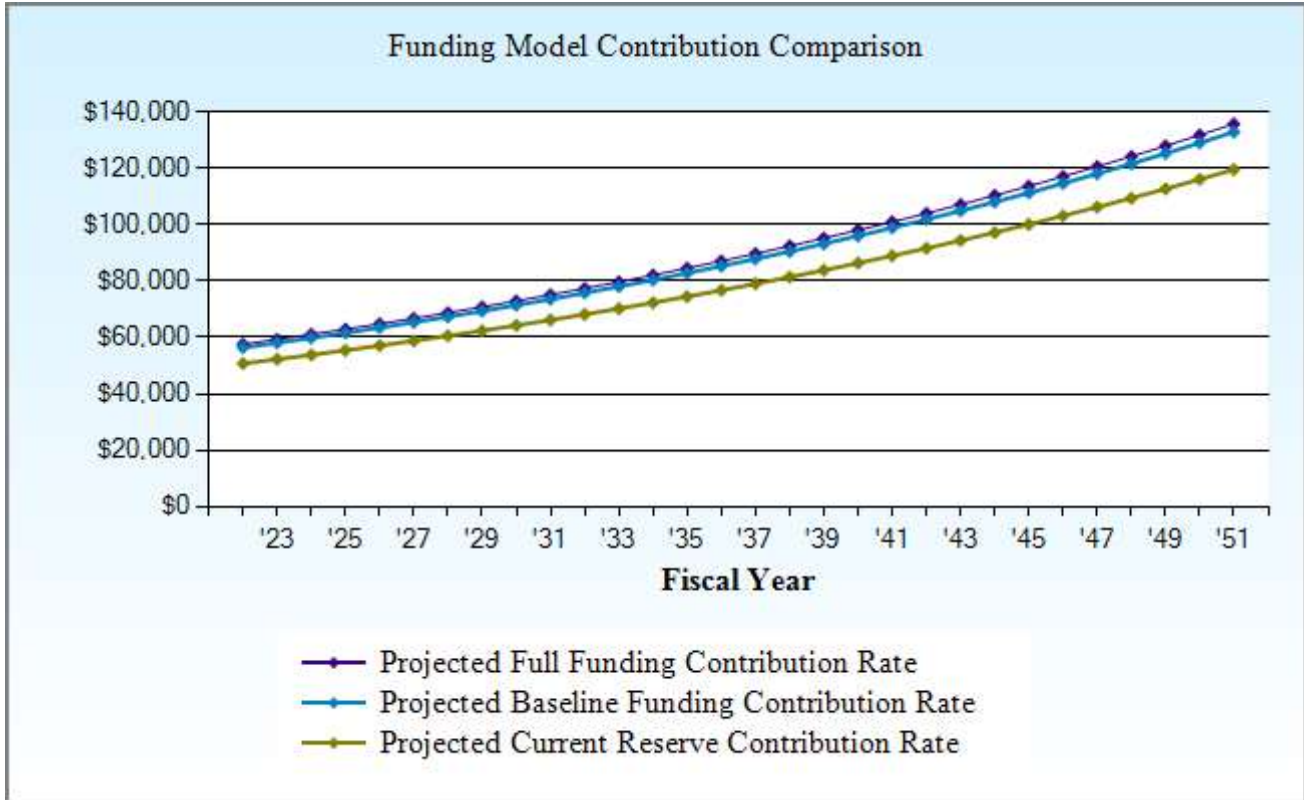
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

**Windhaven HOA
Funding Model Comparison by Percent Funded**



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

**Windhaven HOA
Funding Model Assessment Comparison Chart**



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.



Component Inventory

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life, cost breakdowns and maintenance recommendations, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features photographs of the components.

**Windhaven HOA
Detail Report by Category**

Play Equipment - Replace - 2046

		1 Allowance	@ \$25,000.00
Asset ID	2000	Asset Actual Cost	\$25,000.00
		Percent Replacement	100%
	Recreation	Future Cost	\$50,819.85
Placed in Service	January 2021		
Useful Life	25		
Replacement Year	2046		
Remaining Life	24		

Cost Range: The allowance included here is an average allowance based on a cost range of \$22,500 to \$27,500 depending on products chosen.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within community park

Component History: Original to 2021 construction

Site plans indicated that one medium piece of play equipment and one saucer swing was planned for installation. Plan to replace play equipment at 20-25 year intervals to maintain function. It is imperative that equipment is inspected regularly and repaired immediately as needed, this is best done through the annual operating budget. Clean equipment as needed and ensure that adequate fall zone chips are installed (consult with your play equipment vendor or insurance company for play chip depth requirements in your area). See separate component for periodic wood chip replenishing.

**Windhaven HOA
Detail Report by Category**

Wood Chips - Replenish - 2024

		1 Allowance	@ \$1,000.00
Asset ID	2005	Asset Actual Cost	\$1,000.00
		Percent Replacement	100%
	Recreation	Future Cost	\$1,060.90
Placed in Service	January 2021		
Useful Life	3		
Replacement Year	2024		
Remaining Life	2		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work and quantity of wood chips purchased.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within playground at community park

Component History: Original to 2021 construction

Site plans indicate that wood chips would be installed within playground fall zone. This component factors periodic cycles of wood chip replenishment. Cost can vary widely based on quantity of chips purchased, therefore track actual expenses and update future reserve studies as needed.

**Windhaven HOA
Detail Report by Category**

Outdoor Furniture - Replace - 2046

	2010		1 Allowance	@ \$8,000.00
Asset ID			Asset Actual Cost	\$8,000.00
			Percent Replacement	100%
	Recreation		Future Cost	\$16,262.35
Placed in Service	January 2021			
Useful Life	25			
Replacement Year	2046			
Remaining Life	24			
4 - benches		@	\$1,000.00	\$4,000.00
2 - picnic tables		@	\$1,500.00	\$3,000.00
2 - trash cans		@	\$500.00	<u>\$1,000.00</u>
			Total =	\$8,000.00

Cost Range: The allowance included here is an average allowance based on a cost range of \$7,000 to \$9,000 depending on quality of products chosen.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within community park and dog park

Component History: Original to 2021 construction

Site plans indicate that approximately 4 benches, 2 picnic tables and 2 trash cans would be installed between the community park and dog park. Plan to replace site furniture at roughly 20-25 year intervals to maintain function and aesthetics. Most common cause for premature replacement is vandalism. Use caution with tabletop BBQ's on composite and vinyl coated materials as heat from BBQ can cause product to singe. Inspect regularly, repair as needed and handle individual replacements through the annual operating budget. Cost can vary widely based on quality of product chosen, therefore a mid-range funding allowance is included here.

**Windhaven HOA
Detail Report by Category**

Picnic Shelter - Replace - 2071

		1 Each	@ \$10,000.00
Asset ID	2015	Asset Actual Cost	\$10,000.00
		Percent Replacement	100%
	Recreation	Future Cost	\$42,562.19
Placed in Service	January 2021		
Useful Life	50		
Replacement Year	2071		
Remaining Life	49		

Cost Range: The allowance included here is an average allowance based on a cost range of \$8,000 to \$12,000.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within community park

Component History: Original to 2021 construction

Site plans indicate that a Polygon 16'x16' square picnic shelter will be installed within the community park. These shelters are typically constructed of metal materials and have an extended useful life.

Plan to replace shelter at approximately 50 years of life. Metal materials are typically low maintenance and do not require painting, however inspect regularly, repair and clean as needed, and touch up paint/apply rust inhibitor where necessary.

**Windhaven HOA
Detail Report by Category**

Reserve Study - Annual Update		1 Ann Update	
Asset ID	6005	Asset Actual Cost	
		Percent Replacement	100%
	Professional	Future Cost	
Placed in Service	January 2022		
No Useful Life			

Location: Association common elements

Component History: 2022 Preliminary Community Not Yet Constructed report

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies are updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

**Windhaven HOA
Detail Report by Category**

Concrete - Repair			1 Allowance	
Asset ID	1000		Asset Actual Cost	
			Percent Replacement	100%
		Site & Grounds	Future Cost	
Placed in Service	January 2021			
No Useful Life				

Location: Walkways within park, curbing, etc.

Component History: Original to 2021 construction

Site plans provided indicate concrete walks within common area parks, along with other miscellaneous concrete surfaces such as curbing. Typically concrete surfaces have a predictable useful life which exceeds the scope of this report, therefore no reserve funding included. As community ages, funding can be added to future reserve studies as needed.

Inspect and repair concrete as needed through annual operating budget. Clean periodically to remove stains and organic debris, and repair any trip hazards (defined as ¼" or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) immediately.

The Portland Cement Association has extensive resources available regarding concrete and cement products on its website: [Portland Cement](http://www.portlandcement.org)

**Windhaven HOA
Detail Report by Category**

Asphalt - Repair & Chipseal - 2031

		304,795 GSF	@ \$0.55
Asset ID	1005	Asset Actual Cost	\$167,637.25
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$218,728.59
Placed in Service	January 2021		
Useful Life	10		
Replacement Year	2031		
Remaining Life	9		

Cost Range: The allowance included here is an average allowance based on a cost range of \$0.50 to \$0.60 per square foot.

Cost Source: Estimate Provided By Client; MDM Construction, Inc.

Location: Private roadways within association

Component History: Planned for chip seal and repair 2021

Our source reported that private asphalt roadways would be crack filled and chip sealed in 2021 as part of development process. The Washington State Department of Transportation recommends periodic cycles of chip seal application for a number of reasons including, but not limited to, to prevent water from penetrating the asphalt surface, to repair and fill cracks and raveled surfaces, to minimize the effects of aging of the asphalt, and to improve traction during wet weather. We typically recommend that chip seal is applied at 10 year intervals with cycles of resurfacing (grind and overlay) every 3rd to 4th chip seal cycle.

As part of the chip sealing process, the asphalt is sprayed with a diluted liquid asphalt mixture. Immediately after spraying, a layer of crushed gravel is applied to the asphalt surface and is then compacted into the surface using a roller. Depending on weather conditions, chip seal typically takes approximately 2 days to cure during which time traffic can pass on the asphalt at reduced speeds.

The Washington State Department of Transportation website has resources available related to chip sealing through the following link: [Washington DOT Chip Seal Resources](#)

**Windhaven HOA
Detail Report by Category**

Asphalt - Overlay - 2041

		304,795 GSF	@ \$2.00
Asset ID	1015	Asset Actual Cost	\$609,590.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$1,068,919.75
Placed in Service	January 2006		
Useful Life	40		
Adjustment	-5		
Replacement Year	2041		
Remaining Life	19		

Cost Range: The allowance included here is an average allowance based on a cost range of \$1.75 to \$2.25 per square foot.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Private roadways within community

Component History: Installed ~ 2006 according to satellite imagery

We have adjusted remaining useful life of asphalt to coincide with chip seal cycles. The average useful life of asphalt can range significantly based on several factors including, but not limited to, quality of initial installation, traffic levels and type, proximity of tree roots, frequency of proactive repairs and frequency of seal coat or chip seal application. Typically asphalt is initially installed 2-4 inches in depth and resurfacing involves grinding down the top 1-2 inches and overlaying a new layer of asphalt. This is typically performed at 20-40 year intervals depending on the unique site conditions of the property and levels of proactive maintenance. Asphalt resurfacing can be one of the larger expenses within a reserve study, therefore proactive maintenance and sealing to prolong the useful life of the asphalt is a best practice.

**Windhaven HOA
Detail Report by Category**

Street Signs - Replace - 2051

		60 Each	@ \$125.00
Asset ID	1020	Asset Actual Cost	\$7,500.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$17,674.24
Placed in Service	January 2021		
Useful Life	30		
Replacement Year	2051		
Remaining Life	29		

Cost Range: The allowance included here is an average allowance based on a cost range of \$100 to \$150 per sign.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Adjacent to private roadways within community

Component History: Original to 2021 construction

Plans listing exact road signage to be installed were not available, therefore we have estimated approximately 40 street identifier signs and another 20 other signs (stop, speed limit, etc.).

Funding is included here for periodic replacement of signage to maintain legibility and aesthetics. Inspect, repair and replace individual signs as needed through the annual operating budget.

**Windhaven HOA
Detail Report by Category**

Gravel Areas - Refurbish - 2024

			1 Allowance	@ \$1,000.00
Asset ID	1045		Asset Actual Cost	\$1,000.00
			Percent Replacement	100%
	Site & Grounds		Future Cost	\$1,060.90
Placed in Service	January 2021			
Useful Life	3			
Replacement Year	2024			
Remaining Life	2			

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work and quantity of gravel purchased.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within dog park

Component History: Original to 2021 construction

Site plans indicated that gravel pathways would be installed within dog park. This component factors periodic replenishing of gravel to maintain adequate surface coverage. Cost allowance is preliminary as actual cost can vary widely based on quantity of gravel purchased. Track actual expenses and update future reserve studies as needed.

**Windhaven HOA
Detail Report by Category**

Monument Sign - Refurb/Replace - 2041

		1 Allowance	@ \$3,000.00
Asset ID	1060	Asset Actual Cost	\$3,000.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$5,260.52
Placed in Service	January 2021		
Useful Life	20		
Replacement Year	2041		
Remaining Life	19		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work including quality and materials of sign chosen, and required masonry repairs (if any).

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Scattered common area locations, main monument sign located at entry

Component History: Original to 2021 construction

Site plans indicated that monument columns would be installed at playground and dog park, and one large 4'x8' metal monument sign would be installed at property entrance. All signs will feature a masonry structure.

Regular cycles of replacement and/or refurbishing are recommended for monuments due to their high visibility within the community. Maintain, repair and replace as needed in between larger refurbishing cycles utilizing general maintenance operating funds. Funding allowances assume that sign face will be replaced as part of refurbishing cycles, but main masonry structure will be retained as masonry has an extended useful life beyond the scope of this report. Minor masonry repairs are included within funding allowances.

**Windhaven HOA
Detail Report by Category**

Mailboxes - Replace - 2046

		18 Cluster Boxes	@ \$2,250.00
Asset ID	1065	Asset Actual Cost	\$40,500.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$82,328.16
Placed in Service	January 2021		
Useful Life	25		
Replacement Year	2046		
Remaining Life	24		

Cost Range: The allowance included here is an average allowance based on a cost range of \$2,000 to \$2,500 per cluster box unit.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Adjacent to community park

Component History: Original to 2021 construction

Site plans indicate that 18 cluster box units will be installed adjacent to community park. Plan to replace mailboxes at roughly 20-25 year cycles. Inspect, clean and repair as needed utilizing operating funds. Most common cause for premature replacement is damage caused by a vehicle. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

**Windhaven HOA
Detail Report by Category**

Vinyl Fence At Units - Replace

		4,450 LF	
Asset ID	1080	Asset Actual Cost	
		Percent Replacement	100%
	Site & Grounds	Future Cost	
Placed in Service	January 2021		
No Useful Life			

Location: 6 foot tall privacy fencing at lots, including adjacent to common areas

Component History: Original to 2021 construction

Quantity is as provided by builder. Section 11.2 of the association's governing documents appears to make the lot owner responsible for any 6 foot tall fencing adjacent to their lot. The developer has reported that 6 foot tall vinyl fencing will be installed throughout the homes at the community. No reserve funding included under this provision of the association's governing documents as this fencing appears to be an owner responsibility to maintain, repair and replace. See next component for vinyl fencing adjacent to common area, which does not border a unit.

**Windhaven HOA
Detail Report by Category**

Vinyl Fence At Common Areas - Replace - 2061

		270 LF	@ \$55.00
Asset ID	1081	Asset Actual Cost	\$14,850.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$47,030.35
Placed in Service	January 2021		
Useful Life	40		
Replacement Year	2061		
Remaining Life	39		

Cost Range: The allowance included here is an average allowance based on a cost range of \$50 to \$60 per lineal foot.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Partial perimeter of dog park

Component History: Original to 2021 construction

While the association's governing documents appear to make unit owners responsible for fencing adjacent to their unit, the site plans provided indicate that the dog park will feature vinyl fencing on two sides which do not boarder a unit. As a result, funding for replacement of this fencing is included.

Vinyl fencing is typically a low maintenance item. Plan to replace at roughly 30-40 years of life. As fencing ages, it can become brittle and more susceptible to damage particularly in areas with high UV exposure. Additionally, it can be difficult to match older fencing if/when repairs are needed.

Inspect fencing regularly and clean periodically through annual operating budget. Use caution with landscape equipment to prevent damage. If organic growth becomes an issue on fencing, there are products available on the market to help limit growth; consult with your fence maintenance contractor for recommendations.

**Windhaven HOA
Detail Report by Category**

Chain Link Fence - Replace - 2071

		145 LF	@ \$20.00
Asset ID	1090	Asset Actual Cost	\$2,900.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$12,343.03
Placed in Service	January 2021		
Useful Life	50		
Replacement Year	2071		
Remaining Life	49		

Cost Range: The allowance included here is an average allowance based on a cost range of \$15 to \$25 per lineal foot.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Partial perimeter of dog park

Component History: Original to 2021 construction.

Site plans provided indicate that 4' tall vinyl coated chain link fencing will be installed at a portion of the dog park. Quantity within this component is as provided by builder. Unless damaged or abused, chain link fencing tends to have an extended useful life. Inspect annually and clean, treat for corrosion and repair as needed. Plan to replace at roughly the time frame listed above to maintain function and aesthetics.

**Windhaven HOA
Detail Report by Category**

Landscape - Refurbish - 2026

		1 Allowance	@ \$2,500.00
Asset ID	1135	Asset Actual Cost	\$2,500.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$2,813.77
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	4		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Throughout common areas

Component History: Original to 2021 installation

Landscape plans indicated installation of trees, shrubs and turf.

Typically, landscape maintenance is handled through the operating budget however this component factors an allowance for larger periodic landscaping projects outside the scope of the annual maintenance contract. Actual costs may vary significantly based on scope of work, therefore track actual expenses, as well as frequency, and update future reserve studies as needed. Irrigation work, tree trimming and bark/mulch replacement are handled as separate components within this report, if applicable.

**Windhaven HOA
Detail Report by Category**

Irrigation System - Repair - 2026

			1 Allowance	@ \$2,500.00
Asset ID	1155		Asset Actual Cost	\$2,500.00
			Percent Replacement	100%
	Site & Grounds		Future Cost	\$2,813.77
Placed in Service	January 2021			
Useful Life	5			
Replacement Year	2026			
Remaining Life	4			

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on actual scope of work.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Within common area landscape

Component History: Original to 2021 installation

Site plans indicated that irrigation system was planned for installation. It is beyond the scope of a reserve study to assess the design, quality and/or function of an irrigation system, however no problems related to irrigation system reported at the time of this report. Irrigation systems typically consist of three main components; timer(s), underground water distribution lines (generally constructed of PVC) and spray heads. The United States Golf Association suggests complete replacement of irrigation systems at 25-30 years of age, as lines can become brittle over time and parts obsolete.

Regularly inspect your system and consult with your landscape vendor to determine the condition of your specific system. There is no information available to indicate that full replacement of system is required within this report, therefore a rotating allowance has been included for periodic larger repairs. Cost can vary widely based on scope of work, therefore track actual expenses and update future reserve studies as needed. Proper winterization is key to prevent damage from frozen lines. Handle smaller repairs such as head replacement (typically done in the spring upon system start-up) through the annual operating budget.

**Windhaven HOA
Detail Report by Category**

Drainage System - Maintain

Asset ID	1160	1 System	
		Asset Actual Cost	
		Percent Replacement	100%
	Site & Grounds	Future Cost	
Placed in Service	January 2021		
No Useful Life			

Location: Throughout common area roadways, dual use Tracts A & B

Component History: Original to 2021 construction

Drainage system design plans were not available at the time of this report, however it is presumed that a drainage system will be installed within the private road system throughout the community. According to the association's Plat Map, Tracts A & B are designated as dual purpose recreation and drainage tracts. Landscape plans indicated that a number of drywells were planned for installation at these tracts.

It is beyond the scope of a reserve study to assess the design, quality and/or function of the stormwater drainage system, however no problems reported to us as of this report. When properly installed with no known defects or deficiencies, there is no predictable basis to expect maintenance, repair or replacement of the drainage system within the scope of this report, therefore no reserve funding included.

Common stormwater system components include gutters, ditches, catch basins and control facilities. Catch basins are the drains commonly found in asphalt or concrete surfaces and consist of a metal grate with a compartment below ground. Water gathers inside the compartment and is then drained through an outlet pipe. Often, sediment removal is required within the compartment structure. This is typically done using a vactor truck. The frequency at which sediment removal is required varies by location and is dependent on numerous factors. We recommend assessing the sediment levels in your catch basins every 1-2 years and cleaning as-needed through the annual operating budget.

The Washington State Department of Ecology has extensive resources available pertaining to stormwater systems and stormwater management, including manuals specific to both Western Washington and Eastern Washington: [Washington Department of Ecology Stormwater Manuals](#)

**Windhaven HOA
Detail Report by Category**

Pole Lights - Replace - 2051

		27 Each	@ \$2,000.00
Asset ID	1175	Asset Actual Cost	\$54,000.00
		Percent Replacement	100%
	Site & Grounds	Future Cost	\$127,254.54
Placed in Service	January 2021		
Useful Life	30		
Replacement Year	2051		
Remaining Life	29		

Cost Range: The allowance included here is an average allowance based on a cost range of \$1,500 to \$2,500 depending on quality of pole chosen.

Cost Source: Accurate Reserve Professionals, LLC Cost Database

Location: Adjacent to private roadways within community

Component History: None known

Our source reported that pole lights are the responsibility of the association to maintain, repair and replace. The average useful life of pole lights can range widely based on quality of pole and fixture, weather conditions, etc. Plan to replace lights at roughly 30 year intervals to maintain function and aesthetics. Cost allowances assume replacement of pole light and basic electrical work to connect new fixture. Extensive electrical work is not included in this cost and may increase pricing if necessary.

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards published by Community Associations Institute, dated 03/2018. A link to the full National Reserve Study Standards document can be found here: [National Reserve Study Standards](#)

ALLOWANCE (QUANTITY)	When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.
ALLOWANCE (COST)	When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be \$4.00 per square foot to \$6.00 per square foot.
CAPITAL IMPROVEMENTS	Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
CASH FLOW METHOD	A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
COMPONENT	The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.
COMPONENT INVENTORY	The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
COMPONENT METHOD	A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.
CY	Cubic yards.
EFFECTIVE AGE	The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

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

Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

FUND STATUS The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.
- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES	The reserve study must provide a funding plan addressing these principles: <ul style="list-style-type: none"> • Sufficient funds when required. • Stable contribution rate over the years. • Equitable contribution rate over the years. • Fiscally responsible.
GSF	Gross square feet.
GSY	Gross square yards.
LIFE & VALUATION ESTIMATES	The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.
LF	Lineal feet.
PERCENT FUNDED	The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan in light of the association’s risk tolerance.
PHYSICAL ANALYSIS	The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.
REMAINING USEFUL LIFE (RUL)	Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.
REPLACEMENT COST	The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).
RESERVE BALANCE	Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.
RESERVE PROVIDER	An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.
RESERVE STUDY	A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major

common area expenditures. The reserve study consists of two parts: the physical analysis and the financial analysis.

SPECIAL ASSESSMENT

A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

USEFUL LIFE (UL)

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute.

As of the date of this report, there are no known conflicts of interest involving Accurate Reserve Professionals, LLC and the client for which this report was prepared.

Any site visit work performed in the process of preparing this report was done through a limited visual review and included a sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and Accurate Reserve Professionals, LLC cannot guarantee the accuracy of this report.

All known reserve components are included within this report. Any components which are unfunded are notated within the inventory appendix. There are no known material issues excluded from this report which would affect the data provided.

Any information provided by client regarding financial, physical, quantity, or historical issues is deemed reliable by Accurate Reserve Professionals, LLC and is assembled within this report for the association's use. This information is not validated by Accurate Reserve Professionals, LLC and this report is not for the purpose of performing an audit, quality/forensics analysis or a background check of the client's historical records.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

Information provided about current and prior reserve projects will be considered reliable. Any site inspection is not considered a project audit or quality inspection for these projects.

Reserve studies are for budgetary purposes only and are based on limited information. Accurate Reserve Professionals, LLC does not guarantee the accuracy of the information and client may not be able to fully rely on the final figures in the report, due to a variety of factors outside of Accurate Reserve Professionals, LLC's control, including but not limited to reliance on information provided by client, hidden damages, latent defects, economical factors, environmental factors, deferred maintenance, third party information, and other such factors.

Washington State Client Disclosures

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

"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."

Washington State Client Disclosure for Clients Under RCW 64.90.550

"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."