



ACCURATE RESERVE PROFESSIONALS, LLC

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Level III No Site Visit Reserve Study Report

For Fiscal Year Beginning January 1, 2023



Hansen Park HOA

Kennewick, WA

July 27, 2022





Reserve Study Summary for Hansen Park HOA

519 Units
For Fiscal Year Beginning January 1, 2023

| Overview | |
|---|------------|
| Starting Reserve Balance | \$180,404 |
| Fully Funded Balance | \$277,906 |
| Percent Funded | 65% |
| Reserve Fund Strength (Weak, Fair or Strong) | Fair |
| Total Surplus or (Deficit) of Reserve Funding | \$(97,502) |
| Surplus or (Deficit) on a Per Unit Average Basis*** | \$(188) |
| Current Reserve Contribution Based on Last Approved Budget | |
| Current Reserve Contribution Rate, Annually | \$103,800 |
| Current Special Assessment, Annually | n/a |
| Does Current Contribution Rate Meet or Exceed Range in Study Below? | Yes |
| Reserve Study Funding Plan Options Beginning January 1, 2023 | |
| 100% Full Funding Contribution Rate, Annually | \$42,700 |
| 70% Threshold Funding Contribution Rate, Annually | \$36,200 |
| Baseline Funding Contribution Rate, Annually | \$23,675 |
| Recommended Annual Special Assessment | n/a |

Study Description & Assumptions

This is a Level III No-Site-Visit reserve study. No site visit was performed as part of this report. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

Hansen Park HOA consists of 519 single family homes located in Kennewick, WA. It was constructed in approximately 2002.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of \$36,200 to \$42,700 per year in 2023.

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.

Hansen Park HOA Component List

| Asset ID | Description | Useful Life | Adjustment | Remaining Life | Current Cost |
|---------------------|---|-------------|------------|----------------|--------------|
| Grounds | | | | | |
| 1000 | Concrete - Repair Allotment | 5 | | 0 | \$3,500 |
| 1060 | Monument Sign - Refurb/Replace | 25 | | 4 | \$3,000 |
| 1065 | Mailboxes - Replace (Older) | 25 | | 5 | \$52,800 |
| 1066 | Mailboxes - Replace (Newer) | 25 | | 13 | \$56,100 |
| 1090 | Chain Link Fence - Replace | Unfunded | | | |
| 1095 | Metal Fence - Replace | 48 | -1 | 31 | \$202,500 |
| 1096 | Gate Keypads - Replace | 15 | | 0 | \$1,200 |
| 1100 | Metal Fence - Repair & Paint | 8 | | 0 | \$15,188 |
| 1105 | Concrete Masonry Unit Wall - Repair | 10 | | 6 | \$10,000 |
| 1135 | Landscape - Refurbish Allotment | 5 | | 4 | \$3,500 |
| 1145 | Trees - Trim/Remove | Unfunded | | | |
| 1155 | Irrigation System - Repair Allotment | 4 | | 3 | \$10,000 |
| 1157 | Irrigation Sys Valves - Replace 2023-2027 | 1 | | 0 | \$15,100 |
| 1159 | Irrigation Sys Valves - Replace (Future) | 15 | 6 | 20 | \$75,500 |
| 1160 | Drainage System - Maintain | Unfunded | | | |
| 1175 | Pole Light - Replace | 30 | | 9 | \$2,500 |
| 1190 | Pond Liner - Replace | 25 | | 9 | \$103,000 |
| 1192 | Pond River Rock - Replenish | 15 | | 14 | \$12,000 |
| 1195 | Pond Pump - Replace | 20 | | 4 | \$5,150 |
| 1200 | Pond Aeration Heads - Replace | 20 | | 4 | \$10,800 |
| 1205 | Retaining Wall - Repair | Unfunded | | | |
| Recreation | | | | | |
| 2005 | Play Equipment - Replace | 25 | | 24 | \$98,800 |
| 2007 | Wood Chips - Replenish | 3 | | 2 | \$2,500 |
| 2010 | Outdoor Furniture (Playground) - Replace | 25 | | 24 | \$4,800 |
| 2012 | Outdoor Furniture (Pond) - Replace | 25 | | 4 | \$4,800 |
| 2015 | Pet Stations - Replace | Unfunded | | | |
| 2025 | Sports Court - Resurface | Unfunded | | | |
| 2030 | Basketball Assembly - Replace | 30 | | 9 | \$1,800 |
| Professional | | | | | |
| 6005 | Reserve Study - Annual Update | Unfunded | | | |

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 are 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 deterioration 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.

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| ID Description | | | | | | | | | | |
| Grounds | | | | | | | | | | |
| 1000 Concrete - Repair Allotment | 3,500 | | | | | 4,057 | | | | |
| 1060 Monument Sign - Refurb/Replace | | | | | 3,377 | | | | | |
| 1065 Mailboxes - Replace (Older) | | | | | | 61,210 | | | | |
| 1066 Mailboxes - Replace (Newer) | | | | | | | | | | |
| 1090 Chain Link Fence - Replace | Unfunded | | | | | | | | | |
| 1095 Metal Fence - Replace | | | | | | | | | | |
| 1096 Gate Keypads - Replace | 1,200 | | | | | | | | | |
| 1100 Metal Fence - Repair & Paint | 15,187 | | | | | | | | 19,239 | |
| 1105 Concrete Masonry Unit Wall - Repair | | | | | | | 11,941 | | | |
| 1135 Landscape - Refurbish Allotment | | | | | 3,939 | | | | | 4,567 |
| 1145 Trees - Trim/Remove | Unfunded | | | | | | | | | |
| 1155 Irrigation System - Repair Allotment | | | | 10,927 | | | | 12,299 | | |
| 1157 Irrigation Sys Valves - Replace 2023-2027 | 15,100 | 15,553 | 16,020 | 16,500 | 16,995 | | | | | |
| 1159 Irrigation Sys Valves - Replace (Future) | | | | | | | | | | |
| 1160 Drainage System - Maintain | Unfunded | | | | | | | | | |
| 1175 Pole Light - Replace | | | | | | | | | | 3,262 |
| 1190 Pond Liner - Replace | | | | | | | | | | 134,392 |
| 1192 Pond River Rock - Replenish | | | | | | | | | | |
| 1195 Pond Pump - Replace | | | | | 5,796 | | | | | |
| 1200 Pond Aeration Heads - Replace | | | | | 12,155 | | | | | |
| 1205 Retaining Wall - Repair | Unfunded | | | | | | | | | |
| Grounds Total: | 34,987 | 15,553 | 16,020 | 27,427 | 42,263 | 65,267 | 11,941 | 12,299 | 19,239 | 142,220 |
| Recreation | | | | | | | | | | |
| 2005 Play Equipment - Replace | | | | | | | | | | |
| 2007 Wood Chips - Replenish | | | 2,652 | | | 2,898 | | | 3,167 | |
| 2010 Outdoor Furniture (Playground) - Replace | | | | | | | | | | |
| 2012 Outdoor Furniture (Pond) - Replace | | | | | 5,402 | | | | | |
| 2015 Pet Stations - Replace | Unfunded | | | | | | | | | |
| 2025 Sports Court - Resurface | Unfunded | | | | | | | | | |
| 2030 Basketball Assembly - Replace | | | | | | | | | | 2,349 |
| Recreation Total: | | | 2,652 | | 5,402 | 2,898 | | | 3,167 | 2,349 |

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| ID | Description | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|--------------------|-------------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Professional | | | | | | | | | | | |
| 6005 | Reserve Study - Annual Update | <i>Unfunded</i> | | | | | | | | | |
| Year Total: | | 34,987 | 15,553 | 18,672 | 27,427 | 47,665 | 68,165 | 11,941 | 12,299 | 22,406 | 144,569 |

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
|--|--------------|---------------|------|---------------|---------------|---------------|---------------|--------------|------|---------------|
| ID Description | | | | | | | | | | |
| Grounds | | | | | | | | | | |
| 1000 Concrete - Repair Allotment | 4,704 | | | | | 5,453 | | | | |
| 1060 Monument Sign - Refurb/Replace | | | | | | | | | | |
| 1065 Mailboxes - Replace (Older) | | | | | | | | | | |
| 1066 Mailboxes - Replace (Newer) | | | | 82,385 | | | | | | |
| 1090 Chain Link Fence - Replace | Unfunded | | | | | | | | | |
| 1095 Metal Fence - Replace | | | | | | | | | | |
| 1096 Gate Keypads - Replace | | | | | | 1,870 | | | | |
| 1100 Metal Fence - Repair & Paint | | | | | | | 24,371 | | | |
| 1105 Concrete Masonry Unit Wall - Repair | | | | | | | 16,047 | | | |
| 1135 Landscape - Refurbish Allotment | | | | | 5,294 | | | | | 6,137 |
| 1145 Trees - Trim/Remove | Unfunded | | | | | | | | | |
| 1155 Irrigation System - Repair Allotment | | 13,842 | | | | 15,580 | | | | 17,535 |
| 1157 Irrigation Sys Valves - Replace 2023-2027 | | | | | | | | | | |
| 1159 Irrigation Sys Valves - Replace (Future) | | | | | | | | | | |
| 1160 Drainage System - Maintain | Unfunded | | | | | | | | | |
| 1175 Pole Light - Replace | | | | | | | | | | |
| 1190 Pond Liner - Replace | | | | | | | | | | |
| 1192 Pond River Rock - Replenish | | | | | 18,151 | | | | | |
| 1195 Pond Pump - Replace | | | | | | | | | | |
| 1200 Pond Aeration Heads - Replace | | | | | | | | | | |
| 1205 Retaining Wall - Repair | Unfunded | | | | | | | | | |
| Grounds Total: | 4,704 | 13,842 | | 82,385 | 23,445 | 22,902 | 40,419 | | | 23,672 |
| Recreation | | | | | | | | | | |
| 2005 Play Equipment - Replace | | | | | | | | | | |
| 2007 Wood Chips - Replenish | | 3,461 | | | 3,781 | | | 4,132 | | |
| 2010 Outdoor Furniture (Playground) - Replace | | | | | | | | | | |
| 2012 Outdoor Furniture (Pond) - Replace | | | | | | | | | | |
| 2015 Pet Stations - Replace | Unfunded | | | | | | | | | |
| 2025 Sports Court - Resurface | Unfunded | | | | | | | | | |
| 2030 Basketball Assembly - Replace | | | | | | | | | | |
| Recreation Total: | | 3,461 | | | 3,781 | | | 4,132 | | |

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| ID | Description | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
|--------------------|-------------------------------|-----------------|---------------|------|---------------|---------------|---------------|---------------|--------------|------|---------------|
| Professional | | | | | | | | | | | |
| 6005 | Reserve Study - Annual Update | <i>Unfunded</i> | | | | | | | | | |
| Year Total: | | 4,704 | 17,303 | | 82,385 | 27,227 | 22,902 | 40,419 | 4,132 | | 23,672 |

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|--|----------------|------|------|---------------|----------------|--------------|---------------|---------------|------|---------------|
| ID Description | | | | | | | | | | |
| Grounds | | | | | | | | | | |
| 1000 Concrete - Repair Allotment | 6,321 | | | | | 7,328 | | | | |
| 1060 Monument Sign - Refurb/Replace | | | | | | | | | | 7,070 |
| 1065 Mailboxes - Replace (Older) | | | | | | | | | | |
| 1066 Mailboxes - Replace (Newer) | | | | | | | | | | |
| 1090 Chain Link Fence - Replace | Unfunded | | | | | | | | | |
| 1095 Metal Fence - Replace | | | | | | | | | | |
| 1096 Gate Keypads - Replace | | | | | | | | | | |
| 1100 Metal Fence - Repair & Paint | | | | | 30,873 | | | | | |
| 1105 Concrete Masonry Unit Wall - Repair | | | | | | | 21,566 | | | |
| 1135 Landscape - Refurbish Allotment | | | | | 7,115 | | | | | 8,248 |
| 1145 Trees - Trim/Remove | Unfunded | | | | | | | | | |
| 1155 Irrigation System - Repair Allotment | | | | 19,736 | | | | 22,213 | | |
| 1157 Irrigation Sys Valves - Replace 2023-2027 | | | | | | | | | | |
| 1159 Irrigation Sys Valves - Replace (Future) | 136,361 | | | | | | | | | |
| 1160 Drainage System - Maintain | Unfunded | | | | | | | | | |
| 1175 Pole Light - Replace | | | | | | | | | | |
| 1190 Pond Liner - Replace | | | | | | | | | | |
| 1192 Pond River Rock - Replenish | | | | | | | | | | 28,279 |
| 1195 Pond Pump - Replace | | | | | 10,469 | | | | | |
| 1200 Pond Aeration Heads - Replace | | | | | 21,954 | | | | | |
| 1205 Retaining Wall - Repair | Unfunded | | | | | | | | | |
| Grounds Total: | 142,683 | | | 19,736 | 70,411 | 7,328 | 21,566 | 22,213 | | 43,596 |
| Recreation | | | | | | | | | | |
| 2005 Play Equipment - Replace | | | | | 200,840 | | | | | |
| 2007 Wood Chips - Replenish | 4,515 | | | 4,934 | | | 5,391 | | | 5,891 |
| 2010 Outdoor Furniture (Playground) - Replace | | | | | 9,757 | | | | | |
| 2012 Outdoor Furniture (Pond) - Replace | | | | | | | | | | 11,312 |
| 2015 Pet Stations - Replace | Unfunded | | | | | | | | | |
| 2025 Sports Court - Resurface | Unfunded | | | | | | | | | |
| 2030 Basketball Assembly - Replace | | | | | | | | | | |
| Recreation Total: | 4,515 | | | 4,934 | 210,597 | | 5,391 | | | 17,203 |

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

| ID | Description | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
|--------------------|-------------------------------|-----------------|------|------|---------------|----------------|--------------|---------------|---------------|------|---------------|
| Professional | | | | | | | | | | | |
| 6005 | Reserve Study - Annual Update | <i>Unfunded</i> | | | | | | | | | |
| Year Total: | | 147,198 | | | 24,670 | 281,008 | 7,328 | 26,957 | 22,213 | | 60,799 |

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

| Description | Expenditures |
|---|-----------------|
| Replacement Year 2023 | |
| Irrigation Sys Valves - Replace 2023-2027 | 15,100 |
| Concrete - Repair Allotment | 3,500 |
| Metal Fence - Repair & Paint | 15,187 |
| Gate Keypads - Replace | 1,200 |
| Total for 2023 | \$34,987 |
| Replacement Year 2024 | |
| Irrigation Sys Valves - Replace 2023-2027 | 15,553 |
| Total for 2024 | \$15,553 |
| Replacement Year 2025 | |
| Irrigation Sys Valves - Replace 2023-2027 | 16,020 |
| Wood Chips - Replenish | 2,652 |
| Total for 2025 | \$18,672 |
| Replacement Year 2026 | |
| Irrigation Sys Valves - Replace 2023-2027 | 16,500 |
| Irrigation System - Repair Allotment | 10,927 |
| Total for 2026 | \$27,427 |
| Replacement Year 2027 | |
| Irrigation Sys Valves - Replace 2023-2027 | 16,995 |
| Landscape - Refurbish Allotment | 3,939 |
| Pond Aeration Heads - Replace | 12,155 |
| Pond Pump - Replace | 5,796 |
| Monument Sign - Refurb/Replace | 3,377 |
| Outdoor Furniture (Pond) - Replace | 5,402 |
| Total for 2027 | \$47,665 |
| Replacement Year 2028 | |
| Wood Chips - Replenish | 2,898 |
| Concrete - Repair Allotment | 4,057 |
| Mailboxes - Replace (Older) | 61,210 |
| Total for 2028 | \$68,165 |

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

| Description | Expenditures |
|--------------------------------------|------------------|
| Replacement Year 2029 | |
| Concrete Masonry Unit Wall - Repair | 11,941 |
| Total for 2029 | \$11,941 |
| Replacement Year 2030 | |
| Irrigation System - Repair Allotment | 12,299 |
| Total for 2030 | \$12,299 |
| Replacement Year 2031 | |
| Wood Chips - Replenish | 3,167 |
| Metal Fence - Repair & Paint | 19,239 |
| Total for 2031 | \$22,406 |
| Replacement Year 2032 | |
| Landscape - Refurbish Allotment | 4,567 |
| Pond Liner - Replace | 134,392 |
| Basketball Assembly - Replace | 2,349 |
| Pole Light - Replace | 3,262 |
| Total for 2032 | \$144,569 |
| Replacement Year 2033 | |
| Concrete - Repair Allotment | 4,704 |
| Total for 2033 | \$4,704 |
| Replacement Year 2034 | |
| Wood Chips - Replenish | 3,461 |
| Irrigation System - Repair Allotment | 13,842 |
| Total for 2034 | \$17,303 |
| <i>No Replacement in 2035</i> | |
| Replacement Year 2036 | |
| Mailboxes - Replace (Newer) | 82,385 |
| Total for 2036 | \$82,385 |

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

| Description | Expenditures |
|--|------------------|
| Replacement Year 2037 | |
| Wood Chips - Replenish | 3,781 |
| Landscape - Refurbish Allotment | 5,294 |
| Pond River Rock - Replenish | 18,151 |
| Total for 2037 | \$27,227 |
| Replacement Year 2038 | |
| Irrigation System - Repair Allotment | 15,580 |
| Concrete - Repair Allotment | 5,453 |
| Gate Keypads - Replace | 1,870 |
| Total for 2038 | \$22,902 |
| Replacement Year 2039 | |
| Metal Fence - Repair & Paint | 24,371 |
| Concrete Masonry Unit Wall - Repair | 16,047 |
| Total for 2039 | \$40,419 |
| Replacement Year 2040 | |
| Wood Chips - Replenish | 4,132 |
| Total for 2040 | \$4,132 |
| <i>No Replacement in 2041</i> | |
| Replacement Year 2042 | |
| Irrigation System - Repair Allotment | 17,535 |
| Landscape - Refurbish Allotment | 6,137 |
| Total for 2042 | \$23,672 |
| Replacement Year 2043 | |
| Wood Chips - Replenish | 4,515 |
| Concrete - Repair Allotment | 6,321 |
| Irrigation Sys Valves - Replace (Future) | 136,361 |
| Total for 2043 | \$147,198 |
| <i>No Replacement in 2044</i> | |

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

| Description | Expenditures |
|--|------------------|
| <i>No Replacement in 2045</i> | |
| Replacement Year 2046 | |
| Wood Chips - Replenish | 4,934 |
| Irrigation System - Repair Allotment | 19,736 |
| Total for 2046 | \$24,670 |
| Replacement Year 2047 | |
| Landscape - Refurbish Allotment | 7,115 |
| Metal Fence - Repair & Paint | 30,873 |
| Pond Aeration Heads - Replace | 21,954 |
| Pond Pump - Replace | 10,469 |
| Outdoor Furniture (Playground) - Replace | 9,757 |
| Play Equipment - Replace | 200,840 |
| Total for 2047 | \$281,008 |
| Replacement Year 2048 | |
| Concrete - Repair Allotment | 7,328 |
| Total for 2048 | \$7,328 |
| Replacement Year 2049 | |
| Wood Chips - Replenish | 5,391 |
| Concrete Masonry Unit Wall - Repair | 21,566 |
| Total for 2049 | \$26,957 |
| Replacement Year 2050 | |
| Irrigation System - Repair Allotment | 22,213 |
| Total for 2050 | \$22,213 |
| <i>No Replacement in 2051</i> | |
| Replacement Year 2052 | |
| Wood Chips - Replenish | 5,891 |
| Landscape - Refurbish Allotment | 8,248 |
| Pond River Rock - Replenish | 28,279 |

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

| Description | Expenditures |
|--|------------------------|
| <i>Replacement Year 2052 continued...</i> | |
| Monument Sign - Refurb/Replace | 7,070 |
| Outdoor Furniture (Pond) - Replace | 11,312 |
| Total for 2052 | <u>\$60,799</u> |

**Hansen Park HOA
Deterioration Summary**

| Asset ID | Description | Useful Life | Current Cost | Annual Deterioration |
|--|---|----------------|-----------------|-------------------------|
| 1000 | Concrete - Repair Allotment | 5 | \$3,500 | \$700 |
| 1060 | Monument Sign - Refurb/Replace | 25 | \$3,000 | \$120 |
| 1065 | Mailboxes - Replace (Older) | 25 | \$52,800 | \$2,112 |
| 1066 | Mailboxes - Replace (Newer) | 25 | \$56,100 | \$2,244 |
| 1090 | Chain Link Fence - Replace | Unfunded | | |
| 1095 | Metal Fence - Replace | 48 | \$202,500 | \$4,219 |
| 1096 | Gate Keypads - Replace | 15 | \$1,200 | \$80 |
| 1100 | Metal Fence - Repair & Paint | 8 | \$15,188 | \$1,898 |
| 1105 | Concrete Masonry Unit Wall - Repair | 10 | \$10,000 | \$1,000 |
| 1135 | Landscape - Refurbish Allotment | 5 | \$3,500 | \$700 |
| 1145 | Trees - Trim/Remove | Unfunded | | |
| 1155 | Irrigation System - Repair Allotment | 4 | \$10,000 | \$2,500 |
| 1157 | Irrigation Sys Valves - Replace 2023-2027 | 1 | \$15,100 | \$15,100 |
| 1159 | Irrigation Sys Valves - Replace (Future) | 15 | \$75,500 | \$5,033 |
| 1160 | Drainage System - Maintain | Unfunded | | |
| 1175 | Pole Light - Replace | 30 | \$2,500 | \$83 |
| 1190 | Pond Liner - Replace | 25 | \$103,000 | \$4,120 |
| 1192 | Pond River Rock - Replenish | 15 | \$12,000 | \$800 |
| 1195 | Pond Pump - Replace | 20 | \$5,150 | \$258 |
| 1200 | Pond Aeration Heads - Replace | 20 | \$10,800 | \$540 |
| 1205 | Retaining Wall - Repair | Unfunded | | |
| 2005 | Play Equipment - Replace | 25 | \$98,800 | \$3,952 |
| 2007 | Wood Chips - Replenish | 3 | \$2,500 | \$833 |
| 2010 | Outdoor Furniture (Playground) - Replace | 25 | \$4,800 | \$192 |
| 2012 | Outdoor Furniture (Pond) - Replace | 25 | \$4,800 | \$192 |
| 2015 | Pet Stations - Replace | Unfunded | | |
| 2025 | Sports Court - Resurface | Unfunded | | |
| 2030 | Basketball Assembly - Replace | 30 | \$1,800 | \$60 |
| 6005 | Reserve Study - Annual Update | Unfunded | | |
| Total Annual Deterioration of Association Assets | | | | \$46,737 |



Full Funding Model

The data within this section represents the 100% 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.

Hansen Park HOA
Kennewick, WA
Full Funding Model Summary

| <i>Report Parameters</i> | |
|----------------------------------|-------------------|
| Report Date | January 1, 2023 |
| Account Number | 0018 |
| Budget Year Beginning | January 1, 2023 |
| Budget Year Ending | December 31, 2023 |
| Total Units | 519 |
| Inflation | 3.00% |
| Interest Rate on Reserve Deposit | 1.00% |
| 2023 Beginning Balance | \$180,404 |

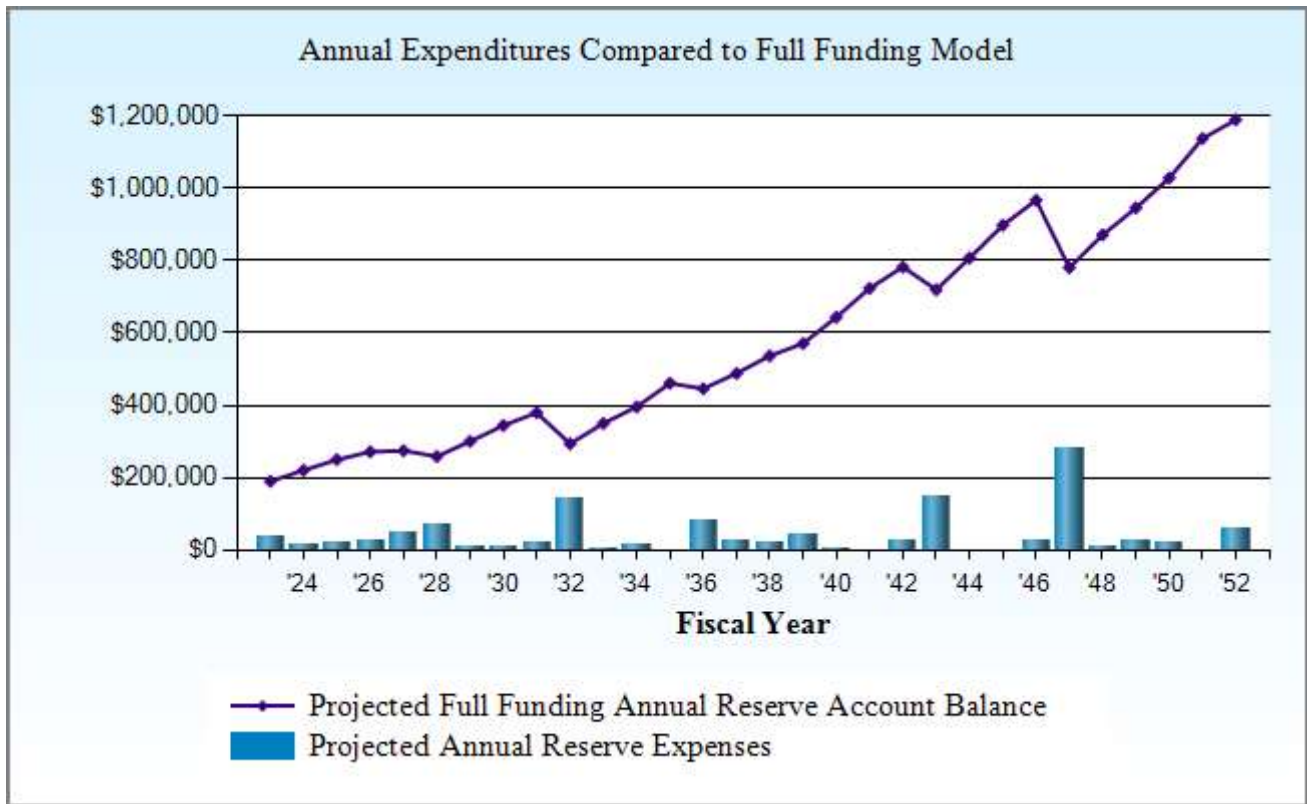
Full Funding Model

| <i>Full Funding Model Summary of Calculations</i> | |
|---|-------------------|
| Required Annual Contribution | \$42,700.00 |
| <i>\$82.27 per unit annually</i> | |
| Average Net Annual Interest Earned | <u>\$1,881.17</u> |
| Total Annual Allocation to Reserves | \$44,581.16 |
| <i>\$85.90 per unit annually</i> | |

**Hansen Park HOA
Full Funding Model Projection**

Beginning Balance: \$180,404

| Year | Current Cost | Annual Contribution | Annual Interest | Annual Expenditures | Projected Ending Reserves | Fully Funded Reserves | Percent Funded |
|------|-----------------|------------------------|--------------------|------------------------|---------------------------------|-----------------------------|-------------------|
| 2023 | 694,537 | 42,700 | 1,881 | 34,987 | 189,998 | 296,956 | 64% |
| 2024 | 715,374 | 43,981 | 2,184 | 15,553 | 220,610 | 337,998 | 65% |
| 2025 | 736,835 | 45,300 | 2,472 | 18,672 | 249,711 | 378,503 | 66% |
| 2026 | 758,940 | 46,659 | 2,689 | 27,427 | 271,632 | 412,693 | 66% |
| 2027 | 781,708 | 48,059 | 2,720 | 47,665 | 274,747 | 411,091 | 67% |
| 2028 | 787,654 | 49,501 | 2,561 | 68,165 | 258,643 | 389,379 | 66% |
| 2029 | 811,284 | 50,986 | 2,977 | 11,941 | 300,665 | 426,013 | 71% |
| 2030 | 835,622 | 52,516 | 3,409 | 12,299 | 344,291 | 464,494 | 74% |
| 2031 | 860,691 | 54,091 | 3,760 | 22,406 | 379,736 | 494,870 | 77% |
| 2032 | 886,512 | 55,714 | 2,909 | 144,569 | 293,790 | 401,515 | 73% |
| 2033 | 913,107 | 57,385 | 3,465 | 4,704 | 349,936 | 450,642 | 78% |
| 2034 | 940,500 | 59,107 | 3,917 | 17,303 | 395,657 | 489,523 | 81% |
| 2035 | 968,715 | 60,880 | 4,565 | | 461,103 | 548,688 | 84% |
| 2036 | 997,777 | 62,706 | 4,414 | 82,385 | 445,838 | 526,106 | 85% |
| 2037 | 1,027,710 | 64,588 | 4,832 | 27,227 | 488,031 | 561,034 | 87% |
| 2038 | 1,058,541 | 66,525 | 5,317 | 22,902 | 536,971 | 602,880 | 89% |
| 2039 | 1,090,298 | 68,521 | 5,651 | 40,419 | 570,724 | 629,397 | 91% |
| 2040 | 1,123,007 | 70,577 | 6,372 | 4,132 | 643,540 | 695,587 | 93% |
| 2041 | 1,156,697 | 72,694 | 7,162 | | 723,397 | 769,565 | 94% |
| 2042 | 1,191,398 | 74,875 | 7,746 | 23,672 | 782,345 | 822,974 | 95% |
| 2043 | 1,227,140 | 77,121 | 7,123 | 147,198 | 719,391 | 755,070 | 95% |
| 2044 | 1,263,954 | 79,435 | 7,988 | | 806,813 | 838,513 | 96% |
| 2045 | 1,301,872 | 81,818 | 8,886 | | 897,517 | 926,283 | 97% |
| 2046 | 1,340,929 | 84,272 | 9,571 | 24,670 | 966,691 | 993,155 | 97% |
| 2047 | 1,381,157 | 86,800 | 7,725 | 281,008 | 780,208 | 799,939 | 98% |
| 2048 | 1,422,591 | 89,404 | 8,623 | 7,328 | 870,907 | 884,811 | 98% |
| 2049 | 1,465,269 | 92,086 | 9,360 | 26,957 | 945,396 | 954,062 | 99% |
| 2050 | 1,509,227 | 94,849 | 10,180 | 22,213 | 1,028,212 | 1,032,393 | 100% |
| 2051 | 1,554,504 | 97,695 | 11,259 | | 1,137,166 | 1,138,130 | 100% |
| 2052 | 1,601,139 | 100,625 | 11,770 | 60,799 | 1,188,762 | 1,186,659 | 100% |



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



70% Threshold Funding Model

The data within this section represents the 70% threshold funding model. In this model the association aims to become 70% funded over the 30 year scope of the report. While the 100% full funding model in the prior section features the lowest risk of a special assessment, this 70% model provides an alternate option for associations that do not wish to fund reserves to 100% but wish to actively mitigate the risk of a special assessment by funding reserves to a level in which the risk of a special assessment is still relatively low.

Hansen Park HOA
Kennewick, WA
70% Funding Model Summary

| Report Parameters | |
|----------------------------------|-------------------|
| Report Date | January 1, 2023 |
| Account Number | 0018 |
| Budget Year Beginning | January 1, 2023 |
| Budget Year Ending | December 31, 2023 |
| Total Units | 519 |
| Inflation | 3.00% |
| Interest Rate on Reserve Deposit | 1.00% |
| 2023 Beginning Balance | \$180,404 |

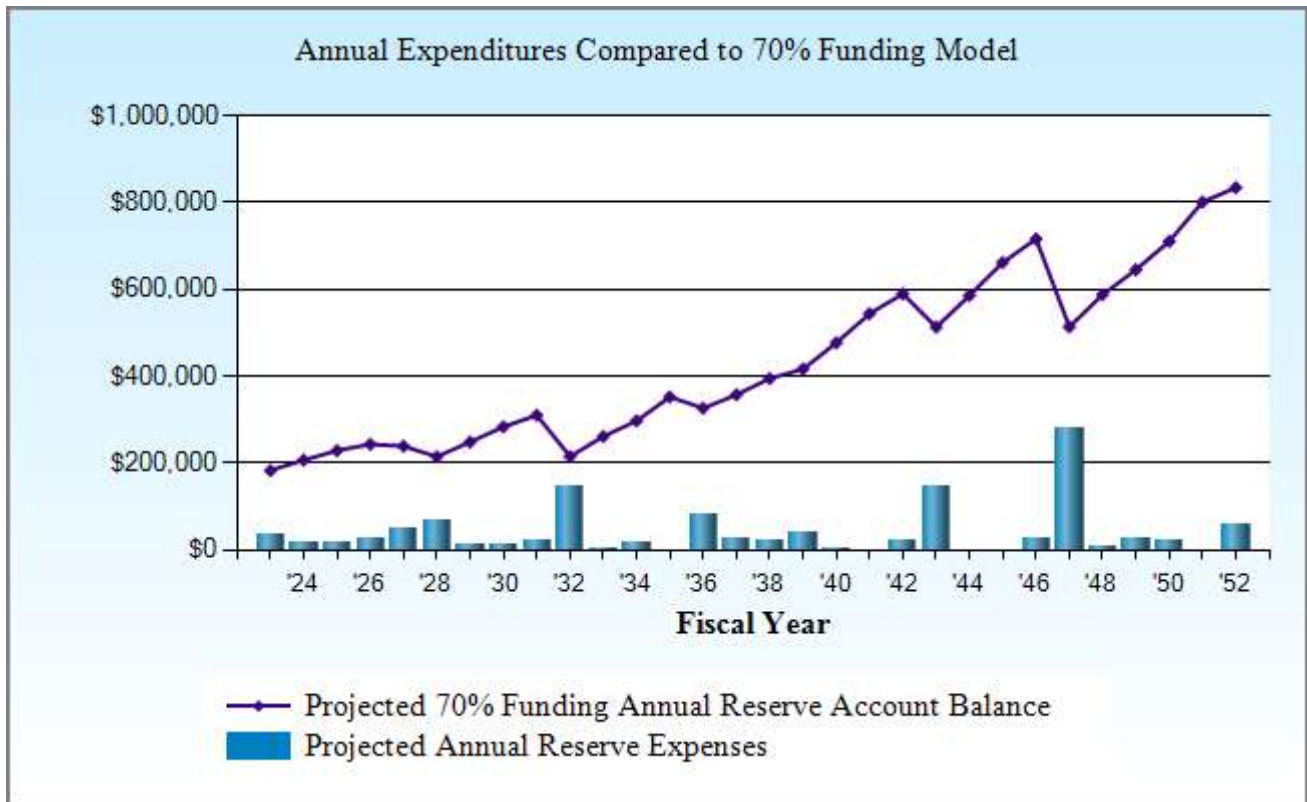
70% Funding Model

| 70% Funding Model Summary of Calculations | |
|--|-------------------|
| Required Annual Contribution | \$36,200.00 |
| <i>\$69.75 per unit annually</i> | |
| Average Net Annual Interest Earned | <u>\$1,816.17</u> |
| Total Annual Allocation to Reserves | \$38,016.16 |
| <i>\$73.25 per unit annually</i> | |

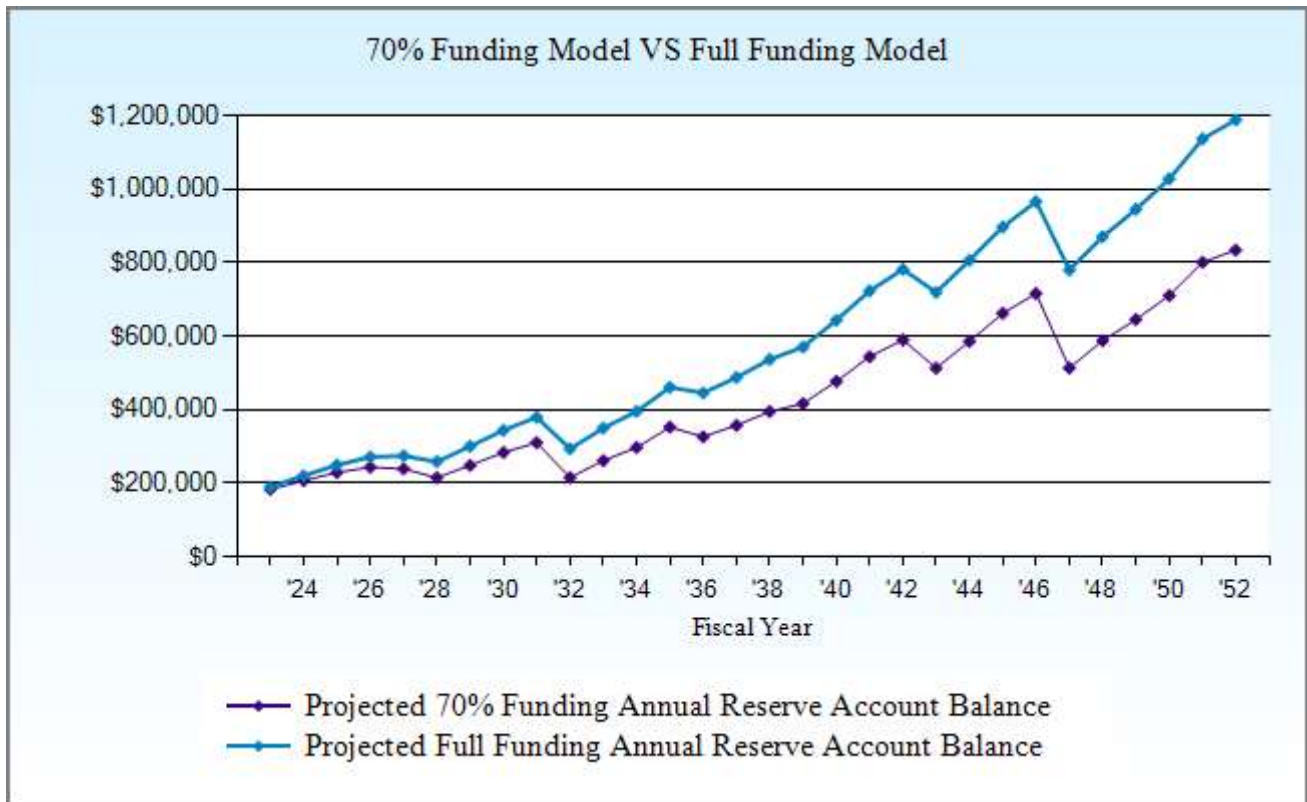
**Hansen Park HOA
70% Funding Model Projection**

Beginning Balance: \$180,404

| Year | Current Cost | Annual Contribution | Annual Interest | Annual Expenditures | Projected Ending Reserves | Fully Funded Reserves | Percent Funded |
|------|--------------|---------------------|-----------------|---------------------|---------------------------|-----------------------|----------------|
| 2023 | 694,537 | 36,200 | 1,816 | 34,987 | 183,433 | 296,956 | 62% |
| 2024 | 715,374 | 37,286 | 2,052 | 15,553 | 207,217 | 337,998 | 61% |
| 2025 | 736,835 | 38,405 | 2,270 | 18,672 | 229,220 | 378,503 | 61% |
| 2026 | 758,940 | 39,557 | 2,413 | 27,427 | 243,762 | 412,693 | 59% |
| 2027 | 781,708 | 40,743 | 2,368 | 47,665 | 239,209 | 411,091 | 58% |
| 2028 | 787,654 | 41,966 | 2,130 | 68,165 | 215,139 | 389,379 | 55% |
| 2029 | 811,284 | 43,225 | 2,464 | 11,941 | 248,888 | 426,013 | 58% |
| 2030 | 835,622 | 44,521 | 2,811 | 12,299 | 283,922 | 464,494 | 61% |
| 2031 | 860,691 | 45,857 | 3,074 | 22,406 | 310,446 | 494,870 | 63% |
| 2032 | 886,512 | 47,233 | 2,131 | 144,569 | 215,241 | 401,515 | 54% |
| 2033 | 913,107 | 48,650 | 2,592 | 4,704 | 261,779 | 450,642 | 58% |
| 2034 | 940,500 | 50,109 | 2,946 | 17,303 | 297,532 | 489,523 | 61% |
| 2035 | 968,715 | 51,613 | 3,491 | | 352,636 | 548,688 | 64% |
| 2036 | 997,777 | 53,161 | 3,234 | 82,385 | 326,646 | 526,106 | 62% |
| 2037 | 1,027,710 | 54,756 | 3,542 | 27,227 | 357,717 | 561,034 | 64% |
| 2038 | 1,058,541 | 56,398 | 3,912 | 22,902 | 395,125 | 602,880 | 66% |
| 2039 | 1,090,298 | 58,090 | 4,128 | 40,419 | 416,925 | 629,397 | 66% |
| 2040 | 1,123,007 | 59,833 | 4,726 | 4,132 | 477,352 | 695,587 | 69% |
| 2041 | 1,156,697 | 61,628 | 5,390 | | 544,370 | 769,565 | 71% |
| 2042 | 1,191,398 | 63,477 | 5,842 | 23,672 | 590,016 | 822,974 | 72% |
| 2043 | 1,227,140 | 65,381 | 5,082 | 147,198 | 513,282 | 755,070 | 68% |
| 2044 | 1,263,954 | 67,343 | 5,806 | | 586,430 | 838,513 | 70% |
| 2045 | 1,301,872 | 69,363 | 6,558 | | 662,351 | 926,283 | 72% |
| 2046 | 1,340,929 | 71,444 | 7,091 | 24,670 | 716,217 | 993,155 | 72% |
| 2047 | 1,381,157 | 73,587 | 5,088 | 281,008 | 513,883 | 799,939 | 64% |
| 2048 | 1,422,591 | 75,795 | 5,823 | 7,328 | 588,173 | 884,811 | 66% |
| 2049 | 1,465,269 | 78,069 | 6,393 | 26,957 | 645,677 | 954,062 | 68% |
| 2050 | 1,509,227 | 80,411 | 7,039 | 22,213 | 710,914 | 1,032,393 | 69% |
| 2051 | 1,554,504 | 82,823 | 7,937 | | 801,674 | 1,138,130 | 70% |
| 2052 | 1,601,139 | 85,308 | 8,262 | 60,799 | 834,444 | 1,186,659 | 70% |



This chart compares the projected yearly reserve balance within the 70% Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the 70% Funding model and the Full Funding model.



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.

Hansen Park HOA
Kennewick, WA
Baseline Funding Model Summary

| Report Parameters | |
|----------------------------------|-------------------|
| Report Date | January 1, 2023 |
| Account Number | 0018 |
| Budget Year Beginning | January 1, 2023 |
| Budget Year Ending | December 31, 2023 |
| Total Units | 519 |
| Inflation | 3.00% |
| Interest Rate on Reserve Deposit | 1.00% |
| 2023 Beginning Balance | \$180,404 |

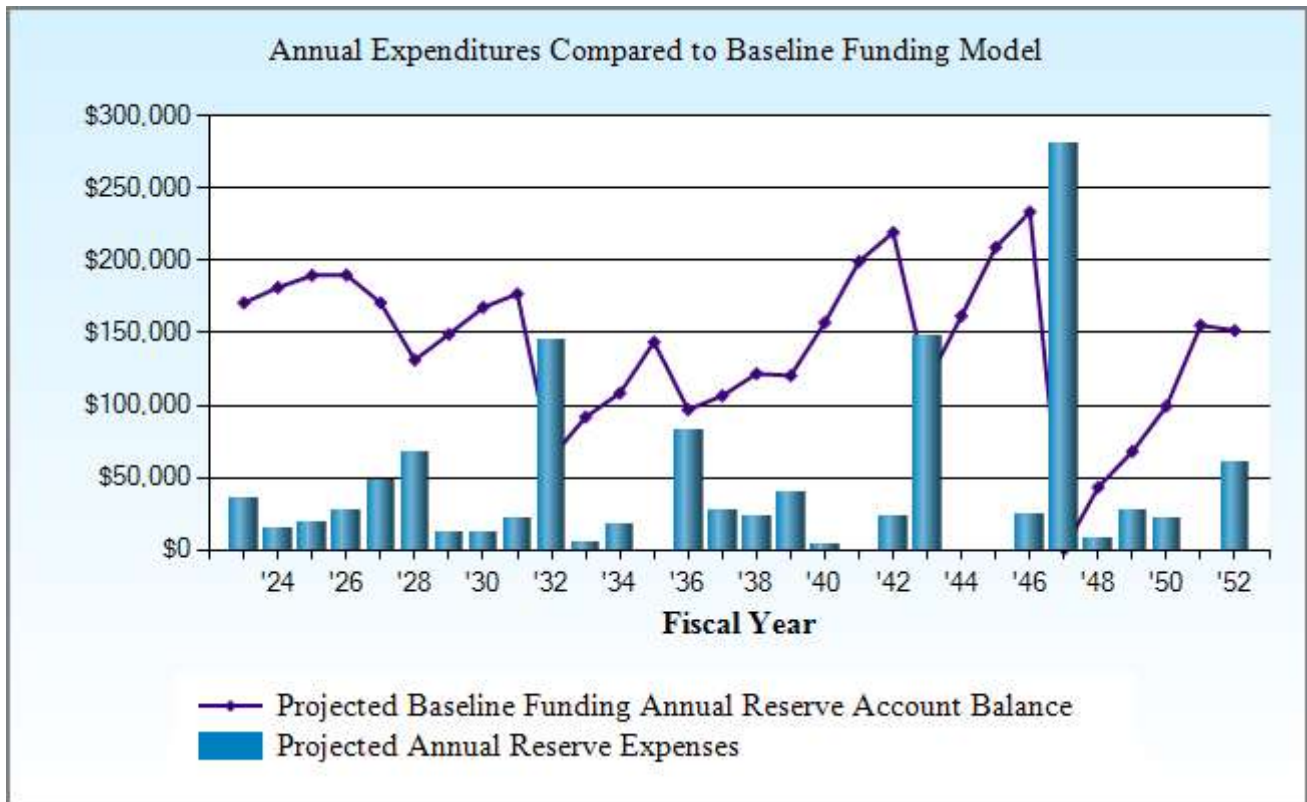
Baseline Funding Model

| Baseline Funding Model Summary of Calculations | |
|---|-------------------|
| Required Annual Contribution | \$23,675.00 |
| <i>\$45.62 per unit annually</i> | |
| Average Net Annual Interest Earned | <u>\$1,690.92</u> |
| Total Annual Allocation to Reserves | \$25,365.91 |
| <i>\$48.87 per unit annually</i> | |

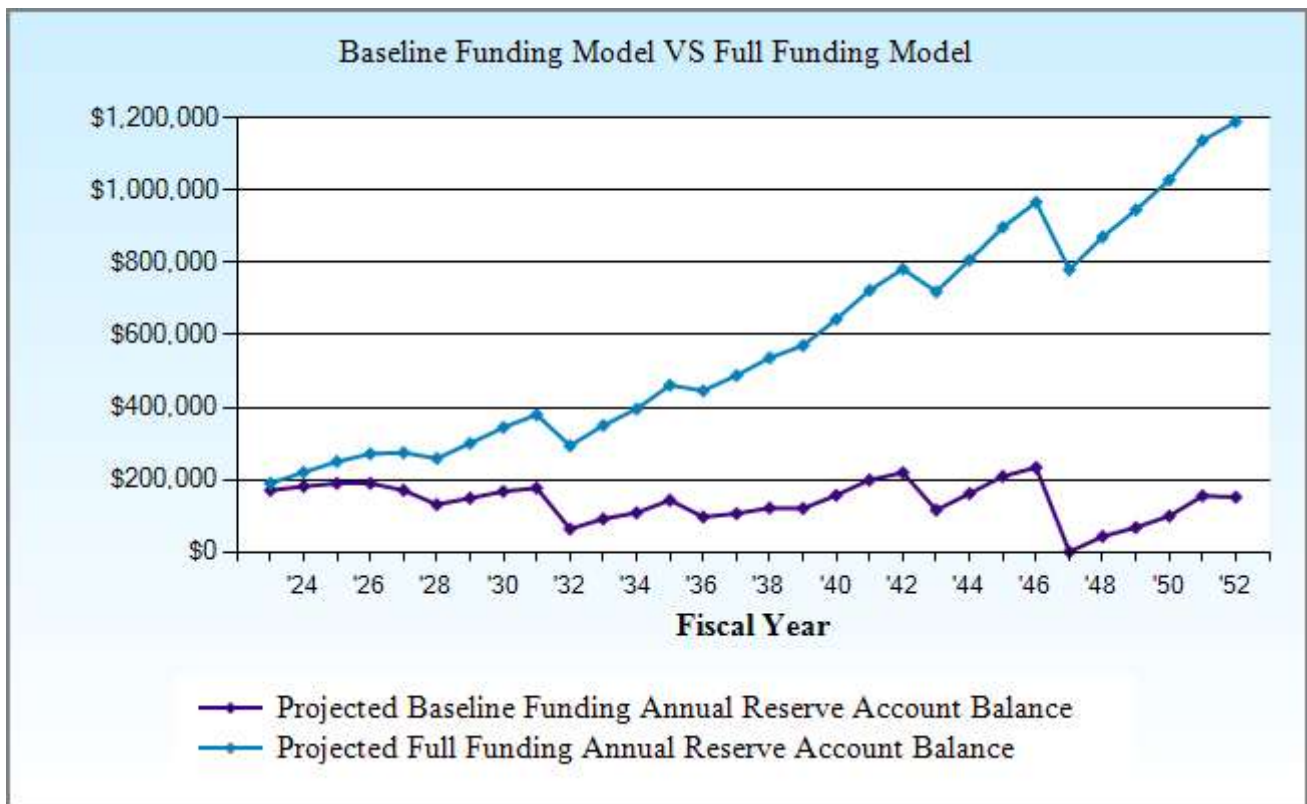
**Hansen Park HOA
Baseline Funding Model Projection**

Beginning Balance: \$180,404

| Year | Current Cost | Annual Contribution | Annual Interest | Annual Expenditures | Projected Ending Reserves | Fully Funded Reserves | Percent Funded |
|------|--------------|---------------------|-----------------|---------------------|---------------------------|-----------------------|----------------|
| 2023 | 694,537 | 23,675 | 1,691 | 34,987 | 170,782 | 296,956 | 58% |
| 2024 | 715,374 | 24,385 | 1,796 | 15,553 | 181,411 | 337,998 | 54% |
| 2025 | 736,835 | 25,117 | 1,879 | 18,672 | 189,734 | 378,503 | 50% |
| 2026 | 758,940 | 25,870 | 1,882 | 27,427 | 190,059 | 412,693 | 46% |
| 2027 | 781,708 | 26,646 | 1,690 | 47,665 | 170,730 | 411,091 | 42% |
| 2028 | 787,654 | 27,446 | 1,300 | 68,165 | 131,311 | 389,379 | 34% |
| 2029 | 811,284 | 28,269 | 1,476 | 11,941 | 149,116 | 426,013 | 35% |
| 2030 | 835,622 | 29,117 | 1,659 | 12,299 | 167,594 | 464,494 | 36% |
| 2031 | 860,691 | 29,991 | 1,752 | 22,406 | 176,931 | 494,870 | 36% |
| 2032 | 886,512 | 30,891 | 633 | 144,569 | 63,885 | 401,515 | 16% |
| 2033 | 913,107 | 31,817 | 910 | 4,704 | 91,908 | 450,642 | 20% |
| 2034 | 940,500 | 32,772 | 1,074 | 17,303 | 108,451 | 489,523 | 22% |
| 2035 | 968,715 | 33,755 | 1,422 | | 143,628 | 548,688 | 26% |
| 2036 | 997,777 | 34,768 | 960 | 82,385 | 96,971 | 526,106 | 18% |
| 2037 | 1,027,710 | 35,811 | 1,056 | 27,227 | 106,610 | 561,034 | 19% |
| 2038 | 1,058,541 | 36,885 | 1,206 | 22,902 | 121,799 | 602,880 | 20% |
| 2039 | 1,090,298 | 37,991 | 1,194 | 40,419 | 120,565 | 629,397 | 19% |
| 2040 | 1,123,007 | 39,131 | 1,556 | 4,132 | 157,120 | 695,587 | 23% |
| 2041 | 1,156,697 | 40,305 | 1,974 | | 199,400 | 769,565 | 26% |
| 2042 | 1,191,398 | 41,514 | 2,172 | 23,672 | 219,414 | 822,974 | 27% |
| 2043 | 1,227,140 | 42,760 | 1,150 | 147,198 | 116,125 | 755,070 | 15% |
| 2044 | 1,263,954 | 44,042 | 1,602 | | 161,769 | 838,513 | 19% |
| 2045 | 1,301,872 | 45,364 | 2,071 | | 209,204 | 926,283 | 23% |
| 2046 | 1,340,929 | 46,725 | 2,313 | 24,670 | 233,572 | 993,155 | 24% |
| 2047 | 1,381,157 | 48,126 | 7 | 281,008 | 697 | 799,939 | 0% |
| 2048 | 1,422,591 | 49,570 | 429 | 7,328 | 43,368 | 884,811 | 5% |
| 2049 | 1,465,269 | 51,057 | 675 | 26,957 | 68,143 | 954,062 | 7% |
| 2050 | 1,509,227 | 52,589 | 985 | 22,213 | 99,504 | 1,032,393 | 10% |
| 2051 | 1,554,504 | 54,167 | 1,537 | | 155,207 | 1,138,130 | 14% |
| 2052 | 1,601,139 | 55,792 | 1,502 | 60,799 | 151,702 | 1,186,659 | 13% |



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.

Hansen Park HOA
Kennewick, WA
Current Assessment Funding Model Summary

| <i>Report Parameters</i> | |
|----------------------------------|-------------------|
| Report Date | January 1, 2023 |
| Account Number | 0018 |
| Budget Year Beginning | January 1, 2023 |
| Budget Year Ending | December 31, 2023 |
| Total Units | 519 |
| Inflation | 3.00% |
| Annual Assessment Increase | 3.00% |
| Interest Rate on Reserve Deposit | 1.00% |
| 2023 Beginning Balance | \$180,404 |

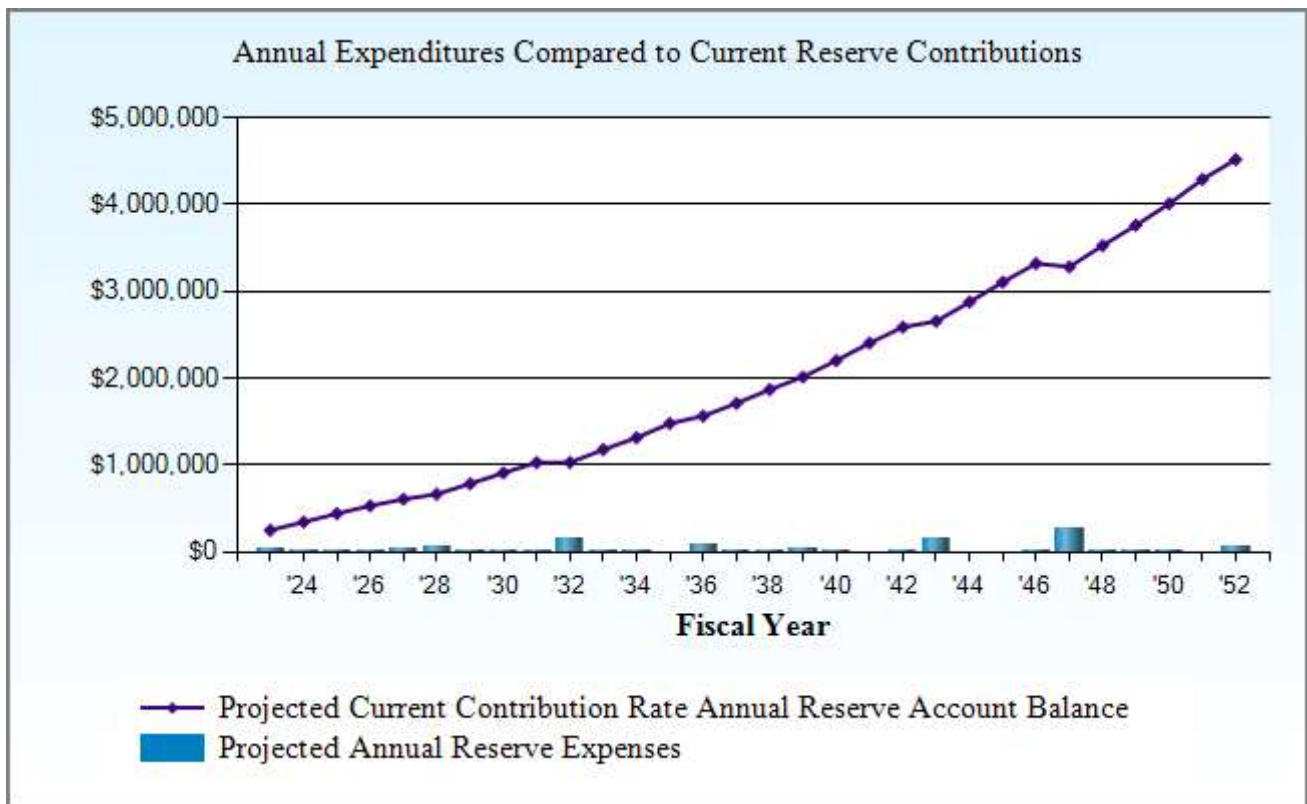
Current Assessment Funding Model

| <i>Current Assessment Funding Model Summary of Calculations</i> | |
|---|-------------------|
| Required Annual Contribution | \$103,800.00 |
| <i>\$200.00 per unit annually</i> | |
| Average Net Annual Interest Earned | <u>\$2,492.17</u> |
| Total Annual Allocation to Reserves | \$106,292.16 |
| <i>\$204.80 per unit annually</i> | |

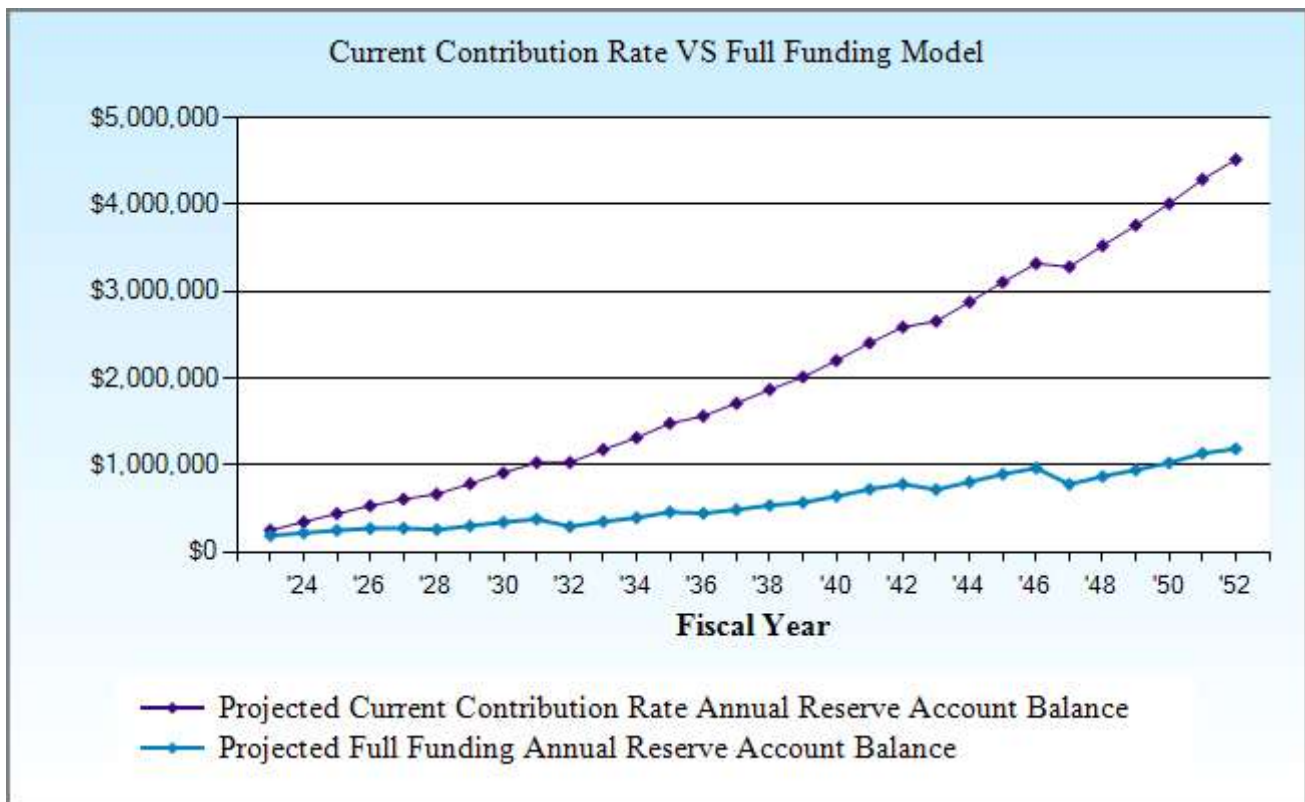
Hansen Park HOA
Current Assessment Funding Model Projection

Beginning Balance: \$180,404

| Year | Current Cost | Annual Contribution | Annual Interest | Annual Expenditures | Projected Ending Reserves | Fully Funded Reserves | Percent Funded |
|------|--------------|---------------------|-----------------|---------------------|---------------------------|-----------------------|----------------|
| 2023 | 694,537 | 103,800 | 2,492 | 34,987 | 251,709 | 296,956 | 85% |
| 2024 | 715,374 | 106,914 | 3,431 | 15,553 | 346,500 | 337,998 | 103% |
| 2025 | 736,835 | 110,121 | 4,379 | 18,672 | 442,329 | 378,503 | 117% |
| 2026 | 758,940 | 113,425 | 5,283 | 27,427 | 533,610 | 412,693 | 129% |
| 2027 | 781,708 | 116,828 | 6,028 | 47,665 | 608,801 | 411,091 | 148% |
| 2028 | 787,654 | 120,333 | 6,610 | 68,165 | 667,578 | 389,379 | 171% |
| 2029 | 811,284 | 123,943 | 7,796 | 11,941 | 787,375 | 426,013 | 185% |
| 2030 | 835,622 | 127,661 | 9,027 | 12,299 | 911,765 | 464,494 | 196% |
| 2031 | 860,691 | 131,491 | 10,208 | 22,406 | 1,031,058 | 494,870 | 208% |
| 2032 | 886,512 | 135,435 | 10,219 | 144,569 | 1,032,144 | 401,515 | 257% |
| 2033 | 913,107 | 139,499 | 11,669 | 4,704 | 1,178,608 | 450,642 | 262% |
| 2034 | 940,500 | 143,683 | 13,050 | 17,303 | 1,318,039 | 489,523 | 269% |
| 2035 | 968,715 | 147,994 | 14,660 | | 1,480,693 | 548,688 | 270% |
| 2036 | 997,777 | 152,434 | 15,507 | 82,385 | 1,566,250 | 526,106 | 298% |
| 2037 | 1,027,710 | 157,007 | 16,960 | 27,227 | 1,712,990 | 561,034 | 305% |
| 2038 | 1,058,541 | 161,717 | 18,518 | 22,902 | 1,870,323 | 602,880 | 310% |
| 2039 | 1,090,298 | 166,569 | 19,965 | 40,419 | 2,016,438 | 629,397 | 320% |
| 2040 | 1,123,007 | 171,566 | 21,839 | 4,132 | 2,205,710 | 695,587 | 317% |
| 2041 | 1,156,697 | 176,713 | 23,824 | | 2,406,247 | 769,565 | 313% |
| 2042 | 1,191,398 | 182,014 | 25,646 | 23,672 | 2,590,234 | 822,974 | 315% |
| 2043 | 1,227,140 | 187,474 | 26,305 | 147,198 | 2,656,816 | 755,070 | 352% |
| 2044 | 1,263,954 | 193,099 | 28,499 | | 2,878,413 | 838,513 | 343% |
| 2045 | 1,301,872 | 198,892 | 30,773 | | 3,108,078 | 926,283 | 336% |
| 2046 | 1,340,929 | 204,858 | 32,883 | 24,670 | 3,321,149 | 993,155 | 334% |
| 2047 | 1,381,157 | 211,004 | 32,511 | 281,008 | 3,283,656 | 799,939 | 410% |
| 2048 | 1,422,591 | 217,334 | 34,937 | 7,328 | 3,528,599 | 884,811 | 399% |
| 2049 | 1,465,269 | 223,854 | 37,255 | 26,957 | 3,762,750 | 954,062 | 394% |
| 2050 | 1,509,227 | 230,570 | 39,711 | 22,213 | 4,010,818 | 1,032,393 | 388% |
| 2051 | 1,554,504 | 237,487 | 42,483 | | 4,290,788 | 1,138,130 | 377% |
| 2052 | 1,601,139 | 244,611 | 44,746 | 60,799 | 4,519,346 | 1,186,659 | 381% |



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



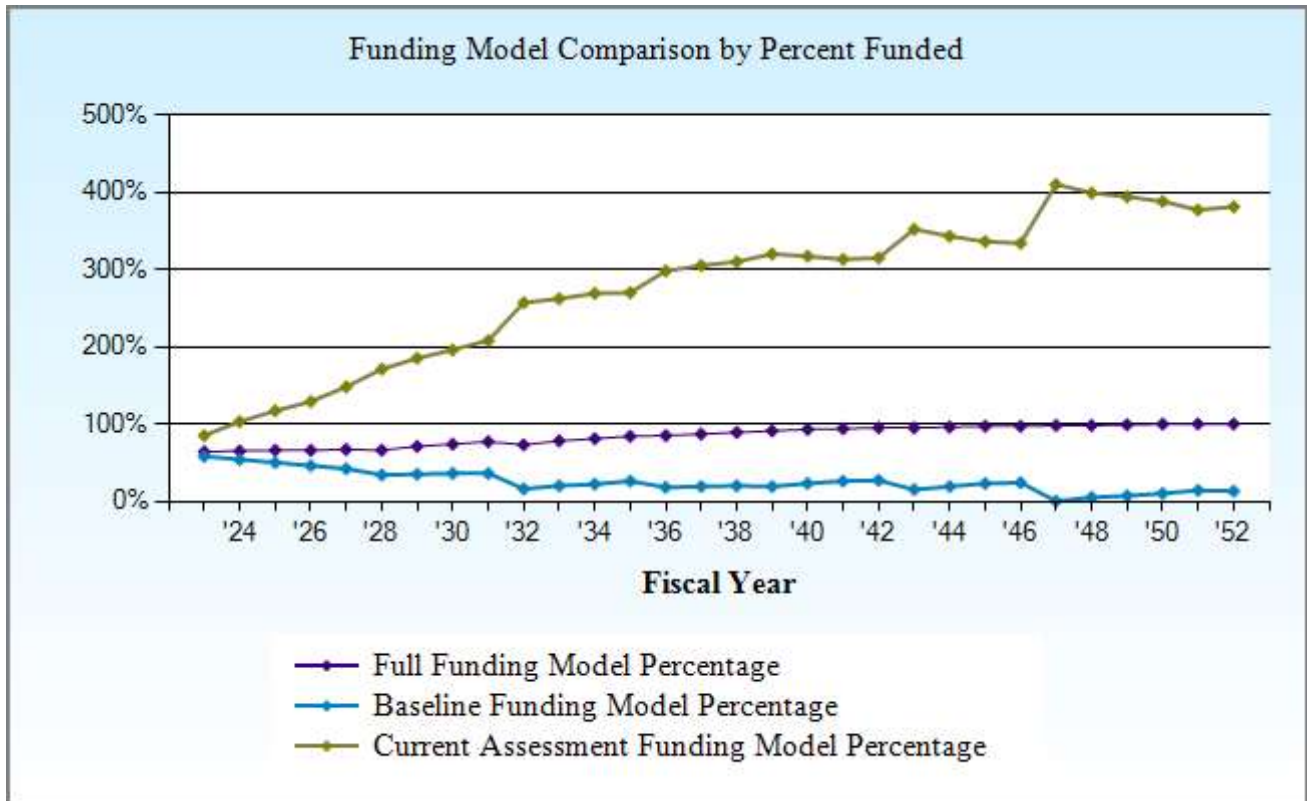
This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.



Comparison Charts

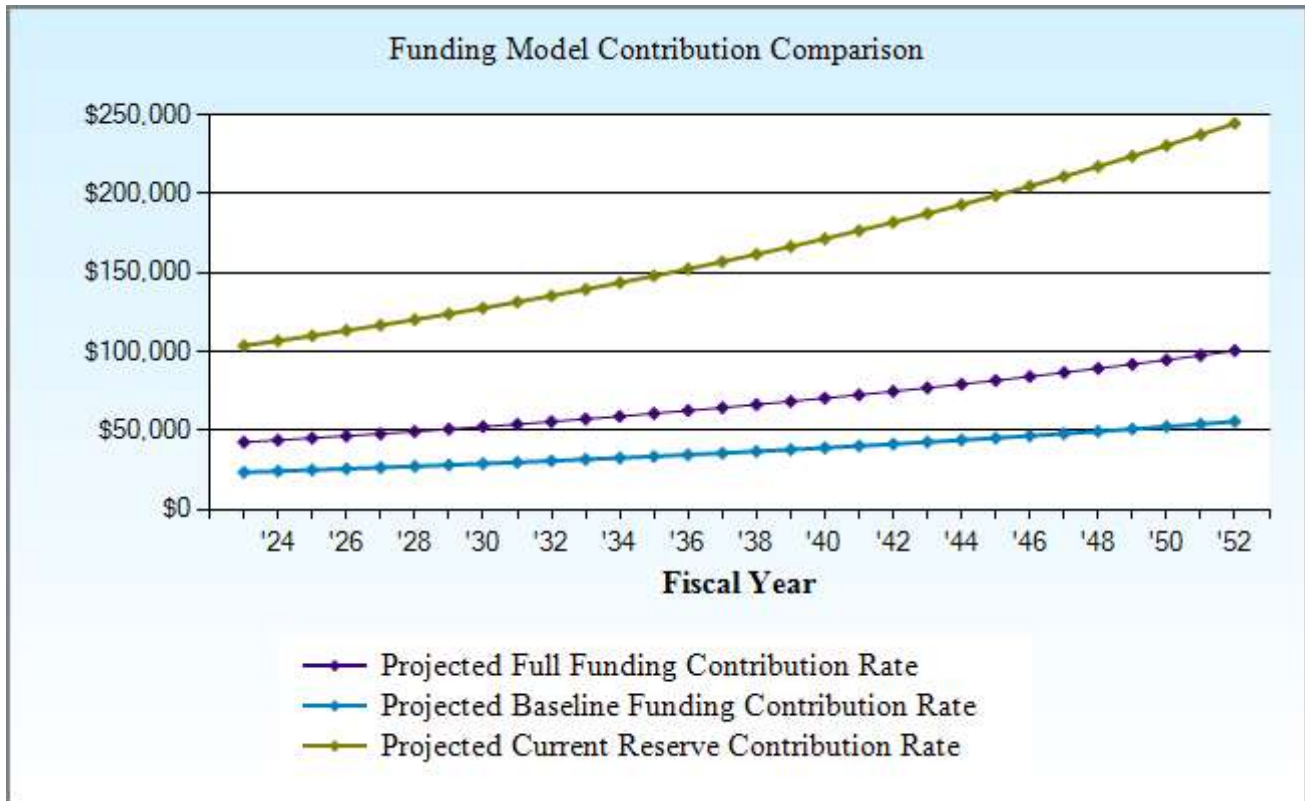
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included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

Hansen Park 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.

**Hansen Park 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 Detail Report

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 and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

Hansen Park HOA
Index of Funded Components

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| 1060 | Monument Sign - Refurb/Replace | 2027 | 44 |
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| 1105 | Concrete Masonry Unit Wall - Repair | 2029 | 51 |
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| 1175 | Pole Light - Replace | 2032 | 58 |
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| 1195 | Pond Pump - Replace | 2027 | 61 |
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| 2010 | Outdoor Furniture (Playground) - Replace | 2047 | 66 |
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| 6005 | Reserve Study - Annual Update | 2023 | 71 |
| | Total Funded Assets | 22 | |
| | Total Unfunded Assets | <u>7</u> | |
| | Total Assets | 29 | |

Hansen Park HOA Detail Report by Category

Concrete - Repair Allotment - 2023

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1000 | 1 Allowance | @ \$3,500.00 |
| | | Asset Actual Cost | \$3,500.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$3,500.00 |
| | Grounds | | |
| Placed in Service | January 2002 | | |
| Useful Life | 5 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 0 | | |



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 Database

Location: Scattered common area locations, primarily walkways at playground and around pond

Component History: No major projects known

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Monument Sign - Refurb/Replace - 2027

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1060 | 1 Each | @ \$3,000.00 |
| | | Asset Actual Cost | \$3,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$3,376.53 |
| Placed in Service | January 2002 | | |
| Useful Life | 25 | | |
| Replacement Year | 2027 | | |
| Remaining Life | 4 | | |



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Entrance to community at corner of Steptoe & 4th Ave

Component History: Presumed original to ~ 2002 construction

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA

Detail Report by Category

Mailboxes - Replace (Older) - 2028

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1065 | 16 Cluster Boxes | @ \$3,300.00 |
| | | Asset Actual Cost | \$52,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$61,209.67 |
| | Grounds | | |
| Placed in Service | January 2003 | | |
| Useful Life | 25 | | |
| Replacement Year | 2028 | | |
| Remaining Life | 5 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways within community

Component History: Manufacture date ~ 2003 (see separate component for newer boxes)

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Mailboxes - Replace (Newer) - 2036

| | | | |
|-------------------|--------------|---------------------|--------------|
| | | 17 Cluster Boxes | @ \$3,300.00 |
| Asset ID | 1066 | Asset Actual Cost | \$56,100.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$82,384.74 |
| | | Grounds | |
| Placed in Service | January 2011 | | |
| Useful Life | 25 | | |
| Replacement Year | 2036 | | |
| Remaining Life | 13 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways within community

Component History: Manufacture date ~ 2011 (see separate component for older boxes)

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA
Detail Report by Category

| | | | |
|----------------------------|--------------|---------------------|------|
| Chain Link Fence - Replace | | 685 LF | |
| Asset ID | 1090 | Asset Actual Cost | |
| | | Percent Replacement | 100% |
| | Grounds | Future Cost | |
| Placed in Service | January 2002 | | |
| No Useful Life | | | |



Location: Atop retaining wall along Steptoe and 10th Ave

Component History: Presumed original to ~ 2002 construction

Prior research with the City of Kennewick found that the chain link fencing atop the retaining walls is the responsibility of the City to maintain, repair and replace, therefore no reserve funding included.

Note: Photo is from site visit performed for the association’s 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA

Detail Report by Category

Metal Fence - Replace - 2054

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1095 | 2,025 LF | @ \$100.00 |
| | | Asset Actual Cost | \$202,500.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$506,266.27 |
| | Grounds | | |
| Placed in Service | January 2007 | | |
| Useful Life | 48 | | |
| Adjustment | -1 | | |
| Replacement Year | 2054 | | |
| Remaining Life | 31 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of pond area

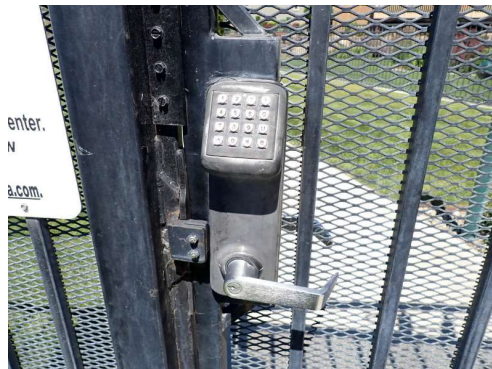
Component History: Installed ~ 2007 per prior provider study

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Gate Keypads - Replace - 2023

| | | | |
|-------------------|--------------|---------------------|------------|
| Asset ID | 1096 | 3 Keypads | @ \$400.00 |
| | | Asset Actual Cost | \$1,200.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$1,200.00 |
| Placed in Service | January 2007 | | |
| Useful Life | 15 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 0 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Gates at pond area

Component History: North keypad replaced 2019/2020 ~ \$250

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA

Detail Report by Category

Metal Fence - Repair & Paint - 2023

| | | | |
|-------------------|--------------|---------------------|-------------|
| Asset ID | 1100 | 2,025 LF | @ \$7.50 |
| | | Asset Actual Cost | \$15,187.50 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$15,187.50 |
| | Grounds | | |
| Placed in Service | January 2007 | | |
| Useful Life | 8 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 0 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of pond area

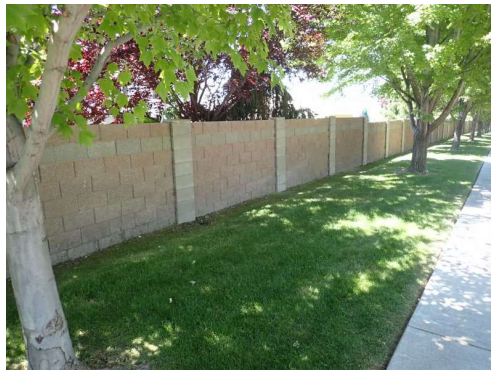
Component History: No paint projects reported

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Concrete Masonry Unit Wall - Repair - 2029

| | | | |
|-------------------|--------------|---------------------|---------------|
| Asset ID | 1105 | 1 Allowance | @ \$10,000.00 |
| | | Asset Actual Cost | \$10,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$11,940.52 |
| | Grounds | | |
| Placed in Service | January 2019 | | |
| Useful Life | 10 | | |
| Replacement Year | 2029 | | |
| Remaining Life | 6 | | |



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 Database

Location: Primarily along property perimeter and along 4th Ave

Component History: Scattered history of repairs covered by vehicle insurance reported

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Landscape - Refurbish Allotment - 2027

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1135 | 1 Allowance | @ \$3,500.00 |
| | | Asset Actual Cost | \$3,500.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$3,939.28 |
| | Grounds | | |
| Placed in Service | January 2022 | | |
| Useful Life | 5 | | |
| Replacement Year | 2027 | | |
| 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 Database

Location: Throughout common areas

Component History: Landscape renovation/repairs at playground 2022

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA
Detail Report by Category

| Trees - Trim/Remove | | | |
|---------------------|--------------|----------------------------------|------|
| Asset ID | 1145 | 1 Allowance Asset Actual Cost | 100% |
| | | Percent Replacement | |
| | | Future Cost | |
| Placed in Service | Grounds | | |
| No Useful Life | January 2002 | | |



Location: Throughout common areas

Component History: Tree work/removal 2022 \$88,300.27

Prior discussions with client found that tree trimming is best handled through the operating budget as a portion of the trees will be trimmed each year on a rotating basis. No reserve funding included accordingly.

Note: Photo is from site visit performed for the association’s 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Irrigation System - Repair Allotment - 2026

| | | | |
|-------------------|--------------|---------------------|---------------|
| Asset ID | 1155 | 1 Allowance | @ \$10,000.00 |
| | | Asset Actual Cost | \$10,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$10,927.27 |
| | Grounds | | |
| Placed in Service | January 2022 | | |
| Useful Life | 4 | | |
| Replacement Year | 2026 | | |
| Remaining Life | 3 | | |



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 Database

Location: Throughout common areas

Component History: Repairs 2022 as part of playground renovation project \$8,921.76

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Irrigation Sys Valves - Replace 2023-2027 - 2023

| | | | |
|-------------------|--------------|---------------------|---------------|
| | | 1 Each | @ \$15,100.00 |
| Asset ID | 1157 | Asset Actual Cost | \$15,100.00 |
| | | Percent Replacement | 100% |
| | Grounds | Future Cost | \$15,100.00 |
| Placed in Service | January 2023 | | |
| Useful Life | 1 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 0 | | |

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Estimate provided by client, Artistic Landscape Services, LLC

Location: Within irrigation system (5 valves total)

Component History: Replacement of 1 valve per year with a self cleaning valve planned starting winter of 2022/2023

**Hansen Park HOA
Detail Report by Category**

Irrigation Sys Valves - Replace (Future) - 2043

| | | | |
|-------------------|--------------|---------------------|---------------|
| | | 5 Each | @ \$15,100.00 |
| Asset ID | 1159 | Asset Actual Cost | \$75,500.00 |
| | | Percent Replacement | 100% |
| | Grounds | Future Cost | \$136,361.40 |
| Placed in Service | January 2022 | | |
| Useful Life | 15 | | |
| Adjustment | 6 | | |
| Replacement Year | 2043 | | |
| Remaining Life | 20 | | |

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Estimate provided by client, Artistic Landscape Services, LLC

Location: Within irrigation system

Component History: Replacement of 1 valve per year with a self cleaning valve planned starting winter of 2022/2023

**Hansen Park HOA
Detail Report by Category**

| Drainage System - Maintain | | | |
|----------------------------|--------------|----------------------------------|------|
| Asset ID | 1160 | 1 Allowance Asset Actual Cost | |
| | | Percent Replacement | 100% |
| | Grounds | Future Cost | |
| Placed in Service | January 2007 | | |
| No Useful Life | | | |



Location: Common area drainage consists primarily of lawn drains at pond area

Component History: None known

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.

Note: Photo is from site visit performed for the association’s 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Pole Light - Replace - 2032

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1175 | 1 Assembly | @ \$2,500.00 |
| | | Asset Actual Cost | \$2,500.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$3,261.93 |
| Placed in Service | January 2002 | | |
| Useful Life | 30 | | |
| Replacement Year | 2032 | | |
| Remaining Life | 9 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within community park, adjacent to playground

Component History: Presumed original to ~ 2002 construction

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Pond Liner - Replace - 2032

| | | | |
|-------------------|--------------|---------------------|----------------|
| Asset ID | 1190 | 1 Allowance | @ \$103,000.00 |
| | | Asset Actual Cost | \$103,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$134,391.64 |
| Placed in Service | January 2007 | | |
| Useful Life | 25 | | |
| Replacement Year | 2032 | | |
| Remaining Life | 9 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Prior Research with manufacturer of liner, Bend Tarp & Liner, adjusted for inflation

Location: Within community pond

Component History: Reportedly original to ~ 2007 construction

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Pond River Rock - Replenish - 2037

| | | | |
|-------------------|--------------|---------------------|---------------|
| Asset ID | 1192 | 1 Allowance | @ \$12,000.00 |
| | | Asset Actual Cost | \$12,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$18,151.08 |
| | Grounds | | |
| Placed in Service | January 2022 | | |
| Useful Life | 15 | | |
| Replacement Year | 2037 | | |
| Remaining Life | 14 | | |



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

Cost Source: Client cost history

Location: Perimeter of community pond

Component History: Replenished 2022 \$11,994.87

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Pond Pump - Replace - 2027

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1195 | 2 Pumps | @ \$2,575.00 |
| | | Asset Actual Cost | \$5,150.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$5,796.37 |
| Placed in Service | January 2007 | | |
| Useful Life | 20 | | |
| Replacement Year | 2027 | | |
| Remaining Life | 4 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Estimate provided by client

Location: Within housing adjacent to pond

Component History: Reportedly original to ~ 2007 construction of pond

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Pond Aeration Heads - Replace - 2027

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 1200 | 6 Heads | @ \$1,800.00 |
| | | Asset Actual Cost | \$10,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$12,155.50 |
| | Grounds | | |
| Placed in Service | January 2007 | | |
| Useful Life | 20 | | |
| Replacement Year | 2027 | | |
| Remaining Life | 4 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within pond

Component History: Reportedly original to ~ 2007 construction of pond

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

| Retaining Wall - Repair | | 1 Allowance | |
|-------------------------|--------------|---------------------|------|
| Asset ID | 1205 | Asset Actual Cost | |
| | | Percent Replacement | 100% |
| | Grounds | Future Cost | |
| Placed in Service | January 2002 | | |
| No Useful Life | | | |



Location: Scattered locations along Steptoe and 10th Ave

Component History: Presumed original to ~ 2002 construction

Research with the City of Kennewick found that the eco block retaining walls along Steptoe and 10th Ave are the responsibility of the City to maintain, repair and replace, therefore no reserve funding included.

Note: Photo is from site visit performed for the association’s 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Play Equipment - Replace - 2047

| | | | |
|-------------------|--------------|---------------------|---------------|
| Asset ID | 2005 | 1 Allowance | @ \$98,800.00 |
| | | Asset Actual Cost | \$98,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$200,840.06 |
| Placed in Service | Recreation | | |
| Useful Life | January 2022 | | |
| Replacement Year | 25 | | |
| Remaining Life | 2047 | | |
| | 24 | | |



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work, size and quality of equipment selected

Cost Source: Client cost history

Location: Within community park

Component History: Replaced 2022 \$98,816.99

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Wood Chips - Replenish - 2025

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 2007 | 1 Allowance | @ \$2,500.00 |
| | | Asset Actual Cost | \$2,500.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$2,652.25 |
| Placed in Service | Recreation | | |
| Useful Life | January 2022 | | |
| Replacement Year | 3 | | |
| Remaining Life | 2025 | | |
| | 2 | | |



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Fall zone within community playground

Component History: Replaced 2022 during playground replacement project

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Outdoor Furniture (Playground) - Replace - 2047

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 2010 | 1 Allowance | @ \$4,800.00 |
| | | Asset Actual Cost | \$4,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$9,757.41 |
| | Recreation | | |
| Placed in Service | January 2022 | | |
| Useful Life | 25 | | |
| Replacement Year | 2047 | | |
| Remaining Life | 24 | | |



| | | | |
|-------------------|---|------------|-----------------|
| 2 - benches | @ | \$900.00 | \$1,800.00 |
| 2 - picnic tables | @ | \$1,200.00 | \$2,400.00 |
| 1 - trash can | @ | \$600.00 | <u>\$600.00</u> |
| | | Total = | \$4,800.00 |

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, material and quality of furniture selected and economic factors.

Cost Source: Client cost history

Location: Within community park

Component History: Benches replaced and picnic tables added during 2022 during playground replacement project, garbage can planned for replacement 2022

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Outdoor Furniture (Pond) - Replace - 2027

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 2012 | 1 Allowance | @ \$4,800.00 |
| | | Asset Actual Cost | \$4,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$5,402.44 |
| | Recreation | | |
| Placed in Service | January 2002 | | |
| Useful Life | 25 | | |
| Replacement Year | 2027 | | |
| Remaining Life | 4 | | |



| | | | |
|----------------|---|----------|-------------------|
| 4 - benches | @ | \$900.00 | \$3,600.00 |
| 2 - trash cans | @ | \$600.00 | <u>\$1,200.00</u> |
| | | Total = | \$4,800.00 |

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Client cost history, extrapolated from playground furniture

Location: Within community pond area

Component History: Presumed installed between ~ 2002 and 2007

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

Hansen Park HOA Detail Report by Category

Pet Stations - Replace

| | | | |
|-------------------|--------------|---------------------|------|
| Asset ID | 2015 | 5 Stations | |
| | | Asset Actual Cost | |
| | | Percent Replacement | 100% |
| | | Future Cost | |
| Placed in Service | Recreation | | |
| No Useful Life | January 2007 | | |



Location: Scattered common area locations

Component History: Presumed installed ~ 2002-2007, an additional 10 stations are considered for installation in 2022 as operating expense \$3,560 + tax

Most communities replace pet stations on an as-needed basis, therefore there is no predictable basis to expect complete replacement in wide scale. No reserve funding included accordingly.

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

| Sports Court - Resurface | | 1 Court | |
|--------------------------|--------------|---------------------|------|
| Asset ID | 2025 | Asset Actual Cost | 100% |
| | | Percent Replacement | |
| Placed in Service | Recreation | Future Cost | |
| No Useful Life | January 2002 | | |



Location: Adjacent to playground area at community park

Component History: Presumed original to ~ 2002 construction

Concrete sports courts tend to have an extended useful life, therefore complete replacement is not predicted within the scope of this report and no reserve funding is included.

Note: Photo is from site visit performed for the association’s 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

Basketball Assembly - Replace - 2032

| | | | |
|-------------------|--------------|---------------------|--------------|
| Asset ID | 2030 | 1 Assembly | @ \$1,800.00 |
| | | Asset Actual Cost | \$1,800.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$2,348.59 |
| | Recreation | | |
| Placed in Service | January 2002 | | |
| Useful Life | 30 | | |
| Replacement Year | 2032 | | |
| Remaining Life | 9 | | |



Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to sports court at community playground

Component History: Presumed original to ~ 2002 construction

Note: Photo is from site visit performed for the association's 2022 reserve study and may no longer be representative of current condition.

**Hansen Park HOA
Detail Report by Category**

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



**Time for your annual
update, contact us today!**

Component History: 2019 NSV, 2022 WSV, 2023 NSV

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be 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). Some governing documents may also require that the study be updated annually. 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.

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 | <p>The reserve study must provide a funding plan addressing these principles:</p> <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 | <p>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.</p> |
| PHYSICAL ANALYSIS | <p>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.</p> |
| REMAINING USEFUL LIFE (RUL) | <p>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.</p> |
| REPLACEMENT COST | <p>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.).</p> |
| RESERVE BALANCE | <p>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.</p> |
| RESERVE PROVIDER | <p>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.</p> |
| RESERVE STUDY | <p>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</p> |

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 or structural evaluation 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 approximate 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

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

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."