



5116 Heather Drive
Anacortes, WA 98221
360.588.9956

Funding Reserve Analysis *for* The Meadows Community Level 3 Study 2020

January 11, 2020

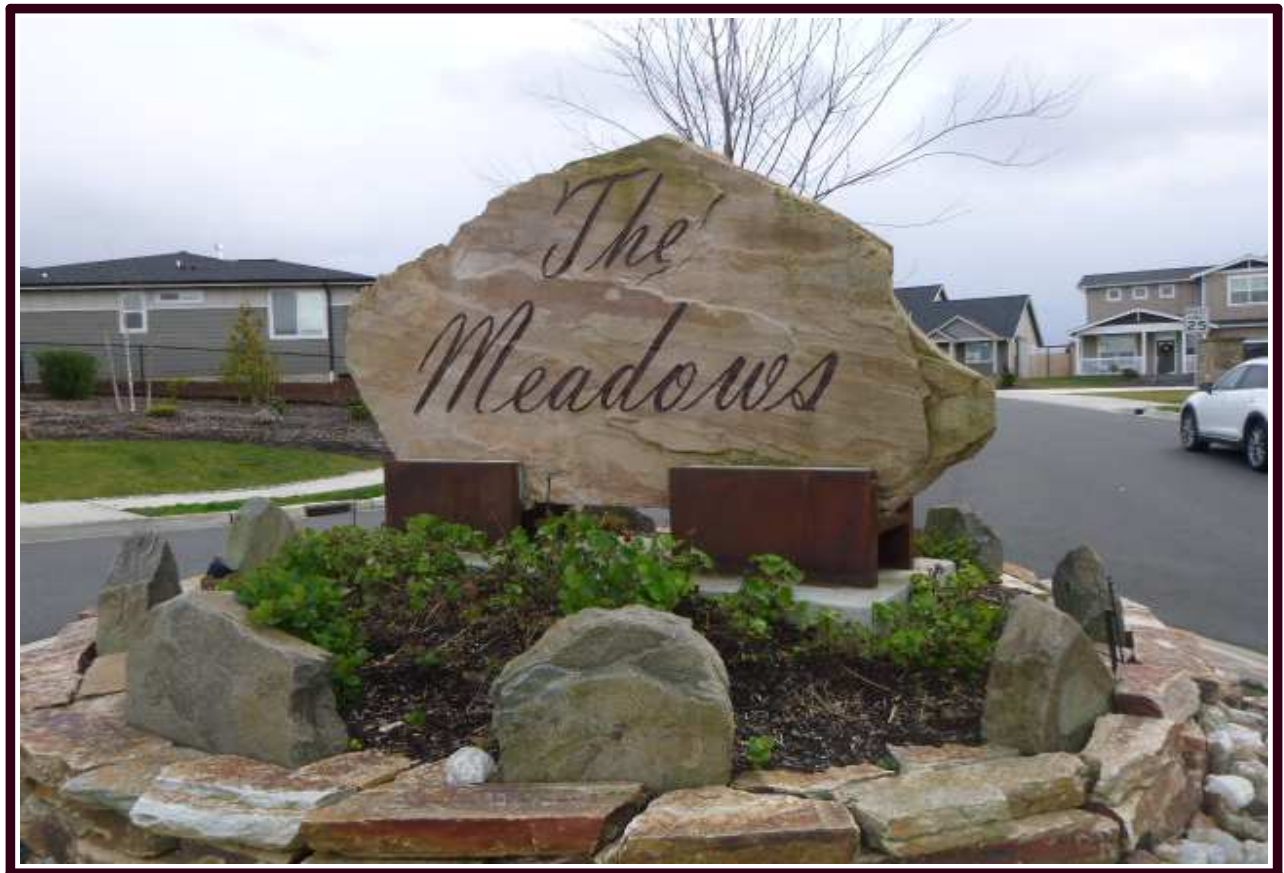


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5116 Heather Drive
Anacortes, WA 9822
360.588.9956

January 11, 2020

Ms. Teresa Bosteter
Windermere Management
541 W. Bakerview Rd
Bellingham WA 98226

Dear Ms. Teresa Bosteter,

First we would like to thank you for using 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 you will find three funding models, all of which detail how your association finances will look during the 30 year forecast window. The first model is based on your Current Level of Contributions to your reserve fund. The second model is called Baseline Funded and is designed to show the reserve funding with little or no margin for unexpected expenses. The third model is named Fully Funded and we are required to provide it per the State of Washington RCW 64.34.380."

Executive Summary

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.

This year's report is a Level 3 Reserve financial update only and does not include a site inspection or revision to the community's assets. For this report we have relied on current information provided by management, previous reserve studies and field notes from our last site visit.

No projects in the past year or coming year were reported by the association. Please refer to the detailed report pages in the following sections of the report.

(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 an inflation factor of 3% will be used in all funding models).

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 70-130% range enjoy a low risk of special assessments or deferred maintenance.

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 set at 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 - \$6,000

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 - \$5,180

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 minimum funding parameters and seeks to reach this minimum reserve level and may show high initial contributions).

Recommended Total Annual Reserve Contribution - \$5,283

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.

Initial Reserves

Initial reserves for this reserve study were reported to be \$9,089 as of October 31, 2019. 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 December 20, 2018.

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

Introduction

Project Description

The Meadows is a 157 residential lot community located in Ferndale Washington. The first homes were built in 2016 and construction continues as the community grows. Assets include wooden foot bridges along the extensive gravel pathways, asphalt paved areas, wetlands, split rail fencing, signage and residence mailboxes.

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 (RCW 64.38 and RCW 64.34)

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, 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; In this Reserve Study the following components are excluded:

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

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, 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.

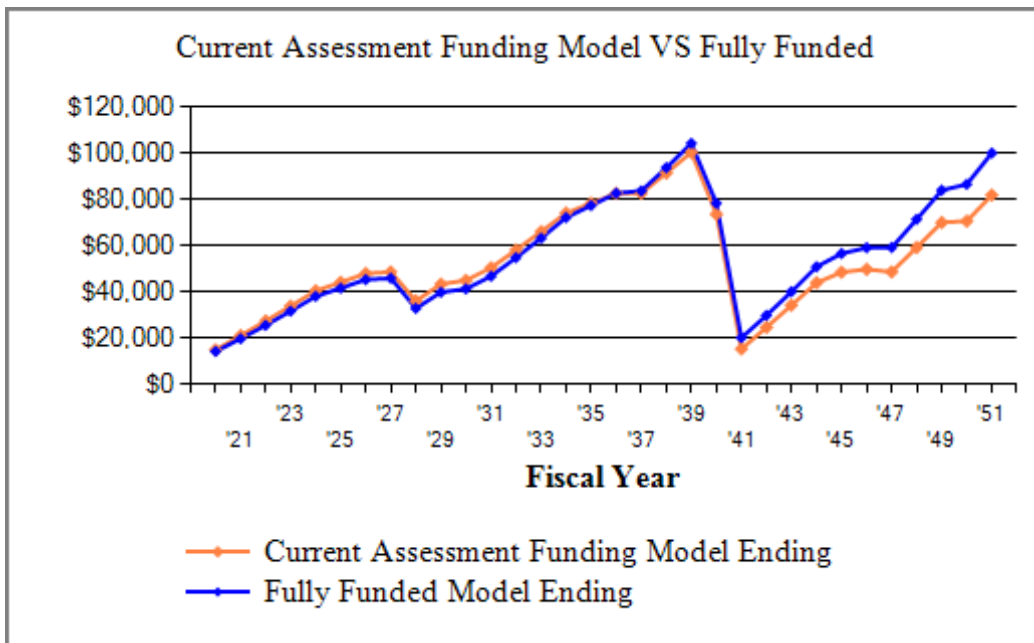
Missing or omitted information supplied by the Client for the purposes of reserve study preparation.

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

The Meadows Community Level 3 Study 2020
 Ferndale, WA
Current Assessment Projection Summary

Report Date	January 11, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	157

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$9,089



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.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$6,000.00
<i>\$38.22 per unit annually</i>	
Average Net Annual Interest Earned	\$26.41
Total Annual Allocation to Reserves	\$6,026.41
<i>\$38.38 per unit annually</i>	

**The Meadows Community Level 3 Study 2020
Current Assessment Projection**

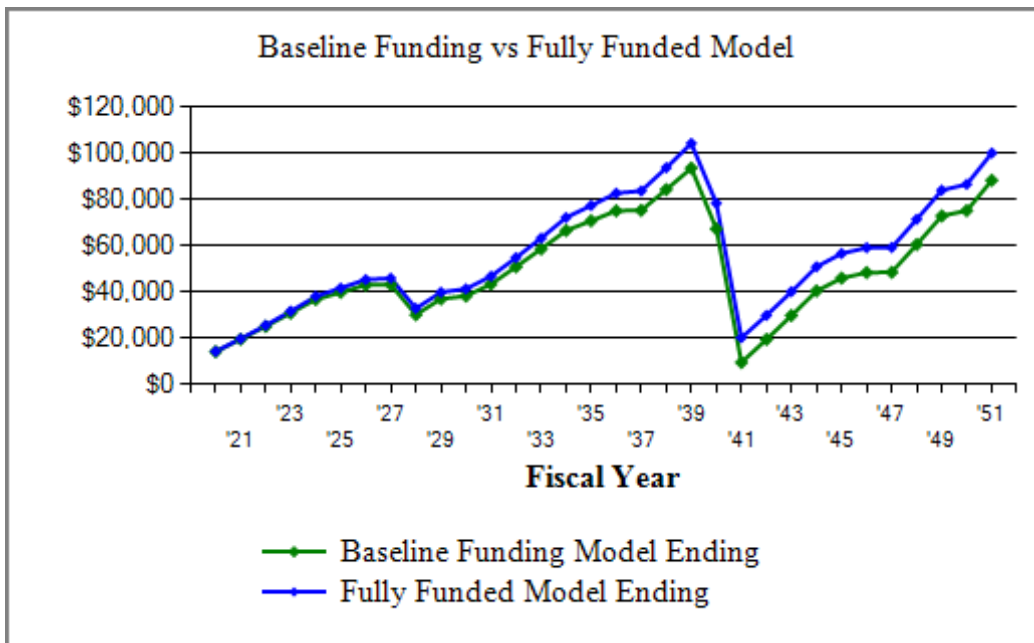
Beginning Balance: \$9,089

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	6,000	26		15,115	21,400	71%
2021	6,120	37		21,273	26,451	80%
2022	6,242	48		27,563	31,785	87%
2023	6,367	59		33,990	37,416	91%
2024	6,495	71		40,555	43,356	94%
2025	6,624	77	2,985	44,272	46,509	95%
2026	6,757	84	3,075	48,038	49,813	96%
2027	6,892	85	6,334	48,681	50,071	97%
2028	7,030	63	19,572	36,203	36,860	98%
2029	7,171	76		43,449	43,574	100%
2030	7,314	79	5,779	45,063	44,877	100%
2031	7,460	88	2,139	50,473	50,146	101%
2032	7,609	102		58,184	57,960	100%
2033	7,762	115		66,061	66,198	100%
2034	7,917	129		74,108	74,877	99%
2035	8,075	137	4,012	78,308	79,886	98%
2036	8,237	144	4,132	82,557	85,128	97%
2037	8,401	144	8,512	82,590	86,229	96%
2038	8,569	160		91,319	96,350	95%
2039	8,741	175		100,235	107,000	94%
2040	8,916	129	35,671	73,609	81,462	90%
2041	9,094	27	67,250	15,480	22,872	68%
2042	9,276	43		24,799	32,037	77%
2043	9,461	60		34,321	41,732	82%
2044	9,651	77		44,048	51,980	85%
2045	9,844	85	5,391	48,585	57,252	85%
2046	10,041	87	8,885	49,828	59,362	84%
2047	10,241	85	11,440	48,714	59,190	82%
2048	10,446	104		59,264	71,091	83%
2049	10,655	122		70,042	83,652	84%
2050	10,868	123	10,437	70,596	86,153	82%
2051	11,086	143		81,824	99,801	82%

The Meadows Community Level 3 Study 2020
 Ferndale, WA
Baseline Funding Model Summary

Report Date	January 11, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	157

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$9,089



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.

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$5,180.07
<i>\$32.99 per unit annually</i>	
Average Net Annual Interest Earned	\$24.97
Total Annual Allocation to Reserves	<u>\$5,205.04</u>
<i>\$33.15 per unit annually</i>	

**The Meadows Community Level 3 Study 2020
Baseline Funding Model Projection**

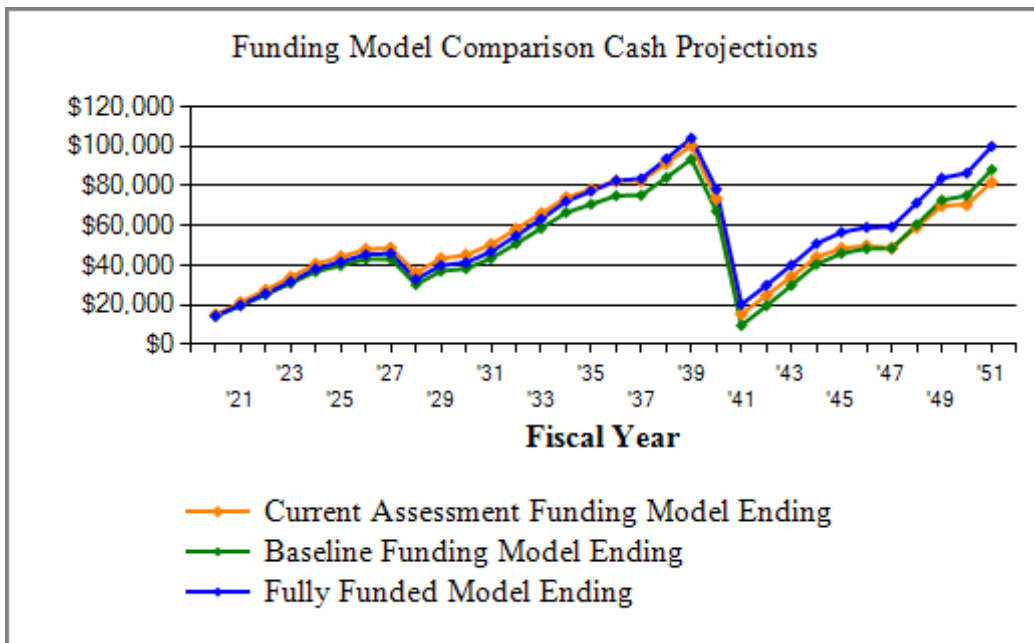
Beginning Balance: \$9,089

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	5,180	25		14,294	21,400	67%
2021	5,335	34		19,664	26,451	74%
2022	5,496	44		25,203	31,785	79%
2023	5,660	54		30,918	37,416	83%
2024	5,830	64		36,812	43,356	85%
2025	6,005	70	2,985	39,902	46,509	86%
2026	6,185	75	3,075	43,088	49,813	86%
2027	6,371	75	6,334	43,200	50,071	86%
2028	6,562	53	19,572	30,244	36,860	82%
2029	6,759	65		37,067	43,574	85%
2030	6,962	67	5,779	38,317	44,877	85%
2031	7,170	76	2,139	43,425	50,146	87%
2032	7,386	89		50,899	57,960	88%
2033	7,607	102		58,608	66,198	89%
2034	7,835	116		66,560	74,877	89%
2035	8,070	124	4,012	70,742	79,886	89%
2036	8,312	131	4,132	75,054	85,128	88%
2037	8,562	131	8,512	75,235	86,229	87%
2038	8,819	147		84,201	96,350	87%
2039	9,083	163		93,447	107,000	87%
2040	9,356	117	35,671	67,250	81,462	83%
2041	9,636	17	67,250	9,653	22,872	42%
2042	9,926	34		19,613	32,037	61%
2043	10,223	52		29,889	41,732	72%
2044	10,530	71		40,490	51,980	78%
2045	10,846	80	5,391	46,024	57,252	80%
2046	11,171	85	8,885	48,395	59,362	82%
2047	11,506	85	11,440	48,547	59,190	82%
2048	11,852	106		60,504	71,091	85%
2049	12,207	127		72,838	83,652	87%
2050	12,573	131	10,437	75,106	86,153	87%
2051	12,951	154		88,211	99,801	88%

The Meadows Community Level 3 Study 2020
 Ferndale, WA
Fully Funded Model Summary

Report Date	January 11, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	157

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$9,089



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.

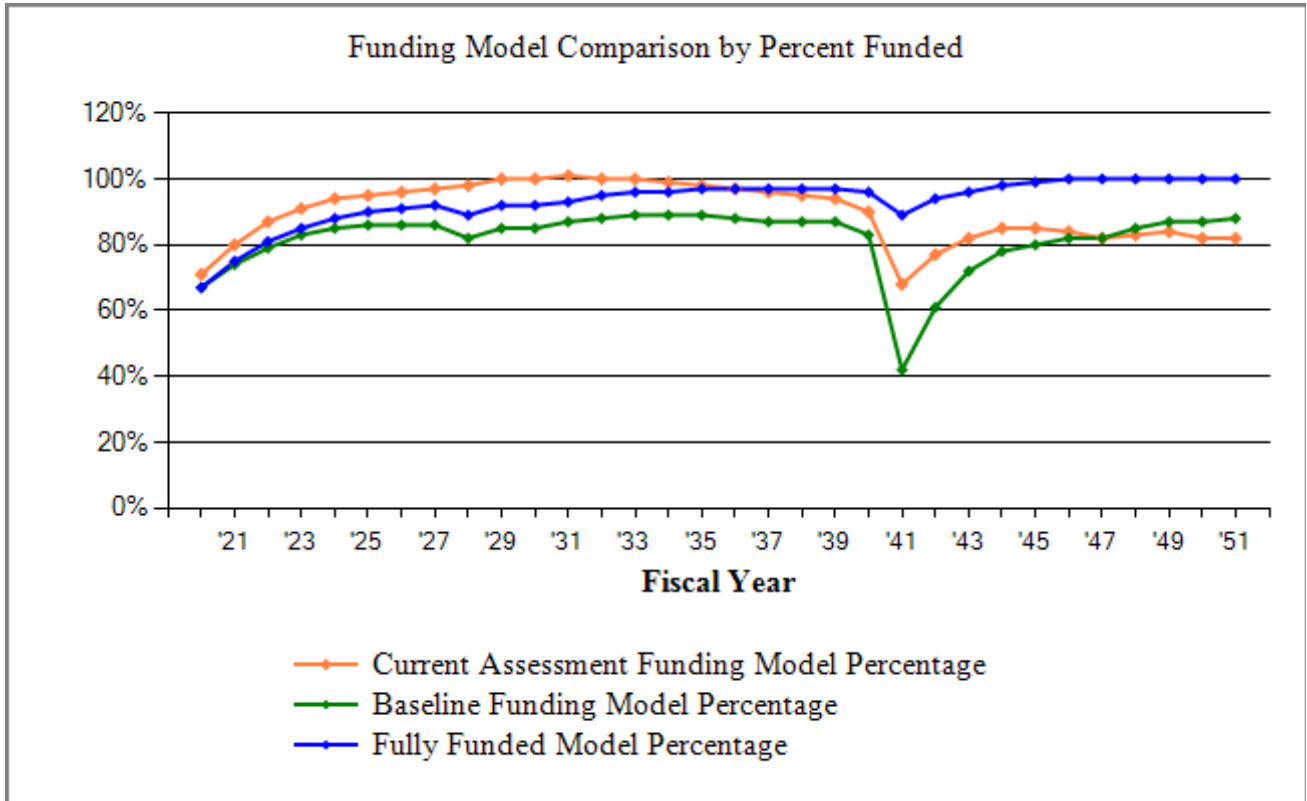
Fully Funded Model Summary of Calculations	
Required Annual Contribution	\$5,283.39
<i>\$33.65 per unit annually</i>	
Average Net Annual Interest Earned	\$25.15
Total Annual Allocation to Reserves	\$5,308.54
<i>\$33.81 per unit annually</i>	

**The Meadows Community Level 3 Study 2020
Fully Funded Model Projection**

Beginning Balance: \$9,089

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	5,283	25		14,398	21,400	67%
2021	5,472	35		19,904	26,451	75%
2022	5,745	45		25,694	31,785	81%
2023	6,029	56		31,779	37,416	85%
2024	6,322	67		38,167	43,356	88%
2025	6,480	73	2,985	41,735	46,509	90%
2026	6,674	79	3,075	45,413	49,813	91%
2027	6,812	80	6,334	45,971	50,071	92%
2028	6,525	58	19,572	32,983	36,860	89%
2029	6,870	70		39,922	43,574	92%
2030	7,173	72	5,779	41,389	44,877	92%
2031	7,508	82	2,139	46,840	50,146	93%
2032	7,907	96		54,843	57,960	95%
2033	8,321	111		63,274	66,198	96%
2034	8,752	126		72,152	74,877	96%
2035	9,047	135	4,012	77,322	79,886	97%
2036	9,314	144	4,132	82,648	85,128	97%
2037	9,350	146	8,512	83,632	86,229	97%
2038	9,810	164		93,605	96,350	97%
2039	10,330	182		104,117	107,000	97%
2040	9,700	137	35,671	78,283	81,462	96%
2041	9,243	35	67,250	20,312	22,872	89%
2042	9,609	52		29,973	32,037	94%
2043	10,124	70		40,167	41,732	96%
2044	10,658	89		50,914	51,980	98%
2045	11,007	99	5,391	56,629	57,252	99%
2046	11,282	103	8,885	59,129	59,362	100%
2047	11,434	103	11,440	59,227	59,190	100%
2048	12,024	125		71,375	71,091	100%
2049	12,406	147		83,927	83,652	100%
2050	12,818	151	10,437	86,459	86,153	100%
2051	13,332	175		99,966	99,801	100%

**The Meadows Community Level 3 Study 2020
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.

**The Meadows Community Level 3 Study 2020
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2020</i>	
<i>No Replacement in 2021</i>	
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
<i>No Replacement in 2024</i>	
Replacement Year 2025	
Foot Bridge Major Repair/Replacement	2,985
Total for 2025	\$2,985
Replacement Year 2026	
Landscape Refurbish/Maintenace	3,075
Total for 2026	\$3,075
Replacement Year 2027	
Gravel Pathway Refurbish	6,334
Total for 2027	\$6,334
Replacement Year 2028	
Split Rail Fence Repair/Replacement	19,572
Total for 2028	\$19,572
<i>No Replacement in 2029</i>	
Replacement Year 2030	
Asphalt Paved Areas	5,779
Total for 2030	\$5,779
Replacement Year 2031	
Signage	2,139
Total for 2031	\$2,139
<i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
Replacement Year 2035	
Foot Bridge Major Repair/Replacement	4,012
Total for 2035	\$4,012

**The Meadows Community Level 3 Study 2020
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2036	
Landscape Refurbish/Maintenace	4,132
Total for 2036	\$4,132
Replacement Year 2037	
Gravel Pathway Refurbish	8,512
Total for 2037	\$8,512
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Asphalt Paved Areas	7,766
Split Rail Fence Repair/Replacement	27,904
Total for 2040	\$35,671
Replacement Year 2041	
Mail Box Major Repair/Replacement	67,250
Total for 2041	\$67,250
<i>No Replacement in 2042</i>	
<i>No Replacement in 2043</i>	
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Foot Bridge Major Repair/Replacement	5,391
Total for 2045	\$5,391
Replacement Year 2046	
Landscape Refurbish/Maintenace	5,553
Signage	3,332
Total for 2046	\$8,885
Replacement Year 2047	
Gravel Pathway Refurbish	11,440
Total for 2047	\$11,440

**The Meadows Community Level 3 Study 2020
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2048</i>	
<i>No Replacement in 2049</i>	
Replacement Year 2050	
Asphalt Paved Areas	10,437
Total for 2050	<u>\$10,437</u>
<i>No Replacement in 2051</i>	

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Foot Bridge Major Repair/Replacement - 2025

Asset ID	1001	1 Allowance	@ \$2,575.00
		Asset Cost	\$2,575.00
		Percent Replacement	100%
		Future Cost	\$2,985.13
	Grounds Components		
Placed in Service	January 2016		
Useful Life	10		
Adjustment	-1		
Replacement Year	2025		
Remaining Life	5		



No update for 2020

The community has three wooden foot bridges along the walking pathway. They all appear relatively new, however the bridge with the railing has already developed a slight sag and should be monitored for further deflection. Funds are included for repair and eventual replacement of these structures.

Split Rail Fence Repair/Replacement - 2028

Asset ID	1002	1 Allowance	@ \$15,450.00
		Asset Cost	\$15,450.00
		Percent Replacement	100%
		Future Cost	\$19,571.60
	Fencing/Security		
Placed in Service	January 2016		
Useful Life	12		
Replacement Year	2028		
Remaining Life	8		

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Split Rail Fence Repair/Replacement continued...



No update for 2020

There is extensive use of split rail type fencing around the wetland areas that will require repair and replacement in the future. Most split rail construction uses holes in the posts where the rails are placed through these holes and therefore supported. The rails on this fence are connected to the posts with large fasteners which will require additional maintenance. Additionally the posts were installed directly into the soil rather than longer lasting concrete.

Landscape Refurbish/Maintenace - 2026

Asset ID	1003	1 Allowance	@ \$2,575.00
		Asset Cost	\$2,575.00
		Percent Replacement	100%
		Future Cost	\$3,074.68
Grounds Components			
Placed in Service	January 2016		
Useful Life	10		
Replacement Year	2026		
Remaining Life	6		



No update for 2020

A small landscape refurbish and maintenance fund has been included.

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Wetlands Management

Asset ID	1004	Asset Cost	
		Percent Replacement	100%
Grounds Components		Future Cost	
Placed in Service	January 2016		
No Useful Life			



The community includes several large wetland/storm water areas that may require maintenance in the future. At this time this category is unfunded as it appears that it will be left in a natural state.

Gravel Pathway Refurbish - 2027

Asset ID	1005	1 Allowance	@ \$5,150.00
		Asset Cost	\$5,150.00
Grounds Components		Percent Replacement	100%
Placed in Service	January 2016	Future Cost	\$6,333.85
Useful Life	10		
Adjustment	1		
Replacement Year	2027		
Remaining Life	7		

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Gravel Pathway Refurbish continued...



No update for 2020

The community includes an extensive gravel walking pathway as well as some rip-rap surfaced access roads. Funding is included for pathway gravel refurbishing in 10 year cycles. Only occasional use of the rip-rap surfaced areas is anticipated and therefore not funded.

Asphalt Paved Areas - 2030		1 Allowance	@ \$4,300.00
Asset ID	1006	Asset Cost	\$4,300.00
		Percent Replacement	100%
		Future Cost	\$5,778.84
Streets/Asphalt			
Placed in Service	January 2016		
Useful Life	10		
Adjustment	4		
Replacement Year	2030		
Remaining Life	10		



No update for 2020

Most of the streets within the plat are city maintained, however there are two private lanes plus three driveway accesses that are the association's responsibility. The budget includes funds for minor repairs and seal coat application in 10 year cycles.

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Mail Box Major Repair/Replacement - 2041

Asset ID	1007	1 Allowance @	\$36,150.00
		Asset Cost	\$36,150.00
		Percent Replacement	100%
		Future Cost	\$67,249.65
Placed in Service	Mailboxes		
	January 2016		
Useful Life	25		
Replacement Year	2041		
Remaining Life	21		



No update for 2020

Commercial mailboxes should provide a useful life of 25 years or more with proper maintenance. Annual inspection, repair and lubrication can greatly lengthen the longevity of this equipment.

Signage - 2031

Asset ID	1008	1 Allowance @	\$1,545.00
		Asset Cost	\$1,545.00
		Percent Replacement	100%
		Future Cost	\$2,138.64
Placed in Service	Signs		
	January 2016		
Useful Life	15		
Replacement Year	2031		
Remaining Life	11		

**The Meadows Community Level 3 Study 2020
Detail Report by Category**

Signage continued...



No update for 2020

Funding for maintenance and replacement of the community signs is included.

**The Meadows Community Level 3 Study 2020
Expenses by Item and by Calender Year**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Asphalt Paved Areas										
Foot Bridge Major Repair/Replacement						2,985				
Gravel Pathway Refurbish								6,334		
Landscape Refurbish/Maintenace							3,075			
Mail Box Major Repair/Replacement Signage										
Split Rail Fence Repair/Replacement									19,572	
Wetlands Management	<i>Unfunded</i>									
Year Total:						2,985	3,075	6,334	19,572	

**The Meadows Community Level 3 Study 2020
Expenses by Item and by Calender Year**

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Asphalt Paved Areas	5,779									
Foot Bridge Major Repair/Replacement						4,012				
Gravel Pathway Refurbish								8,512		
Landscape Refurbish/Maintenace							4,132			
Mail Box Major Repair/Replacement										
Signage		2,139								
Split Rail Fence Repair/Replacement										
Wetlands Management	<i>Unfunded</i>									
Year Total:	5,779	2,139				4,012	4,132	8,512		

**The Meadows Community Level 3 Study 2020
Expenses by Item and by Calendar Year**

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Asphalt Paved Areas	7,766									
Foot Bridge Major Repair/Replacement						5,391				
Gravel Pathway Refurbish								11,440		
Landscape Refurbish/Maintenace							5,553			
Mail Box Major Repair/Replacement		67,250								
Signage							3,332			
Split Rail Fence Repair/Replacement	27,904									
Wetlands Management	<i>Unfunded</i>									
Year Total:	35,671	67,250				5,391	8,885	11,440		

**The Meadows Community Level 3 Study 2020
Expenses by Item and by Calender Year**

Description	2050	2051
Asphalt Paved Areas	10,437	
Foot Bridge Major Repair/Replacement		
Gravel Pathway Refurbish		
Landscape Refurbish/Maintenace		
Mail Box Major Repair/Replacement		
Signage		
Split Rail Fence Repair/Replacement		
Wetlands Management		<i>Unfunded</i>
Year Total:	10,437	



Reserve Study Disclosure Form

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2016)

Name of Association: The Meadows Community

Current Year Reported Budget Contribution to Reserves: \$6,000

Recommended 2020 Contribution to Reserves, per study: \$5,283

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$15,115
(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: \$21,400

5 Year Balances

Estimates Per Study:	2020	2021	2022	2023	2024
Projected Year End Reserve Balances at Current Contribution Level*	\$15,115	\$21,273	\$27,563	\$33,990	\$40,555
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$14,398	\$19,904	\$25,694	\$31,779	\$38,167
Projected Year End Fully Funded Reserves If Fully Funded:	\$21,400	\$26,451	\$31,785	\$37,416	\$43,356
Percent Reserve is Fully Funded at Current Funding Level: *	71%	80%	87%	91%	94%

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 2020 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 _____

Source Key: Budget/Reserve Study

Date of Completion _____

* Projection includes a 3% Increase Per Year