

5116 Heather Drive
Anacortes, WA 98221
360.588.9956

Funding Reserve Analysis
for
Glenhaven Lakes Club - Operations Level 3a Study 2024

August 20, 2024



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Glenhaven Lakes Club - Operations Level 3a Study 2024

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5116 Heather Drive
Anacortes, WA 9822
360.588.9956

August 20, 2024

Ms. Bekki Dodd
Board of Directors
664 Rainbow Drive
Sedro Woolley WA 98284

Dear Ms. Bekki Dodd,

Introduction

First, we would like to thank you for utilizing our services. Our approach is to provide the members, the board and management with understandable information to make informed decisions needed to best manage your reserve fund and annual contributions. We strive to understand the association's needs and design a funding strategy for meeting those needs based on a realistic approach to finances available and real-world workings of most associations. We live and work in the local area and work hard to keep up to date with costs in your association's neighborhood.

Included within the following pages you will find:

Three funding models which detail how your association finances will look during the 30-year forecast window.

- Current Level of Contributions
- Baseline Funded
- Fully Funded (per the State of Washington RCW 64.34.380)

A list of the community components that the association is responsible for maintaining.

- Estimated current cost of replacement of each component.
- Timeline of estimated remaining life and estimated cost at replacement date per component.

Annual expenditure detail.

Expenses by item and by calendar year.

Average deficit or surplus from a Fully Funded Balance for the association and per member in dollar amount and percentage (based on equal percentage ownership for all units). This amount is calculated by subtracting the association's reserve account balance as of the date of the study (*Budget Year Beginning Date*) from the Fully Funded Balance. Also included is the same calculated amounts as projected at the end of the each study year (*Budget Year Ending Date*).

What is our Recommended Funding Goal? Maintaining the Reserve Fund at a level equal to the value of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. This is simple, responsible, and our recommendation.

Evidence shows that associations in the:

- 0-50% range are considered in **Poor** condition and at a high risk of special assessments or deferred maintenance.
- 60-80% range are considered in **Good** condition and should strive to gradually increase reserves.
- 90-130% range are considered in **Excellent** condition and enjoy a low risk of special assessments or deferred maintenance.

The attached funding study is limited in scope to those expense items listed in the attached Expense Detail Report. Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long-lived items overlaps the 30 Years reserve study envelope.

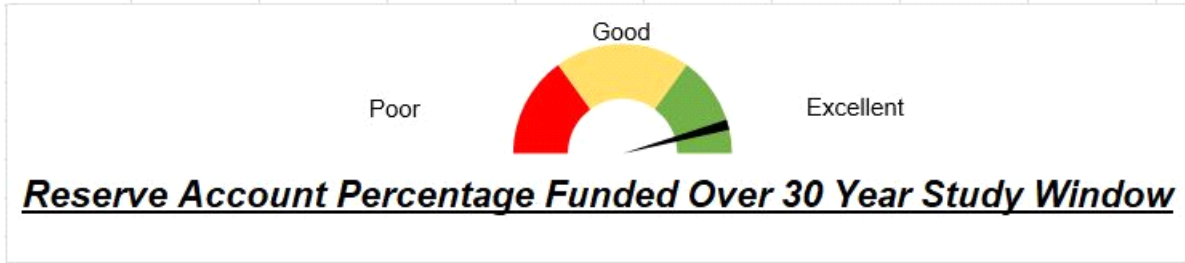
Glenhaven Lakes Club - Operations Level 3a Study 2024

Executive Summary

Name Location Contributing Members Year Built Fiscal Year Ends		Glenhaven Lakes Club - Operations Level 3a Study 2024 Sedro Woolley, WA 1191 1965 2024
Depth of Study Date of Study Last On-Site Inspection Date Inflation Rate for Projections		Level 3a Study (<i>Without Site Visit</i>) August 20, 2024 June 2, 2023 8% Years 2023-2024/5% 2025>

Reserve Account Summary

Reported Current Annual Reserve Contribution	\$59,784 per year
Estimated Fiscal Year Starting Balance	\$170,920
Fiscal Year Beginning Balance If Fully Funded	\$420,402 (<i>ideal amount in reserves</i>)
Average Deficit/Surplus Per Member (<i>As of Budget Year Beginning Date</i>)	-\$209 Percent Funded 41%



5 - Year Summary - Current vs. Baseline vs. Fully Funded (*As of Budget Year Ending Date*)

	Current Funding Model <i>Contribution amount supplied by Client</i>		Baseline Funded Model <i>Reserve account above \$0 within study timeframe</i>		Fully Funded Model Recommended <i>Achieve 100% funded within the 30 year study timeframe</i>	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2024	\$178,957	42%	\$181,616	43%	\$184,773	44%
2025	\$135,474	37%	\$140,988	38%	\$147,515	40%
2026	\$126,903	36%	\$136,907	39%	\$147,028	42%
2027	\$60,237	23%	\$44,487	17%	\$87,450	33%
2028	\$135,205	42%	\$91,976	29%	\$169,990	53%
	<i>Contribution increases vary</i>		<i>Contribution set for minimum to maintain positive balance</i>		<i>Model goal is to achieve 100% funded by year 30</i>	

The percentage figures above represent the percentage each model is above or below fully funded for the noted time period

Project Description

Glenhaven Lakes Club is a planned unit development (PUD) located in northern Sedro Woolley, Washington. The common elements include various buildings, equipment, a pool & clubhouse and the community water system. It was reported there are 1,191 home and lot owners and 756 water service connections.

This year's report is a Level 2 Reserve Study which includes a field evaluation of the Association's physical assets, a review of current financial, other information provided by the client and prior reserve reports.

(Report Note - material and labor costs appear to be continuing to increase in all construction categories. Many associations have reported dramatic cost differences in recent contractor bids on the same projects. We highly recommend associations request contractor bids on upcoming projects early in the process. Until such time as cost increases moderate all models will include an inflation factor of 5%).

Reserve Fund Status and Funding Plan Recommendation - Based on our findings, the current level of funding of the reserve account is adequate to fund projected expenses for the long term. We recommend the association gradually adopt a reserve funding plan based on the Fully Funding Model in order to ensure that adequate funding is available throughout the 30-year study period.

Current Assessment Projection - The initial reserve assessment is the association's reported current fiscal year funding level and projected out 30 years to illustrate the adequacy of the current funding over time.

Current Total Reported Annual Reserve Contribution - \$59,784

Baseline Funded Model - The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. A facility using this funding method must understand that even a minor reduction in a component's remaining useful life **or unplanned expenses** can result in a deficit in the reserve cash balance **and may require additional funding**.

Recommended Total Annual Reserve Contribution - \$62,397

Fully Funded Model - This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments. This is the most conservative funding model. It leads to or maintains a fully funded reserve position. (Please note that the Fully Funded Model incorporates funding parameters that seek to reach 100% funded at year 30 reserve study limit. The recommended contribution amount may be unusually high or low for the first few years depending on the current reserve account balance and upcoming expenses).

Recommended Total Annual Reserve Contribution - \$65,500

In this Reserve Study the following components are excluded:

Power Lines – Generally utility companies.

Utility Main Lines – Generally utility companies or City.

Interior Plumbing - The remaining useful life of the plumbing exceeds the 30-year scope of the study.

Siding - The remaining useful life exceeds the 30-year scope of the study.

Depth of Study

We have completed a Level 3 Reserve Study for your association. A field inspection was not made to verify the current status of the various reserve study components, their physical condition, and to verify component quantities.

Understanding the Budget Year

Your study is based on the standard calendar year January 1 through December 31st. January is the "budget year beginning". This account balance is the starting point for determining the distribution of available funds for the year. Reserve contributions plus any addition income or deposits and interest for the 12-month period are calculated then projected expenses for the year are deducted. The result is the *budget year ending* balance estimated for December 31st.

Initial Reserves

Initial reserves for this reserve study are estimated to be \$170,920 as of December 31, 2023. We have relied upon the client to provide the current (or projected) reserve balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the reserve fund.

Keeping Your Reserve Study Current

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the facilities site and computations made subsequently in preparing this reserve analysis study are retained in our computer files.

Conflict of Interest

As the preparer of this reserve study, Pacific Crest Reserves certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Date of Physical Inspection

The property was physically inspected by Pacific Crest Reserves on June 2, 2023.

Pacific Crest Reserves would like to thank the members and management for the opportunity to be of service in the preparation of the attached funding study. Again, please feel free to contact us if you have any questions.

Prepared by:

Charlie Barefield

Charlie Barefield
Reserve Analyst Principal

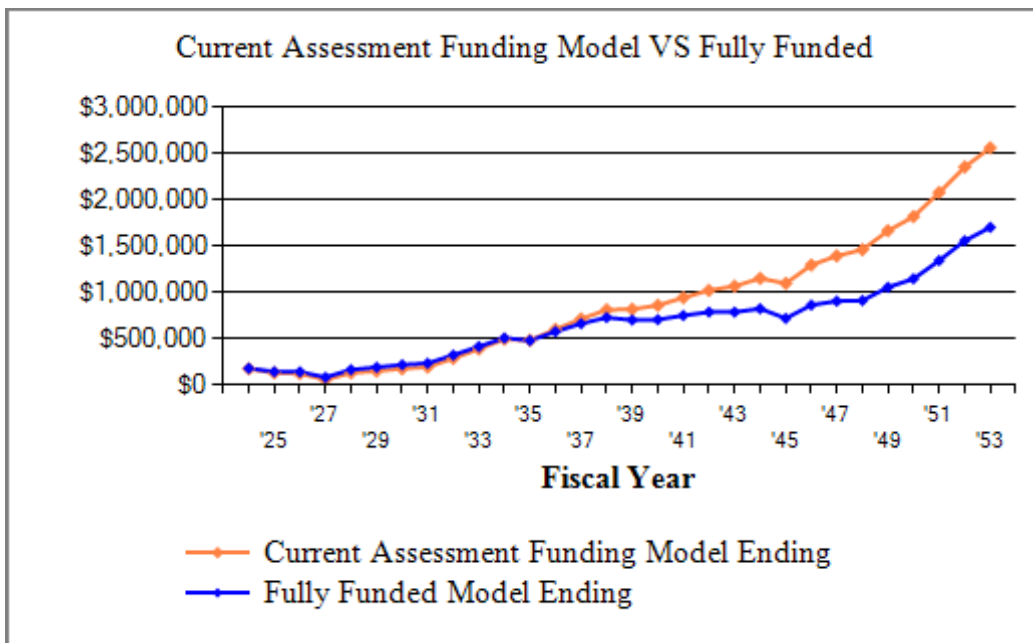
Glenhaven Lakes Club - Operations Level 3a Study 2024

Sedro Woolley, WA

Current Assessment Projection Summary

Report Date	August 20, 2024
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	1191

Report Parameters	
Inflation	5.00%
Interest Rate on Reserve Deposit	2.50%
Tax Rate on Interest	30.00%
2024 Beginning Balance	\$170,920



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures. The monthly contribution noted is the Average Amount per lot.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$59,784.00
<i>\$50.20 per unit annually</i>	
Average Net Annual Interest Earned	\$3,077.88
Total Annual Allocation to Reserves	\$62,861.88
<i>\$52.78 per unit annually</i>	

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Current Assessment Projection**

Beginning Balance: \$170,920

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	59,784	3,078	54,825	178,957	421,646	42%
2025	62,757	2,330	108,570	135,474	368,301	37%
2026	64,476	2,183	75,229	126,903	349,276	36%
2027	69,204	1,036	136,907	60,237	266,617	23%
2028	72,643	2,325		135,205	320,653	42%
2029	76,275	2,672	58,808	155,344	320,357	48%
2030	80,089	3,108	57,839	180,702	323,541	56%
2031	84,093	3,417	69,511	198,702	317,023	63%
2032	88,298	5,023		292,023	385,681	76%
2033	92,713	6,733		391,468	460,411	85%
2034	97,349	8,554		497,371	541,650	92%
2035	102,216	8,375	121,003	486,959	503,055	97%
2036	107,327	10,400		604,686	592,653	102%
2037	112,693	12,323	13,190	716,513	676,934	106%
2038	118,328	13,990	35,421	813,409	745,511	109%
2039	124,244	14,117	130,952	820,819	720,807	114%
2040	130,456	14,828	103,948	862,155	726,996	119%
2041	136,979	16,254	70,314	945,074	772,776	122%
2042	143,828	17,612	82,511	1,024,003	812,201	126%
2043	151,020	18,378	124,831	1,068,570	813,532	131%
2044	158,571	19,823	94,404	1,152,559	851,467	135%
2045	166,499	18,895	239,356	1,098,597	743,920	148%
2046	174,824	22,285		1,295,706	887,378	146%
2047	183,565	23,980	108,971	1,394,280	928,201	150%
2048	192,744	25,139	150,532	1,461,631	932,969	157%
2049	202,381	28,636	27,650	1,664,998	1,072,823	155%
2050	212,500	31,260	91,239	1,817,519	1,159,014	157%
2051	223,125	35,711		2,076,355	1,351,731	154%
2052	234,281	40,436		2,351,072	1,560,823	151%
2053	245,995	43,992	83,240	2,557,818	1,700,043	150%

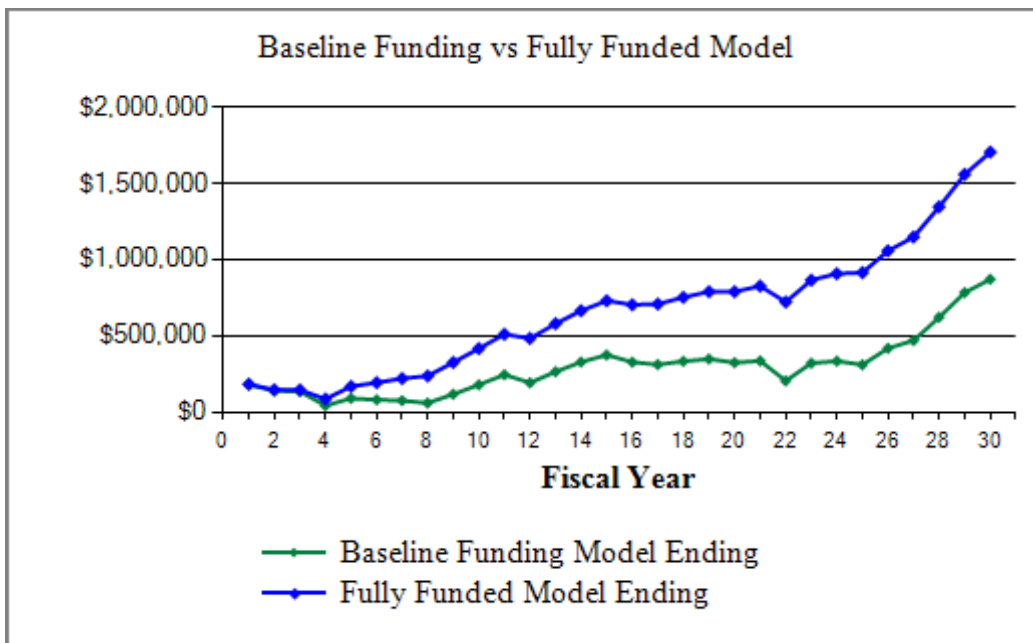
Glenhaven Lakes Club - Operations Level 3a Study 2024

Sedro Woolley, WA

Baseline Funding Model Summary

Report Date	August 20, 2024
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	1191

Report Parameters	
Inflation	5.00%
Annual Assessment Increase	5.00%
Interest Rate on Reserve Deposit	2.50%
Tax Rate on Interest	30.00%
2024 Beginning Balance	\$170,920



The **Baseline Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined baseline, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Baseline Funding Model** allows the client to choose the level of conservative funding they desire by choosing the baseline dollar amount. The monthly contribution noted is the Average Amount per lot.

Baseline Funding Model Summary of Calculations

Required Annual Contribution	\$62,397.34
<i>\$52.39 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$3,123.62</u>
Total Annual Allocation to Reserves	\$65,520.95
<i>\$55.01 per unit annually</i>	

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Baseline Funding Model Projection**

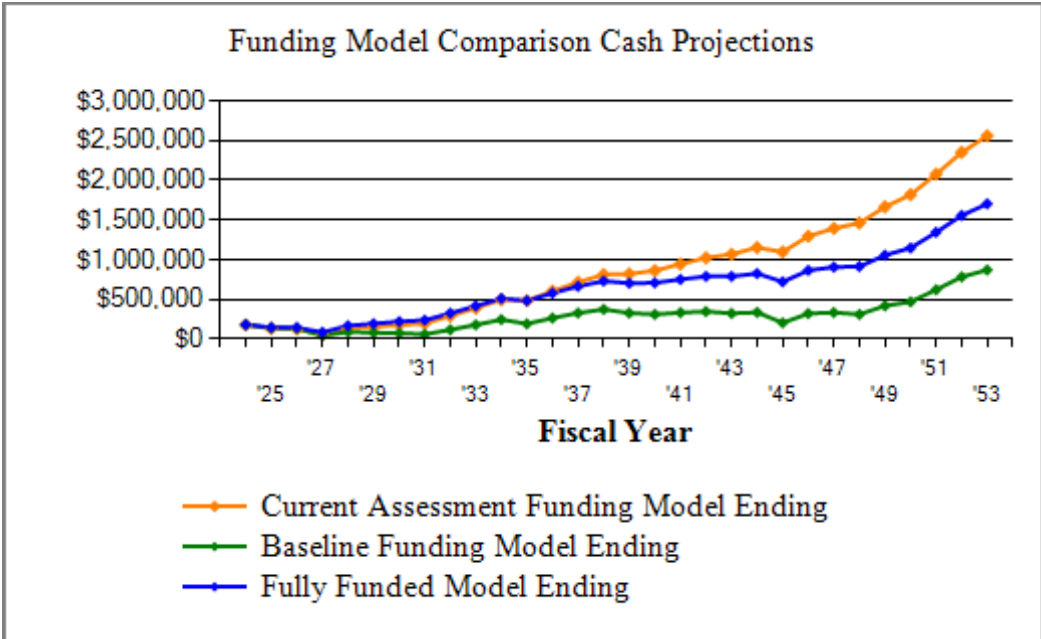
Beginning Balance: \$170,920

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	62,397	3,124	54,825	181,616	421,646	43%
2025	65,517	2,425	108,570	140,988	368,301	38%
2026	68,793	2,355	75,229	136,907	349,276	39%
2027	43,721	765	136,907	44,487	266,617	17%
2028	45,908	1,582		91,976	320,653	29%
2029	48,203	1,424	58,808	82,795	320,357	26%
2030	50,613	1,322	57,839	76,891	323,541	24%
2031	53,144	1,059	69,511	61,584	317,023	19%
2032	55,801	2,054		119,439	385,681	31%
2033	58,591	3,116		181,145	460,411	39%
2034	61,520	4,247		246,912	541,650	46%
2035	64,596	3,334	121,003	193,839	503,055	39%
2036	67,826	4,579		266,245	592,653	45%
2037	71,218	5,675	13,190	329,947	676,934	49%
2038	74,778	6,463	35,421	375,768	745,511	50%
2039	78,517	5,658	130,952	328,992	720,807	46%
2040	82,443	5,381	103,948	312,867	726,996	43%
2041	86,565	5,760	70,314	334,878	772,776	43%
2042	90,894	6,007	82,511	349,268	812,201	43%
2043	95,438	5,598	124,831	325,473	813,532	40%
2044	100,210	5,797	94,404	337,076	851,467	40%
2045	105,221	3,551	239,356	206,492	743,920	28%
2046	110,482	5,547		322,521	887,378	36%
2047	116,006	5,767	108,971	335,323	928,201	36%
2048	121,806	5,365	150,532	311,963	932,969	33%
2049	127,897	7,214	27,650	419,424	1,072,823	39%
2050	134,291	8,093	91,239	470,570	1,159,014	41%
2051	141,006	10,703		622,279	1,351,731	46%
2052	148,056	13,481		783,816	1,560,823	50%
2053	155,459	14,981	83,240	871,015	1,700,043	51%

Glenhaven Lakes Club - Operations Level 3a Study 2024
 Sedro Woolley, WA
Fully Funded Model Summary

Report Date	August 20, 2024
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	1191

Report Parameters	
Inflation	5.00%
Interest Rate on Reserve Deposit	2.50%
Tax Rate on Interest	30.00%
2024 Beginning Balance	\$170,920



The **Fully Funded Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model. The monthly contribution noted is the Average Amount per lot.

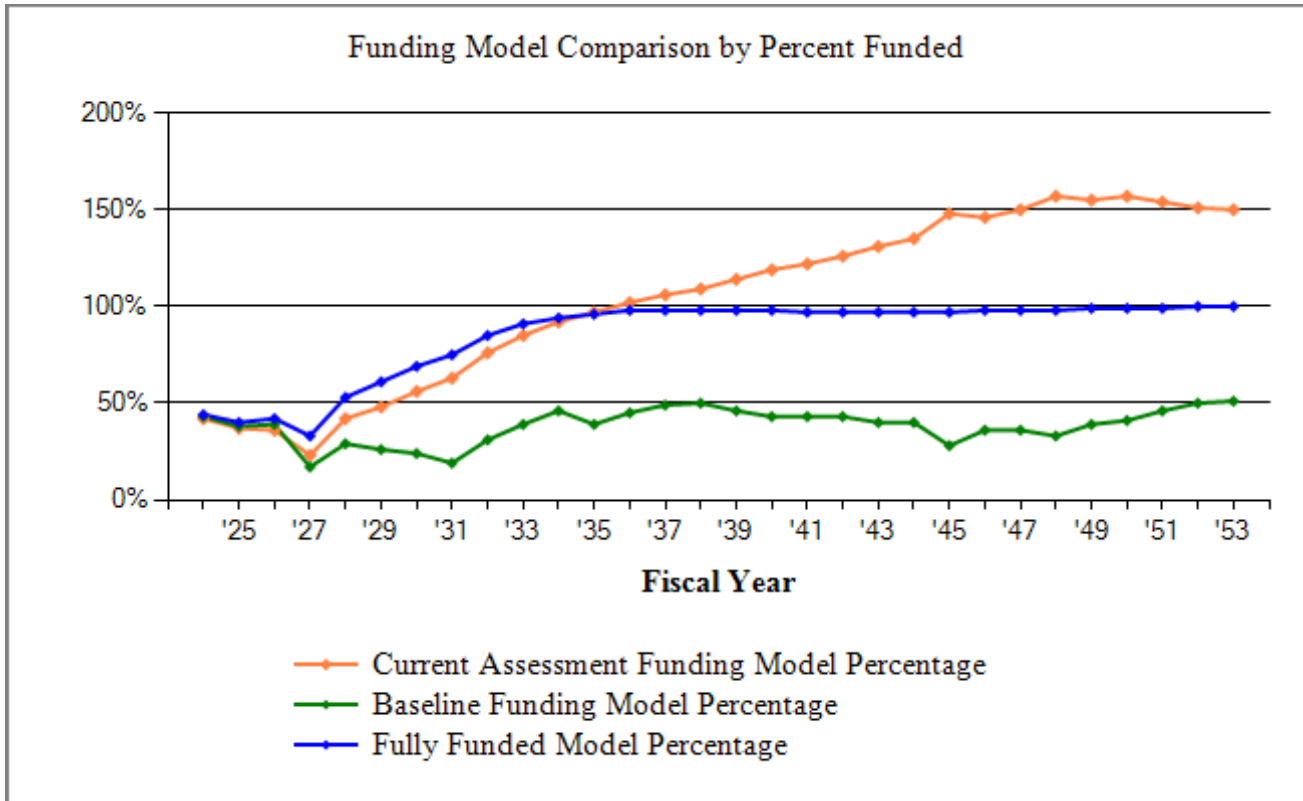
Fully Funded Model Summary of Calculations	
Required Annual Contribution	\$65,500.00
<i>\$55.00 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$3,177.91</u>
Total Annual Allocation to Reserves	\$68,677.91
<i>\$57.66 per unit annually</i>	

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Fully Funded Model Projection**

Beginning Balance: \$170,920

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	65,500	3,178	54,825	184,773	421,646	44%
2025	68,775	2,537	108,570	147,515	368,301	40%
2026	72,214	2,529	75,229	147,028	349,276	42%
2027	75,824	1,504	136,907	87,450	266,617	33%
2028	79,616	2,924		169,990	320,653	53%
2029	80,412	3,353	58,808	194,946	320,357	61%
2030	81,216	3,821	57,839	222,144	323,541	69%
2031	82,028	4,107	69,511	238,768	317,023	75%
2032	82,848	5,628		327,245	385,681	85%
2033	83,677	7,191		418,113	460,411	91%
2034	84,514	8,796		511,422	541,650	94%
2035	85,359	8,326	121,003	484,104	503,055	96%
2036	86,212	9,981		580,297	592,653	98%
2037	87,074	11,448	13,190	665,629	676,934	98%
2038	87,945	12,568	35,421	730,721	745,511	98%
2039	92,167	12,109	130,952	704,045	720,807	98%
2040	96,591	12,192	103,948	708,879	726,996	98%
2041	101,227	12,946	70,314	752,738	772,776	97%
2042	106,086	13,585	82,511	789,898	812,201	97%
2043	111,178	13,584	124,831	789,829	813,532	97%
2044	116,737	14,213	94,404	826,375	851,467	97%
2045	122,574	12,418	239,356	722,010	743,920	97%
2046	128,702	14,887		865,600	887,378	98%
2047	135,137	15,606	108,971	907,372	928,201	98%
2048	141,894	15,728	150,532	914,463	932,969	98%
2049	151,827	18,176	27,650	1,056,816	1,072,823	99%
2050	162,455	19,741	91,239	1,147,773	1,159,014	99%
2051	173,827	23,128		1,344,728	1,351,731	99%
2052	185,995	26,788		1,557,510	1,560,823	100%
2053	199,014	29,282	83,240	1,702,566	1,700,043	100%

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Funding Model Comparison by Percent Funded**



The chart above compares the projected Reserve Percentage Funded of the three funding models (Current Assessment Funding Model, Baseline Funding Model and Fully Funded Model) over 30 years.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2024	
General Operations - Dump Trailer	8,165
General Operations - Kubota	34,995
Pool Area - Drum Filter	11,665
Total for 2024	\$54,825
Replacement Year 2025	
Clubhouse - Interior Update	42,856
General Operations - Flatbed	28,166
General Operations - Maintenance Shop	12,248
General Operations - Mowers	25,300
Total for 2025	\$108,570
Replacement Year 2026	
Clubhouse - Window & Glass Door Replacement	75,229
Total for 2026	\$75,229
Replacement Year 2027	
Administrative Building - Siding Replacement/Painting	81,016
Administrative Building - Window Replacement	16,201
General Operations - Dump Truck	12,149
Pool Area - Heater	16,201
Pool Area - Pumps & Components	11,339
Total for 2027	\$136,907
<i>No Replacement in 2028</i>	
Replacement Year 2029	
Administrative Building - Interior Update	29,035
General Operations - Pickup	16,375
General Operations - Zero Turn Mower	10,421
Pool Area - Furniture	2,978
Total for 2029	\$58,808
Replacement Year 2030	
Administrative Building - Security System	46,897
General Operations - Maintenance Office	10,942
Total for 2030	\$57,839

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2031	
Pool Area - Replaster & Paint	69,511
Total for 2031	<u>\$69,511</u>
 <i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
 Replacement Year 2035	
General Operations - Flatbed	45,880
General Operations - Mowers	41,211
Pool Area - Furniture	3,990
Pool Building - Interior Update	29,922
Total for 2035	<u>\$121,003</u>
 <i>No Replacement in 2036</i>	
Replacement Year 2037	
Administrative Building - Exterior Paint & Staining	13,190
Total for 2037	<u>\$13,190</u>
 Replacement Year 2038	
Clubhouse - Lighting Fixtures	35,421
Total for 2038	<u>\$35,421</u>
 Replacement Year 2039	
General Operations - Dump Trailer	16,974
General Operations - Kubota	72,752
General Operations - Zero Turn Mower	16,974
Pool Area - Drum Filter	24,251
Total for 2039	<u>\$130,952</u>
 Replacement Year 2040	
Clubhouse - Interior Update	89,094
Pool Area - Chain Link Fence	14,854
Total for 2040	<u>\$103,948</u>
 Replacement Year 2041	
Administrative Building - Deck Major Repair/Replacement	64,967

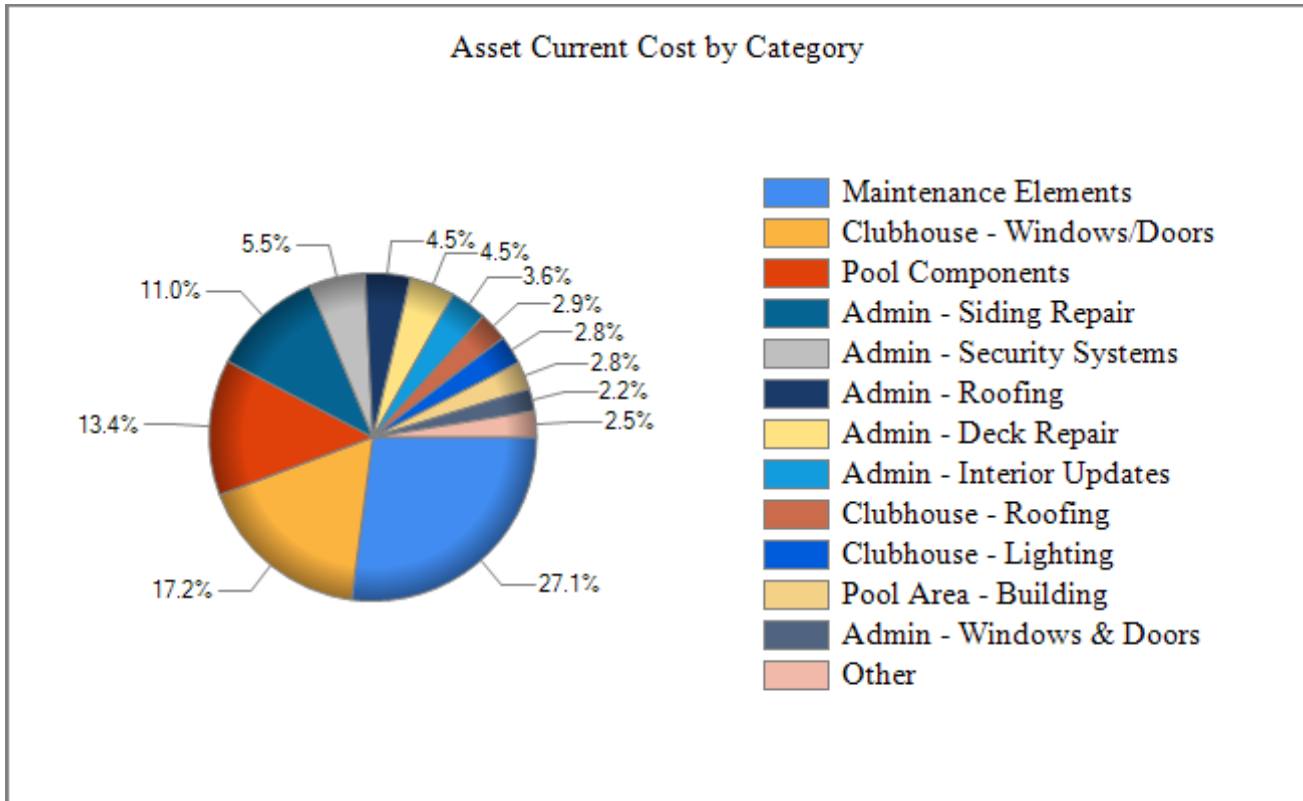
**Glenhaven Lakes Club - Operations Level 3a Study 2024
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2041 continued...</i>	
Pool Area - Furniture	5,347
Total for 2041	\$70,314
Replacement Year 2042	
General Operations - Dump Truck	25,257
Pool Area - Heater	33,681
Pool Area - Pumps & Components	23,573
Total for 2042	\$82,511
Replacement Year 2043	
Pool Area - Replaster & Paint	124,831
Total for 2043	\$124,831
Replacement Year 2044	
Administrative Building - Interior Update	60,363
General Operations - Pickup	34,042
Total for 2044	\$94,404
Replacement Year 2045	
Administrative Building - Security System	97,495
General Operations - Flatbed	74,733
General Operations - Mowers	67,128
Total for 2045	\$239,356
<i>No Replacement in 2046</i>	
Replacement Year 2047	
Administrative Building - Exterior Paint & Staining	21,485
General Operations - Backhoe	80,320
Pool Area - Furniture	7,166
Total for 2047	\$108,971
Replacement Year 2048	
Administrative Building - Roof Replacement	91,690
Clubhouse - Roof Replacement	58,842
Total for 2048	\$150,532

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2049	
General Operations - Zero Turn Mower	27,650
Total for 2049	<u>\$27,650</u>
 Replacement Year 2050	
General Operations - Maintenance Office	29,032
Pool Building - Interior Update	62,206
Total for 2050	<u>\$91,239</u>
 <i>No Replacement in 2051</i>	
<i>No Replacement in 2052</i>	
 Replacement Year 2053	
Clubhouse - Lighting Fixtures	73,638
Pool Area - Furniture	9,603
Total for 2053	<u>\$83,240</u>

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Asset Current Cost by Category**



The above chart illustrates the current cost breakdown percentage of the Component Categories in this reserve study (highest percentage components listed at top, items less than 2% are listed as "Other"). Special attention should be given to those component categories which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. Refer to the Cash Flow Projections and the Annual Expenditure Report for the projected timeline of expected expenditures.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Administrative Building - Roof Replacement - 2048

Asset ID	1001	1 Allowance @	\$28,430.00
		Asset Actual Cost	\$28,430.00
		Percent Replacement	100%
Category	Admin - Roofing	Future Cost	\$91,689.59
Placed in Service	January 2023		
Useful Life	25		
Replacement Year	2048		
Remaining Life	24		



It was reported this work was completed however no actual cost was reported. The cycle has been revised.

The roofing appears to be in poor condition and our understanding is replacement is planned for this year.

Administrative Building - Deck Major Repair/Replacement - 2041

Asset ID	1002	1 Allowance @	\$28,345.00
		Asset Actual Cost	\$28,345.00
		Percent Replacement	100%
Category	Admin - Deck Repair	Future Cost	\$64,967.26
Placed in Service	January 2021		
Useful Life	20		
Replacement Year	2041		
Remaining Life	17		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Administrative Building - Deck Major Repair/Replacement continued...



No update for 2024

The budget includes a fund for the eventual major repair or replacement of decks and entry stairs. Currently all appear to be in good condition, well-constructed and should provide many years of service. We encourage careful monitoring and continued application of a quality stain product to maximize the life span.

Administrative Building - Exterior Paint & Staining - 2037

Asset ID	1003	1 Allowance	@ \$6,995.00
		Asset Actual Cost	\$6,995.00
		Percent Replacement	100%
Category	Admin - Painting/Staining	Future Cost	\$13,190.12
Placed in Service	January 2012		
Useful Life	10		
Adjustment	15		
Replacement Year	2037		
Remaining Life	13		

No update for 2024

Funds are included for future exterior painting & staining. Modern paints & stains when professionally applied over properly prepared materials should provide a useful life of 10 years or more. Inspection and touchup of any damaged areas will greatly increase the performance of these products.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Administrative Building - Siding Replacement/Painting - 2027

Asset ID	1004	1 Allowance @	\$69,985.00
		Asset Actual Cost	\$69,985.00
		Percent Replacement	100%
Category	Admin - Siding Repair	Future Cost	\$81,016.39
Placed in Service	January 1992		
Useful Life	35		
Replacement Year	2027		
Remaining Life	3		

No update for 2024

Funds are included replacement of the plywood siding and painting as a one-time charge in 2027.

Administrative Building - Window Replacement - 2027

Asset ID	1005	1 Allowance @	\$13,995.00
		Asset Actual Cost	\$13,995.00
		Percent Replacement	100%
Category	Admin - Windows & Doors	Future Cost	\$16,200.96
Placed in Service	January 1992		
Useful Life	35		
Replacement Year	2027		
Remaining Life	3		

No update for 2024

Funds are included for replacement of the windows at time of siding replacement or as needed.

Administrative Building - Interior Update - 2029

Asset ID	1006	1 Allowance @	\$22,750.00
		Asset Actual Cost	\$22,750.00
		Percent Replacement	100%
Category	Admin - Interior Updates	Future Cost	\$29,035.41
Placed in Service	January 2014		
Useful Life	15		
Replacement Year	2029		
Remaining Life	5		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Administrative Building - Interior Update continued...



No update for 2024

The interior appears to be in good condition at present. Funds are included for updating floor coverings, paint and other interior elements.

Administrative Building - Security System - 2030

Asset ID	1007	1 Allowance @	\$34,995.00
		Asset Actual Cost	\$34,995.00
		Percent Replacement	100%
		Future Cost	\$46,896.65
Category	Admin - Security Systems		
Placed in Service	January 2014		
Useful Life	15		
Adjustment	1		
Replacement Year	2030		
Remaining Life	6		

No update for 2024

The interior appears to be in good condition at present. Funds are included for updating floor coverings, paint and other interior elements.

Clubhouse - Roof Replacement - 2048

Asset ID	1008	1 Allowance @	\$18,245.00
		Asset Actual Cost	\$18,245.00
		Percent Replacement	100%
		Future Cost	\$58,841.95
Category	Clubhouse - Roofing		
Placed in Service	January 2023		
Useful Life	25		
Replacement Year	2048		
Remaining Life	24		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Clubhouse - Roof Replacement continued...



It was reported this work was completed however no actual cost was reported. The cycle has been revised.

It was reported the clubhouse roof material will be replaced this year.

Clubhouse - Window & Glass Door Replacement - 2026

Asset ID	1010	1 Allowance @ \$68,235.00
Category	Clubhouse - Windows/Doors	Asset Actual Cost \$68,235.00
Placed in Service	January 1996	Percent Replacement 100%
Useful Life	30	Future Cost \$75,229.09
Replacement Year	2026	
Remaining Life	2	



No update for 2024

Industry standards for the estimated useful life of vinyl windows and sliding glass doors range from 20-40 years depending on factors such as quality of the unit, professional installation practices and environmental conditions.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Clubhouse - Interior Update - 2025

Asset ID	1011	1 Allowance @	\$40,815.00
Category	Clubhouse - Windows/Doors	Asset Actual Cost	\$40,815.00
Placed in Service	January 2010	Percent Replacement	100%
Useful Life	15	Future Cost	\$42,855.75
Replacement Year	2025		
Remaining Life	1		



Per management the clubhouse renovation date revised to 2025.

Clubhouse - Lighting Fixtures - 2038

Asset ID	1012	1 Allowance @	\$17,890.00
Category	Clubhouse - Lighting	Asset Actual Cost	\$17,890.00
Placed in Service	January 2023	Percent Replacement	100%
Useful Life	15	Future Cost	\$35,420.98
Replacement Year	2038		
Remaining Life	14		

It was reported this work was completed however no actual cost was reported. The cycle has been revised.

The exterior light fixtures including the four light poles that are LED fixtures appear to be in good condition. Most exterior fixtures will last approximately 20 years before requiring replacement. With more efficient fixtures and bulbs generally operation costs can be dramatically reduced. The budget includes funds for replacement with comparable modern fixtures.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Pool Building - Interior Update - 2035

Asset ID	1013	1 Allowance @ \$17,495.00
		Asset Actual Cost \$17,495.00
		Percent Replacement 100%
Category	Pool Area - Building	Future Cost \$29,922.39
Placed in Service	January 2018	
Useful Life	15	
Adjustment	2	
Replacement Year	2035	
Remaining Life	11	



No update for 2024

Pool Area - Pumps & Components - 2027

Asset ID	1014A	1 Allowance @ \$9,795.00
		Asset Actual Cost \$9,795.00
		Percent Replacement 100%
Category	Pool Components	Future Cost \$11,338.94
Placed in Service	January 2012	
Useful Life	15	
Replacement Year	2027	
Remaining Life	3	

No update for 2024

Funds are included for the various items of pool pump equipment and components.

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Pool Area - Drum Filter - 2024

Asset ID	1014B	1 Allowance @ \$11,665.00
Category	Pool Components	Asset Actual Cost \$11,665.00
Placed in Service	January 2012	Percent Replacement 100%
Useful Life	15	Future Cost \$11,665.00
Adjustment	-3	
Replacement Year	2024	
Remaining Life	0	



No update for 2024

Funds are included for replacement of the pool filtration components.

Pool Area - Heater - 2027

Asset ID	1015	1 Allowance @ \$13,995.00
Category	Pool Components	Asset Actual Cost \$13,995.00
Placed in Service	January 2012	Percent Replacement 100%
Useful Life	15	Future Cost \$16,200.96
Replacement Year	2027	
Remaining Life	3	



No update for 2024

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Pool Area - Replaster & Paint - 2031

Asset ID	1016	1 Allowance @	\$49,400.00
		Asset Actual Cost	\$49,400.00
		Percent Replacement	100%
		Future Cost	\$69,510.76
Category	Pool Components		
Placed in Service	January 2019		
Useful Life	12		
Replacement Year	2031		
Remaining Life	7		



No update for 2024

Pool Area - Chain Link Fence - 2040

Asset ID	1017	1 Allowance @	\$6,805.00
		Asset Actual Cost	\$6,805.00
		Percent Replacement	100%
		Future Cost	\$14,854.46
Category	Pool Area - Fencing		
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	16		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

Pool Area - Chain Link Fence continued...



No update for 2024

Pool Area - Furniture - 2029

Asset ID	1018	1 Allowance	@ \$13,995.00
Category	Exterior Furniture	Asset Actual Cost	\$2,332.97
Placed in Service	January 2023	Percent Replacement	16.67%
Useful Life	6	Future Cost	\$2,977.52
Replacement Year	2029		
Remaining Life	5		

It was reported this work was completed however no actual cost was reported. The cycle has been revised.

Funds are included for replacement of the various pool and exterior furniture as needed.

General Operations - Maintenance Office - 2030

Asset ID	1019	1 Allowance	@ \$8,165.00
Category	Maintenance Elements	Asset Actual Cost	\$8,165.00
Placed in Service	January 2010	Percent Replacement	100%
Useful Life	20	Future Cost	\$10,941.88
Replacement Year	2030		
Remaining Life	6		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Maintenance Office continued...



No update for 2024

Our understanding is the association splits the costs of various maintenance items 50/50 with the water system operation costs.

General Operations - Maintenance Shop - 2025

Asset ID	1020	1 Allowance	@ \$11,665.00
		Asset Actual Cost	\$11,665.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$12,248.25
Placed in Service	January 1995		
Useful Life	40		
Adjustment	-10		
Replacement Year	2025		
Remaining Life	1		



No update for 2024

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Backhoe - 2047

Asset ID	1021	1 Allowance @	\$26,150.00
		Asset Actual Cost	\$26,150.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$80,320.34
Placed in Service	January 2017		
Useful Life	40		
Adjustment	-10		
Replacement Year	2047		
Remaining Life	23		



No update for 2024

General Operations - Mowers - 2025

Asset ID	1022	1 Allowance @	\$24,095.00
		Asset Actual Cost	\$24,095.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$25,299.75
Placed in Service	January 2015		
Useful Life	10		
Replacement Year	2025		
Remaining Life	1		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Mowers continued...



No update for 2024

General Operations - Flatbed - 2025

Asset ID	1023	1 Allowance @ \$26,825.00
Category	Maintenance Elements	Asset Actual Cost \$26,825.00
Placed in Service	January 2015	Percent Replacement 100%
Useful Life	10	Future Cost \$28,166.25
Replacement Year	2025	
Remaining Life	1	

No update for 2024

General Operations - Kubota - 2024

Asset ID	1024	1 Allowance @ \$34,995.00
Category	Maintenance Elements	Asset Actual Cost \$34,995.00
Placed in Service	January 2022	Percent Replacement 100%
Useful Life	15	Future Cost \$34,995.00
Adjustment	-13	
Replacement Year	2024	
Remaining Life	0	

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Kubota continued...



No update for 2024

General Operations - Dump Truck - 2027

Asset ID	1025	1 Allowance @ \$10,495.00
		Asset Actual Cost \$10,495.00
		Percent Replacement 100%
Category	Maintenance Elements	Future Cost \$12,149.27
Placed in Service	January 2012	
Useful Life	15	
Replacement Year	2027	
Remaining Life	3	



No update for 2024

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Pickup - 2029

Asset ID	1026	1 Allowance @	\$12,830.00
		Asset Actual Cost	\$12,830.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$16,374.69
Placed in Service	January 2014		
Useful Life	15		
Replacement Year	2029		
Remaining Life	5		



No update for 2024

General Operations - Dump Trailer - 2024

Asset ID	1027	1 Allowance @	\$8,165.00
		Asset Actual Cost	\$8,165.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$8,165.00
Placed in Service	January 2022		
Useful Life	15		
Adjustment	-14		
Replacement Year	2024		
Remaining Life	0		

No update for 2024

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Detail Report by Category**

General Operations - Zero Turn Mower - 2029

Asset ID	1028	1 Allowance	@ \$8,165.00
		Asset Actual Cost	\$8,165.00
		Percent Replacement	100%
Category	Maintenance Elements	Future Cost	\$10,420.84
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	5		



No update for 2024

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Expenses by Item and by Calender Year**

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Administrative Building - Deck Major Repair/Re..										
Administrative Building - Exterior Paint & Staini..										
Administrative Building - Interior Update						29,035				
Administrative Building - Roof Replacement										
Administrative Building - Security System							46,897			
Administrative Building - Siding Replacement/P..				81,016						
Administrative Building - Window Replacement				16,201						
Clubhouse - Interior Update		42,856								
Clubhouse - Lighting Fixtures										
Clubhouse - Roof Replacement										
Clubhouse - Window & Glass Door Replaceme..			75,229							
General Operations - Backhoe										
General Operations - Dump Trailer	8,165									
General Operations - Dump Truck				12,149						
General Operations - Flatbed		28,166								
General Operations - Kubota	34,995									
General Operations - Maintenance Office							10,942			
General Operations - Maintenance Shop		12,248								
General Operations - Mowers		25,300								
General Operations - Pickup						16,375				
General Operations - Zero Turn Mower						10,421				
Pool Area - Chain Link Fence										
Pool Area - Drum Filter	11,665									
Pool Area - Furniture						2,978				
Pool Area - Heater				16,201						
Pool Area - Pumps & Components				11,339						
Pool Area - Replaster & Paint								69,511		
Pool Building - Interior Update										
Year Total:	54,825	108,570	75,229	136,907		58,808	57,839	69,511		

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Expenses by Item and by Calender Year**

Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Administrative Building - Deck Major Repair/Re..								64,967		
Administrative Building - Exterior Paint & Staini..				13,190						
Administrative Building - Interior Update										
Administrative Building - Roof Replacement										
Administrative Building - Security System										
Administrative Building - Siding Replacement/P..										
Administrative Building - Window Replacement										
Clubhouse - Interior Update							89,094			
Clubhouse - Lighting Fixtures					35,421					
Clubhouse - Roof Replacement										
Clubhouse - Window & Glass Door Replaceme..										
General Operations - Backhoe										
General Operations - Dump Trailer						16,974				
General Operations - Dump Truck									25,257	
General Operations - Flatbed		45,880								
General Operations - Kubota						72,752				
General Operations - Maintenance Office										
General Operations - Maintenance Shop										
General Operations - Mowers		41,211								
General Operations - Pickup										
General Operations - Zero Turn Mower						16,974				
Pool Area - Chain Link Fence							14,854			
Pool Area - Drum Filter						24,251				
Pool Area - Furniture		3,990						5,347		
Pool Area - Heater									33,681	
Pool Area - Pumps & Components									23,573	
Pool Area - Replaster & Paint										124,831
Pool Building - Interior Update		29,922								
Year Total:		121,003		13,190	35,421	130,952	103,948	70,314	82,511	124,831

**Glenhaven Lakes Club - Operations Level 3a Study 2024
Expenses by Item and by Calender Year**

Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Administrative Building - Deck Major Repair/Re..										
Administrative Building - Exterior Paint & Staini..				21,485						
Administrative Building - Interior Update	60,363									
Administrative Building - Roof Replacement					91,690					
Administrative Building - Security System		97,495								
Administrative Building - Siding Replacement/P..										
Administrative Building - Window Replacement										
Clubhouse - Interior Update										
Clubhouse - Lighting Fixtures										73,638
Clubhouse - Roof Replacement					58,842					
Clubhouse - Window & Glass Door Replaceme..										
General Operations - Backhoe				80,320						
General Operations - Dump Trailer										
General Operations - Dump Truck										
General Operations - Flatbed		74,733								
General Operations - Kubota										
General Operations - Maintenance Office							29,032			
General Operations - Maintenance Shop										
General Operations - Mowers		67,128								
General Operations - Pickup	34,042									
General Operations - Zero Turn Mower						27,650				
Pool Area - Chain Link Fence										
Pool Area - Drum Filter										
Pool Area - Furniture				7,166						9,603
Pool Area - Heater										
Pool Area - Pumps & Components										
Pool Area - Replaster & Paint										
Pool Building - Interior Update							62,206			
Year Total:	94,404	239,356		108,971	150,532	27,650	91,239			83,240



Reserve Study Disclosure Form

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2019)

Name of Association: Glenhaven Lakes Club - Operations

Current Year Reported Budget Contribution to Reserves: \$59,784

Recommended 2024 Contribution to Reserves, per study: \$65,500

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$178,957
(Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount)

Projected Year End Balance If the account was Fully Funded: \$421,646

5 Year Balances

Estimates Per Study:	2024	2025	2026	2027	2028
Projected Year End Reserve Balances at Current Contribution Level	\$178,957	\$135,474	\$126,903	\$60,237	\$135,205
<u><i>Average Deficit/Surplus Per Member: \$-\$209 Percent Funded 41%</i></u>					
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$184,773	\$147,515	\$147,028	\$87,450	\$169,990
Projected Year End Fully Funded Reserves If Fully Funded:	\$421,646	\$368,301	\$349,276	\$266,617	\$320,653
Percent Reserve is Fully Funded at Current Funding Level:	42%	37%	36%	23%	42%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? Yes

To be Completed by Management

Proposed 2024 Budget's Contribution to Reserves: _____

Is Additional Funding (Regular or Special Assessment) Planned? Yes/No

When is it due? (Month/Year) _____

What is the Purpose?	Description of Project(s):

Duration of Assessment: Start Date _____ End Date _____

Assessment Amount per Unit on Average: Per Month _____ Per Year _____

Author Name _____

Glenhaven Lakes Club - Operations Level 3a Study 2024

Appendix - Disclosure, Definitions & Calculations

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all Reserve Items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve Items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

Washington State Homeowners and Condominium Act Compliance with RCW 64.38 and RCW 64.34 (2019)

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. A reserve component list (as applicable), including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component.

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

- a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c) 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 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.

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis of the last 12 months has been used to determine future expense estimates. Based on the current economic conditions, the inflation rate will need to be closely monitored as this is a critical factor in reserve planning for future fund needs.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the components' useful life,

Glenhaven Lakes Club - Operations Level 3a Study 2024

Appendix - Disclosure, Definitions & Calculations

effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful lives of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

Study Method

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Items Beyond the Scope of this Report

Building or land appraisals for any purpose.

State or local zoning ordinance violations.

Building code violations.

Soils conditions, soils contamination or geological stability of site.

Engineering analysis or structural stability of site.

Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, radon, water quality or other environmental hazards.

Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site. This study is not a pest inspection.

Adequacy or efficiency of any system or component on site.

Specifically excluded reserve items:

Septic systems and septic tanks.

Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.

Items concealed by signs.

Missing or omitted information supplied by the Client for the purposes of reserve study preparation.

Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

Definitions:

Purpose of Distribution

Distribution will have no real meaning for a cash flow model. But the nature of the Fully Funded Model requires it. Annuity payments are based on an accumulation of reserves for each component in the study. Because a study will rarely start with 'perfect' funding for each component, a starting point for each year must be established.

At the start of the study (The beginning fiscal date)

The beginning balance is used for distribution

Going through the components ordered by remaining life and starting with the least remaining life, the balance is assigned to the components by the value of fully funded for each component. Fully funded for components with no life left is the replacement value of the component.

Glenhaven Lakes Club - Operations Level 3a Study 2024 Appendix - Disclosure, Definitions & Calculations

If after the last component there is still a balance remaining, the list of components is iterated again and the moneys are assigned at the replacement cost of each component.

If after the second pass on there are remaining funds then just the components being replaced are iterated and distribution is set to twice the replacement value.

If there are still funds after the above, they are considered excess funds.

In each following year of the projection

Money is accumulated from contributions and interest on deposit. Expenditures for replacement/repair of components is subtracted. This becomes the ending balance of the year. This money is distributed in the same manner as described above.

Calculations:

Fully Funded Methods

Basic Fully Funded

There are two published methods of calculating Fully Funded. The first only considers the present value of a component. Present value in each period will change according to the inflation applied.

$$FullyFunded = (Age / Useful Life) * Present Value$$

Community Association Press Fully Funded

To account for inflation and interest earned on deposit the writers of **'RESERVE FUNDS: How & Why community Associations Invest Assets'** came up with:

$$Basic_FF = (Age / Useful Life) * Present Value$$

$$CAI_FF = Basic_FF \\ + Basic_FF / (1 + interest)^{Remaining Life} \\ - Basic_FF / (1 + inflation)^{Remaining Life}$$