LEVEL 1 RESERVE STUDY

Ravenna Woods
2300 NE 89th Street
Bothell, Washington 98012

Number of Units: 39 Residential

August 11, 2023

Prepared By
David Bach & Associates, LLC
PO BOX 1014
Bellevue, Washington 98009
Phone: (206) 390-5594 Email: dbach@bachassociates.com

DAVID BACH
CAI - RS
No. 72
DESIGNATION
RESERVE SPECIALIST

TABLE OF CONTENTS

EXECUTIVE SUMMARY

RESERVES DISCLOSURE

RECOMMENDED FUNDING PLAN

FULLY FUNDED PLAN SUMMARY

BASELINE FUNDING PLAN

Ravenna Woods Condominium Association
2300 NE 89th Street
Seattle, Washington 98115

RESERVES DISCLOSURE

This Level 1 Reserve Study with a site visit completed on August 11, 2023 meets the **requirements of RCW 64.90.550.**

Number of Buildings	**3**
Number of Reserve Units **Number of Commercial Units**	**39** **0**
Date of Incorporation	**March 15, 1979**
Date of Construction	**1981**
Current Budgeted Annual Contribution to Reserves	**$79,000.00**
Recommended 2024 Contribution to Reserves	**$80,000.00 with 1% annual increase**
Projected Year 2023 Ending Reserve Account Balance	**$435,138.00**
Projected Year 2023 Ending Fully Funded "Ideal" Balance	**$707,928.00**
Percent funded as of 12/31/2023	**61%**
***Average percent allocation for common areas**	**0.0256**
Per unit Deficit in reserve funding as of 12/31/2023	**$6,994.61**

*Annual contribution per unit is average. If the fraction or percentage of the common expenses of the Association allocable vary by unit, the Association must calculate any current deficit or surplus in a manner that reflects the variation.

"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."

Effective July 1, 2018, RCW 64.90.550 requires a Reserve Study include the following funding plans:

FULLY FUNDED CONTRIBUTION RATE – with a 1.75% annual contribution increase

A contribution rate for a fully funded plan to achieve 100% fully funded reserves by the end of the thirty-year study period.

$168.80	Average Monthly per Unit
$2,025.64	Average Annually per Unit
$6,583.33	Association Monthly
$79,000.00	Association Annual

BASELINE FUNDING PLAN

A baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study plan without special assessments.

$155.54	Average Monthly per Unit
$1,866.49	Average Annually per Unit
$6,066.08	Association Monthly
$72,793.00	Association Annual

RECOMMENDED CONTRIBUTION RATE – with a 1% annual contribution increase

A contribution rate recommended by an independent reserve study professional.

$170.94	Average Monthly per Unit
$2051.28	Average Annually per Unit
$6,666.67	Association Monthly
$80,000.00	Association Annual

RECOMMENDATION:

Contribute $80,000.00 to reserves in 2024 and then continue to a 1% annual contribution increase through the remaining study term. ASSUMING the study's thirty-year expenditures materialize as projected, the recommended contribution will provide for a fair and stable contribution, ensure that adequate funds are available as needed, and reduce the risk of supplementing regular scheduled repairs and replacements of common elements through special assessments.

Introduction

The Community Associations Institute (CAI), a non-profit organization created in 1973 to educate and represent the nation's growing number of community associations, condominium associations, homeowner associations, and cooperatives, defines a reserve study as a combination of:

1) Physical Analysis – Information about the physical status and the repair/replacement cost of the major common area components the association is obligation to maintain; and
2) Financial Analysis – Evaluation and analysis of the association's reserve balance, income, and expenses.

Per RCW 64.90.535 and 64.90.545, all condominium associations in Washington State must prepare and update a reserve study and establish reserve accounts. Specifically, RCW 64.90.535 provides:

> An association required to obtain a reserve study pursuant to RCW 64.90.545 must establish one or more accounts for the deposit of funds, if any, for the replacement costs of reserve components. Any reserve account must be an income-earning account maintained under the direct control of the board, and the board is responsible for administering the reserve account.

And RCW 64.90.545 provides:

(1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every thirds year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.
(2) Unless the governing documents require otherwise, subsection (1) of this section does not apply (a) to common interest communities containing units that are restricted in the declaration to nonresidential use, (b) to common interest communities that have only nominal reserve costs, or (c) when the cost of the reserve study or update exceeds ten percent of the association's annual budget.
(3) The governing documents may impose greater requirements on the board.

Fully Funded at End of 30 Year Term

Funding Plan Summary (Cash Flow)

August 11, 2023

Ravenna Woods

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2024	61%	707,928	707,928	1.75%	435,138	79,000	7,982	(2,394)	(234,230)	(234,230)
2025	53%	514,687	535,274	1.75%	285,496	80,383	10,813	(3,244)	0	0
2026	62%	555,674	601,017	1.75%	373,447	81,789	13,505	(4,051)	(7,571)	(7,000)
2027	69%	589,662	663,290	1.75%	457,118	83,221	16,558	(4,967)	0	0
2028	75%	630,650	737,771	1.75%	551,929	84,677	19,730	(5,919)	0	0
2029	80%	671,638	817,150	1.75%	650,417	86,159	21,671	(6,501)	(40,758)	(33,500)
2030	83%	679,125	859,310	1.75%	710,987	87,666	22,035	(6,611)	(91,103)	(72,000)
2031	85%	648,113	852,872	1.75%	722,976	89,201	17,565	(5,269)	(238,513)	(181,250)
2032	84%	508,213	695,525	1.75%	585,959	90,762	20,960	(6,288)	0	0
2033	88%	549,563	782,200	1.75%	691,393	92,350	24,487	(7,346)	0	0
2034	92%	590,913	874,696	1.75%	800,884	93,966	27,977	(8,393)	(5,181)	(3,500)
2035	94%	628,764	967,953	1.75%	909,254	95,611	31,774	(9,532)	0	0
2036	96%	670,114	1,072,874	1.75%	1,027,106	97,284	23,000	(6,900)	(382,967)	(239,200)
2037	96%	472,329	786,462	1.75%	757,523	98,986	26,793	(8,038)	0	0
2038	98%	513,744	889,638	1.75%	875,264	100,718	30,731	(9,219)	0	0
2039	100%	555,159	999,809	1.75%	997,494	102,481	34,129	(10,239)	(20,764)	(11,529)
2040	101%	585,044	1,095,777	1.75%	1,103,101	104,274	38,354	(11,506)	0	0
2041	101%	626,459	1,220,280	1.75%	1,234,224	106,099	20,871	(6,261)	(658,622)	(338,119)
2042	104%	329,872	668,260	1.75%	696,311	107,956	24,910	(7,473)	0	0
2043	105%	371,404	782,492	1.75%	821,704	109,845	29,104	(8,731)	0	0
2044	105%	412,935	904,792	1.75%	951,922	111,767	33,205	(9,961)	(7,669)	(3,500)
2045	105%	450,967	1,027,649	1.75%	1,079,264	113,723	37,719	(11,316)	0	0
2046	104%	492,499	1,167,182	1.75%	1,219,390	115,714	41,854	(12,556)	(16,589)	(7,000)
2047	104%	527,030	1,298,980	1.75%	1,347,812	117,739	37,701	(11,310)	(271,119)	(110,000)
2048	104%	458,562	1,175,434	1.75%	1,220,823	119,799	23,568	(7,070)	(570,848)	(222,700)
2049	106%	277,394	739,486	1.75%	786,271	121,895	27,818	(8,345)	(9,330)	(3,500)
2050	105%	315,425	874,507	1.75%	918,309	124,029	32,547	(9,764)	0	0
2051	103%	356,957	1,029,238	1.75%	1,065,120	126,199	36,643	(10,993)	(24,509)	(8,500)
2052	102%	389,988	1,169,460	1.75%	1,192,461	128,408	41,721	(12,516)	0	0
2053	100%	431,520	1,345,761	1.75%	1,350,074	130,655	43,885	(13,166)	(93,560)	(30,000)
Total						3,082,355	819,609	(245,883)	(2,673,331)	(1,505,528)
Average					860,639	102,745	27,320	(8,196)	(89,111)	(50,184)
Maximum			1,345,761		1,350,074		43,885	(13,166)	(658,622)	(338,119)
Minimum			535,274		285,496		7,982	(2,394)	0	0

3.32% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2024 Contributions
168.80 Monthly Per Unit
2,025.64 Annually Per Unit
6,583.33 Association Monthly

Funding Plan Summary (Cash Flow)

August 11, 2023 **Ravenna Woods**

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2024	61%	707,928	707,928	0.00%	435,138	72,793	7,879	(2,364)	(234,230)	(234,230)
2025	52%	514,687	535,274	0.00%	279,216	72,793	10,478	(3,144)	0	0
2026	60%	555,674	601,017	0.00%	359,344	72,793	12,887	(3,866)	(7,571)	(7,000)
2027	65%	589,662	663,290	0.00%	433,587	72,793	15,603	(4,681)	0	0
2028	70%	630,650	737,771	0.00%	517,303	72,793	18,383	(5,515)	0	0
2029	74%	671,638	817,150	0.00%	602,964	72,793	19,874	(5,962)	(40,758)	(33,500)
2030	76%	679,125	859,310	0.00%	648,910	72,793	19,728	(5,918)	(91,103)	(72,000)
2031	76%	648,113	852,872	0.00%	644,410	72,793	14,684	(4,405)	(238,513)	(181,250)
2032	70%	508,213	695,525	0.00%	488,969	72,793	17,442	(5,233)	0	0
2033	73%	549,563	782,200	0.00%	573,971	72,793	20,264	(6,079)	0	0
2034	76%	590,913	874,696	0.00%	660,949	72,793	22,980	(6,894)	(5,181)	(3,500)
2035	77%	628,764	967,953	0.00%	744,647	72,793	25,931	(7,779)	0	0
2036	78%	670,114	1,072,874	0.00%	835,592	72,793	16,236	(4,871)	(382,967)	(239,200)
2037	68%	472,329	786,462	0.00%	536,783	72,793	19,030	(5,709)	0	0
2038	70%	513,744	889,638	0.00%	622,896	72,793	21,889	(6,567)	0	0
2039	71%	555,159	999,809	0.00%	711,011	72,793	24,125	(7,237)	(20,764)	(11,529)
2040	71%	585,044	1,095,777	0.00%	779,928	72,793	27,102	(8,131)	0	0
2041	71%	626,459	1,220,280	0.00%	871,692	72,793	8,282	(2,485)	(658,622)	(338,119)
2042	44%	329,872	668,260	0.00%	291,661	72,793	10,892	(3,267)	0	0
2043	48%	371,404	782,492	0.00%	372,078	72,793	13,561	(4,068)	0	0
2044	50%	412,935	904,792	0.00%	454,364	72,793	16,039	(4,812)	(7,669)	(3,500)
2045	52%	450,967	1,027,649	0.00%	530,715	72,793	18,828	(5,648)	0	0
2046	53%	492,499	1,167,182	0.00%	616,688	72,793	21,132	(6,339)	(16,589)	(7,000)
2047	53%	527,030	1,298,980	0.00%	687,684	72,793	15,038	(4,511)	(271,119)	(110,000)
2048	43%	458,562	1,175,434	0.00%	499,885	72,793	-1,148	344	(570,848)	(222,700)
2049	0%	277,394	739,486	0.00%	1,027	72,793	933	(280)	(9,330)	(3,500)
2050	7%	315,425	874,507	0.00%	65,142	72,793	3,371	(1,011)	0	0
2051	14%	356,957	1,029,238	0.00%	140,295	72,793	5,052	(1,516)	(24,509)	(8,500)
2052	16%	389,988	1,169,460	0.00%	192,116	72,793	7,587	(2,276)	0	0
2053	20%	431,520	1,345,761	0.00%	270,219	72,793	7,073	(2,122)	(93,560)	(30,000)
Total						2,183,790	441,153	(132,346)	(2,673,331)	(1,505,528)
Average					495,639	72,793	14,705	(4,412)	(89,111)	(50,184)
Maximum			1,345,761		871,692		27,102	(8,131)	(658,622)	(338,119)
Minimum			535,274		1,027		-1,148	344	0	0

3.32% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2024 Contributions
155.54 Monthly Per Unit
1,866.49 Annually Per Unit
6,066.08 Association Monthly

Funding Plan Summary (Cash Flow)

August 11, 2023 *Ravenna Woods*

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2024	61%	707,928	707,928	1.00%	435,138	80,000	7,998	(2,399)	(234,230)	(234,230)
2025	54%	514,687	535,274	1.00%	286,507	80,800	10,853	(3,256)	0	0
2026	62%	555,674	601,017	1.00%	374,905	81,608	13,550	(4,065)	(7,571)	(7,000)
2027	69%	589,662	663,290	1.00%	458,426	82,424	16,588	(4,976)	0	0
2028	75%	630,650	737,771	1.00%	552,462	83,248	19,724	(5,917)	0	0
2029	79%	671,638	817,150	1.00%	649,517	84,081	21,607	(6,482)	(40,758)	(33,500)
2030	82%	679,125	859,310	1.00%	707,965	84,922	21,890	(6,567)	(91,103)	(72,000)
2031	84%	648,113	852,872	1.00%	717,106	85,771	17,313	(5,194)	(238,513)	(181,250)
2032	83%	508,213	695,525	1.00%	576,483	86,629	20,577	(6,173)	0	0
2033	87%	549,563	782,200	1.00%	677,516	87,495	23,946	(7,184)	0	0
2034	89%	590,913	874,696	1.00%	781,773	88,370	27,250	(8,175)	(5,181)	(3,500)
2035	91%	628,764	967,953	1.00%	884,037	89,253	30,832	(9,249)	0	0
2036	93%	670,114	1,072,874	1.00%	994,872	90,146	21,812	(6,544)	(382,967)	(239,200)
2037	91%	472,329	786,462	1.00%	717,319	91,047	25,326	(7,598)	0	0
2038	93%	513,744	889,638	1.00%	826,095	91,958	28,953	(8,686)	0	0
2039	94%	555,159	999,809	1.00%	938,320	92,878	32,005	(9,601)	(20,764)	(11,529)
2040	94%	585,044	1,095,777	1.00%	1,032,837	93,806	35,847	(10,754)	0	0
2041	94%	626,459	1,220,280	1.00%	1,151,737	94,744	17,944	(5,383)	(658,622)	(338,119)
2042	90%	329,872	668,260	1.00%	600,420	95,692	21,522	(6,457)	0	0
2043	91%	371,404	782,492	1.00%	711,178	96,649	25,215	(7,565)	0	0
2044	91%	412,935	904,792	1.00%	825,477	97,615	28,772	(8,631)	(7,669)	(3,500)
2045	91%	450,967	1,027,649	1.00%	935,564	98,591	32,697	(9,809)	0	0
2046	91%	492,499	1,167,182	1.00%	1,057,043	99,577	36,196	(10,859)	(16,589)	(7,000)
2047	90%	527,030	1,298,980	1.00%	1,165,368	100,573	31,359	(9,408)	(271,119)	(110,000)
2048	87%	458,562	1,175,434	1.00%	1,016,774	101,579	16,491	(4,947)	(570,848)	(222,700)
2049	76%	277,394	739,486	1.00%	559,048	102,595	19,954	(5,986)	(9,330)	(3,500)
2050	76%	315,425	874,507	1.00%	666,280	103,621	23,841	(7,152)	0	0
2051	76%	356,957	1,029,238	1.00%	786,589	104,657	27,038	(8,112)	(24,509)	(8,500)
2052	76%	389,988	1,169,460	1.00%	885,664	105,703	31,159	(9,348)	0	0
2053	75%	431,520	1,345,761	1.00%	1,013,178	106,760	32,304	(9,691)	(93,560)	(30,000)
Total						2,782,791	720,562	(216,168)	(2,673,331)	(1,505,528)
Average					766,187	92,760	24,019	(7,206)	(89,111)	(50,184)
Maximum			1,345,761		1,165,368		36,196	(10,859)	(658,622)	(338,119)
Minimum			535,274		286,507		7,998	(2,399)	0	0

3.32% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2024 Contributions	
170.94	Monthly Per Unit
2,051.28	Annually Per Unit
6,666.67	Association Monthly

Current Funding Plan / $79,000.00 Annual Contribution

Funding Plan Summary (Cash Flow)

August 11, 2023 *Ravenna Woods*

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2024	61%	707,928	707,928	0.00%	435,138	79,000	7,982	(2,394)	(234,230)	(234,230)
2025	53%	514,687	535,274	0.00%	285,496	79,000	10,790	(3,237)	0	0
2026	62%	555,674	601,017	0.00%	372,048	79,000	13,412	(4,024)	(7,571)	(7,000)
2027	68%	589,662	663,290	0.00%	452,866	79,000	16,347	(4,904)	0	0
2028	74%	630,650	737,771	0.00%	543,308	79,000	19,349	(5,805)	0	0
2029	78%	671,638	817,150	0.00%	635,853	79,000	21,069	(6,321)	(40,758)	(33,500)
2030	80%	679,125	859,310	0.00%	688,843	79,000	21,156	(6,347)	(91,103)	(72,000)
2031	81%	648,113	852,872	0.00%	691,549	79,000	16,352	(4,906)	(238,513)	(181,250)
2032	78%	508,213	695,525	0.00%	543,483	79,000	19,355	(5,807)	0	0
2033	81%	549,563	782,200	0.00%	636,032	79,000	22,428	(6,728)	0	0
2034	84%	590,913	874,696	0.00%	730,731	79,000	25,400	(7,620)	(5,181)	(3,500)
2035	85%	628,764	967,953	0.00%	822,330	79,000	28,613	(8,584)	0	0
2036	86%	670,114	1,072,874	0.00%	921,359	79,000	19,186	(5,756)	(382,967)	(239,200)
2037	80%	472,329	786,462	0.00%	630,822	79,000	22,255	(6,676)	0	0
2038	82%	513,744	889,638	0.00%	725,401	79,000	25,395	(7,618)	0	0
2039	82%	555,159	999,809	0.00%	822,177	79,000	27,918	(8,375)	(20,764)	(11,529)
2040	82%	585,044	1,095,777	0.00%	899,956	79,000	31,190	(9,357)	0	0
2041	82%	626,459	1,220,280	0.00%	1,000,789	79,000	12,671	(3,801)	(658,622)	(338,119)
2042	64%	329,872	668,260	0.00%	430,037	79,000	15,589	(4,677)	0	0
2043	66%	371,404	782,492	0.00%	519,949	79,000	18,574	(5,572)	0	0
2044	68%	412,935	904,792	0.00%	611,951	79,000	21,374	(6,412)	(7,669)	(3,500)
2045	68%	450,967	1,027,649	0.00%	698,243	79,000	24,493	(7,348)	0	0
2046	68%	492,499	1,167,182	0.00%	794,388	79,000	27,134	(8,140)	(16,589)	(7,000)
2047	67%	527,030	1,298,980	0.00%	875,793	79,000	21,387	(6,416)	(271,119)	(110,000)
2048	59%	458,562	1,175,434	0.00%	698,645	79,000	5,554	(1,666)	(570,848)	(222,700)
2049	28%	277,394	739,486	0.00%	210,685	79,000	7,996	(2,399)	(9,330)	(3,500)
2050	33%	315,425	874,507	0.00%	285,952	79,000	10,805	(3,242)	0	0
2051	36%	356,957	1,029,238	0.00%	372,516	79,000	12,865	(3,860)	(24,509)	(8,500)
2052	37%	389,988	1,169,460	0.00%	436,013	79,000	15,787	(4,736)	0	0
2053	39%	431,520	1,345,761	0.00%	526,064	79,000	15,671	(4,701)	(93,560)	(30,000)
Total						2,370,000	558,095	(167,428)	(2,673,331)	(1,505,528)
Average					609,947	79,000	18,603	(5,581)	(89,111)	(50,184)
Maximum			1,345,761		1,000,789		31,190	(9,357)	(658,622)	(338,119)
Minimum			535,274		210,685		5,554	(1,666)	0	0

3.32% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2024 Contributions

168.80 Monthly Per Unit
2,025.64 Annually Per Unit
6,583.33 Association Monthly

INTRODUCTION

LEVEL OF STUDY PERFORMED

DATE OF STUDY

GENERAL DESCRIPTION OF PROPERTY

RESERVE STUDY GOAL

SUMMARY OF FINANCIAL ASSUMPTIONS

METHODOLOGY

There are three levels of Reserve Studies available:

LEVEL I: Full Reserve Study Analysis and Plan

A Reserve Study in which the following five tasks are performed:

- Component Inventory
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level II: Reserve Study Update with Visual Site Inspection

A Reserve Study update in which the following five tasks are performed:

- Component Inventory (verification only, no quantification)
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level III: Reserve Study Update with No Visual Site Inspection

A Reserve Study update with no visual site inspection in which the following three tasks are performed:

- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level of Reserve Study Performed

This **LEVEL I: Full Reserve Study Analysis and Plan** was conducted at the request of the Ravenna Woods Condominium Association's Board of Directors and performed per Washington State requirements outlined under RCW 64.90.550.

Date of Study

August 11, 2023

General Description of Property

The following description is general in nature. A detailed description of the property is not included as part of this report. Ravenna Woods is a mid-sized common interest development that was built around 1981. The property is located at 2300 NE 89th Street, Seattle. There are three buildings housing a total of 39 individual units. Exterior finishes include wood shingle siding, aluminum framed windows, composition shingled roofs, and aluminum gutters and downspouts. Amenities include individual balcony decks and garages.

Reserve Study Goal

The Association's Board of Directors has a fiduciary responsibility to maintain the community in a good state of repair and to protect the Association from financial hardship. A long-range plan should be initiated to provide adequate funding for maintenance repairs and/or replacements of common area components. This reserve analysis will help the Association:

- Comply with Washington State requirements.
- Ensure adequate funds are available for future major repair and replacements.
- Maintain the community in a good state of repair.
- Reduce special assessments or borrowing.
- Protect property value and enhance your ability to obtain loans or sell.
- Comply with the American Institute of Certified Public Accountants (AICPA) disclosure requirements for reserves.

Summary of Financial Assumptions

Assumptions were made based on the following information used to develop the parameters for the Reserve Study calculations:

Date Study Begins	**August 11, 2023**
Number of Analysis Years to be Covered in the Study	30 Years
Number of Units	39 residential
Projected Year 2024 Starting Reserve Balance	$435,138.00
Average Current Rate of Investment on Reserve Funds	3.32%
Tax Rate applied to Interest or Dividends earned on the Invested Funds	30%
Current and Projected Inflation Rate for Construction Costs	4%
Contribution increase the Association can reasonably adopt	

Reserve Component List

Per RCW 64.90.550(a), the following worksheet has a list of all components that have been included in this study, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

The Association has opted to exclude the following components from the study:

ITEM NAME	BASIS FOR EXCLUSION

There are two main methods used in the preparation of a reserve study, Cash Flow Method and Component Method.

> *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 Method*: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

David Bach & Associates utilizes the Cash Flow Method in the preparation of our Reserve Studies. This method examines and projects the reserving needs (i.e., contributions and expenditures) over many years, combining funds from all components, in order to establish a stable annual contribution. This type of method allows an Association to customize its funding plan and usually generates a lower starting contribution.

Worksheet

August 11, 2023

Sorted Alphabetically

Ravenna Woods

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Asphalt - Seal Coat	10	0	7,775	Square Foot	0.450	100	3,499	2008	15	1	2024	1	no
Asphalt Pavement - Repair	10	0	863	Square Yard	105.000	5	4,531	2008	15	1	2024	1	no
Chimney Stacks	75	0	1	Total	31,250.000	100	31,250	1981	50	0	2031	8	no
Concrete Walkway - Repair	10	0	1	Repair Allowance	3,500.000	100	3,500	2016	10	0	2026	3	no
Doors - Flush Metal (Building Exterior)	75	0	1	Total	15,000.000	100	15,000	1981	40	10	2031	8	no
Doors - Garage Storage	75	0	1	Total	15,000.000	100	15,000	2011	30	0	2041	18	no
Electrical - Common Elements (Allowance)	85	0	1	Allowance	15,000.000	100	15,000	1981	50	0	2031	8	no
Entrance Signs - Restoration	100	0	1	Total	1,200.000	100	1,200	2011	12	1	2024	1	no
Garage Doors	75	0	23	Each	2,500.000	100	57,500	1981	40	10	2031	8	no
Garbage Enclosures - Restore	90	0	1	Total	3,500.000	100	3,500	2019	5	0	2024	1	no
Gutters & Downspouts - Carports	20	0	855	Linear Foot	11.250	100	9,619	2011	30	0	2041	18	no
Landscape Major Restoration Allowance	100	0	1	Total	30,000.000	100	30,000	2017	12	0	2029	6	no
Lighting - Exterior Buildings & Garages	50	0	1	Total	9,000.000	100	9,000	2006	25	0	2031	8	no
Mailboxes	75	0	1	Total	9,500.000	100	9,500	1981	40	15	2036	13	no
Painting - Stairway Walls & Ceilings	30	0	1	Total	24,000.000	100	24,000	2011	12	1	2024	1	no
Pedestrian Foot Bridge - Restoration	100	0	1	Total	5,000.000	100	5,000	2021	10	0	2031	8	no
Plumbing - Common Elements (Allowance)	85	0	1	Estimated Cost	240,000.000	100	240,000	1981	60	0	2041	18	no
Plumbing - Water Mains	87	0	1	Total	45,000.000	100	45,000	1981	50	0	2031	8	no
Roofing - Building 1 & 3	20	0	1	Total	110,000.000	100	110,000	2017	30	0	2047	24	no
Roofing - Building 2	20	0	1	Total	48,500.000	100	48,500	2019	35	0	2054	31	no
Roofing - Carports	20	0	1	Total	72,000.000	100	72,000	2005	25	0	2030	7	no
Stair Railings - Aluminum	75	0	1	Total	35,000.000	100	35,000	1981	50	10	2041	18	no
Stormwater Drains - Clean / Flush	100	0	1	Total	3,500.000	100	3,500	2021	5	0	2026	3	no
Traffic Coating - Stairs & Landings	30	0	1	Total	12,500.000	100	12,500	2012	12	0	2024	1	no
Wood Shingle Siding & Trim - Wash & Paint / Seal	75	0	1	Total	185,000.000	100	185,000	2011	12	1	2024	1	no

Total *25 items*

Steps for Preparing Reserve Study Funding Plan

This Reserve Study was prepared with the assistance of an independent Reserve Study Professional and can be broken down into three main steps.

1. **Component Analysis**

   All components the Association has an obligation to maintain were identified and inventoried. Per RCW 64.90.550)a)(2), this list includes any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

   An onsite visit was scheduled to visually inspect all common area components. The Reserve Analysts inspection was limited to components that are normally visible without destructive or intrusive means of inspection or testing, or concealed mechanical, electrical, structural, or other components.

The Useful Life, Remaining Useful Life, and Current Replacement Cost of each component appropriate for reserve funding were established using information entered into a Commercial Cost & Useful Life Database. The data is based upon industry standards, manufacturer's specifications, and/or the actual repair and replacement costs to similar residential and commercial properties. Costs of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. Wherever possible, actual quotes from local contractors were used as a comparison.

2. **Financial Analysis**

   The following financial information was provided by the Association and was not audited:

   - The Association's current Reserve Balance.
   - Current rate of investment on Reserve Fund.
   - Special Assessments already implemented or planned.
   - Tax rate applied to interest or dividends earned on the invested Reserve Funds.
   - Interest and Inflation assumptions.
   - Current Reserve Account Contribution Rate.
   - Date of Fiscal Year End (FYE).

According to the U.S. Dept. of Labor, Bureau of Labor and Statistics, the average rate of inflation calculated from the Consumer Price Index – All Urban Consumers (CPI-U) for the twenty-year period 2003 to 2022 was 2.47%. In preparing Reserve Funding Plans we are currently using an inflation rate of 4% to calculate inflation adjusted expenditures.

3. Reserve Study

The information obtained during the Component Analysis and Financial Analysis is entered into a Reserve Study Funding Plan computer program. The program calculates the necessary monthly and annual reserve contribution, projected annual expenditures for repair and replacement of identified components, percent funded, and reserve account balances for the analysis period.

Per RCW 64.90.550(i) the following Reserve Study Funding Plans were created:

- A recommended reserve account contribution rate for a full funding plan to achieve 100% fully funded reserves by the end of the 30-year study period.
- A recommended reserve account contribution rate for a baseline funding plan to maintain the reserve balance above 0 throughout the 30- year study period without special assessments.
- A David Bach & Associates recommended reserve account contribution rate.

The computer program provides a projected reserve account balance for 30 years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments.

All applicable spreadsheets, expenditure graph, and funding charts were developed. In addition, Supplementary Information on Future Major Repairs and Replacement (AICPA) accountant's summary report was prepared.

ANNUAL EXPENDITURES

EXPENDITURES GRAPH

Annual Expenditures

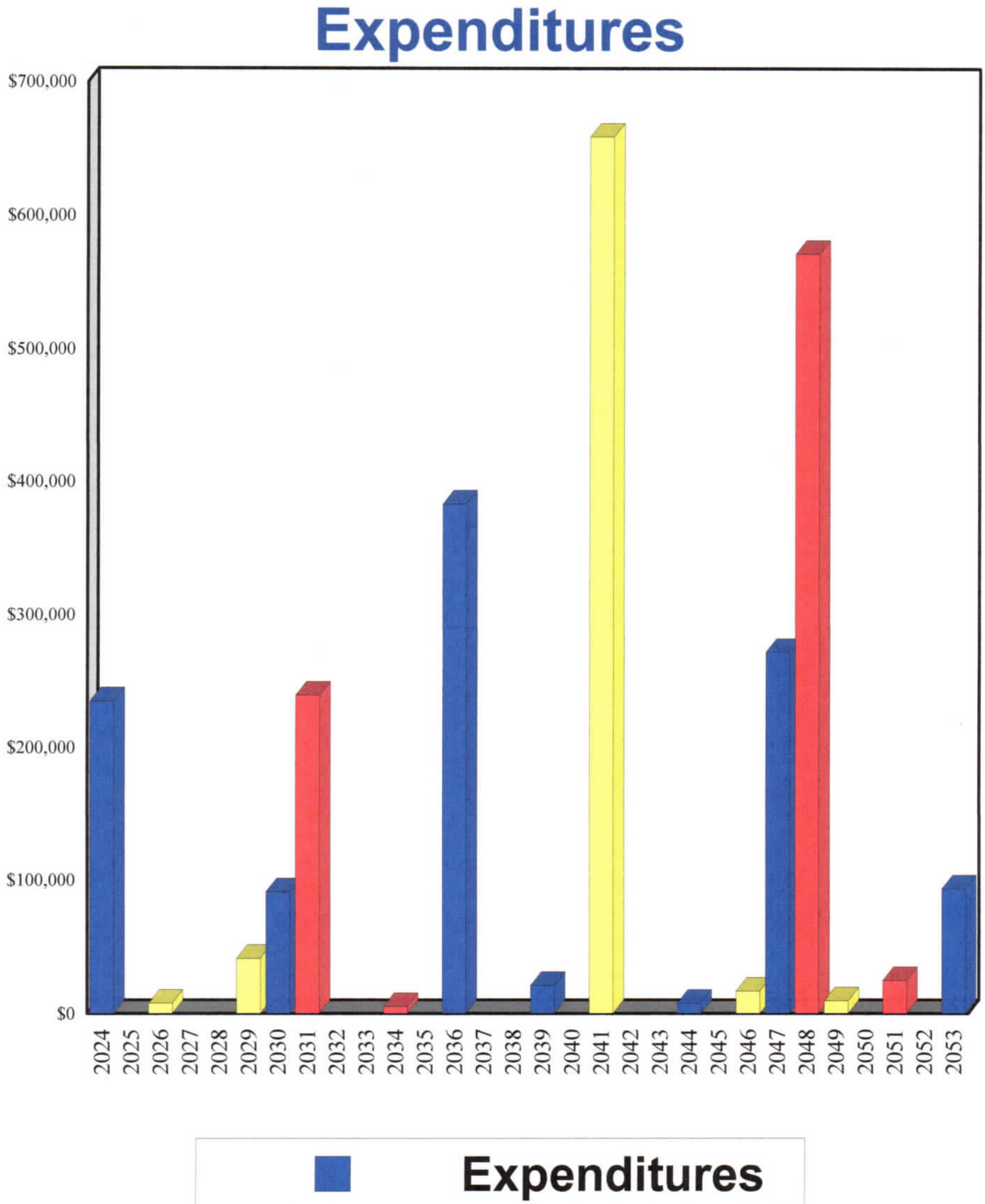
August 11, 2023 **Ravenna Woods**

Year	Amount	Item Description
2024	1,200	Entrance Signs - Restoration
	185,000	Wood Shingle Siding & Trim - Wash & Paint / Seal
	12,500	Traffic Coating - Stairs & Landings
	3,500	Garbage Enclosures - Restore
	4,531	Asphalt Pavement - Repair
	3,499	Asphalt - Seal Coat
	24,000	Painting - Stairway Walls & Ceilings
	234,230	
2026	3,786	Stormwater Drains - Clean / Flush
	3,786	Concrete Walkway - Repair
	7,571	
2029	4,258	Garbage Enclosures - Restore
	36,500	Landscape Major Restoration Allowance
	40,758	
2030	91,103	Roofing - Carports
	91,103	
2031	4,606	Stormwater Drains - Clean / Flush
	75,666	Garage Doors
	11,843	Lighting - Exterior Buildings & Garages
	19,739	Doors - Flush Metal (Building Exterior)
	6,580	Pedestrian Foot Bridge - Restoration
	41,123	Chimney Stacks
	59,217	Plumbing - Water Mains
	19,739	Electrical - Common Elements (Allowance)
	238,513	
2034	5,181	Garbage Enclosures - Restore

Year	Amount	Item Description
	5,181	
2036	1,921	Entrance Signs - Restoration
	296,191	Wood Shingle Siding & Trim - Wash & Paint / Seal
	5,604	Stormwater Drains - Clean / Flush
	20,013	Traffic Coating - Stairs & Landings
	15,210	Mailboxes
	5,604	Concrete Walkway - Repair
	38,425	Painting - Stairway Walls & Ceilings
	382,967	
2039	6,303	Garbage Enclosures - Restore
	8,160	Asphalt Pavement - Repair
	6,301	Asphalt - Seal Coat
	20,764	
2041	18,736	Gutters & Downspouts - Carports
	6,818	Stormwater Drains - Clean / Flush
	29,219	Doors - Garage Storage
	58,437	Landscape Major Restoration Allowance
	9,740	Pedestrian Foot Bridge - Restoration
	68,177	Stair Railings - Aluminum
	467,496	Plumbing - Common Elements (Allowance)
	658,622	
2044	7,669	Garbage Enclosures - Restore
	7,669	
2046	8,295	Stormwater Drains - Clean / Flush
	8,295	Concrete Walkway - Repair
	16,589	

Year	Amount	Item Description
2047	271,119	Roofing - Building 1 & 3
	271,119	
2048	3,076	Entrance Signs - Restoration
	474,211	Wood Shingle Siding & Trim - Wash & Paint / Seal
	32,041	Traffic Coating - Stairs & Landings
	61,519	Painting - Stairway Walls & Ceilings
	570,848	
2049	9,330	Garbage Enclosures - Restore
	9,330	
2051	10,092	Stormwater Drains - Clean / Flush
	14,417	Pedestrian Foot Bridge - Restoration
	24,509	
2053	93,560	Landscape Major Restoration Allowance
	93,560	

Total: **2,673,331**


Expenditures
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
Expenditures

IDEAL vs. CASH FLOW BALANCES

STARTING BALANCE FUNDS DISTRIBUTION

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is a benchmark against which the cash flow calculations can be compared. The formula for the ideal balance is:

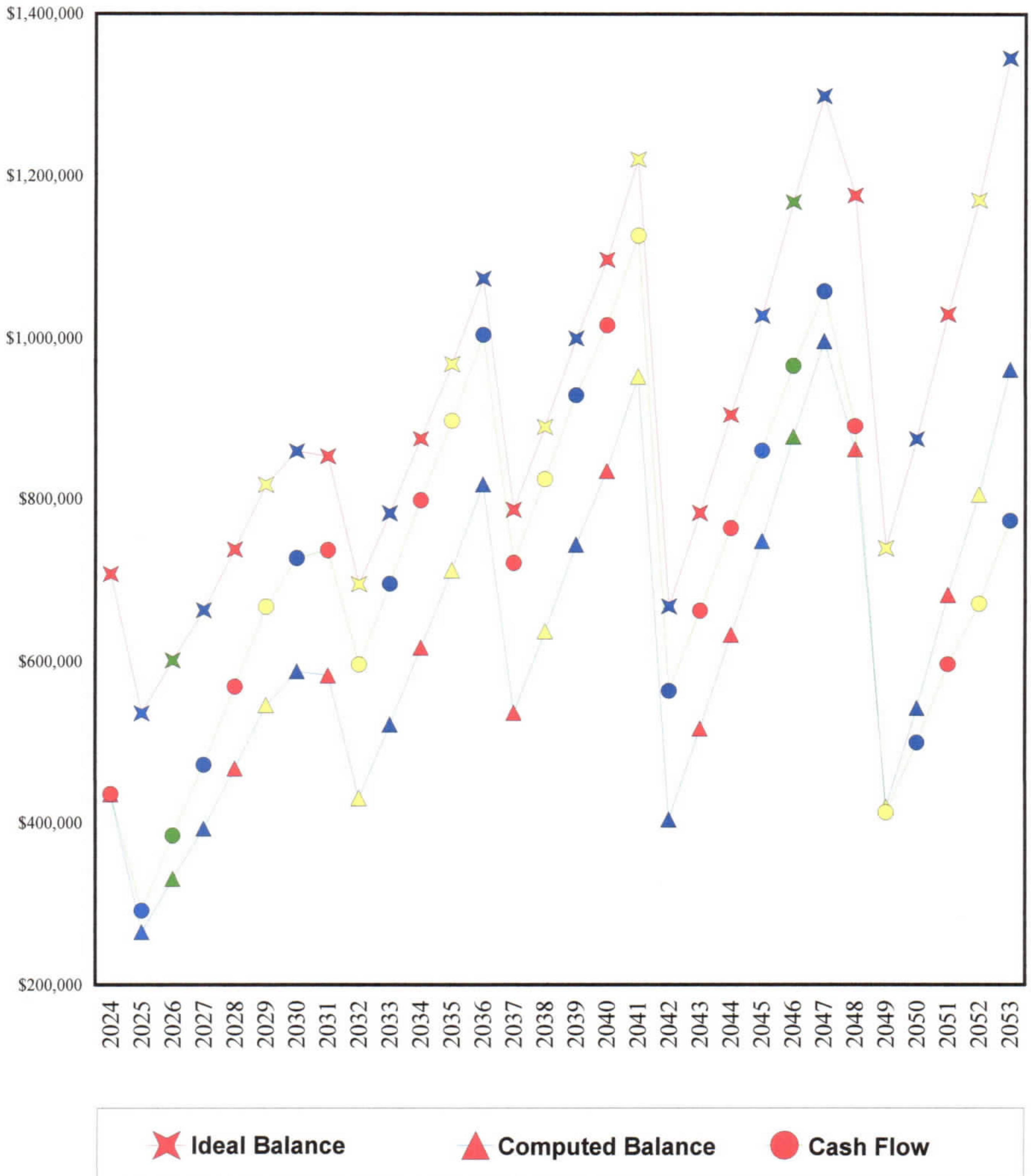
Ideal Balance = (Current Age / Useful Life) x Current Cost

Inflation and interest are also incorporated into this formula.

The Ideal vs. Cash Flow Balances Graph on the next page shows the cash flow balance in relationship to the “Ideal” balance. The spread between the annual cash flow and the “Ideal” is consistent.

This information is also presented in spread sheet form on the Funding Plan Summary page.

All Balances



Starting Balance Funds Distribution (Cash Flow)

August 11, 2023

Sorted by Group

Ravenna Woods

Item Description	Useful Life	Life Left	Year Replace	Total Item Cost	Ideal Balance	Actual Balance	2024 Contribution
10 - Streets							
Asphalt Pavement - Repair	15	1	2024	4,531	4,531	4,531	437
Asphalt - Seal Coat	15	1	2024	3,499	3,499	3,499	337
Concrete Walkway - Repair	10	3	2026	3,500	2,800	2,800	506
SubTotal *3 items*				11,530	10,830	10,830	1,281
20 - Roofs							
Gutters & Downspouts - Carports	30	18	2041	9,619	4,168	0	819
Roofing - Building 1 & 3	30	24	2047	110,000	25,667	0	6,920
Roofing - Building 2	35	31	2054	48,500	6,929	0	2,339
Roofing - Carports	25	7	2030	72,000	54,720	54,720	4,167
SubTotal *4 items*				240,119	91,483	54,720	14,244
30 - Painting							
Traffic Coating - Stairs & Landings	12	1	2024	12,500	12,500	12,500	1,507
Painting - Stairway Walls & Ceilings	12	1	2024	24,000	24,000	24,000	2,894
SubTotal *2 items*				36,500	36,500	36,500	4,401
50 - Lights							
Lighting - Exterior Buildings & Garages	25	8	2031	9,000	6,480	6,480	521
SubTotal *1 items*				9,000	6,480	6,480	521
75 - Buildings - Exterior							
Wood Shingle Siding & Trim - Wash & Paint / Seal	12	1	2024	185,000	185,000	185,000	22,306
Garage Doors	40	8	2031	57,500	49,450	24,433	6,835
Mailboxes	40	13	2036	9,500	7,427	0	1,145
Doors - Garage Storage	30	18	2041	15,000	6,500	0	1,277
Doors - Flush Metal (Building Exterior)	40	8	2031	15,000	12,900	12,900	434
Stair Railings - Aluminum	50	18	2041	35,000	25,083	0	2,979
Chimney Stacks	50	8	2031	31,250	26,875	26,875	904
SubTotal *7 items*				348,250	313,236	249,208	35,880
85 - Electrical							
Electrical - Common Elements (Allowance)	50	8	2031	15,000	12,900	12,900	434
Plumbing - Common Elements (Allowance)	60	18	2041	240,000	172,000	0	20,426
SubTotal *2 items*				255,000	184,900	12,900	20,860

Item Description	Useful Life	Life Left	Year Replace	Total Item Cost	Ideal Balance	Actual Balance	2024 Contribution
87 - Plumbing							
Plumbing - Water Mains	50	8	2031	45,000	38,700	38,700	1,302
SubTotal *1 items*				45,000	38,700	38,700	1,302
90 - Outbuildings							
Garbage Enclosures - Restore	5	1	2024	3,500	3,500	3,500	1,013
SubTotal *1 items*				3,500	3,500	3,500	1,013
100 - Grounds							
Entrance Signs - Restoration	12	1	2024	1,200	1,200	1,200	145
Stormwater Drains - Clean / Flush	5	3	2026	3,500	2,100	2,100	1,013
Landscape Major Restoration Allowance	12	6	2029	30,000	17,500	17,500	3,617
Pedestrian Foot Bridge - Restoration	10	8	2031	5,000	1,500	1,500	723
SubTotal *4 items*				39,700	22,300	22,300	5,498
Total *25 items*				988,598	707,928	435,138	85,000

3.32% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

Ideally Funded - 61%

COMPONENT INVENTORY WORKSHEETS

DISCLOSURES

RESERVE STUDY TERMS

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
10 - Streets													
Asphalt Pavement - Repair	10	0	863	Square Yard	105.000	5	4,531	2008	15	1	2024	1	no

Comments: ** Useful Life Range 12, 14, 15

Approximately 105 sq yds of asphalt parking

Grind out areas of severely damaged asphalt, compact and install new asphalt to grade; correct low drainage areas, clean and fill exposed cracks / seams

Estimate a percentage of replacement over the useful life range & schedule with seal coating.

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Asphalt - Seal Coat	10	0	7,775	Square Foot	0.450	100	3,499	2008	15	1	2024	1	no

Comments: ** Useful Life Range 10, 12, 15

Clean and application of Armor-Seal A-100 asphalt protective coating over entire asphalt surface area

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Concrete Walkway - Repair	10	0	1	Repair Allowance	3,500.000	100	3,500	2016	10	0	2026	3	no

Comments: ** Useful Life range 15, 25, 35, 45, 54+

Concrete can last a life time, but much depends on the quality of materials used, workmanship, and weather conditions. Monitor concrete areas for cracking and lifting.

Raise ("Slab-jack") areas of sunken / settled concrete to reduce tripping hazards.

Remove and replace damaged seections of concrete walkway as necessary

Concrete hole repair with epoxy system

Repair spalled concrete with concrete resurfacer

Sub-Total *3 items*

20 - Roofs

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Gutters & Downspouts - Carports	20	0	855	Linear Foot	11.250	100	9,619	2011	30	0	2041	18	no

Comments: ** Useful Life Range 25, 30, 35

Gutters, includes 3% waste.

Approximately 855 lf of aluminum gutters and downspouts

Includes 3% waste

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Roofing - Building 1 & 3	20	0	1	Total	110,000.000	100	110,000	2017	30	0	2047	24	no

Comments: Useful Life Range 25, 30, 35

Cost to remove and properly dispose of roofing materials down to plywood sheathing, replaced damaged worn sheathing, recover with 35/50 yr architectural grade shingles over hybrid underlayment. Includes permit, venting, flashings and edge metal.

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Roofing - Building 2	20	0	1	Total	48,500.000	100	48,500	2019	35	0	2054	31	no

Comments: Useful Life Range 25, 30, 35

Cost to remove and properly dispose of roofing materials down to plywood sheathing, replaced damaged worn sheathing, recover with 35/50 yr architectural grade shingles over hybrid underlayment. Includes permit, venting, flashings and edge metal.

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Roofing - Carports	20	0	1	Total	72,000.000	100	72,000	2005	25	0	2030	7	no

Comments: Useful Life Range 25, 30, 35

Cost to remove and properly dispose of roofing materials down to plywood sheathing, replaced damaged worn sheathing, recover with 35/50 yr architectural grade shingles over hybrid underlayment. Includes permit, venting, flashings and edge metal.

Sub-Total *4 items*

30 - Painting

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Traffic Coating - Stairs & Landings	30	0	1	Total	12,500.000	100	12,500	2012	12	0	2024	1	no

Comments: Useful life range - varies depending on material used and traffic wear

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Painting - Stairway Walls & Ceilings	30	0	1	Total	24,000.000	100	24,000	2011	12	1	2024	1	no

Comments: Cost to clean and apply two coats of premium grade exterior 100% acrylic latex to entry stairway walls and ceilings

Sub-Total *2 items*

50 - Lights

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Lighting - Exterior Buildings & Garages	50	0	1	Total	9,000.000	100	9,000	2006	25	0	2031	8	no

Comments: Allowance for repair, replacement, energy upgrades to exterior building lighting

Sub-Total *1 items*

75 - Buildings - Exterior

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Wood Shingle Siding & Trim - Wash & Paint / Seal	75	0	1	Total	185,000.000	100	185,000	2011	12	1	2024	1	no

Comments: Cost to clean, seal / stain wood shingles and paint wood trim

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Garage Doors	75	0	23	Each	2,500.000	100	57,500	1981	40	10	2031	8	no

Comments: Useful Life Range 30, 35, 40

16' steel garage doors.

Cost to replace with uninsulated fiberglass or textured embosssed steel.

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Mailboxes	75	0	1	Total	9,500.000	100	9,500	1981	40	15	2036	13	no

Comments: ** Useful Life Range 25, 35, 40

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Apartment type, meets current postal regulations, tumbler locks, gold finish, surface mounted.													
Typical 6 box units, 5-1/2" wide x 16" high													
Doors - Garage Storage	75	0	1	Total	15,000.000	100	15,000	2011	30	0	2041	18	no
Comments: Garage Man doors replacement													
Inculdes new jamb and hardware													
Doors - Flush Metal (Building Exterior)	75	0	1	Total	15,000.000	100	15,000	1981	40	10	2031	8	no
Comments: Replace metal doors including new jambs and hardware													
Stair Railings - Aluminum	75	0	1	Total	35,000.000	100	35,000	1981	50	10	2041	18	no
Comments: Replacement of site and stair aluminum railings as needed													
Chimney Stacks	75	0	1	Total	31,250.000	100	31,250	1981	50	0	2031	8	no
Comments: Remove and replace existing chimney stacks. Replace with galvanized or stainless metal.													

Sub-Total *7 items*

85 - Electrical

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Electrical - Common Elements (Allowance)	85	0	1	Allowance	15,000.000	100	15,000	1981	50	0	2031	8	no
Comments: Allowance for repair / replacement of common electrical elements.													
Plumbing - Common Elements (Allowance)	85	0	1	Estimated Cost	240,000.000	100	240,000	1981	60	0	2041	18	no
Comments: Cost for domestic hot and cold water supply and drain lines.													
Exact replacement period, scope of work, and cost are yet to be determined.													

Sub-Total *2 items*

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
87 - Plumbing													
Plumbing - Water Mains	87	0	1	Total	45,000.000	100	45,000	1981	50	0	2031	8	no
Comments: Water main replacement for each building as needed.													
Sub-Total *1 items*													
90 - Outbuildings													
Garbage Enclosures - Restore	90	0	1	Total	3,500.000	100	3,500	2019	5	0	2024	1	no
Comments: Cost to restore garbage enclosure area													
Sub-Total *1 items*													
100 - Grounds													
Entrance Signs - Restoration	100	0	1	Total	1,200.000	100	1,200	2011	12	1	2024	1	no
Comments: Cost to wash and repaint wood entrance sign Wood signs at Ravenna Avenue entrance and NE 89th Street entrance													
Stormwater Drains - Clean / Flush	100	0	1	Total	3,500.000	100	3,500	2021	5	0	2026	3	no
Comments: Site and asphalt paved stormwater drains should be cleaned and flushed on a 5 year cycle.													
Landscape Major Restoration Allowance	100	0	1	Total	30,000.000	100	30,000	2017	12	0	2029	6	no
Comments: Allowance for landscape restoration not currently included in operating maintenance budget including removal and replacment of overgrown trees and shrubs, ground cover, and site draiange.													
Pedestrian Foot Bridge - Restoration	100	0	1	Total	5,000.000	100	5,000	2021	10	0	2031	8	no
Comments: Allowance for periodic cleaning and repairs to pedestrian foot bridge.													

Item Description		Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Sub-Total	*4 items*													
Total	*25 items*													

Disclosures

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. *RCW 64.90.550(3).*

Every reasonable effort has been made to that the data obtained in this report is based on accurate information. The nature of this study requires assumptions be made about future events which may or may not occur as predicted. The study must be viewed in light of circumstances existing at the actual time of the study. In addition, the cost of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. This Reserve Study Funding Plan is a **budgeting tool to be used for general planning purposes only**. As the component nears the end of its useful life, estimates from qualified contractors should be obtained.

In conclusion, this study should be regarded as a guideline for developing sound business decisions to ensure adequate funds will be accumulated in anticipation of major repair and/or replacement projects. It is recommended that you review your reserve plan on an annual basis and make adjustments as necessary.

Conflict of Interest

No relationship exists between David Bach & Associates, LLC and the client which could result in a conflict of interest.

David Bach & Associates, LLC has earned the Community Association Institute's **Reserve Specialist Designation**, the only national credential for community association reserve study providers. The **RS** designation is awarded to experienced, qualified professionals who help condominium, co-operative, and homeowner associations plan for long-term repair and replacement of major components. The Reserve Specialist Designation Review Board recognizes David Bach's professionalism and dedication to the highest standard of reserve study preparation. **RS** designees must adhere to CAI's Professional Reserve Specialist Code of Ethics. David Bach is also an Honored Member in good standing with the Association of Professional Reserve Analysts.

ACCUMULATED RESERVE BALANCE	The anticipated Reserve Balance on the first day of the fiscal year for which the report has been prepared.
ALLOCATION (Net Monthly)	The sum of the monthly contribution and interest contribution figures.
ANNUAL CONTRIBUTION INCREASE	The percentage rate at which the association will increase its contribution to Reserves at the end of each year until the year in which the item is replaced.
BASELINE FUNDING PLAN	Establishing a Reserve Funding goal of maintaining a Reserve Account Balance above zero dollars throughout the thirty-year study period.
CASH FLOW	The collection and expenditure of money over time.
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.
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. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (3) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, and (5) as required by local codes.
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, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.
COMPONENT METHOD	A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.

CONTRIBUTION RATE	The amount contributed to the Reserve Account so that the association will have cash Reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.
CURRENT RESERVE FUNDS	The amount currently held in Reserve for repair and replacement of components, with funds being allocated to projects with the shortest remaining useful life first.
DEFICIT	An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a surplus.
EFFECTIVE AGE	The difference between the estimated useful life and remaining useful life.
EXPECTED LIFE	The estimated time, in years, that a Reserve item can be expected to perform its intended function.
EXPENDITURES	Disbursement of Reserve Funds for repair or replacement of Reserve Study identified components.
FINANCIAL ANALYSIS	The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.
FISCAL YEAR ENDING (FYE)	The budgetary year for which the report is prepared. For association with fiscal years ending December 31st, the monthly contribution figures indicated are for the twelve-month period beginning 01/01/XX and ending 12/31/XX.
FULL FUNDING PLAN	Setting a Reserve Funding goal of achieving 100% fully funded reserves by the end of the thirty-year study period described under RCW 64.90.550, in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portion of all reserve components.
FULLY FUNDED	100% funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE	The current value of the deteriorated portion, not the total replacement value, of all the reserve components. The Fully Funded Balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' Fully Funded Balance is the association's Fully Funded Balance.
FUND STATUS	The status of the Reserve Fund as compared to an established benchmark such as Percent Funding.
FUNDING PLAN	An association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
IDEAL BALANCE	The basis to any Reserve Funding Plan first starts with computing the Ideal Balance. The Ideal Balance is the benchmark against which the standard cash flow calculations can be compared. The formula for the Ideal Balance is: *Ideal Balance = (Current Age/Useful Life) x Current Cost* Inflation and interest are also calculated into the basic formula.
INFLATION	Cost factors are adjusted for inflation at the rate defined in the Funding Plan Summary, compounded annually.
LIFE & VALUATION ESTIMATES	The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.
MONTHLY CONTRIBUTION	The assessment for Reserves required by the association each month.
PERCENT FUNDED	The ratio, as a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
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	The estimated time, in years, before a Reserve component will require major maintenance, repair, or replacement to perform its intended function.
REPLACEMENT COST	The estimated total cost to maintain, repair, or replace a Reserve component to its original functional condition.
RESERVE BALANCE	Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also knows as Reserves, Reserve Accounts, Cash Reserves.
RESERVE COMPONENT	A physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.
RESERVE STUDY PROFESSIONAL	An independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.90.545 and 64.90.550.
RESERVE STUDY	A budget planning tool which identifies the current status of the Reserve Fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.
SIGNIFICANT ASSETS	The current total cost of major maintenance, repair, and replacement of the reserve components is 50% or more of the gross budget of the association, excluding reserve account funds.
SPECIAL ASSESSMENT	An assessment levied on the members of an association in addition to regular assessments.
STARTING BALANCE FUNDS DISTRIBUTION	A listing of how the starting balance is distributed to each reserve item. The first year's contribution for each item is listed.
STRAIGHT LINE CALCULATIONS & FUNDING MODEL	The most conservative method for Reserve Funding. It assures that the association will achieve and maintain an ideal level of reserves for the analysis period.

SURPLUS	An actual (or projected) Reserve Balance greater than the Fully Funded Balance.
TAXES LIABILITY	The estimated percentage of interest income which will be set-aside for taxes.
USEFUL LIFE	The estimated time, between years, that major maintenance, repair, or replacement is estimated to occur.