



Sunland Division 7 Condo

Report #: 23127-6

Sequim, WA

# of Units: 63

Level of Service: Update "No-Site-Visit"

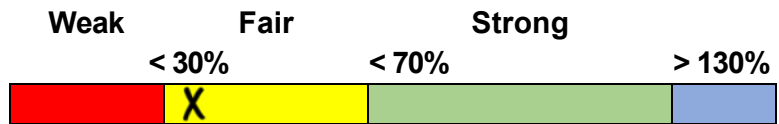
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Starting Reserve Balance	\$270,395
Current Fully Funded Reserve Balance	\$746,356
Percent Funded	36.2 %
Average Reserve (Deficit) or Surplus Per Unit	(\$7,555)
2022 100% Quarterly "Full Funding" Contributions	\$22,584
2022 "Baseline Funding" minimum Reserves above \$0	\$17,679
Recommended 2022 Special Assessment	\$0
Most Recent Budgeted Contribution Rate	\$6,775

Reserve Fund Strength: 36.2%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00 %
Annual Inflation Rate	3.00 %

- This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS153).
- The reader should note that a number of significant expenses have historically been and continue to be treated as annual operating budget items, including exterior painting, deck repairs and replacements, among others. Going forward, this Reserve Study continues to assume excluding impact of those type expenses upon your maintenance reserves, primarily only accruing for asphalt and roof replacements as you have historically indicated. Further, as in the last 2021 NSV report current BOD directed us to continue reserve funding for \$40,000 monies to be accrued by end FY 2025 for "Emergency Landscape/Maintenance Reserves". Lastly, we are now recommending a one-time evaluation of your almost 50 year old COA plumbing systems to benefit future long term planning. Incorporate those results into your next reserve study update for FY 2023.
- With the preceding understanding, your Reserve Fund is currently 36.2 % Funded. This means the association's special assessment and/or deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to significantly increase Quarterly Reserve Contributions to the 100% range as noted above. The 100% "Full" contribution rate is designed to gradually achieve the funding objectives by the end of our 30-year report scope.

- No assets appropriate for Reserve designation known to be excluded. See appendix for important component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Site/Grounds</b>				
110	Asphalt - Resurface	30	3	\$90,000
<b>Building Exteriors</b>				
600	Comp Roof, 1997/1998 - Replace	25	1	\$132,000
601	Comp Roof, 2001 - Replace	25	2	\$58,200
602	Comp Roof, 2002 - Replace	25	3	\$205,200
603	Comp Roof, 2003 - Replace	25	4	\$58,200
605	Comp Roof, 2005 - Replace	25	6	\$59,400
606	Comp Roof, 2006 - Replace	25	7	\$63,600
607	Comp Roof, 2018 - Replace	25	21	\$45,000
609	Comp Roof, 2020 -Replace	25	23	\$139,800
610	Comp Roof, 2021 - Replace	25	24	\$62,200
614	Tile Roof,1990 - Comp Transition	25	10	\$202,200
<b>Equipment/Systems</b>				
899	Plumbing - Systems Evaluation	50	0	\$12,500
<b>Professional/Special Projects</b>				
900	Contingency/Emergency Fund	0	3	\$40,000
<b>13 Total Funded Components</b>				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.