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Level III No Site Visit Reserve Study Report

For Fiscal Year Beginning January 1, 2024

Hansen Park HOA

Kennewick, WA

August 17, 2023

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CAI-RS
355
DESIGNATION
RESERVE SPECIALIST

Reserve Study Summary for Hansen Park HOA

519 Units
For Fiscal Year Beginning January 1, 2024

Overview	
Starting Reserve Balance	$273,517
Fully Funded Balance	$305,698
Percent Funded	89%
Reserve Fund Strength (Weak, Fair or Strong)	Strong
Total Surplus or (Deficit) of Reserve Funding	$(32,181)
Surplus or (Deficit) on a Per Unit Average Basis***	$(62)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	$103,800
Current Special Assessment For Reserves, Annually	n/a
Does Current Rate Meet or Exceed Range Provided Below?	Yes
Reserve Study Funding Plan Options Beginning January 1, 2024	
100% Full Funding Contribution Rate, Annually	$40,000
70% Threshold Funding Contribution Rate, Annually	$34,200
Baseline Funding Contribution Rate, Annually	$20,350
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 or around 2002.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of $34,200 to $40,000 per year in 2024.

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		4	$3,500
1060	Monument Sign - Refurb/Replace	25		3	$3,000
1065	Mailboxes - Replace (Older)	25		4	$48,000
1066	Mailboxes - Replace (Newer)	25		12	$51,000
1090	Chain Link Fence - Replace	Unfunded			
1095	Metal Fence - Replace	48	-1	30	$232,875
1096	Gate Keypads - Replace	15		0	$1,200
1100	Metal Fence - Repair & Paint	8		0	$16,200
1105	Concrete Masonry Unit Wall - Repair	10		5	$10,000
1135	Landscape - Refurbish Allotment	5		3	$3,500
1145	Trees - Trim/Remove	Unfunded			
1155	Irrigation System - Repair Allotment	4		2	$10,000
1157	Irrigation Sys Valves - Replace 2023-2027	1		0	$14,000
1159	Irrigation Sys Valves - Replace (Future)	15	15	29	$70,000
1160	Drainage System - Maintain	Unfunded			
1175	Pole Light - Replace	30		8	$3,000
1190	Pond Liner - Replace	25		8	$106,500
1192	Pond River Rock - Replenish	15		13	$12,350
1195	Pond Pump - Replace	20		3	$5,200
1200	Pond Aeration Heads - Replace	20		3	$11,100
1205	Retaining Wall - Repair	Unfunded			
Recreation					
2005	Play Equipment - Replace	25		23	$101,800
2007	Wood Chips - Replenish	3		1	$2,500
2010	Outdoor Furniture (Playground) - Replace	25		23	$4,975
2012	Outdoor Furniture (Pond) - Replace	25		3	$4,950
2015	Pet Stations - Replace	Unfunded			
2025	Sports Court - Resurface	Unfunded			
2030	Basketball Assembly - Replace	30		8	$2,000
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

ID	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Grounds											
1000	Concrete - Repair Allotment					3,939					4,567
1060	Monument Sign - Refurb/Replace				3,278						
1065	Mailboxes - Replace (Older)					54,024					
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	16,200								20,522	
1105	Concrete Masonry Unit Wall - Repair						11,593				
1135	Landscape - Refurbish Allotment				3,825					4,434	
1145	Trees - Trim/Remove	*Unfunded*									
1155	Irrigation System - Repair Allotment			10,609				11,941			
1157	Irrigation Sys Valves - Replace 2023-2027	14,000	14,420	14,853	15,298						
1159	Irrigation Sys Valves - Replace (Future)										
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Light - Replace									3,800	
1190	Pond Liner - Replace									134,911	
1192	Pond River Rock - Replenish										
1195	Pond Pump - Replace				5,682						
1200	Pond Aeration Heads - Replace				12,129						
1205	Retaining Wall - Repair	*Unfunded*									
Grounds Total:		**31,400**	**14,420**	**25,462**	**40,212**	**57,964**	**11,593**	**11,941**		**163,667**	**4,567**
Recreation											
2005	Play Equipment - Replace										
2007	Wood Chips - Replenish		2,575			2,814			3,075		
2010	Outdoor Furniture (Playground) - Replace										
2012	Outdoor Furniture (Pond) - Replace				5,409						
2015	Pet Stations - Replace	*Unfunded*									
2025	Sports Court - Resurface	*Unfunded*									
2030	Basketball Assembly - Replace									2,534	
Recreation Total:			**2,575**		**5,409**	**2,814**			**3,075**	**2,534**	

Hansen Park HOA

Kennewick, WA

Year By Year Spread Sheet

ID	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Professional											
6005	Reserve Study - Annual Update	*Unfunded*									
Year Total:		**31,400**	**16,995**	**25,462**	**45,621**	**60,777**	**11,593**	**11,941**	**3,075**	**166,200**	**4,567**

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

ID	Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Grounds											
1000	Concrete - Repair Allotment					5,294					6,137
1060	Monument Sign - Refurb/Replace										
1065	Mailboxes - Replace (Older)										
1066	Mailboxes - Replace (Newer)			72,714							
1090	Chain Link Fence - Replace	*Unfunded*									
1095	Metal Fence - Replace										
1096	Gate Keypads - Replace						1,870				
1100	Metal Fence - Repair & Paint							25,996			
1105	Concrete Masonry Unit Wall - Repair						15,580				
1135	Landscape - Refurbish Allotment				5,140					5,959	
1145	Trees - Trim/Remove	*Unfunded*									
1155	Irrigation System - Repair Allotment	13,439				15,126				17,024	
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				18,136						
1195	Pond Pump - Replace										
1200	Pond Aeration Heads - Replace										
1205	Retaining Wall - Repair	*Unfunded*									
Grounds Total:		**13,439**		**72,714**	**23,276**	**20,420**	**17,449**	**25,996**		**22,983**	**6,137**
Recreation											
2005	Play Equipment - Replace										
2007	Wood Chips - Replenish	3,360			3,671			4,012			4,384
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:		**3,360**			**3,671**			**4,012**			**4,384**

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

ID	Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Professional											
6005	Reserve Study - Annual Update	*Unfunded*									
Year Total:		**16,799**		**72,714**	**26,948**	**20,420**	**17,449**	**30,008**		**22,983**	**10,521**

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

ID	Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Grounds											
1000	Concrete - Repair Allotment					7,115					8,248
1060	Monument Sign - Refurb/Replace									6,864	
1065	Mailboxes - Replace (Older)										113,115
1066	Mailboxes - Replace (Newer)										
1090	Chain Link Fence - Replace	*Unfunded*									
1095	Metal Fence - Replace										
1096	Gate Keypads - Replace										
1100	Metal Fence - Repair & Paint					32,931					
1105	Concrete Masonry Unit Wall - Repair						20,938				
1135	Landscape - Refurbish Allotment				6,908					8,008	
1145	Trees - Trim/Remove	*Unfunded*									
1155	Irrigation System - Repair Allotment			19,161				21,566			
1157	Irrigation Sys Valves - Replace 2023-2027										
1159	Irrigation Sys Valves - Replace (Future)										164,960
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Light - Replace										
1190	Pond Liner - Replace										
1192	Pond River Rock - Replenish									28,256	
1195	Pond Pump - Replace				10,263						
1200	Pond Aeration Heads - Replace				21,907						
1205	Retaining Wall - Repair	*Unfunded*									
Grounds Total:				**19,161**	**39,077**	**40,046**	**20,938**	**21,566**		**43,127**	**286,323**
Recreation											
2005	Play Equipment - Replace				200,911						
2007	Wood Chips - Replenish			4,790			5,234			5,720	
2010	Outdoor Furniture (Playground) - Replace				9,819						
2012	Outdoor Furniture (Pond) - Replace									11,325	
2015	Pet Stations - Replace	*Unfunded*									
2025	Sports Court - Resurface	*Unfunded*									
2030	Basketball Assembly - Replace										
Recreation Total:				**4,790**	**210,730**		**5,234**			**17,045**	

Hansen Park HOA
Kennewick, WA
Year By Year Spread Sheet

ID	Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Professional											
6005	Reserve Study - Annual Update	*Unfunded*									
Year Total:				**23,951**	**249,807**	**40,046**	**26,172**	**21,566**		**60,172**	**286,323**

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2024	
Irrigation Sys Valves - Replace 2023-2027	14,000
Metal Fence - Repair & Paint	16,200
Gate Keypads - Replace	1,200
Total for 2024	**$31,400**
Replacement Year 2025	
Irrigation Sys Valves - Replace 2023-2027	14,420
Wood Chips - Replenish	2,575
Total for 2025	**$16,995**
Replacement Year 2026	
Irrigation Sys Valves - Replace 2023-2027	14,853
Irrigation System - Repair Allotment	10,609
Total for 2026	**$25,462**
Replacement Year 2027	
Irrigation Sys Valves - Replace 2023-2027	15,298
Landscape - Refurbish Allotment	3,825
Pond Aeration Heads - Replace	12,129
Pond Pump - Replace	5,682
Monument Sign - Refurb/Replace	3,278
Outdoor Furniture (Pond) - Replace	5,409
Total for 2027	**$45,621**
Replacement Year 2028	
Wood Chips - Replenish	2,814
Concrete - Repair Allotment	3,939
Mailboxes - Replace (Older)	54,024
Total for 2028	**$60,777**
Replacement Year 2029	
Concrete Masonry Unit Wall - Repair	11,593
Total for 2029	**$11,593**

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030	
Irrigation System - Repair Allotment	11,941
Total for 2030	**$11,941**
Replacement Year 2031	
Wood Chips - Replenish	3,075
Total for 2031	**$3,075**
Replacement Year 2032	
Landscape - Refurbish Allotment	4,434
Metal Fence - Repair & Paint	20,522
Pond Liner - Replace	134,911
Basketball Assembly - Replace	2,534
Pole Light - Replace	3,800
Total for 2032	**$166,200**
Replacement Year 2033	
Concrete - Repair Allotment	4,567
Total for 2033	**$4,567**
Replacement Year 2034	
Wood Chips - Replenish	3,360
Irrigation System - Repair Allotment	13,439
Total for 2034	**$16,799**
No Replacement in 2035	
Replacement Year 2036	
Mailboxes - Replace (Newer)	72,714
Total for 2036	**$72,714**
Replacement Year 2037	
Wood Chips - Replenish	3,671
Landscape - Refurbish Allotment	5,140
Pond River Rock - Replenish	18,136
Total for 2037	**$26,948**

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038	
Irrigation System - Repair Allotment	15,126
Concrete - Repair Allotment	5,294
Total for 2038	**$20,420**
Replacement Year 2039	
Concrete Masonry Unit Wall - Repair	15,580
Gate Keypads - Replace	1,870
Total for 2039	**$17,449**
Replacement Year 2040	
Wood Chips - Replenish	4,012
Metal Fence - Repair & Paint	25,996
Total for 2040	**$30,008**
No Replacement in 2041	
Replacement Year 2042	
Irrigation System - Repair Allotment	17,024
Landscape - Refurbish Allotment	5,959
Total for 2042	**$22,983**
Replacement Year 2043	
Wood Chips - Replenish	4,384
Concrete - Repair Allotment	6,137
Total for 2043	**$10,521**
No Replacement in 2044	
No Replacement in 2045	
Replacement Year 2046	
Wood Chips - Replenish	4,790
Irrigation System - Repair Allotment	19,161
Total for 2046	**$23,951**

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2047	
Landscape - Refurbish Allotment	6,908
Pond Aeration Heads - Replace	21,907
Pond Pump - Replace	10,263
Outdoor Furniture (Playground) - Replace	9,819
Play Equipment - Replace	200,911
Total for 2047	**$249,807**
Replacement Year 2048	
Concrete - Repair Allotment	7,115
Metal Fence - Repair & Paint	32,931
Total for 2048	**$40,046**
Replacement Year 2049	
Wood Chips - Replenish	5,234
Concrete Masonry Unit Wall - Repair	20,938
Total for 2049	**$26,172**
Replacement Year 2050	
Irrigation System - Repair Allotment	21,566
Total for 2050	**$21,566**
No Replacement in 2051	
Replacement Year 2052	
Wood Chips - Replenish	5,720
Landscape - Refurbish Allotment	8,008
Pond River Rock - Replenish	28,256
Monument Sign - Refurb/Replace	6,864
Outdoor Furniture (Pond) - Replace	11,325
Total for 2052	**$60,172**
Replacement Year 2053	
Concrete - Repair Allotment	8,248
Irrigation Sys Valves - Replace (Future)	164,960

Hansen Park HOA
Kennewick, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2053 continued...	
Mailboxes - Replace (Older)	113,115
Total for 2053	**$286,323**

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	$48,000	$1,920
1066	Mailboxes - Replace (Newer)	25	$51,000	$2,040
1090	Chain Link Fence - Replace	Unfunded		
1095	Metal Fence - Replace	48	$232,875	$4,852
1096	Gate Keypads - Replace	15	$1,200	$80
1100	Metal Fence - Repair & Paint	8	$16,200	$2,025
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	$14,000	$14,000
1159	Irrigation Sys Valves - Replace (Future)	15	$70,000	$4,667
1160	Drainage System - Maintain	Unfunded		
1175	Pole Light - Replace	30	$3,000	$100
1190	Pond Liner - Replace	25	$106,500	$4,260
1192	Pond River Rock - Replenish	15	$12,350	$823
1195	Pond Pump - Replace	20	$5,200	$260
1200	Pond Aeration Heads - Replace	20	$11,100	$555
1205	Retaining Wall - Repair	Unfunded		
2005	Play Equipment - Replace	25	$101,800	$4,072
2007	Wood Chips - Replenish	3	$2,500	$833
2010	Outdoor Furniture (Playground) - Replace	25	$4,975	$199
2012	Outdoor Furniture (Pond) - Replace	25	$4,950	$198
2015	Pet Stations - Replace	Unfunded		
2025	Sports Court - Resurface	Unfunded		
2030	Basketball Assembly - Replace	30	$2,000	$67
6005	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				$45,971

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

Report Date	January 1, 2024
Account Number	0018
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	519

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	$273,517

Full Funding Model

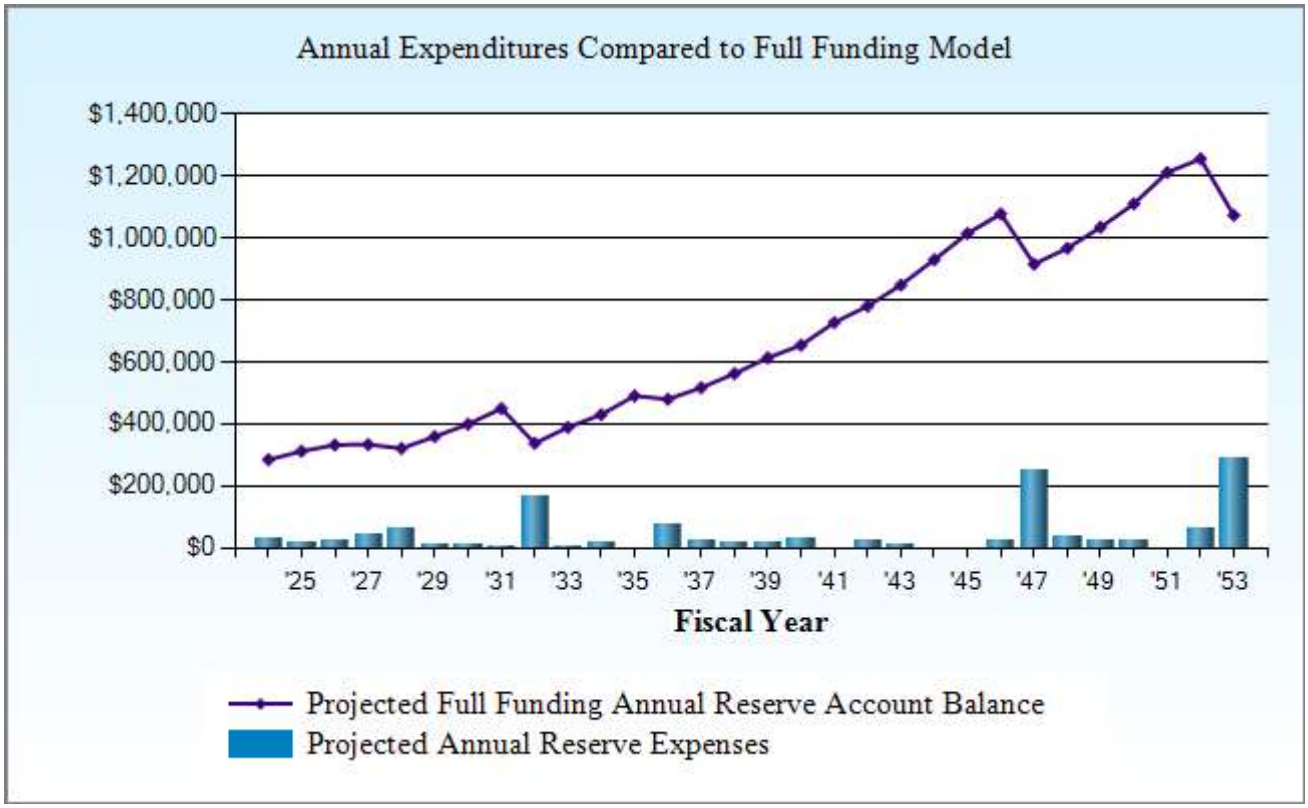
Full Funding Model Summary of Calculations

Required Annual Contribution	$40,000.00
$77.07 per unit annually	
Average Net Annual Interest Earned	$2,821.17
Total Annual Allocation to Reserves	$42,821.17
$82.51 per unit annually	

Hansen Park HOA
Full Funding Model Projection

Beginning Balance: $273,517

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	717,650	40,000	2,821	31,400	284,938	327,579	87%
2025	739,179	41,200	3,091	16,995	312,235	366,306	85%
2026	761,355	42,436	3,292	25,462	332,501	398,866	83%
2027	784,196	43,709	3,306	45,621	333,895	413,072	81%
2028	791,964	45,020	3,181	60,777	321,319	381,111	84%
2029	815,723	46,371	3,561	11,593	359,658	416,116	86%
2030	840,195	47,762	3,955	11,941	399,435	452,878	88%
2031	865,401	49,195	4,456	3,075	450,010	500,971	90%
2032	891,363	50,671	3,345	166,200	337,826	383,619	88%
2033	918,104	52,191	3,854	4,567	389,304	430,392	90%
2034	945,647	53,757	4,263	16,799	430,525	467,169	92%
2035	974,016	55,369	4,859		490,753	523,587	94%
2036	1,003,237	57,030	4,751	72,714	479,820	508,074	94%
2037	1,033,334	58,741	5,116	26,948	516,730	540,545	96%
2038	1,064,334	60,504	5,568	20,420	562,382	582,064	97%
2039	1,096,264	62,319	6,073	17,449	613,324	629,278	97%
2040	1,129,152	64,188	6,475	30,008	653,979	666,404	98%
2041	1,163,026	66,114	7,201		727,294	737,027	99%
2042	1,197,917	68,097	7,724	22,983	780,133	787,616	99%
2043	1,233,855	70,140	8,398	10,521	848,149	854,122	99%
2044	1,270,870	72,244	9,204		929,598	935,072	99%
2045	1,308,996	74,412	10,040		1,014,050	1,020,110	99%
2046	1,348,266	76,644	10,667	23,951	1,077,410	1,084,739	99%
2047	1,388,714	78,943	9,065	249,807	915,612	920,436	99%
2048	1,430,376	81,312	9,569	40,046	966,447	969,072	100%
2049	1,473,287	83,751	10,240	26,172	1,034,266	1,035,324	100%
2050	1,517,485	86,264	10,990	21,566	1,109,953	1,110,233	100%
2051	1,563,010	88,852	11,988		1,210,793	1,211,584	100%
2052	1,609,900	91,517	12,421	60,172	1,254,559	1,256,040	100%
2053	1,658,197	94,263	10,625	286,323	1,073,124	1,076,660	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 Date	January 1, 2024
Account Number	0018
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	519

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	$273,517

70% Funding Model

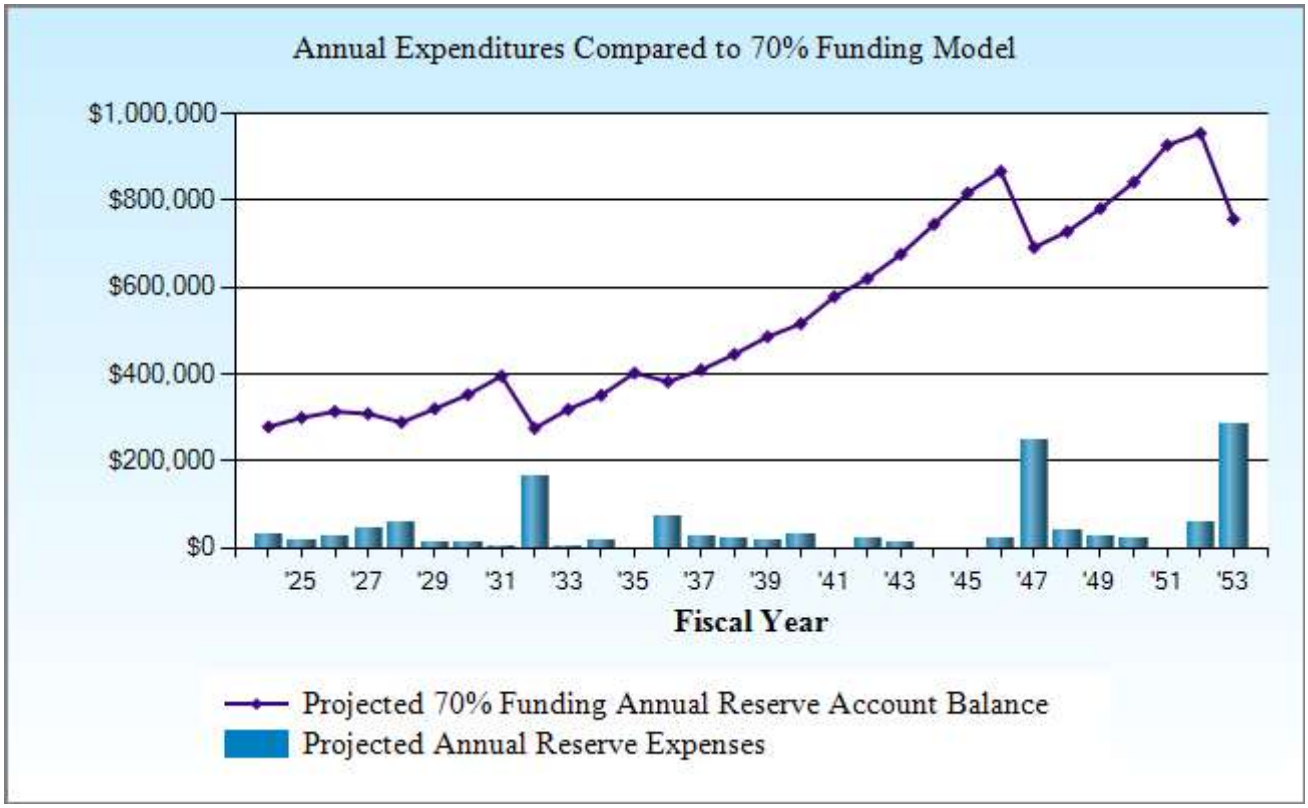
70% Funding Model Summary of Calculations

Required Annual Contribution	$34,200.00
$65.90 per unit annually	
Average Net Annual Interest Earned	$2,763.17
Total Annual Allocation to Reserves	$36,963.17
$71.22 per unit annually	

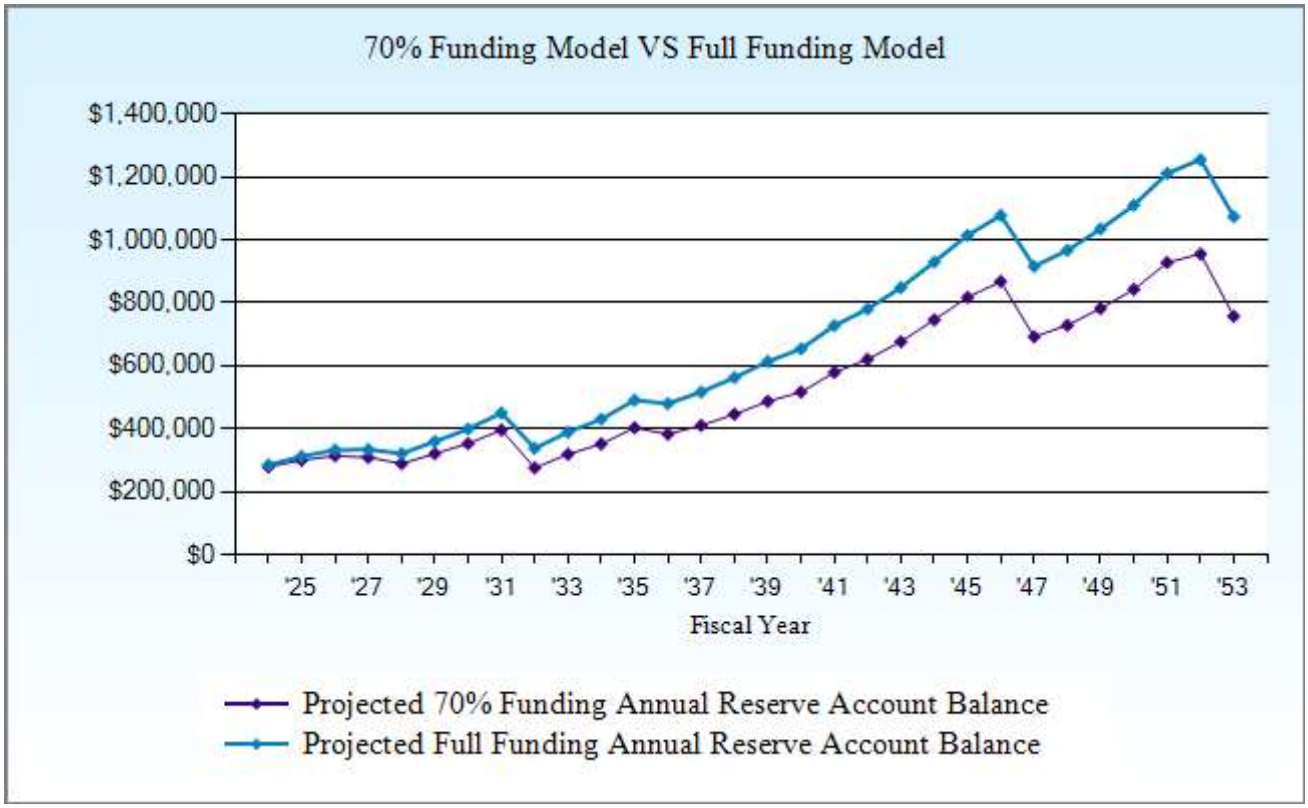
Hansen Park HOA
70% Funding Model Projection

Beginning Balance: $273,517

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	717,650	34,200	2,763	31,400	279,080	327,579	85%
2025	739,179	35,226	2,973	16,995	300,284	366,306	82%
2026	761,355	36,283	3,111	25,462	314,217	398,866	79%
2027	784,196	37,371	3,060	45,621	309,026	413,072	75%
2028	791,964	38,492	2,867	60,777	289,608	381,111	76%
2029	815,723	39,647	3,177	11,593	320,839	416,116	77%
2030	840,195	40,837	3,497	11,941	353,233	452,878	78%
2031	865,401	42,062	3,922	3,075	396,142	500,971	79%
2032	891,363	43,324	2,733	166,200	275,998	383,619	72%
2033	918,104	44,623	3,161	4,567	319,215	430,392	74%
2034	945,647	45,962	3,484	16,799	351,862	467,169	75%
2035	974,016	47,341	3,992		403,195	523,587	77%
2036	1,003,237	48,761	3,792	72,714	383,034	508,074	75%
2037	1,033,334	50,224	4,063	26,948	410,374	540,545	76%
2038	1,064,334	51,731	4,417	20,420	446,101	582,064	77%
2039	1,096,264	53,282	4,819	17,449	486,754	629,278	77%
2040	1,129,152	54,881	5,116	30,008	516,743	666,404	78%
2041	1,163,026	56,527	5,733		579,003	737,027	79%
2042	1,197,917	58,223	6,142	22,983	620,386	787,616	79%
2043	1,233,855	59,970	6,698	10,521	676,533	854,122	79%
2044	1,270,870	61,769	7,383		745,685	935,072	80%
2045	1,308,996	63,622	8,093		817,400	1,020,110	80%
2046	1,348,266	65,531	8,590	23,951	867,570	1,084,739	80%
2047	1,388,714	67,497	6,853	249,807	692,112	920,436	75%
2048	1,430,376	69,522	7,216	40,046	728,803	969,072	75%
2049	1,473,287	71,607	7,742	26,172	781,981	1,035,324	76%
2050	1,517,485	73,755	8,342	21,566	842,512	1,110,233	76%
2051	1,563,010	75,968	9,185		927,665	1,211,584	77%
2052	1,609,900	78,247	9,457	60,172	955,197	1,256,040	76%
2053	1,658,197	80,595	7,495	286,323	756,963	1,076,660	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 Date	January 1, 2024
Account Number	0018
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	519

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	$273,517

Baseline Funding Model

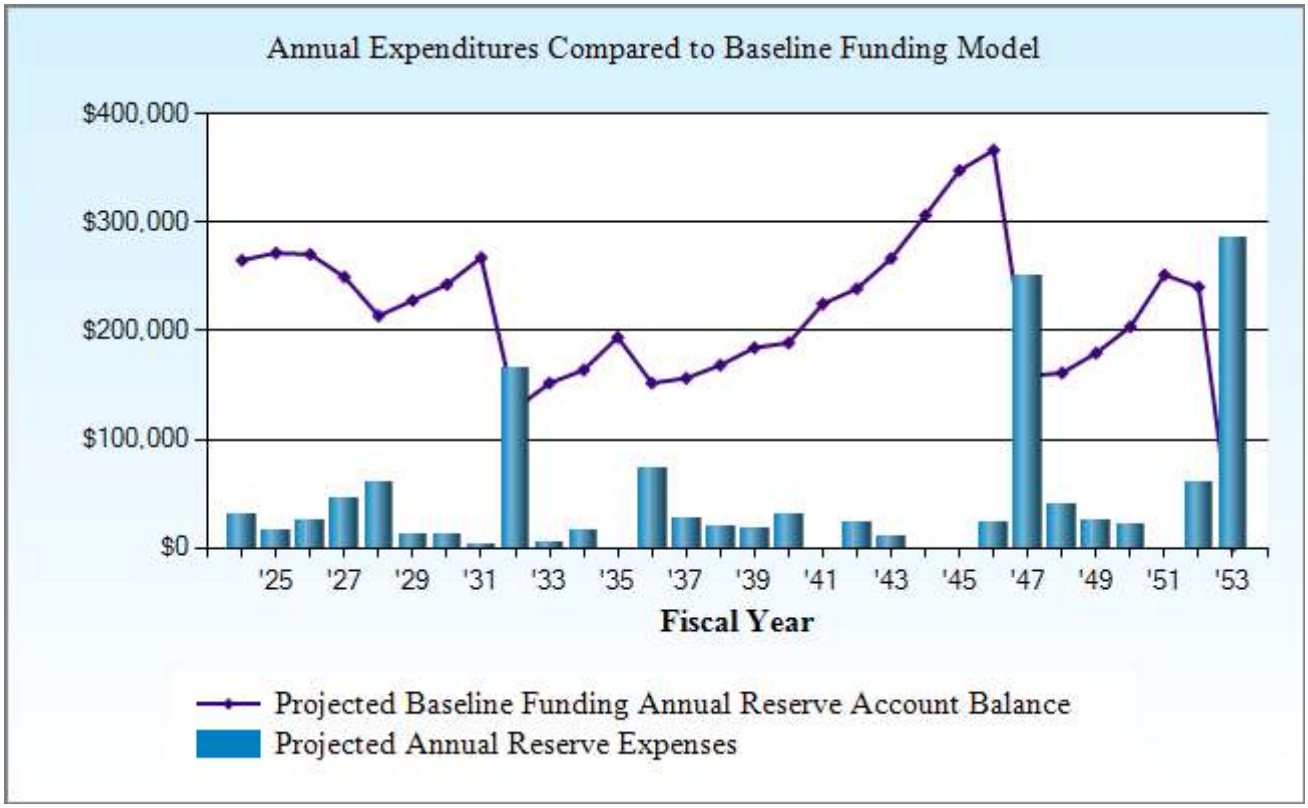
Baseline Funding Model Summary of Calculations

Required Annual Contribution	$20,350.00
$39.21 per unit annually	
Average Net Annual Interest Earned	$2,624.67
Total Annual Allocation to Reserves	$22,974.67
$44.27 per unit annually	

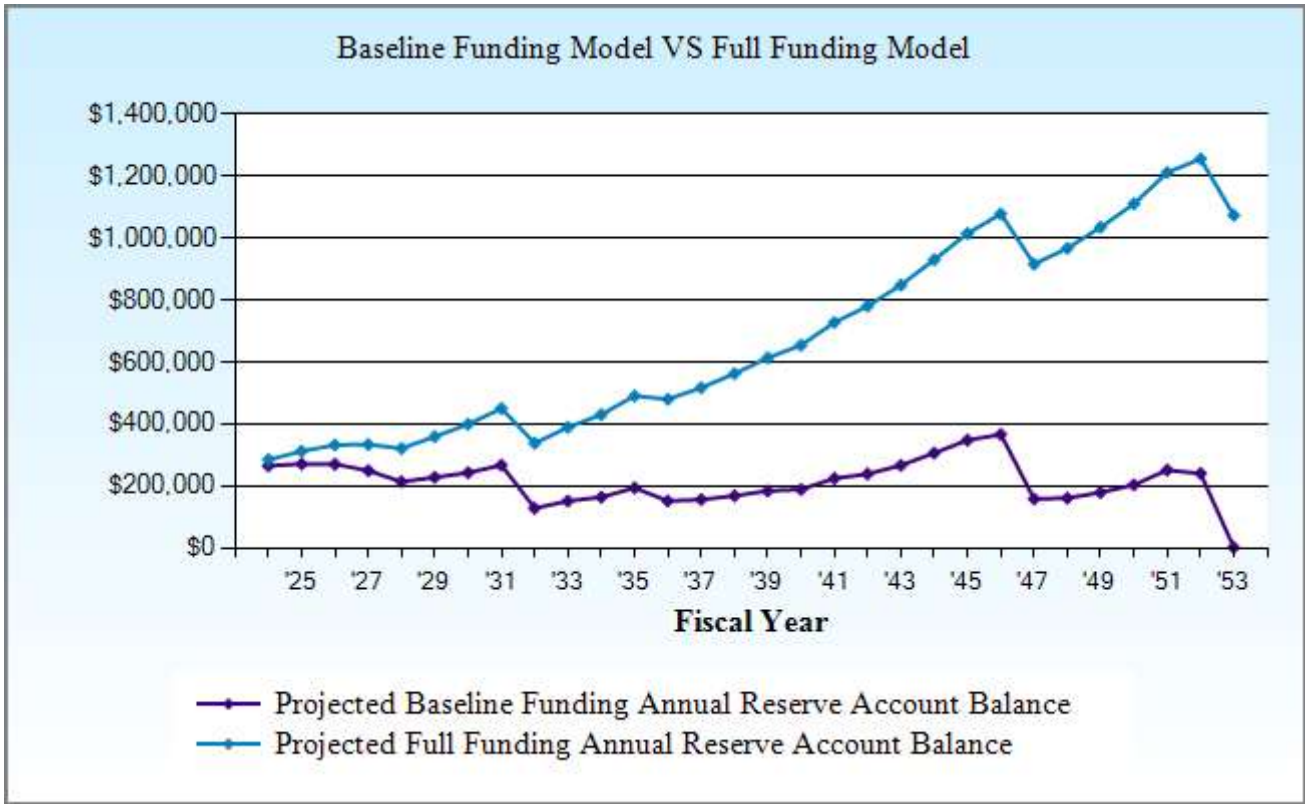
Hansen Park HOA
Baseline Funding Model Projection

Beginning Balance: $273,517

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	717,650	20,350	2,625	31,400	265,092	327,579	81%
2025	739,179	20,960	2,691	16,995	271,748	366,306	74%
2026	761,355	21,589	2,679	25,462	270,554	398,866	68%
2027	784,196	22,237	2,472	45,621	249,642	413,072	60%
2028	791,964	22,904	2,118	60,777	213,886	381,111	56%
2029	815,723	23,591	2,259	11,593	228,143	416,116	55%
2030	840,195	24,299	2,405	11,941	242,907	452,878	54%
2031	865,401	25,028	2,649	3,075	267,508	500,971	53%
2032	891,363	25,779	1,271	166,200	128,358	383,619	33%
2033	918,104	26,552	1,503	4,567	151,847	430,392	35%
2034	945,647	27,349	1,624	16,799	164,020	467,169	35%
2035	974,016	28,169	1,922		194,112	523,587	37%
2036	1,003,237	29,014	1,504	72,714	151,916	508,074	30%
2037	1,033,334	29,885	1,549	26,948	156,402	540,545	29%
2038	1,064,334	30,781	1,668	20,420	168,431	582,064	29%
2039	1,096,264	31,705	1,827	17,449	184,513	629,278	29%
2040	1,129,152	32,656	1,872	30,008	189,032	666,404	28%
2041	1,163,026	33,635	2,227		224,894	737,027	31%
2042	1,197,917	34,645	2,366	22,983	238,922	787,616	30%
2043	1,233,855	35,684	2,641	10,521	266,725	854,122	31%
2044	1,270,870	36,754	3,035		306,514	935,072	33%
2045	1,308,996	37,857	3,444		347,815	1,020,110	34%
2046	1,348,266	38,993	3,629	23,951	366,485	1,084,739	34%
2047	1,388,714	40,162	1,568	249,807	158,409	920,436	17%
2048	1,430,376	41,367	1,597	40,046	161,328	969,072	17%
2049	1,473,287	42,608	1,778	26,172	179,542	1,035,324	17%
2050	1,517,485	43,887	2,019	21,566	203,881	1,110,233	18%
2051	1,563,010	45,203	2,491		251,575	1,211,584	21%
2052	1,609,900	46,559	2,380	60,172	240,342	1,256,040	19%
2053	1,658,197	47,956	20	286,323	1,995	1,076,660	0%



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

Report Date	January 1, 2024
Account Number	0018
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	519

Report Parameters

Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	$273,517

Current Assessment Funding Model

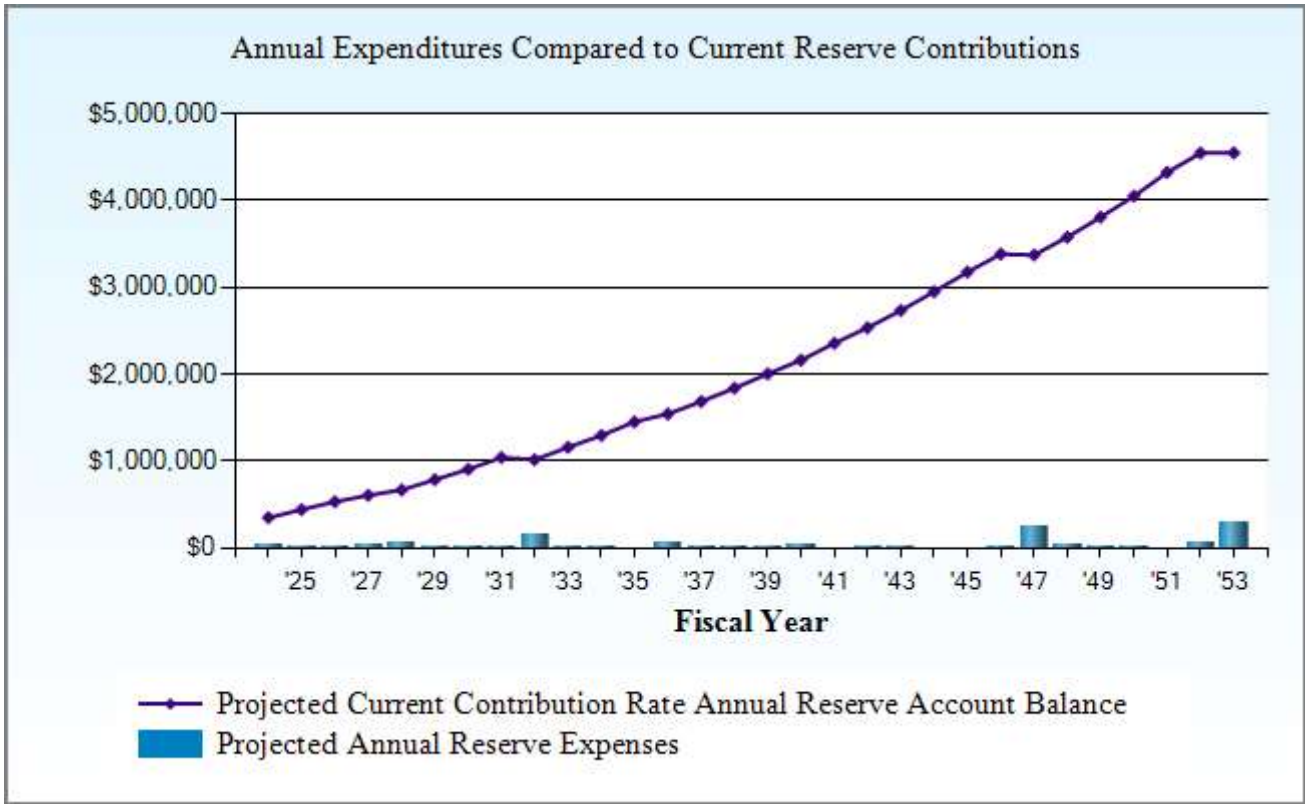
Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	$103,800.00
$200.00 per unit annually	
Average Net Annual Interest Earned	$3,459.17
Total Annual Allocation to Reserves	$107,259.17
$206.66 per unit annually	

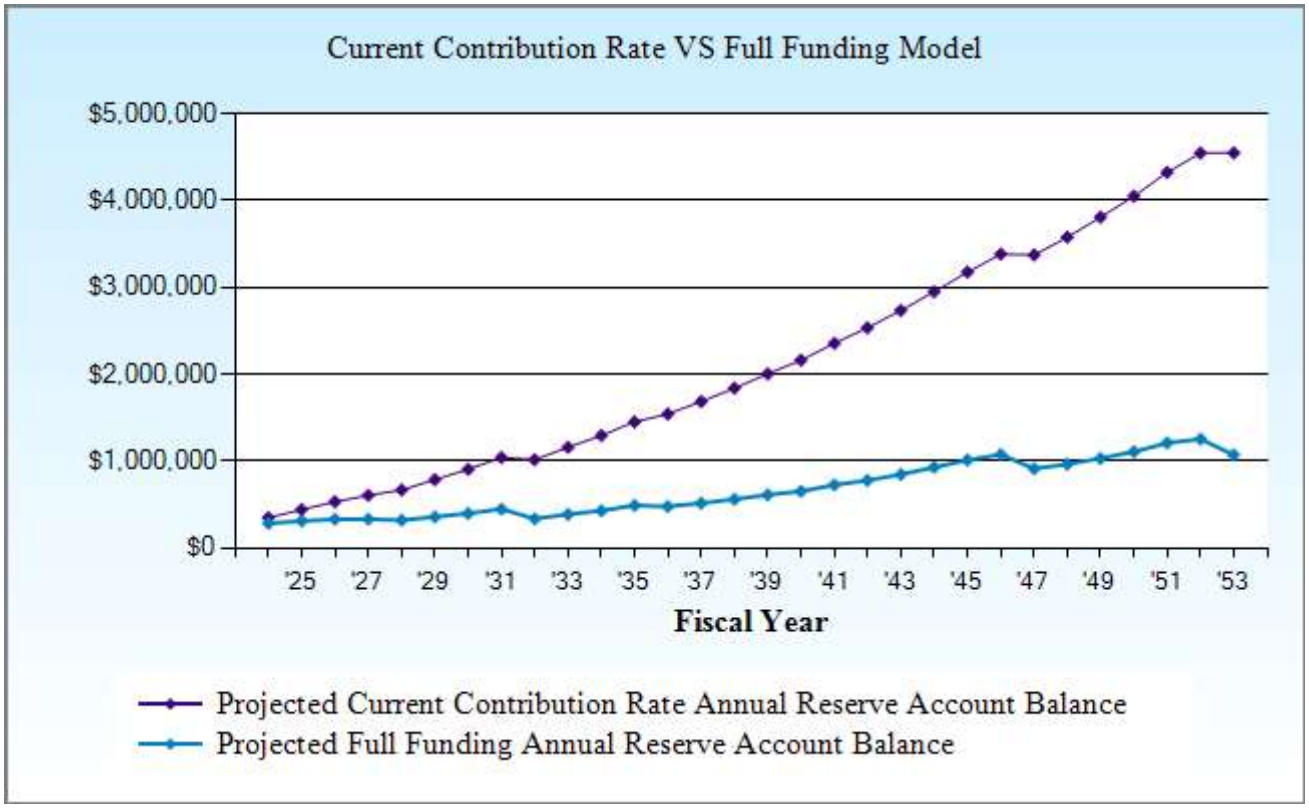
Hansen Park HOA
Current Assessment Funding Model Projection

Beginning Balance: $273,517

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	717,650	103,800	3,459	31,400	349,376	327,579	107%
2025	739,179	106,914	4,393	16,995	443,688	366,306	121%
2026	761,355	110,121	5,283	25,462	533,631	398,866	134%
2027	784,196	113,425	6,014	45,621	607,449	413,072	147%
2028	791,964	116,828	6,635	60,777	670,135	381,111	176%
2029	815,723	120,333	7,789	11,593	786,663	416,116	189%
2030	840,195	123,943	8,987	11,941	907,652	452,878	200%
2031	865,401	127,661	10,322	3,075	1,042,561	500,971	208%
2032	891,363	131,491	10,079	166,200	1,017,930	383,619	265%
2033	918,104	135,435	11,488	4,567	1,160,287	430,392	270%
2034	945,647	139,499	12,830	16,799	1,295,816	467,169	277%
2035	974,016	143,683	14,395		1,453,894	523,587	278%
2036	1,003,237	147,994	15,292	72,714	1,544,466	508,074	304%
2037	1,033,334	152,434	16,700	26,948	1,686,652	540,545	312%
2038	1,064,334	157,007	18,232	20,420	1,841,471	582,064	316%
2039	1,096,264	161,717	19,857	17,449	2,005,597	629,278	319%
2040	1,129,152	166,569	21,422	30,008	2,163,579	666,404	325%
2041	1,163,026	171,566	23,351		2,358,496	737,027	320%
2042	1,197,917	176,713	25,122	22,983	2,537,348	787,616	322%
2043	1,233,855	182,014	27,088	10,521	2,735,929	854,122	320%
2044	1,270,870	187,474	29,234		2,952,637	935,072	316%
2045	1,308,996	193,099	31,457		3,177,193	1,020,110	311%
2046	1,348,266	198,892	33,521	23,951	3,385,655	1,084,739	312%
2047	1,388,714	204,858	33,407	249,807	3,374,113	920,436	367%
2048	1,430,376	211,004	35,451	40,046	3,580,522	969,072	369%
2049	1,473,287	217,334	37,717	26,172	3,809,401	1,035,324	368%
2050	1,517,485	223,854	40,117	21,566	4,051,806	1,110,233	365%
2051	1,563,010	230,570	42,824		4,325,200	1,211,584	357%
2052	1,609,900	237,487	45,025	60,172	4,547,539	1,256,040	362%
2053	1,658,197	244,611	45,058	286,323	4,550,886	1,076,660	423%



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

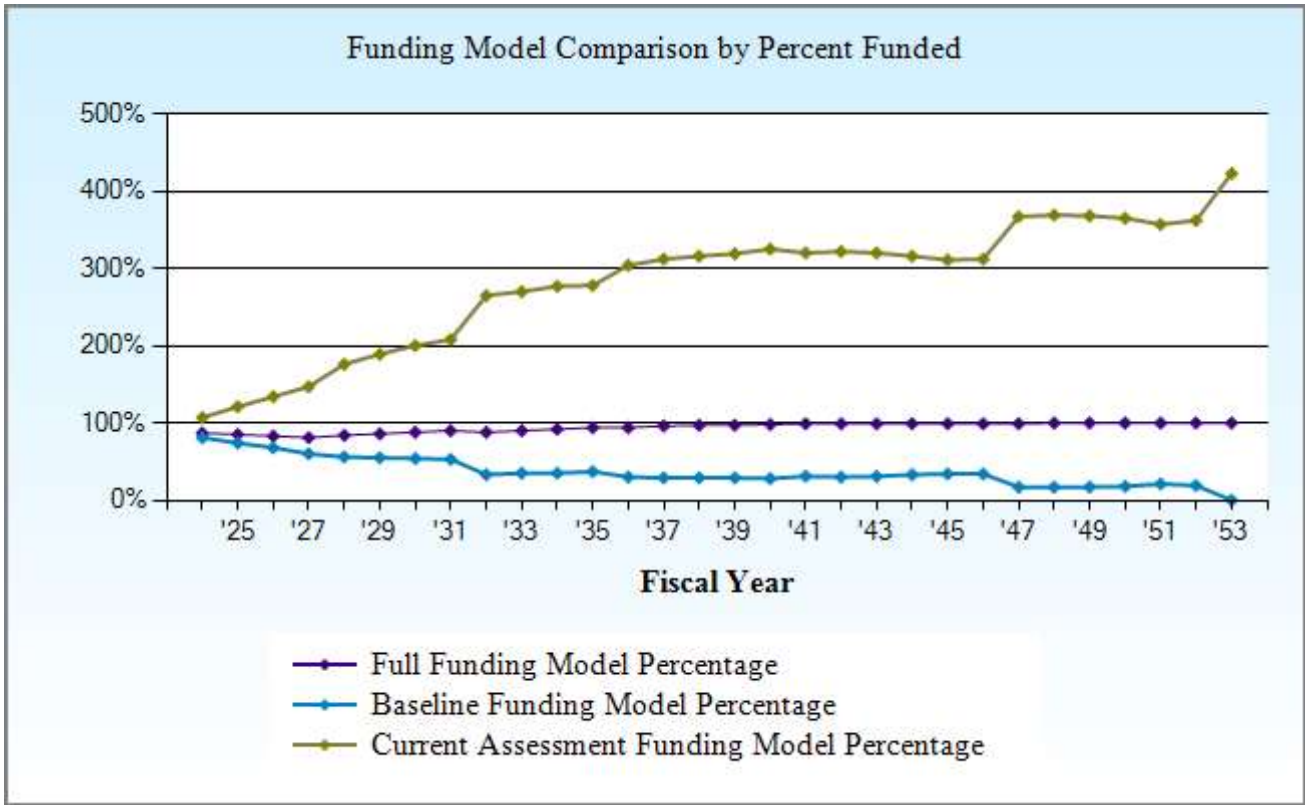


This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.

Comparison Charts

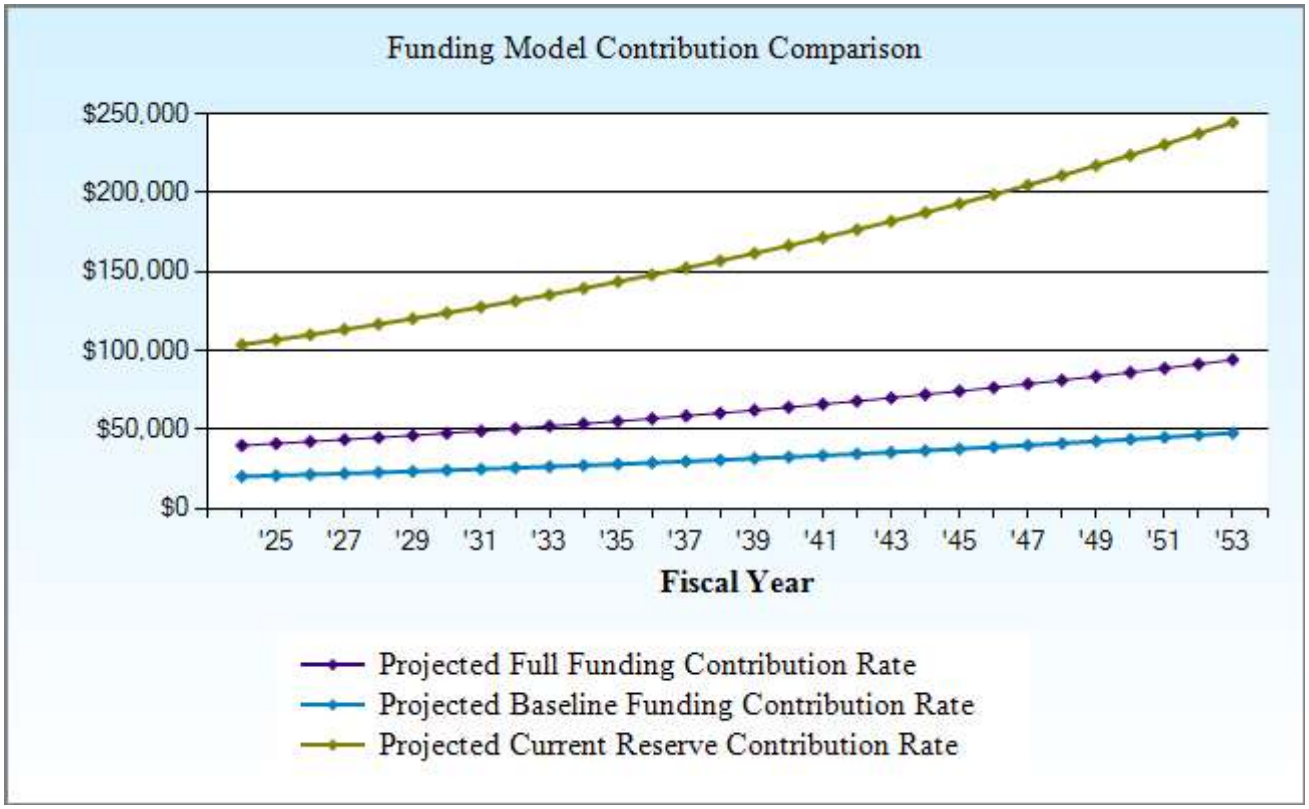
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included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

Total Funded Assets	22
Total Unfunded Assets	7
Total Assets	29

Concrete - Repair Allotment - 2028

Asset ID	1000	1 Allowance	@ $3,500.00
		Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,939.28
Placed in Service	January 2023		
Useful Life	5		
Replacement Year	2028		
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: Scattered common area locations, primarily walkways at playground and around pond

Component History: Planned for repair 2023, no proposals available as of this report

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

Monument Sign - Refurb/Replace - 2027

Asset ID	1060	1 Each	@ $3,000.00
		Asset Actual Cost	$3,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,278.18
Placed in Service	January 2002		
Useful Life	25		
Replacement Year	2027		
Remaining Life	3		

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.

Mailboxes - Replace (Older) - 2028

		16 Cluster Boxes	@ $3,000.00
Asset ID	1065	Asset Actual Cost	$48,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$54,024.42
Placed in Service	January 2003		
Useful Life	25		
Replacement Year	2028		
Remaining Life	4		

Cost Range: The cost range within this component could deviate by 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.

Mailboxes - Replace (Newer) - 2036

		17 Cluster Boxes	@ $3,000.00
Asset ID	1066	Asset Actual Cost	$51,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$72,713.80
Placed in Service	January 2011		
Useful Life	25		
Replacement Year	2036		
Remaining Life	12		

Cost Range: The cost range within this component could deviate by 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.

Chain Link Fence - Replace

		685 LF	
Asset ID	1090	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2002		
No Useful Life			

Location: Atop retaining wall along Steptoe and 10th Ave

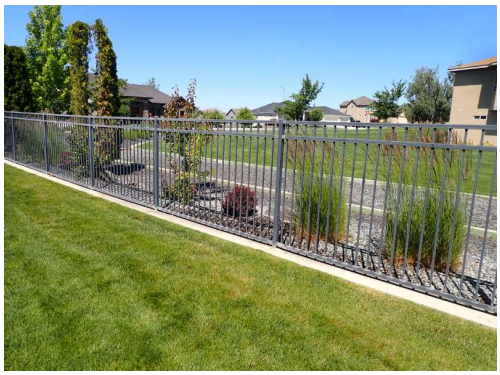
Component History: Presumed original to ~ 2002 construction

Prior research with the City of Kennewick found that the chain link fencing atop the retaining walls is the responsiblity 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.

Metal Fence - Replace - 2054

		2,025 LF	@ $115.00
Asset ID	1095	Asset Actual Cost	$232,875.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$565,248.75
Placed in Service	January 2007		
Useful Life	48		
Adjustment	-1		
Replacement Year	2054		
Remaining Life	30		



Cost Range: The cost range within this component could deviate by 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.

Gate Keypads - Replace - 2024

		3 Keypads	@ $400.00
Asset ID	1096	Asset Actual Cost	$1,200.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$1,200.00
Placed in Service	January 2007		
Useful Life	15		
Replacement Year	2024		
Remaining Life	0		

Cost Range: The cost range within this component could deviate by 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

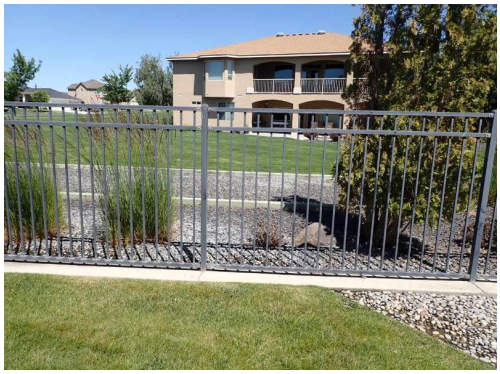
Location: Gates at pond area

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.

Metal Fence - Repair & Paint - 2024

		2,025 LF	@ $8.00
Asset ID	1100	Asset Actual Cost	$16,200.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$16,200.00
Placed in Service	January 2007		
Useful Life	8		
Replacement Year	2024		
Remaining Life	0		



Cost Range: The cost range within this component could deviate by 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

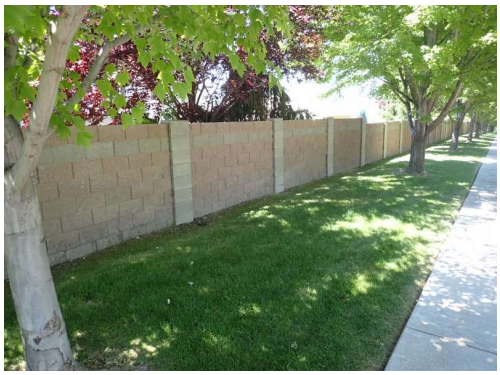
Location: Perimeter of pond area

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.

Concrete Masonry Unit Wall - Repair - 2029

		1 Allowance	@ $10,000.00
Asset ID	1105	Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$11,592.74
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	5		



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

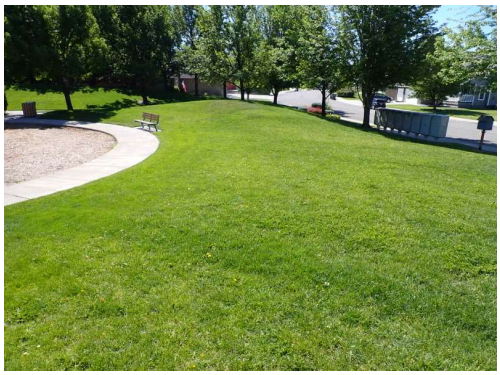
Location: Primarily along property perimeter and along 4th Ave

Component History: Scattered history of repairs covered by vehicle insurance reported, repairs 2023 due to storm tree damage $1,500.06

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

Landscape - Refurbish Allotment - 2027

		1 Allowance	@ $3,500.00
Asset ID	1135	Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,824.54
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2027		
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: Landscape renovation/repairs at playground 2022 $3,203.70

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

Trees - Trim/Remove

		1 Allowance	
Asset ID	1145	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2002		
No Useful Life			

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.

Irrigation System - Repair Allotment - 2026

		1 Allowance	@ $10,000.00
Asset ID	1155	Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$10,609.00
Placed in Service	January 2022		
Useful Life	4		
Replacement Year	2026		
Remaining Life	2		

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

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.

Irrigation Sys Valves - Replace 2023-2027 - 2024

		1 Each	@ $14,000.00
Asset ID	1157	Asset Actual Cost	$14,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$14,000.00
Placed in Service	January 2023		
Useful Life	1		
Replacement Year	2024		
Remaining Life	0		

Cost Range: The cost range within this component could deviate by 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

Location: Within irrigation system (5 valves total)

Component History: Replacement of 1 valve per year with a self cleaning valve planned starting 2023, 2023 cost $13,978.82

Irrigation Sys Valves - Replace (Future) - 2053

		5 Each	@ $14,000.00
Asset ID	1159	Asset Actual Cost	$70,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$164,959.58
Placed in Service	January 2023		
Useful Life	15		
Adjustment	15		
Replacement Year	2053		
Remaining Life	29		

Cost Range: The cost range within this component could deviate by 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: Clisnt cost history

Location: Within irrigation system

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

Drainage System - Maintain

		1 Allowance	
Asset ID	1160	Asset Actual Cost	
		Percent Replacement	100%
Category	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.

Pole Light - Replace - 2032

		1 Assembly	@ $3,000.00
Asset ID	1175	Asset Actual Cost	$3,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,800.31
Placed in Service	January 2002		
Useful Life	30		
Replacement Year	2032		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 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.

Pond Liner - Replace - 2032

		1 Allowance	@ $106,500.00
Asset ID	1190	Asset Actual Cost	$106,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$134,911.01
Placed in Service	January 2007		
Useful Life	25		
Replacement Year	2032		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 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.

Pond River Rock - Replenish - 2037

		1 Allowance	@ $12,350.00
Asset ID	1192	Asset Actual Cost	$12,350.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$18,136.39
Placed in Service	January 2022		
Useful Life	15		
Replacement Year	2037		
Remaining Life	13		

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: Inflated 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.

Pond Pump - Replace - 2027

		2 Pumps	@ $2,600.00
Asset ID	1195	Asset Actual Cost	$5,200.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$5,682.18
Placed in Service	January 2007		
Useful Life	20		
Replacement Year	2027		
Remaining Life	3		

Cost Range: The cost range within this component could deviate by 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

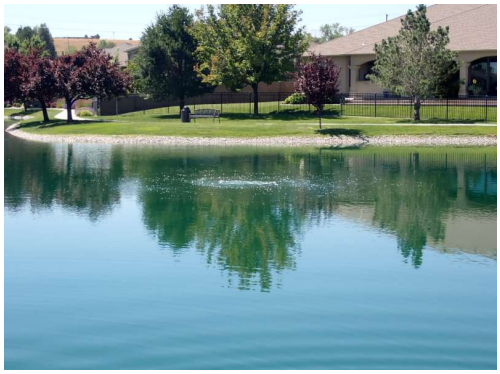
Location: Within housing adjacent to pond

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.

Pond Aeration Heads - Replace - 2027

Asset ID	1200	6 Heads	@ $1,850.00
		Asset Actual Cost	$11,100.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$12,129.27
Placed in Service	January 2007		
Useful Life	20		
Replacement Year	2027		
Remaining Life	3		



Cost Range: The cost range within this component could deviate by 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.

Retaining Wall - Repair

		1 Allowance	
Asset ID	1205	Asset Actual Cost	
		Percent Replacement	100%
Category	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 responsiblity 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.

Play Equipment - Replace - 2047

		1 Allowance	@ $101,800.00
Asset ID	2005	Asset Actual Cost	$101,800.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$200,911.11
Placed in Service	January 2022		
Useful Life	25		
Replacement Year	2047		
Remaining Life	23		

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: Inflated 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.

Wood Chips - Replenish - 2025

		1 Allowance	@ $2,500.00
Asset ID	2007	Asset Actual Cost	$2,500.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$2,575.00
Placed in Service	January 2022		
Useful Life	3		
Replacement Year	2025		
Remaining Life	1		

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.

Outdoor Furniture (Playground) - Replace - 2047

		1 Allowance	@ $4,975.00
Asset ID	2010	Asset Actual Cost	$4,975.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$9,818.59
Placed in Service	January 2022		
Useful Life	25		
Replacement Year	2047		
Remaining Life	23		

2 - Benches	@	$925.00	$1,850.00
2 - Picnic Tables	@	$1,250.00	$2,500.00
1 - Trash Can	@	$625.00	$625.00
		Total =	$4,975.00

Cost Range: The cost range within this component could deviate by 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: Inflated 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.

Outdoor Furniture (Pond) - Replace - 2027

		1 Allowance	@ $4,950.00
Asset ID	2012	Asset Actual Cost	$4,950.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$5,409.00
Placed in Service	January 2002		
Useful Life	25		
Replacement Year	2027		
Remaining Life	3		

4 - Benches	@	$925.00	$3,700.00
2 - Trash Cans	@	$625.00	$1,250.00
		Total =	$4,950.00

Cost Range: The cost range within this component could deviate by 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.

Pet Stations - Replace

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

Location: Scattered common area locations

Component History: Presumed original stations installed ~ 2002-2007, an additional 10 stations added 2022 $6,265 as operating expense

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.

Sports Court - Resurface

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

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.

Basketball Assembly - Replace - 2032

		1 Assembly	@ $2,000.00
Asset ID	2030	Asset Actual Cost	$2,000.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$2,533.54
Placed in Service	January 2002		
Useful Life	30		
Replacement Year	2032		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 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.

Reserve Study - Annual Update

		1 Ann Update	
Asset ID	6005	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2024		
No Useful Life			

Time for your annual update, contact us today!

Component History: 2019 NSV, 2022 WSV, 2023 NSV, 2024 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.

Key:
FULL = Level 1 Full Reserve Study
WSV = Level 2 With-Site-Visit Reserve Study
NSV = Level 3 No-Site-Visit Reserve Study
PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

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.

FFB = Current Cost X Effective Age/Useful Life

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

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

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

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "Fully Funded" with respective higher risk or less risk of cash problems.

- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

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

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

FUNDING PRINCIPLES The reserve study must provide a funding plan addressing these principles:

- Sufficient funds when required.
- Stable contribution rate over the years.
- Equitable contribution rate over the years.
- Fiscally responsible.

GSF Gross square feet.

GSY Gross square yards.

LIFE & VALUATION ESTIMATES The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.

LF Lineal feet.

PERCENT FUNDED The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

PHYSICAL ANALYSIS The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

REMAINING USEFUL LIFE (RUL) Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE STUDY A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major

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

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

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

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute, on behalf of Accurate Reserve Professionals, LLC ("ARP") and is subject to all terms, conditions, limitations and disclaimers of any contracts between client and ARP regarding this report and the services provided by ARP for client in connection with this report.

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

Any site visit work performed in the process of preparing this report included a limited non-invasive visual walk through of areas identified by client, and reliance by ARP upon client's representations that such areas constituted a representative sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact. Any site visit is not considered a site inspection, project audit or quality inspection of any areas or projects.

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

This report attempts to include all reserve components identified by client, including best efforts to note any unfunded components within the inventory appendix.

Any information provided by client regarding financial information, physical conditions, quantities, historical issues, components, designs, and current and prior reserve projects, is relied upon by ARP as accurate, true and correct, in preparing this report (the "**Provided Information**"). This report is for the client's sole use and shall not be used by or relied upon by third parties for any purpose. Use of the Provided Information by ARP is not intended to validate the accuracy of such information and this report is not an audit, quality/forensics analysis or a background check of the client's historical records or the Provided Information.

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. To the best of ARP's knowledge and based upon the information provided to ARP by client, at the time of generating this report there are no known material issues excluded from this report which would affect the data provided.

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.

The report is for client's internal use and based on the Provided information and may not be relied upon by third parties for any reason. Visual inspections are to verify existence and appearance of assets. ARP does not guarantee the accuracy of the information in the reports, and Client may not fully rely on the final figures in the report, due to a variety of factors outside of ARP's control and knowledge, including but not limited to reliance on information provided by Client and other third parties that may be inaccurate, incomplete, or inadequate, hidden damages, latent defects, economic factors, labor and material costs, environmental factors, deferred maintenance, 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."